

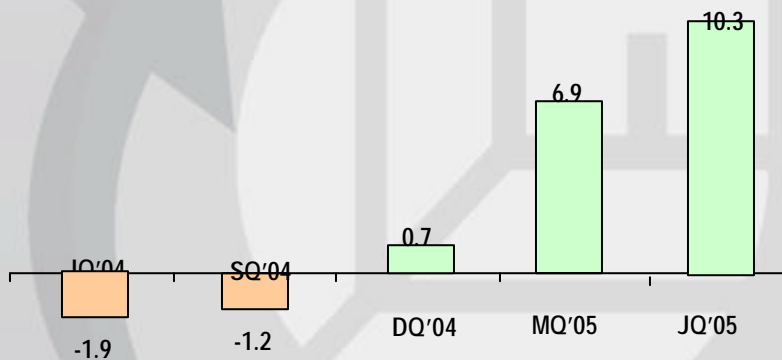
Hindustan Lever Limited

Analysts & Press Meet

30th July 2005

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JQ 2005 Highlights
Double digit topline growth



Volume growth at 7%

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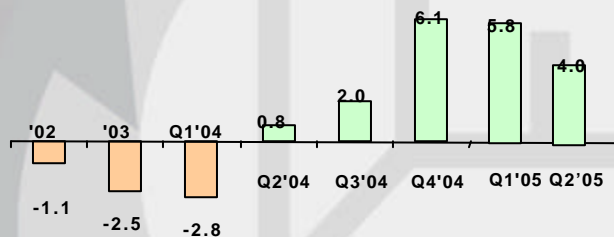
JQ 2005 Highlights Broadbased growth

		<u>Segment Growth%</u>
Soaps & Detergents	↑	9.3 %
Personal Products	↑	17.4 %
Beverages	↑	15.8 %
Ice Creams	↑	7.2 %
Processed Foods	↓	(4.8) %

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FMCG market context

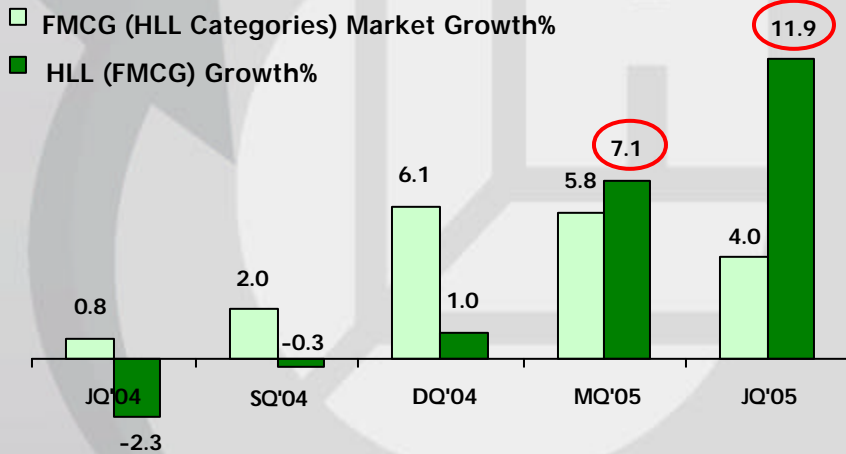
FMCG (HLL Categories) Market Growth%



- New equilibrium after choice explosion
- Higher levels of brand investments and innovations
- Revival largely urban led
- Rural no longer declining

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JQ 2005 Highlights Growth ahead of market



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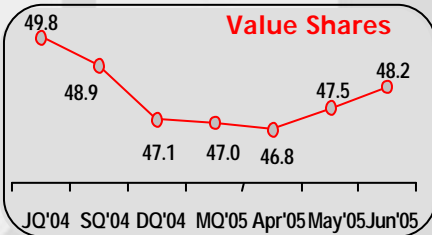
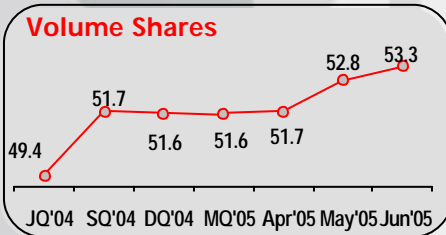
JQ 2005 Growth in all key HPC categories



Total HPC growth of 12% led by Shampoo & Laundry

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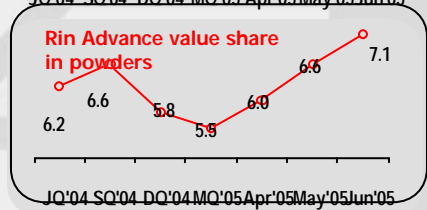
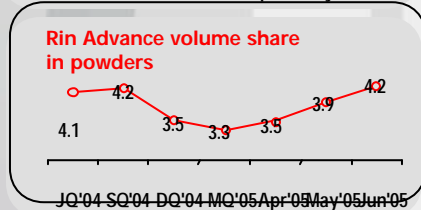
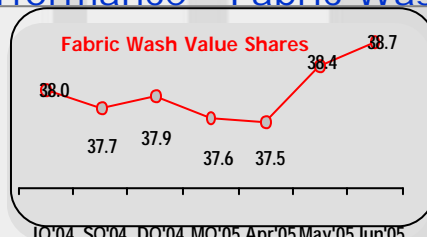
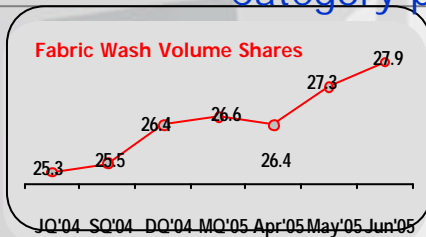
Category performance - Shampoo



- Strong volume & value growth (>20%); reflecting in share gains
- New variants (“Fresh & Cool” and “Velvety soft”) launched in Sunsilk

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Category performance - Fabric Wash



- Fabric wash growth accelerates with double digit growth in all brands
- Rin Advance gains shares in a competitive context
- “Wheel lemon fresh” launched with better sensorials

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Category performance - Personal Wash

- Overall growth modest
- Lifebuoy continues to do well with highest ever market share (18.8%);

Lifebuoy "Clear Skin" launched

- Lux declines; re-launched in April

JQ'04	Personal Wash	SQ ' 04	DQ ' 04	MQ'05	JQ'05
57.2	Value Shares	56.5	56.2	56.0	54.9

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Category performance - Toothpaste

- Double digit growth for the 2nd consecutive quarter
- Strong performance in CloseUp and Pepsodent; re-launch of CloseUp Lemon-mint and Pepsodent whitening

JQ'04	Toothpaste	SQ ' 04	DQ ' 04	MQ'05	JQ'05
32.9	Value Share	32.9	32.9	32.6	32.5

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Category performance - Skin

- Strong double digit growth
- Backed by strong growths in all brands - FAL, Ponds, Vaseline and Lakme
- Fair & Lovely core successfully relaunched with superior formulation & packaging

JQ'04	Skin	SQ ' 04	DQ ' 04	MQ'05	JQ'05
60.0	Value Share	60.0	60.2	60.0	59.4

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Foods Topline Highlights

	<u>Value Growth%</u>
Tea	↑
Coffee	↑
Ice-cream	↑
Processed Foods	↓

Strong growth of 11% in foods led by beverages

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Category performance - Beverages

- **Tea:** Strong double digit sales growth in both Brookebond and Lipton
- 6th consecutive quarter of growth for Brookebond
- New Taaza variant launched for market expansion

JQ'04	Value Shares	SQ'04	DQ'04	MQ'05	JQ'05
26.2	Brooke Bond	26.6	27.7	28.0	27.9

- **Coffee :** Strong double digit growth reflecting in market share gains
- Robust growth in both Instant and R&G following Bru re-launch

JQ'04	Value Shares	SQ'04	DQ'04	MQ'05	JQ'05
39.4	Bru Instant Coffee	40.4	38.1	36.6	42.2

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Category performance - Ice creams

- Sales grow 7%, backed by strong volume growth and four new impulse products
- Focus on affordable price points, parlours and distribution expansion

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Category performance - Processed foods

- Knorr grows strongly driven by soups
- Kissan flat - Strong growth in Squashes offset by decline in Ketchups & Jams
- Annapurna - Strong growth in Salt; Atta declines

JQ ' 04	Value Shares	SQ ' 04	DQ ' 04	MQ ' 05	JO'05
78.7	Jams	79.5	78.4	76.8	74.8
27.8	Ketchup	29.9	30.3	29.6	26.4
15.2	Salt	16.1	15.7	15.5	15.2

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FMCG



Specialty (Non-FMCG)



Total exports decline due to Non-FMCG

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New Ventures

- **Water** - Chennai on plan, being extended in TN
- **Shakti** - Now extended to 336 districts in 12 states;
60,000+ villages; Touching 70 mn rural people
- **HL Network** - Steady progress; Focus on consultant recruitment & training

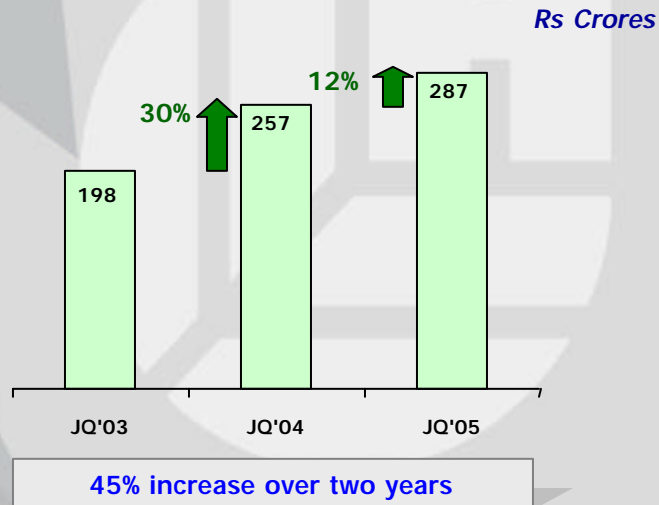
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Initiatives in channel & customer management

- New sales organisation in place.
- Greater focus on activation and point of sale demand creation
- Segmented approach to general trade and modern trade
- Improved customer service:
 - Continuous replenishment operational
 - Lower trade stock
 - Improved stock freshness
- Information Technology agenda

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High brand building investments continue



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Results Highlights

- Marginal growth in EBIT due to high brand investments and cost escalations partly neutralized through judicious price increases and cost savings
- PAT(bei) grows by 17.2% due to lower interest costs after redemption of Bonus Debentures and higher treasury income

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Financial Income

Rs Crores	JQ05	JQ04
Financial Income	48.2	29.4

Increase due to one-time capital gains

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HLL Results MO Vs JO 2005

MQ'05 Growth%		Rs Cr	JQ'05 Growth%
6.5%	Sales (Reported)	2836	10.3%
-26.8%	Operating EBIT	345	4.2%
10.5%	Op.EBIT Margin		12.2%
-23.7%	PBT	388	17.9%
-14.6%	PAT (bei)	300	17.2%
-15.1%	Net Profit	282	15.2%

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Dividends

- Board recommends an interim dividend of Rs 2.5 per share

Dividend per share of Re 1	2005	2004
Interim	2.500	2.500
Distribution Tax	0.351	0.326

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JQ 2005 In Summary

- Broad based sales growth, now ahead of market
- Good progress on key competitive battles - laundry and hair
- Continued focus on strengthening brands - A&P, Quality and Innovation
- Major change agenda in channel and customer management

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JQ 2005
In Summary

- EBIT margin adversely affected by structural issues - competitive context, and cost inflation partly neutralised through judicious pricing & cost management
- Rising input costs driven by crude oil price increases, continue to be a challenge

We will continue to strengthen the long term competitiveness of our business

30th July, 2005

Thank You

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