

# Hindustan Lever Limited

## Review of Results - SQ & 9M 2001

**16th October 2001**

# **Financial Results : SQ/ 9M 2001**

# HLL Results - SQ 2001 ... (1)

<b>Rs.Crores</b>	<b>SQ 2000</b>	<b>SQ 2001</b>	<b>Growth %</b>
Net Sales	<b>2462</b>	<b>2635</b>	<b>7.0</b>
Other Income	<b>92</b>	<b>113</b>	<b>23.4</b>
Operating Costs	<b>2106</b>	<b>2228</b>	<b>5.8</b>
PBIDT	<b>448</b>	<b>520</b>	<b>16.2</b>
Interest Expense	<b>3</b>	<b>2</b>	<b>(21.0)</b>
Depreciation	<b>30</b>	<b>39</b>	<b>31.3</b>
PBT	<b>415</b>	<b>479</b>	<b>15.4</b>

## HLL Results - SQ 2001 ...(2)

<b>Rs.Crores</b>	<b>SQ 2000</b>	<b>SQ 2001</b>	<b>Growth %</b>
PBT	<b>415</b>	<b>479</b>	<b>15.4</b>
Tax *	<b>84</b>	<b>101</b>	<b>21.0</b>
PAT	<b>331</b>	<b>378</b>	<b>14.0</b>
Exceptional Item		<b>21</b>	
Net Profit	<b>331</b>	<b>399</b>	<b>20.5</b>

**\* Includes Deferred Tax charge of Rs 1 crore in SQ 2001**

## HLL Results - 9M 2001 ... (1)

<b>Rs.Crores</b>	<b>9M 2000</b>	<b>9M 2001</b>	<b>Growth %</b>
Net Sales	<b>7956</b>	<b>8209</b>	<b>3.2</b>
Other Income	<b>259</b>	<b>307</b>	<b>18.3</b>
Operating Costs	<b>6964</b>	<b>7072</b>	<b>1.5</b>
PBIDT	<b>1251</b>	<b>1444</b>	<b>15.5</b>
Interest Expense	<b>9</b>	<b>6</b>	<b>(34.1)</b>
Depreciation	<b>97</b>	<b>105</b>	<b>9.1</b>
PBT	<b>1145</b>	<b>1333</b>	<b>16.4</b>

## HLL Results - 9M 2001 ...(2)

<b>Rs.Crores</b>	<b>9M 2000</b>	<b>9M 2001</b>	<b>Growth %</b>
PBT	<b>1145</b>	<b>1333</b>	<b>16.4</b>
Tax *	<b>265</b>	<b>292</b>	<b>10.3</b>
PAT	<b>880</b>	<b>1041</b>	<b>18.3</b>
Exceptional Item		<b>164</b>	
Net Profit	<b>880</b>	<b>1205</b>	<b>36.9</b>

**\* Includes Deferred Tax charge of Rs 2 crores in 9M 2001**

# Underlying Growth

<b>% grth</b>	<b>SQ 2001</b>	<b>9M 2001</b>
Sales	<b>7.0</b>	<b>3.2</b>
<b>Adjusted</b>	<b>5.8</b>	<b>2.5</b>

PBT	<b>15.4</b>	<b>16.4</b>
<b>Adjusted</b>	<b>20.0</b>	<b>17.6</b>

PAT	<b>14.0</b>	<b>18.3</b>
<b>Adjusted</b>	<b>19.8</b>	<b>19.7</b>

# Strategy Update

- **Focus on Power Brands**
  - Investment in Quality Upgradation - Rs 70 crs (cum)
  - Advertising Support stepped up - +30% for the quarter
- **Foods Margin Improvement**
  - Beverages gross margin up 800 bps
  - Foods gross margin up 160 bps (excl Modern/IBL)
  - Modern gross margin up 720 bps
- **Non Core Divestment**
  - Progress on schedule

**Re-deploying a part of exceptional income,  
after providing a healthy return to shareholders,  
to strengthen core portfolio**



# Power Brands - Growth Trend

Year 2000	% grth	MQ 2001	JQ 2001	SQ 2001
5.3	FMCG	1.8	1.7	7.5
5.0	Power	4.3	4.9	10.1

3.8	HPC	2.2	5.3	9.0
2.4	Power	4.8	9.0	11.5

5.6	Foods	0.8	(7.3)	3.9
7.5	Power	3.1	(5.9)	6.3

# Market Growth

Growth %	Value	
	Year	Jan-Aug
	2000	2001
Toilet soaps	5.9	(7.0)
Detergents cake/bars	2.5	(5.5)
Washing powder	8.1	2.4
Toothpaste	10.0	4.6
Shampoo	12.5	10.8
Skin cream	12.9	7.7
Tea	0.4	(5.9)

Source : ORG

## Market Shares -HPC

%	Dec. 2000	Aug 2001
Toilet Soaps	<b>59.2</b>	<b>59.5</b>
Detergents    Powders	<b>38.4</b>	<b>38.8</b>
Bars	<b>45.9</b>	<b>46.5</b>
Toothpaste	<b>35.4</b>	<b>36.1</b>
Dish Wash	<b>62.9</b>	<b>63.2</b>
Shampoo	<b>65.9</b>	<b>65.3</b>
Skin (excl. Talc)	<b>56.0</b>	<b>53.6</b>

**Note: ORG (Value share) Urban + Rural**

# Market Shares - Foods

<b>%</b>	<b>Dec 2000</b>	<b>Aug 2001</b>
Packet tea	<b>36.4</b>	<b>36.1</b>
Coffee	<b>38.2</b>	<b>45.0</b>
Culinary Products		
- Jams *	<b>76.5</b>	<b>77.4</b>
- Ketchups *	<b>41.1</b>	<b>38.6</b>
Branded Atta *	<b>20.4</b>	<b>19.0</b>
Branded Salt	<b>15.3</b>	<b>17.7</b>

**Note: ORG (Value shares) Urban + Rural**

**\*Urban**

# Cash Flow - Cum SQ 2001

	Rs. Crores
Business Operations	1,188
Disposal of business	178
Working Capital reduction	66
Treasury Income	239
<b>Cash Generated</b>	<b>1,671</b>
Capital Expenditure	224
Dividend Payment	990
Profit/Div Tax Payment	374
Surplus invested	83
<b>Cash Deployed</b>	<b>1,671</b>

**THANK YOU**