

Notes:

1. Total sales grew by 12.2% during the quarter. FMCG sales grew by 14.2 % driven by 15.0% growth in HPC business and 10.7% growth in Foods.
2. Operating profit (Profit before Interest and Tax) for the quarter increased by 19.3%. Profit before tax was higher by 18.4%, while PAT grew by 17.7% and the net profit increased by 59.8%.
3. Exceptional items (net of tax) for September Quarter '06 comprise: Profit from the sale of an investment (Rs. 120.8 crores); reversal of provision for employee related costs at Sewri / Bombay factory consequent to its closure (Rs. 66.8 Crores); provision against advance given by HLL to its 100% subsidiary Bon Limited to enable Bon discharge its legal obligation qua its employees (Rs. 36.5 Crores); discounting charge arising from commutation of receivables from LIC under annuity schemes (Rs. 12.7 Crores) and provision for voluntary retirement schemes (Rs. 0.7 Crores).
4. The results for the quarter are not comparable to those of SQ '05 to the extent of integration of subsidiaries (International Fisheries Limited, Lipton India Exports Limited, Merryweather Food Products Limited, TOC Disinfectants Limited, and Lever India Exports Limited) with the Company, the demerger and subsequent disposal of Doom Dooma and TEI plantation divisions, and the amalgamation of Vashisti Detergents Limited with the Company.

Adjusting for the above, net sales for SQ'06 is Rs. 3,044.19 crores (SQ'05: Rs. 2,710.21 crores); Profit before interest and tax is Rs. 403.03 crores (SQ'05: Rs. 350.00 crores); PAT is Rs. 375.34 crores (SQ'05: Rs. 329.00 crores) and Net Profit is Rs. 513.08 crores (SQ'05: Rs. 329.61 crores).

Similarly, net sales for CumSept'06 is Rs 8,868.51 crores (CumSept'05: Rs 8,017.34 crores); Profit before interest and tax is Rs 1,137.25 crores (CumSept'05: Rs 969.02 crores); PAT is Rs 1,032.33 crores (CumSept'05: Rs 897.69 crores) and Net Profit is Rs 1320.28 crores (CumSept'05: Rs 871.01 crores).

5. Provision for Taxation includes Fringe Benefit Tax of Rs. 10 crores.
6. Investor complaints status
Complaints pending resolution as on 1st July 2006 : 04
Complaints received during SQ' 06* : 67
Complaints resolved during SQ' 06 : 69
Being progressed for resolution as on 30th September 2006 : 02
* Essentially relating to non receipt of dividend/interest warrants
7. Previous period figures have been regrouped wherever necessary to conform to this period's classification.
8. The text of the above statement was approved by the Board of Directors at their meeting held on 31st October 2006.

Limited Review : The Limited Review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related Report is being forwarded to the Stock Exchanges. This Report does not have any impact on the above Results and Notes which need to be explained.

For more details, visit our website at <http://www.hll.com>

By order of the Board

Place: Mumbai
Date: 31st October 2006

Managing Director & CEO

Notes on segmental information

1. Adjusting for the disposal of Nihar brand, Personal Products segment revenue growth in SQ'06 is 19.6%
2. Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable expenditure includes expenses incurred on common services not directly identifiable to the individual segments and corporate expenses. Un-allocable expenditure (net) is net of income from investment of surplus funds and dividends from subsidiary companies.

Capital Employed figures are as at 30th September 2006 and 30th September 2005. Unallocated corporate assets less corporate liabilities mainly relate to investments