

## HINDUSTAN LEVER LIMITED – 2003 RESULTS.

- ♦ HPC Power Brand doubles growth to 6.5% in 2003 (3.2% in 2002)
- ♦ HPC grows by 4.6% in 2003 led by 14.8% growth in Personal Products
- ♦ Brooke Bond grows by 6% in 2003
- ♦ Processed Food gains momentum and grows by 20% in 2003
- ♦ Final Dividend of Rs.3.00 / Share. Distribution tax to be borne by the company

Mumbai, February 17, 2004: Hindustan Lever Limited (HLL) sales (excluding disposed businesses) grew 4.3% for the year ended 31st December 03, over 2002. Operating Profit (profit before interest and income tax) at Rs. 2037.3 crs increased by 5.8%. PBT (Profit Before Tax) at 2244.9 crores and PAT (Profit After Tax) at Rs 1804.3 crores grew by 2.2% and 4.2% respectively. Lower PBT growth is essentially due to interest payable on bonus debentures issued to shareholders. Net Profit after providing for exceptional items stood at Rs. 1771.8 crores.

In December Quarter, sales (excluding disposed businesses) grew by 2.2% with FMCG businesses posting growth of 4%. Operating profits at Rs. 632.4 crores grew marginally by 1%. Operating profit growth should be viewed in the context of competitive pricing strategy in the fabric wash portfolio, higher investment in brand quality and driving growth through appropriate price point positioning. PBT and PAT at Rs. 646.1 crores and Rs. 562.33 crores respectively, recorded decline mainly on account of interest payable on bonus debentures. Net Profit at Rs. 494.7 crores is after providing for net exceptional charge of Rs. 67.6 crores. The exceptional costs relate to business restructuring and higher retirement benefit charge due to increase in annuity rates by LIC effective from 1st Nov 03.

Commenting on the performance, Mr.M.S.Banga, Chairman stated: "Our strategy of focussing on Power brands has put us firmly on the path of sustainable growth. In HPC, Power brand growth has doubled from 3.2% in 2002 to 6.5% in 2003. In Foods, Power brands have grown by 9% after declining in 2002. The prospects of higher disposable income, aided by good economic growth augurs well and we are determined to relentlessly pursue growth in the face of competitive challenges" Mr.Banga added.

## DIVIDEND

The Board of Directors at their meeting held on 17th February has proposed a final dividend of Rs. 3.00 / equity share of Re. 1, subject to

approval of shareholders in annual general meeting.

This final dividend along with the interim dividend declared in July 03 aggregates to Rs. 5.50 / Share of Re.1. Distribution tax will be borne by the company. For the purpose of ascertaining the shareholders who would be eligible to receive the final dividend for the year 2003, the Register of Members of the Company will be closed from 18th May 2004 to 1st June 2004(both days inclusive).

The Board of Directors at their meeting held on 17th February 2004 has also fixed 1st June 2004 as the RECORD DATE for ascertaining the names of debentureholders who would be entitled to the payment of 9% interest on Secured Fully Paid Non convertible Bonus Debentures allotted on 2nd July 2003.