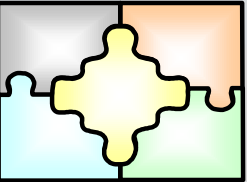


Hindustan Lever Limited

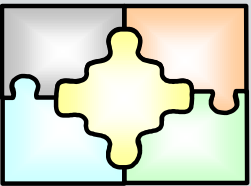
Analysts & Press Meet

29th April 2004

29th April, 2004

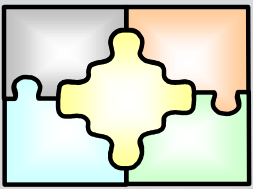


29th April, 2004



MQ'04

29th April, 2004



MQ 2004

Decisive Steps

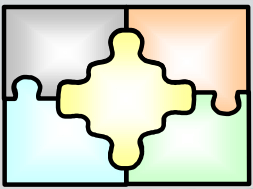
- Drive growth agenda
- Take competitive challenges head on
- Financial commitment for long term value

29th April, 2004

- HPC
 - Volume growth accelerates to 7%
 - Pricing actions lead to 3.5% value growth
 - All continuing brands are Power brands
- FOODS
 - Power brands (88% of the portfolio) grow 8%
 - Overall growth 1.4%
- PBIT declines due to market investments & losses in Non – FMCG businesses

HPC Topline Highlights

*Growth***Personal Wash****Laundry****Skin****Shampoos****Toothpaste****Colour Cosmetics****Household Care****HL Network**



Personal Wash

Innovation and Activation drive growth

- Value Growth 9%
- All Premium brands grow
- Lifebuoy continues growth momentum
 - Recently Re-launched

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Powerful Competitive Strategy

- Surf/ Rin relaunched with improved quality
- Price of Surf and Surf Excel reduced
- Good volume growth; sales value lagging

Sustained strong growth

- Strong growth 17%
 - Fair & Lovely and Lakme surge ahead
 - Powerful Innovations in place
 - Fair & Lovely Oil Control
 - Lakme Sunexpert Range

Proactive Growth Strategy

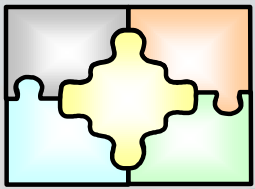
- Slow start to the year
- Deep cut Consumer Promotion on bottles
- MQ volume gain does not fully reflect acceleration during the quarter
- Sales value decline 11%
- Innovation and pricing plans to accelerate growth



Toothpaste Better Value

- Price points and price/kg reduced from Apr'03
- Pepsodent volumes grow well
- Close-up declines; Robust growth plans in place
- Sales value decline 9.6% due to base effect in price

29th April, 2004



Colourful Cosmetics

Colourful performance continues

- Explosive growth 36%
- Backed by exciting innovations
 - Lakme Enrich Lipstick & Fruitshock collection
 - Brand building through Lakme India Fashion Week.

29th April, 2004

Foods Topline Highlights

*Growth*VolumeValue

Tea- Brooke Bond



Coffee



Culinary Products



Salt



Atta



Ice-cream

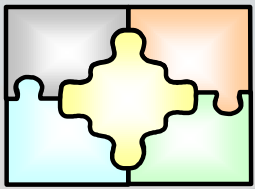


Encouraging Progress

- Brooke Bond growth through activation and LUPs
- Lipton portfolio doubles, albeit on smaller base
- Sales value flat due to decline in non-power brands

Sustains Strong Growth

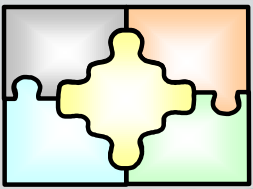
- Strong Growth 21%
- Growth led by volumes and LUPs



Processed Foods

- Culinary Products grow 6%
- Salt grows by 4%
- Atta declines

29th April, 2004



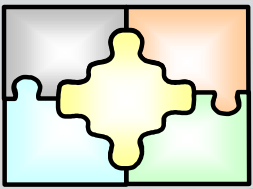
Ice- cream

- Sales value grows by 2%
- Good volume growth led by affordable portfolio of innovations

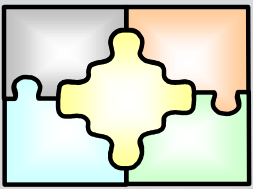
29th April, 2004

Specialty decline offsets FMCG growth

- FMCG Exports growth only 5% due to phasing.
- Specialty Exports decline 9%
 - Anti dumping issues in Marine



- Operating Profits (PBIT) declines 13.7%
 - Strategic and competitive pricing
 - Trade Rebating
 - Brand investments in Foods and Beverages
 - Quality upgradation
 - Adverse impact (Rs. 20 crs) across Marine, Plantations and Property.
 - Partly off-set by growth and margin gains in some categories

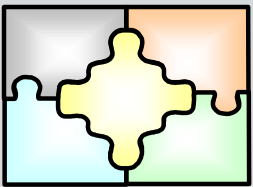


MQ 2004 Results Highlights

- Higher PBT decline of 26%
- Lower interest rate leading to lower financial income
- Interest on bonus debentures
- PAT decline (21%) lower due to tax gain

Rs Crores	MQ 04	MQ 03	(+/-)
PBIT	359	416	-57
Financial Income (net)	41	83	-42
Int. on Bonus Debentures	-30	0	-30
PBT	370	499	-129
PAT	303	383	-80

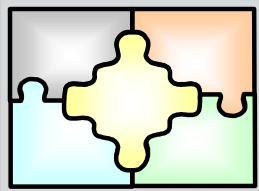
29th April, 2004



MQ'04

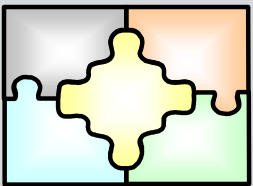
**Strategy Chapter I
2000 - 03**

29th April, 2004



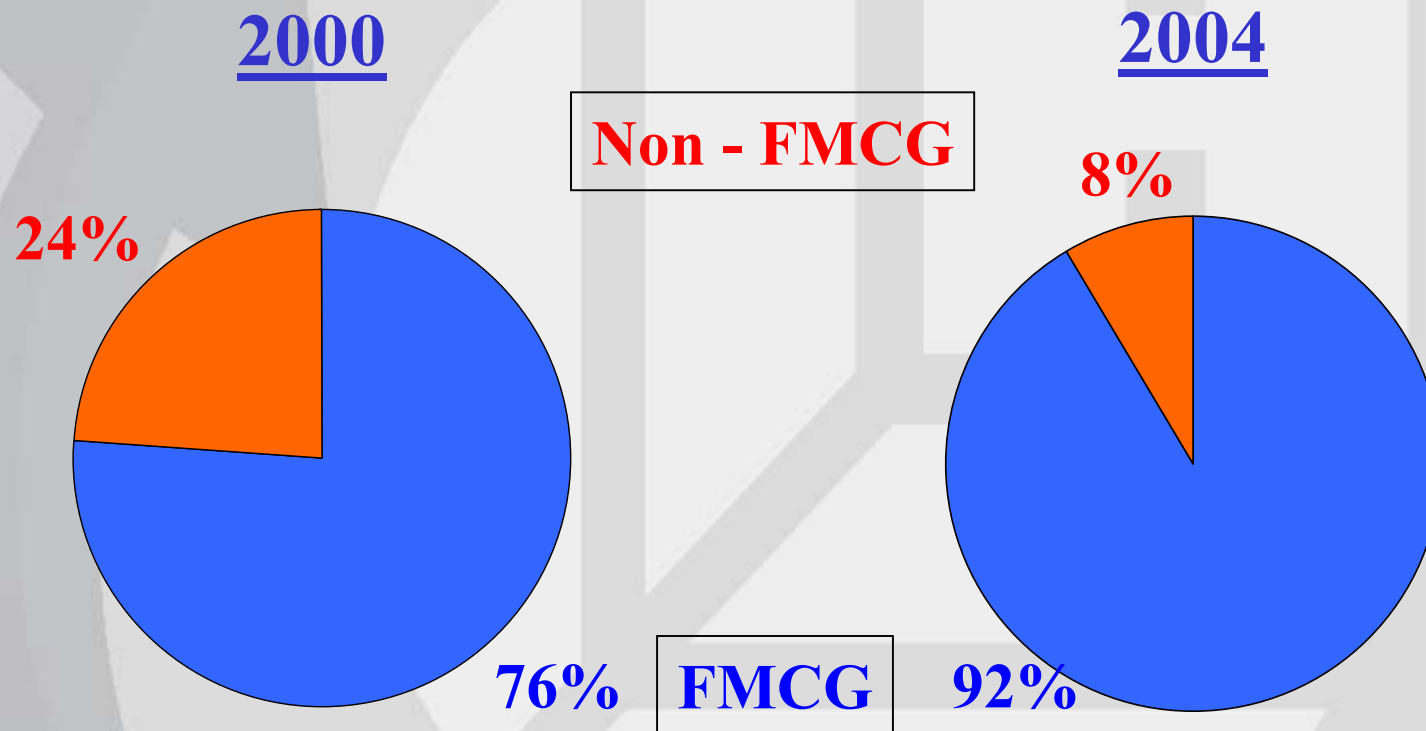
Profitable Growth Through Focus

29th April, 2004



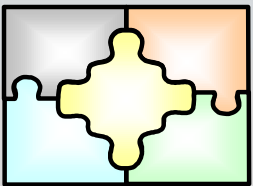
Profitable growth through focus

Focus on FMCG



- Focused Portfolio: Non FMCG down from 24% to 8%
- Value delivered in divestment Rs 3.8 bln

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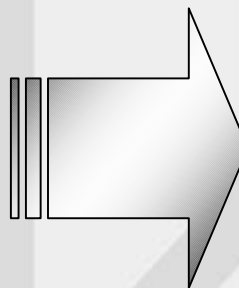


Profitable growth through focus

Powerful Brands

2000

110 Brands

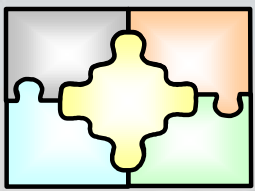


2004

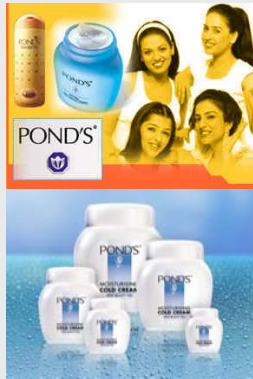
**35
Powerful
Brands**

**Across Categories &
Income Segments**

29th April, 2004



Profitable growth through focus Stronger Brands



Ponds #3



Lux#4



Pepsodent #5



Rin # 8

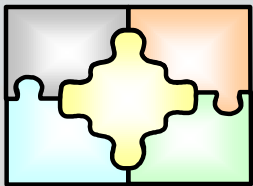


Surf # 9



CloseUp #10

6 out of Top 10 trusted brands in India from HLL



Power Brands

Mega Six > \$ 100 Mln



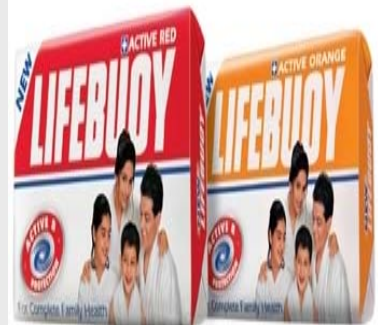
Brooke Bond



Wheel



Lux



Lifebuoy

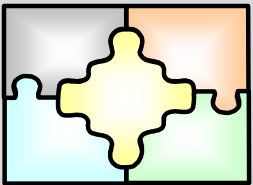


Fair & Lovely



Rin

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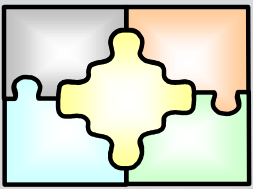


Profitable growth through Focus

Improving Foods Profitability

Foods Gross Margins %





Profitable growth through Focus New Ventures Seeded

Herbal Health & Beauty



Max Confectionery



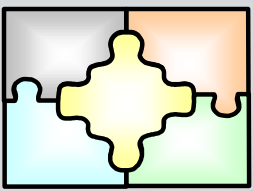
Hindustan Lever Network



Partners in Success

Water

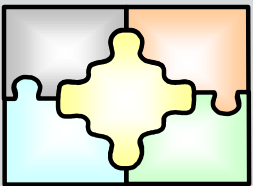
29th April, 2004



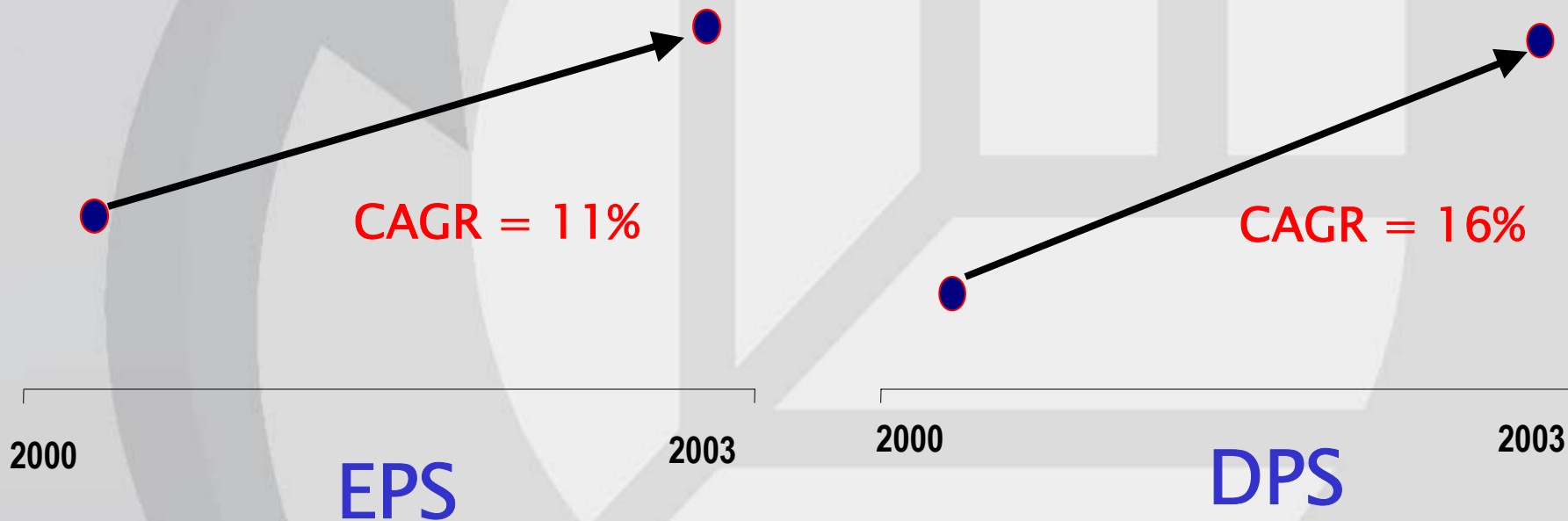
Profitable growth through Focus Building New Capabilities

- Leveraging HLL scale for Modern Trade and Rural
- New channels developed
 - Out of Home, HL Network, Shakti
- Separate innovation and activation resources in marketing

29th April, 2004

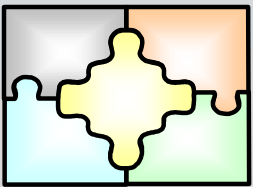


Profitable growth through Focus Shareholder Reward



Cash return through Bonus Debenture Scheme Rs 19b

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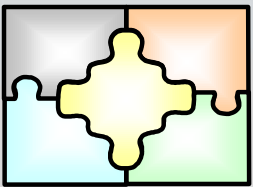


MQ'04

**Strategy Chapter I
2000 - 03**

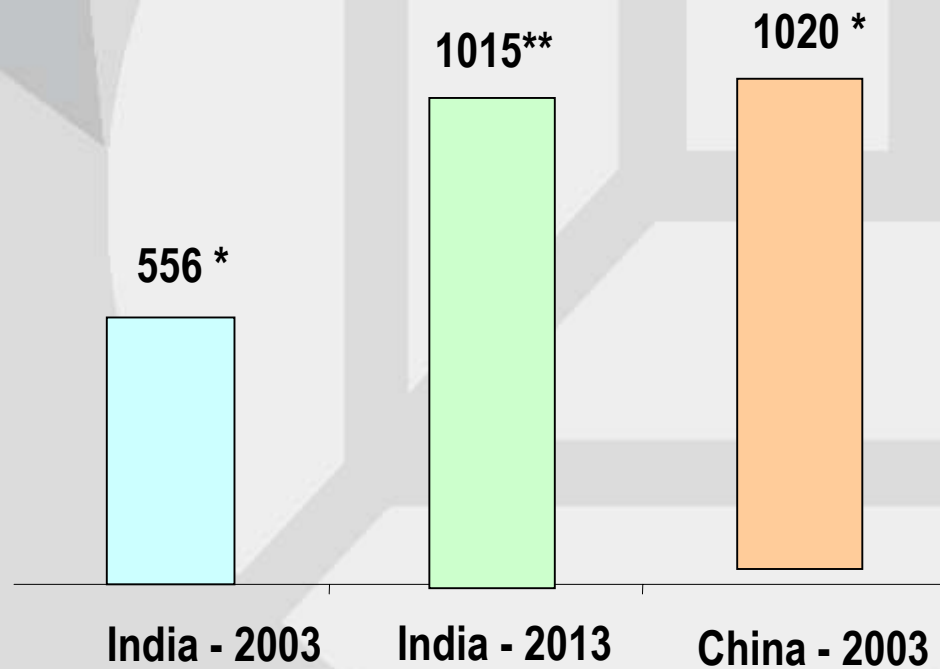
India Opportunity

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Growth in Disposable Income

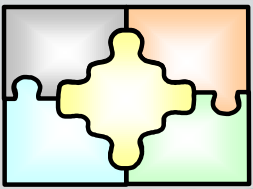
Per Capita Income (US\$ / Annum)



* Source : *Euromonitor*

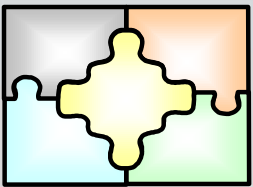
** Source : *BRICs Report - Goldman Sachs*

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HLL strongly positioned to capitalize on the Indian Opportunity

- Increasing aspirations of consumers to
 - look good
 - feel good
 - get more out of life
- HLL HPC and Foods brands strongly positioned to deliver these



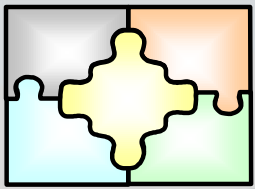
Opportunity to grow consumption

Per Capita Consumption (US \$)

	Fabric Wash	Toothpastes	Shampoos
China	1.7	0.8	1.1
Indonesia	2.0	1.1	1.2
India	1.2	0.4	0.6

Source : Euromonitor

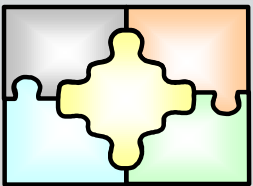
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FMCG Markets

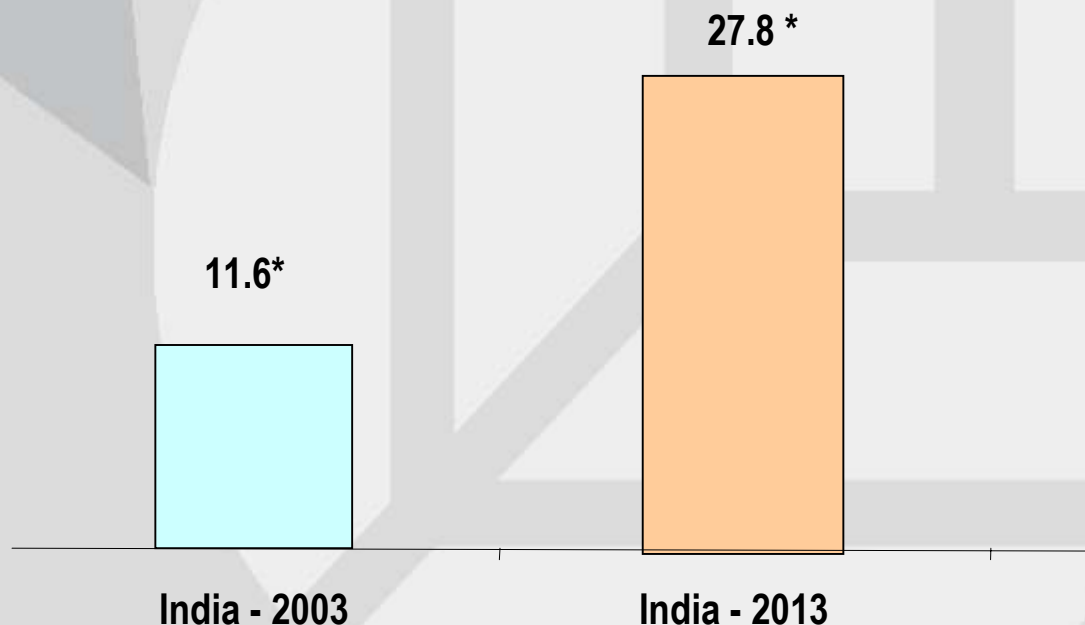
A new equilibrium will prevail

- Recent stagnation due to discontinuities
 - choice explosion
 - interest rate reduction
- Consumers will come to a new equilibrium
- FMCG only 4% of household spend
- Marketing will drive consumption & upgradation



FMCG Market Size - Opportunity

FMCG Market Size \$Bn

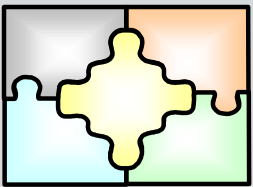


Market will increase at 9% p.a; constant money

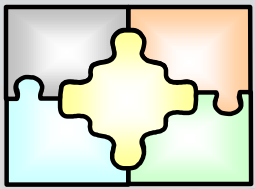
** Source HH Panel Data*

*** Estimated based on China's current per capita consumption*

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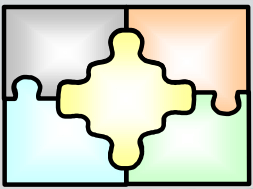
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Strategy : Chapter II

Creating Shareholder Value by Delivering Consumer Value

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Shareholder Value through Consumer Value

Driving the agenda

Delivering Consumer Value



**Brand
Relevance**



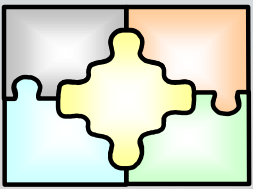
**Superior
Quality**



**Strategic
Pricing**

Ten Point Program to improve margins

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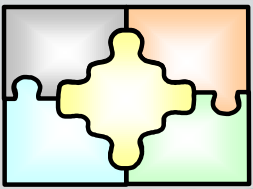
Shareholder Value through Consumer Value

Brand Relevance through Consumer Insights

- Surf Excel : *Quick Wash , 50% water saving*
- Clinic Plus Milk Proteins : *“5 in 1” hair health benefits*
- Fair& Lovely : *Change your destiny*
- Lifebuoy : *Family safe from germs*
- Soupy Snax : *Instant pick me up*
- Lipton Ice : *Natural Vitality*

Continuous Innovation Stream across all Brands

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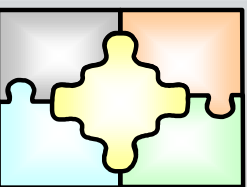
Shareholder Value through Consumer Value

Superior Quality

Over Rs 400 cr invested in

- Improved performance
- Superior Sensorial
- Better Packaging

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Shareholder Value through Consumer Value

Superior Quality

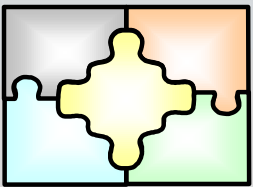


कीटाणुओं से लड़ने में
100% बेहतर.*

* all fighting germs than soaps without antibiotic as per test after 4 hours.



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Shareholder Value through Consumer Value Strategic Pricing

Price Index 2002 =100

2002

MQ 04

Pepsodent

100

85

Surf Excel

100

59

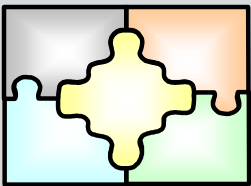
Clinic Plus

100

79

Driving Affordability

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Shareholder Value through Consumer Value

Strategic Pricing

Increasing Accessibility with new lower price points



Rs.5



Rs 25



Rs 2, Rs 4.50



Rs 4



Rs 5



Rs 5



Rs.1.50



Rs.1



Rs.5



Rs 5

Rs 10

Rs 20

Rs 40



Rs 5



Rs 5

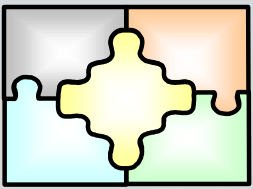


Rs 0.50



Rs 5

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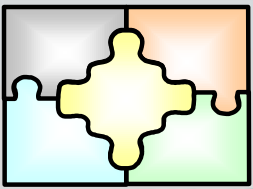


Shareholder Value through Consumer Value

Unblinking Response to Competition

- Low price competition in Personal Wash
- 50 ps shampoo sachets
- Laundry Pricing
- ???

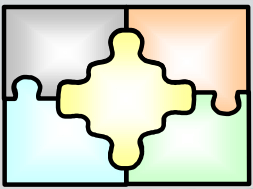
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Shareholder Value through Consumer Value Ten Point Programme

- Global Buying Initiatives
- Technology driven cost savings
- Tax efficient sourcing operations
- Leveraging scale through vendor partnership
- Channel Financing

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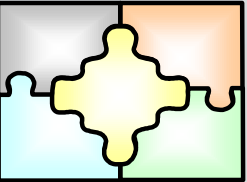


Shareholder Value through Consumer Value

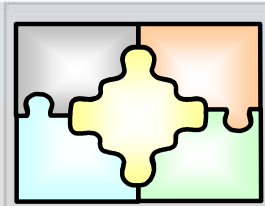
Ten Point Programme

- Large scale Logistics optimisation including Continuous Replenishment Systems
- Restructuring funded by exceptional income
- Improving performance of value destroyers
- Structural cost savings from simplified structure
- Scale savings in Non Production Items

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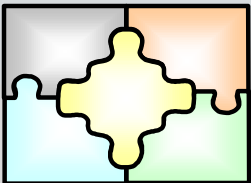


Delivering the Strategy

The New HLL

- Focussed company
- 35 powerful brands
- **Simpler organization**

29th April, 2004



The New HLL Simplified Organization

Detergents

Personal Products

HPC Exports

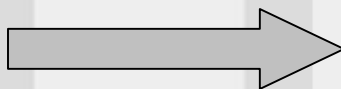
Beverages

Processed Foods

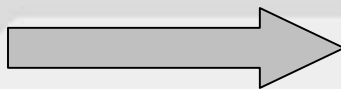
Ice Creams

Confectioneries

Beverages Exports

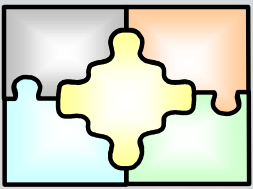


HPC

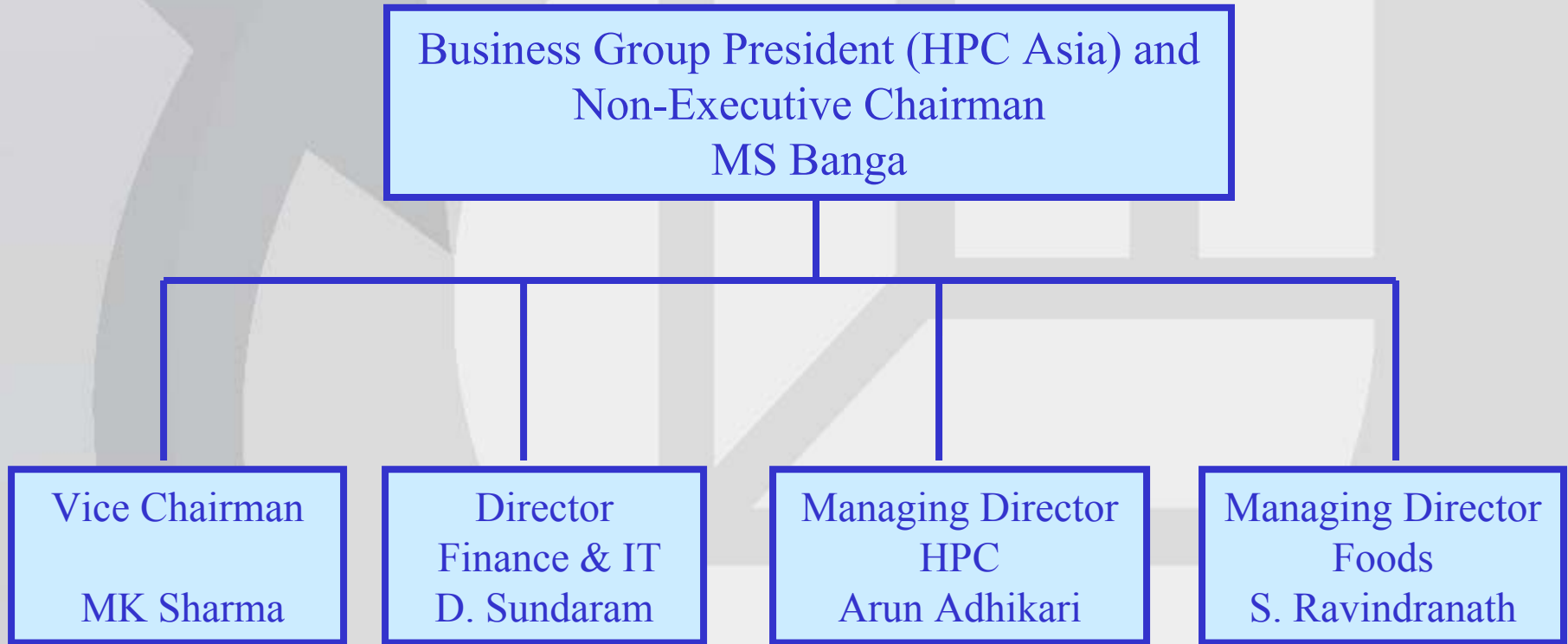


Foods

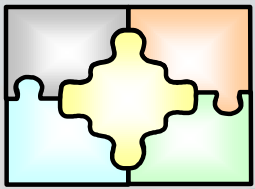
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The New HLL Management Structure



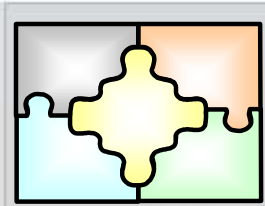
29th April, 2004



Simplified Organization Benefits

- Better organized for growth
 - Empowered , simpler , quicker
 - Maximizing synergy benefits
 - Optimal resource allocation
 - Leaner and fitter
- Better structure to benefit from Unilever
 - Asia HPC and Foods
 - Technology and Brand development

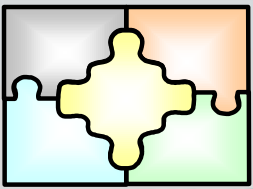
29th April, 2004



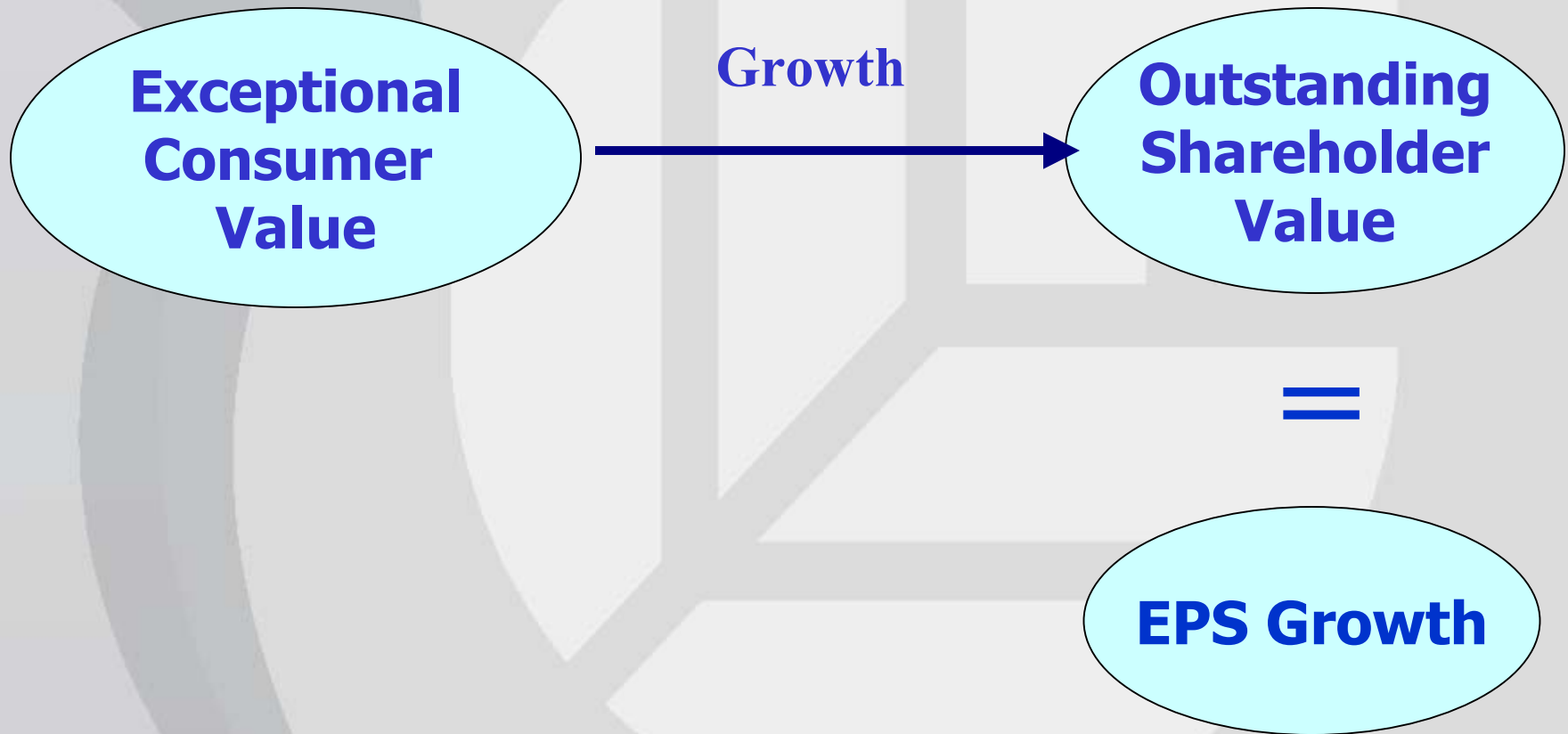
HLL now well positioned to deliver "Exceptional consumer value"

- Focussed and strong brands
- Continuous innovation stream
- Dedicated activation resources
- Superior Quality & Strategic pricing
- Strong cost reduction programmes
- Simple organization with sharper execution capabilities

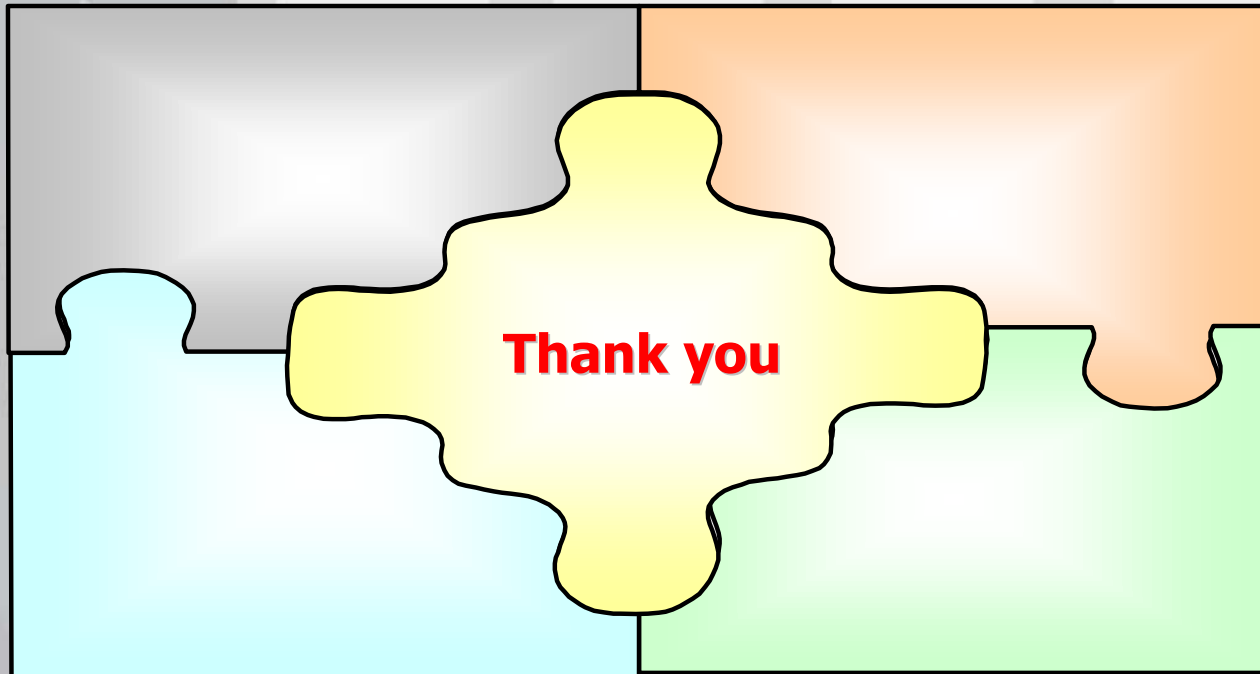
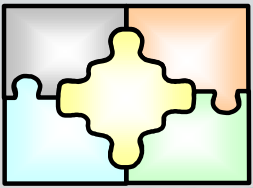
29th April, 2004



Shareholder Value



29th April, 2004



29th April, 2004