

HINDUSTAN LEVER LIMITED – June Quarter 2005 RESULTS

- Continuing sales grow 10.3%. FMCG sales growth at 11.9%
- HPC grows 12% across categories led by Laundry and Hair
- Beverages grow 16%, driven by Brooke Bond and Bru
- EBIT grows 4.2% while PAT grows 17.2%

MUMBAI, July 30th 2005: Hindustan Lever Limited (HLL) announced its results for June Quarter 2005. Total sales growth at 10.3% in June Quarter accelerated from 6.9% in March Quarter 2005. Domestic FMCG sales grew by 12% - both Home and Personal Care (HPC) and Foods performed well.

In HPC business, growth during the quarter has been broad-based across categories. In the highly competitive Laundry category, sales growth accelerated with double digit growth in all the brands, and gains in market shares. In Shampoos, robust volume growth continued, driving sales growth in excess of 20% and market share gains. The quarter saw successful innovations on key brands including Fair & Lovely, Sunsilk and Wheel.

In Foods business, growth has been led by Brooke Bond now growing for six consecutive quarters. Bru also achieved strong growth. Ice-cream sales grew 7% during the summer season on the back of new products launched. In Processed foods business, gains in squashes and salt were off-set by decline in Atta and Ketchup.

Earnings before Interest and Taxes (EBIT) grew 4.2% after absorbing continued investments in brands and cost increases, net of price increase and cost savings. Profit after Tax (PAT) grew 17.2% due to lower interest costs post redemption of bonus debentures, and higher financial income. Net Profit grew 15.2% after considering a one-time charge related to the disposal of a subsidiary.

Mr Harish Manwani, Chairman commented: “ FMCG markets have shown revival and importantly, our growth is now ahead of market. Progress is broad-based across categories, led by robust growth in the highly competitive Laundry and Hair categories. This pick up in growth reflects the successful actions of our people in strengthening brands and in sharpening sales and business processes. Rising input costs driven by crude oil price increases continue to be a challenge despite aggressive cost reduction plans.”

“We shall decisively pursue our objective of gaining market share by continued innovations, activation and investments behind our brands. We remain committed to winning in the market place and driving the long term competitiveness of our business”, Mr Manwani added.

INTERIM DIVIDEND

The Board of Directors declared an Interim Dividend of Rs 2.50 per equity share of Rs 1 each. The record date for this has been fixed as 9th August, 2005.