HINDUSTAN LEVER LIMITED

Unaudited Financial Results for the Quarter ended 30th September 2002

* OPERATING PROFITS UP 16.6 %, OPERATING MARGINS UP 390 BPS * DOMESTIC HPC SALES UP 4.9 % - POWER BRANDS GROW BY 6.8 % * BEVERAGES AND FOODS PROFITABILITY IMPROVES, GROSS MARGINS UP 240 BPS * NET PROFIT (COMPARABLE BASIS) GROWS BY 11.2 %

Unaudited Results for		
Third Quarter ended 30th	September	
2002	2001	
2,367.46	2,551.40	1. Net Sale
1,559.01	1,486.33	i) Domesti
488.54	579.39	ii) Domesti
2,047.55	2,065.72	D
280.12	419.96	iii) Exports
39.79	65.72	iv) Others
106.19	113.36	2. Other In
23.18	21.62	a) Operatio
83.01	91.74	b) Financia
(1,905.41)	(2,144.59)	3. Total Ex
168.24	41.93	a) Increase
(1,006.68)	(955.36)	b) Consum
(346.71)	(534.91)	c) Purchas
(1,185.15)	(1,448.34)	d) Cost of
(150.91)	(152.80)	e) Staff Co
(217.80)	(176.25)	f) Advertis
(351.55)	(367.20)	g) Other ex
(1.76)	(2.54)	4. Interest
566.48	517.63	5. Gross P
(31.34)	(39.27)	6. Deprecia
453.89	389.16	7. Profit be
535.14	478.37	8. Profit be
(120.41)	(99.12)	9. Provisio
5.40	(1.60)	10.Provisio
420.13	377.65	11.Profit at
(6.84)	21.51	12.Excepti
413.29	399.17	13.Net Pro
220.12	220.06	Paid up Eq
	0.06	Shares to
220.12	220.12	Total Paid
		Posonuca
		Reserves e
1.88	1.81	Basic and
7.51	7.25	Basic and
		Aggragata

1,066,394,333 48.45%

]	Rs Crores
u	ts for the		Unaudited Res	ults for the	Year
d	30th September		9 Months ended 3	0th September	ended
					31st December 200
2	2001		2002	2001	(Audited)
6	2,551.40	1. Net Sales	7,320.35	7,970.88	10,667.56
1	1,486.33	i) Domestic FMCG - HPC	4,745.83	4,613.03	6,207.84
4	579.39	ii) Domestic FMCG - Foods (including Ice Cream)	1,555.53	1,728.67	2,363.85
5	2,065.72	Domestic FMCG - Total	6,301.36	6,341.70	8,571.69
2	419.96	iii) Exports	887.53	1,361.45	1,750.62
9	65.72	iv) Others	131.46	267.73	345.25
9	113.36	2. Other Income	283.82	306.76	381.79
B	21.62	a) Operational	69.53	62.12	82.18
1	91.74	b) Financial	214.29	244.64	299.61
1)	(2,144.59)	3. Total Expenditure (d+e+f+g)	(5,988.70)	(6,833.39)	(8,953.58)
4	41.93	a) Increase/(decrease) in stock in trade	125.81	77.42	(4.64)
8)	(955.36)	b) Consumption of raw/packing materials	(2,928.21)	(2,929.32)	(3,849.57)
1)	(534.91)	c) Purchase of goods	(1,004.18)	(1,767.56)	(2,196.15)
5)	(1,448.34)	d) Cost of Goods Sold (a+b+c)	(3,806.58)	(4,619.46)	(6,050.36)
1)	(152.80)	e) Staff Cost	(454.71)	(445.05)	(591.70)
0)	(176.25)	f) Advertising & Promotions	(682.13)	(635.51)	(823.82)
5)	(367.20)	g) Other expenditure	(1,045.29)	(1,133.37)	(1,487.71)
5)	(2.54)	4. Interest	(7.79)	(5.80)	(7.74)
B	517.63	5. Gross Profit [1+2-3-4]	1,607.67	1,438.45	2,088.03
1)	(39.27)	6. Depreciation / Amortisation	(101.33)	(105.25)	(144.66)
9	389.16	7. Profit before interest and taxation [1+2(a)-3-6]	1,299.84	1,094.36	1,651.50
4	478.37	8. Profit before taxation [5-6]	1,506.34	1,333.21	1,943.37
1)	(99.12)	9. Provision for taxation - current tax	(338.93)	(290.64)	(397.69)
D	(1.60)	10.Provision for taxation - deferred tax	7.01	(1.60)	(4.73)
3	377.65	11.Profit after taxation, before exceptional items [8-9-10]	1,174.42	1,040.97	1,540.95
4)	21.51	12.Exceptional Items, net of taxes	114.75	163.96	100.36
9	399.17	13.Net Profit [11+12]	1,289.17	1,204.93	1,641.31
2	220.06	Paid up Equity Share Capital (face value Re 1 per share)	220.12	220.06	220.12
	0.06	Shares to be issued consequent to merger with International Bestfoods Limited	-	0.06	-
2	220.12	Total Paid up Equity Share Capital (face value Re 1 per share)	220.12	220.12	220.12
		Reserves excluding Revaluation Reserve			2,822.90
в	1.81	Basic and Diluted Earnings per Share of Re 1 (not annualised) - Rs.	5.86	5.47	7.46
1	7.25	Basic and Diluted Earnings per Share of Re 1 (annualised) - Rs.	7.81	7.30	7.46
		Aggregate of Non-Promoters Holdings			
	1,065,745,600	- Number of Shares	1,066,394,333	1,065,745,600	1,066,394,333
6	48.43%	- Percentage of Shareholding	48.45%	48.43%	48.45%

Notes

- 1 Operating Profit (Profit before Interest and Tax) for the quarter has improved by 16.6 %, Profit Before Tax by 11.9 % and Profit After Tax by 11.2 %.
- 2 Sales of domestic Home and Personal Care categories grew by 4.9 %, led by a 6.8% growth in Power Brands. While sales of Culinary Products continued to grow well, other Foods categories declined mainly due to bearish commodity prices particularly in Tea. Continuing Exports businesses grew by 2.5 % while overall exports declined due to the discontinuation of traded exports.
- 3 With a view to harmonise the reporting of excise duty relating to outsourced products in line with that of in-house manufactured products, excise duty relating to outsourced products has been reduced from Purchase of Goods and adjusted as appropriate, in Net Sales. Consequently, Purchase of Goods is net of excise duty amounting to Rs 40 crs (SQ'02), Rs 70 crs (SQ'01), Rs 133 crs (9M'02), Rs 242 crs (9M'01) and Rs 304 crs (Year 2001). After adjusting for the movement in opening and closing inventories of such outsourced products, Net Sales is lower by Rs 38 crs

This reclassification has no impact on the profits of any of the reported periods

- 4 Operating (PBIT) margins improved by 390 basis points after a 23.6 % increase in Advertising and Promotions spends. This was achieved through higher HPC volume, an improved portfolio mix, savings arising from past restructuring programmes as well as the benefits of several new cost management initiatives.
- 5 Operational Other Income comprises income from services rendered, royalty income and other miscellaneous income. Financial Other Income represents treasury income from deployment of surplus funds as well as dividends from investments in subsidiaries and other companies
- 6 Business restructuring cost incurred and charged to the results of the quarter amounts to Rs. 10 crores and for the first nine months to Rs 26.98 crores (Rs. 11.25 crores SQ '01 and Rs 33.75 crores first nine months of 2001). These costs for the full year are currently estimated at Rs 45 crores
- 7 In line with shareholder approval, Mushroom Exports business has been transferred to a subsidiary company effective 1st July 2002. The excess of the book value over the consideration amounting to Rs 6.84 crores has been included as an exceptional charge for the quarter.
- 8 The results for the quarter and nine months are not comparable to those of the previous year to the extent of

Integration of Lakme Lever Limited, an erstwhile subsidiary, with the company	w.e.f April 2001
Sale of Quest Flavours and Fragrances business	w.e.f. April 2001
Amalgamation of International Bestfoods Limited with the Companyand	
the related one-time reduction in tax liability	w.e.f. July 2001
Amalgamation of Aviance Limited with the Company	w.e.f. July 2001
Estimated costs for discontinuance of Thermometer operations	provided in SQ 2001
Sale of the Nickel Catalyst and Adhesives businesses	w.e.f.Dec 2001
Sale of the Seeds business	w.e.f April 2002
Transfer of the Leather Exports business to a subsidiary company	w.e.f April 2002
Sale of Diversey Lever Group	w.e.f May 2002
Transfer of Mushroom Exports business to a subsidiary company	w.e.f July 2002

Adjusting for above, net sales for SQ '02 is Rs. 2367.46 crores (SQ '01: Rs. 2502.45 crores), Profit Before Interest and Tax for SQ '02 is Rs. 453.89 crores (SQ '01: Rs. 390.36 crores) and PAT is Rs 420.11

Similarly, net sales for 9M '02 is Rs. 7313.74 crores (9M '01: Rs. 7817.19 crores), Profit Before Interest and Tax for 9M'02 is Rs. 1299.45 crores (9M'01: Rs. 1063.03 crores) and PAT for 9M'02 is Rs. 1174.

- 9 Pursuant to the increase in cost of annuities by Life Insurance Corporation of India (LIC), the incremental liability was provisionally estimated at Rs 125 Crores gross of tax, and Rs 79.06 crores net of tax. The Company is carrying out a comprehensive actuarial valuation which will be completed in the fourth quarter, in line with the consistent past practice. The incremental one-
- 10 The text of the above statement was taken on record at the Board Meeting held on 25th October, 2002

By order of the Board

Place : Mumbai Date : 25th October. 2002 M.S.BANGA CHAIRMAN

Rs Lakhs T/B, T/Pdr, Talc												
SQ'00	Conso	LJL	KCLL		IC/KICM	AOS	Net	Quest	LLL	AFS	Lip	U'lying
Dets												
PP												
HPC												
Bev												
Foods (excl IC) FPD												
Foods FMCG												
Exports												
Others												
Non-FMCG												
Total												
SQ'01												
Dets												
PP												
HPC												
Bev												
Foods (excl IC)												
FPD												
Foods												
FMCG												
Exports												
Others												
Non-FMCG												
Total												