



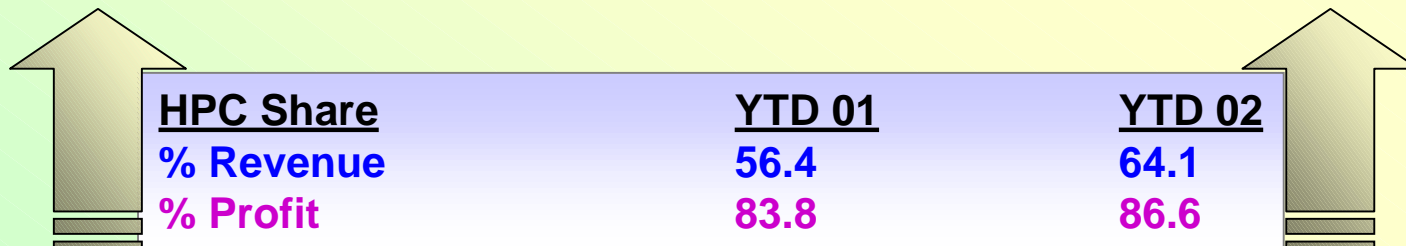
SQ '02 Results - Snapshot

- HPC Power Brands up by 6.8%, driving HPC growth of 4.9%
- Foods decline by 15.7% leading to flat FMCG sales
- Operating Profits (PBIT) up 16.6%, Margin Expansion by 390 bps
- Declining yields impact financial income (-9.5%) despite increase in invested surpluses
- Profit after tax (before exceptional items) grows by 11.2%
- Exceptional Cost of Rs 6.8 Cr (SQ'01 - Income Rs 21.5 Cr) due to Mushrooms transfer
- Progress on strategy well on course



HPC Category Performance

- Detergents grow by 2.8%
 - Growth led by Personal Wash (+11.1%) : Lux, Lifebuoy, Pears do well
 - Mass markets do well in laundry, however impacting value growth (-2.0%)
 - Dishwash sales bounce back - up 5.5% driven by market activation in Vim
- **Personal Products back on track for near double digit growth (+9.5%)**
 - Skin continues to report strong growth (+48.6%)
 - Shampoo bounces back to growth (+2.9%) - driven by strategic responses on pricing & volume gains from introduction of new sachets / bottles
 - Talcs recover - driven by Ponds, Lakme drives growth in colour cosmetics
 - Toothpaste & Hair Oil sales decline - impact overall growth



<u>HPC Share</u>	<u>YTD 01</u>	<u>YTD 02</u>
% Revenue	56.4	64.1
% Profit	83.8	86.6



Foods Performance

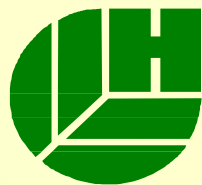
- Tea sales impacted by weak commodity prices & intense low cost local competition
- Instant coffee registers strong growth
- Oils & Fats affected by structural issues & tariffs
- Branded staples - focus on margin correction

Portfolio restructuring & margin expansion well on course



SQ 2002 Sales Summary

Rs Crores	SQ 2001	SQ 2002	Growth %
Domestic FMCG	2066	2048	(0.9)
- HPC	1486	1559	4.9
- Foods	579	489	(15.7)
Exports	273	280	2.5
- FMCG	173	164	(5.2)
- Non FMCG	101	116	15.6
Others	52	39	(25.2)
CONTINUING BUSINESSES	2391	2366	(1.0)
Disposals / Discontinued	160	1	(99.1)
NET SALES	2551	2367	(7.2)



YTD 2002 Sales Summary

Rs Crores	YTD 2001	YTD 2002	Growth %
Domestic FMCG	6342	6301	(0.6)
- HPC	4613	4746	2.9
- Foods	1729	1556	(10.0)
Exports	883	853	(3.4)
- FMCG	539	485	(10.0)
- Non FMCG	344	368	6.9
Others	123	116	(5.9)
CONTINUING BUSINESSES	7348	7270	(1.1)
Disposals / Discontinued	623	50	(91.9)
NET SALES	7971	7320	(8.2)



SQ 2002 Results

Rs.Crores	SQ 2001	SQ 2002	Growth %
PBIT	389	454	16.6
Fin Income (net)	89	81	-8.9
PBT	478	535	11.9
Tax (incl Deferred)	101	115	14.2
PAT (bei)	378	420	11.2
Exceptional Item	22	(7)	
Net Profit	399	413	3.5



YTD 2002 Results

Rs.Crores	YTD 2001	YTD 2002	Growth %
PBIT	1094	1300	18.8
Fin Income (net)	239	207	(13.5)
PBT	1333	1506	13.0
Tax (incl Deferred)	292	332	13.6
PAT (bei)	1041	1174	12.8
Exceptional Item	164	115	(30.0)
Net Profit	1205	1289	7.0



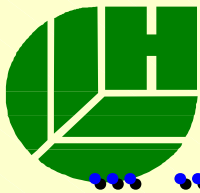
Segmental Revenue

Rs.Crores	SQ 2001	SQ 2002	% Change	YTD 2001	YTD 2002	% Change
Soaps & Detergents	1032	1062	3.0	3151	3253	3.2
Personal Products	459	508	10.7	1473	1524	3.5
Beverages	336	270	(19.6)	1046	914	(12.6)
Foods	203	184	(9.1)	550	522	(5.2)
Ice Cream	33	23	(29.6)	124	90	(27.6)
Exports	420	280	(33.3)	1361	888	(34.8)
Others	149	86	(42.2)	490	261	(46.6)
Total Segment Revenue	2632	2415	(8.2)	8196	7451	(9.1)
Less: Inter Segment Revenue	(74)	(28)	(61.7)	(207)	(71)	(65.4)
Net Segment Revenue	2558	2386	(6.7)	7989	7380	(7.6)



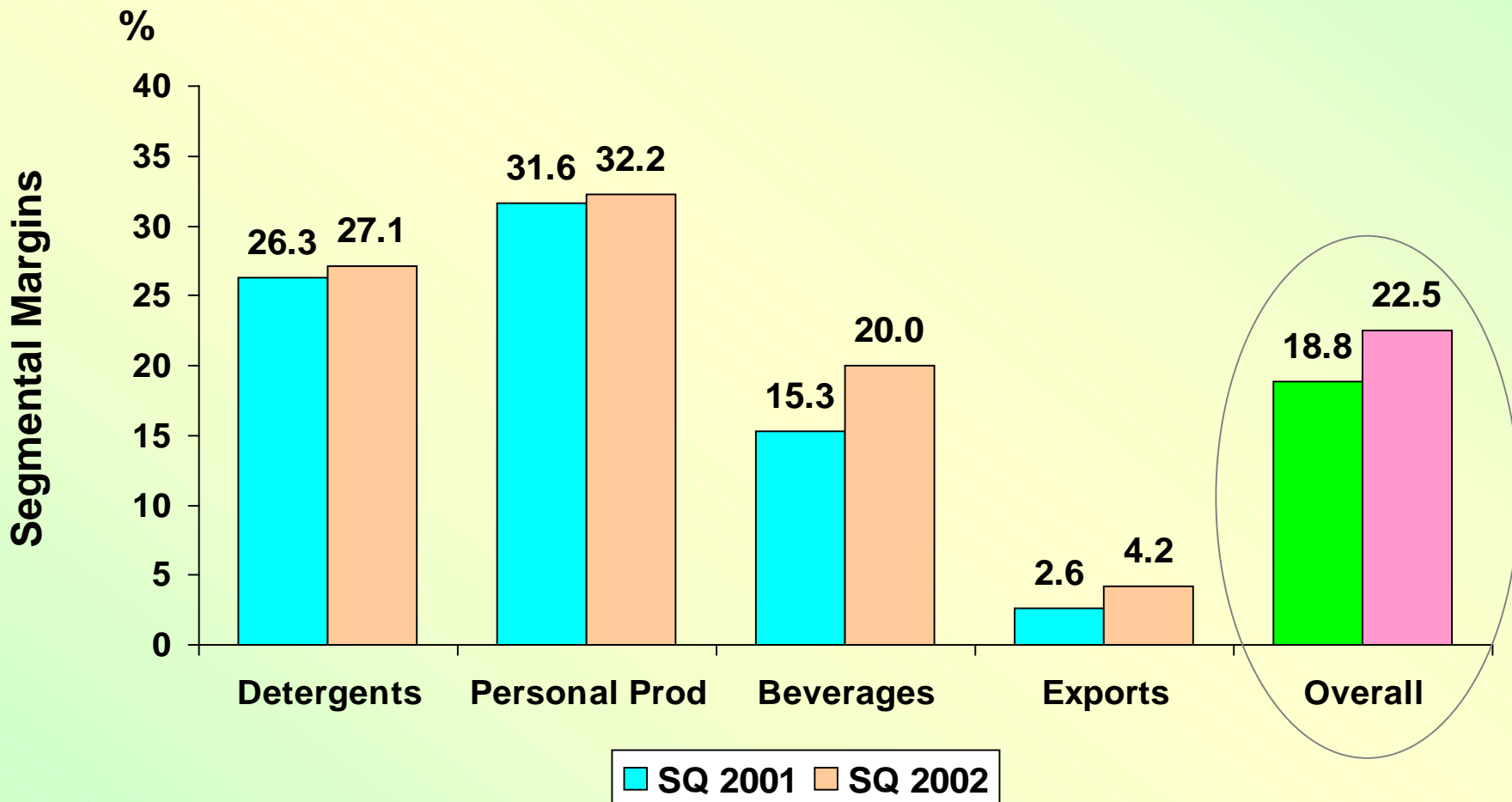
Segmental Results

Rs.Crores	SQ 2001	SQ 2002	% Change	YTD 2001	YTD 2002	% Change
Soaps & Detergents	271	288	6.4	675	800	18.6
Personal Products	145	164	12.8	436	502	15.2
Beverages	52	54	5.3	156	173	10.9
Foods	(10)	(7)	24.2	(7)	(22)	(241.9)
Ice Cream	(9)	(2)	81.7	(18)	(4)	75.1
Exports	11	12	7.2	46	58	25.3
Others	1	2	97.6	36	(2)	
Total Segment Results	461	511	10.8	1325	1504	13.6
Less: Interest Expense	(3)	(2)	(30.7)	(6)	(8)	(34.1)
Add: Unallocable net income	20	26	30.3	14	10	(30.6)
Total Profit Before Tax	478	535	11.9	1333	1506	13.0



Focus on Profitability

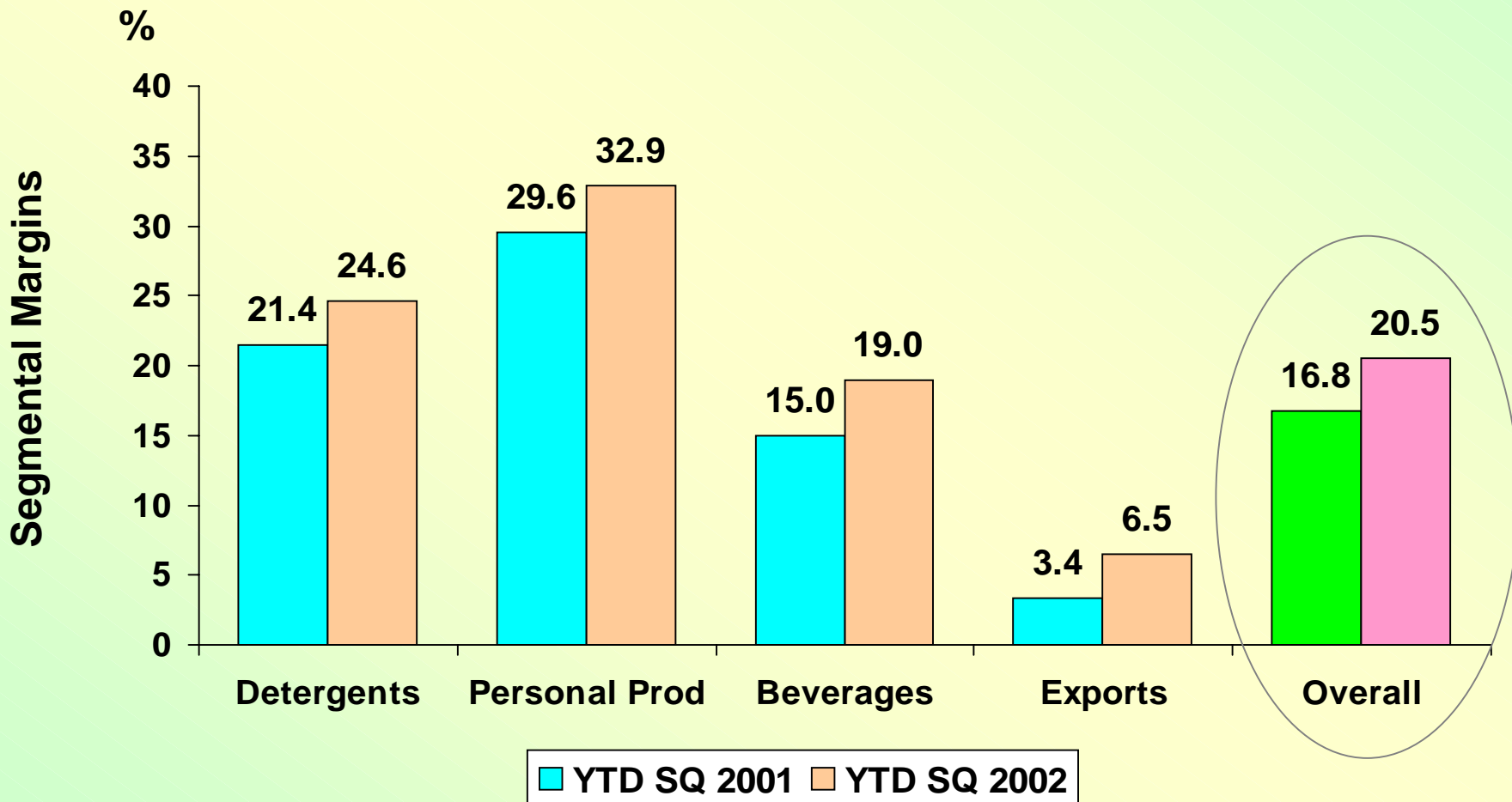
... .. **improved segmental margins in SQ '02**





Focus on Profitability

... continued trend on improved segmental margins





Focus on profitability continues

Rs Crore	SQ 2001	SQ 2002	% Growth
Operating Profit (PBIT)	389	454	16.6
Operating Margin %	15.3	19.2	+390 bps

%	YTD 2001	YTD 2002
Return on Net Worth	49.1	45.3
ROCE	61.9	58.1



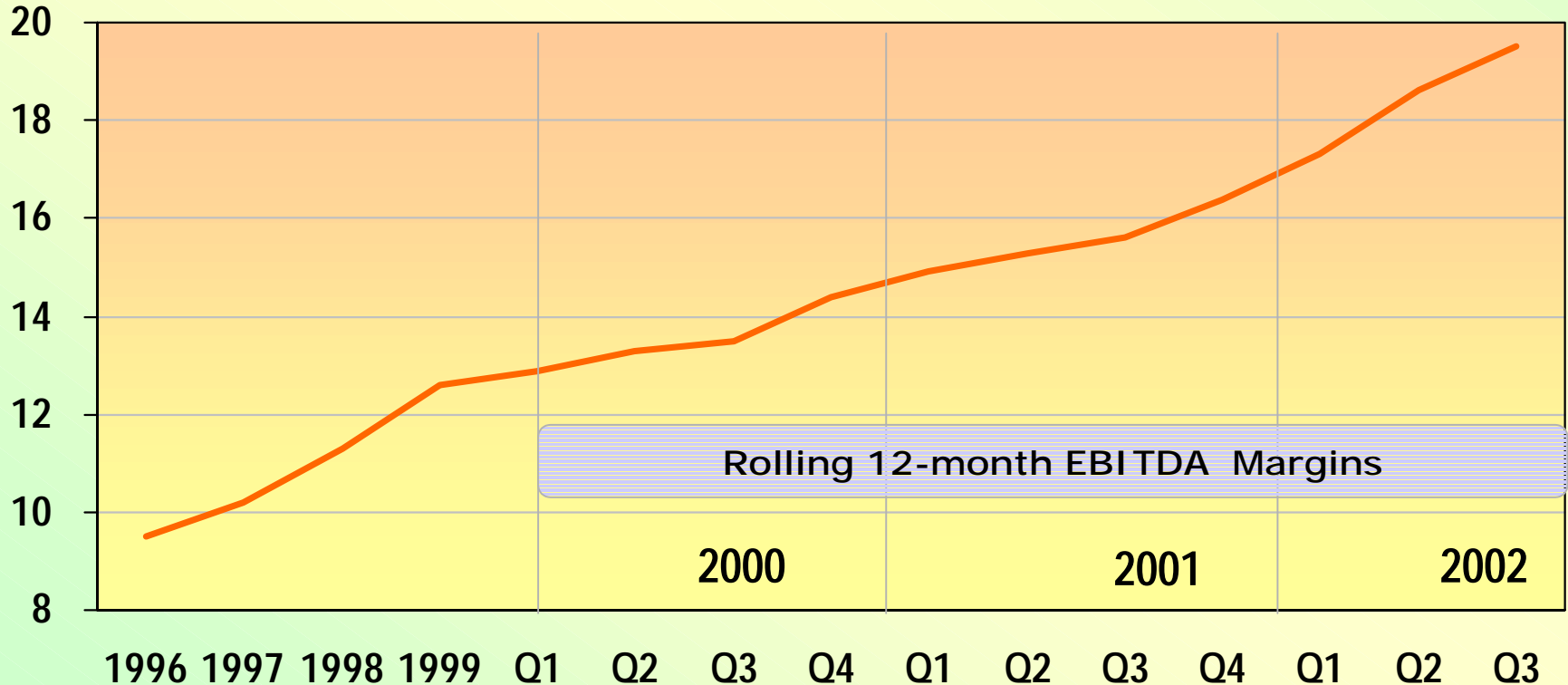
EBITDA Margin Progression

Portfolio Rationalisation

Focus on Foods Profitability

Cost Management Initiatives

% Sales





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2003 & Beyond....



Shaping Brands for Growth

brand vision



growth opportunities

- new categories
- new consumers
- new consumption opportunities



innovation





The 'HLL Way in Sales'

- Reorganised sales force by customer type
- Single minded focus on secondary sales
- "Back-to-Basics"

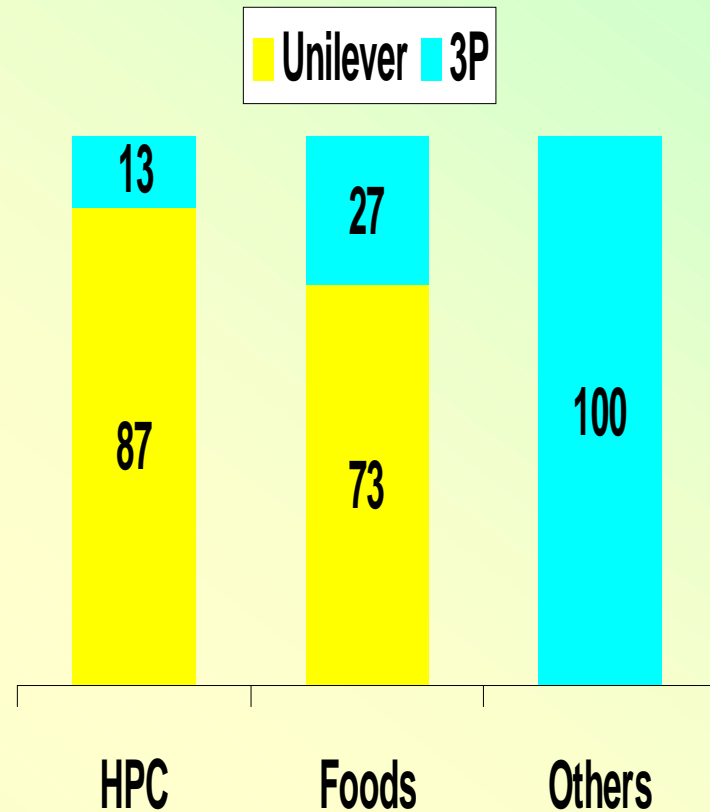




A New Exports Horizon

growing a \$ B In sourcing business out of India

- Leveraging on cost arbitrage opportunities with the West & Unilever sourcing
- Focus on categories with company / country specific advantage
- Build sourcing partnerships on the basis of
 - World class quality
 - Technological / process expertise
 - Customer service
 - Cost competitiveness
- Export sourcing opportunities not at the cost of domestic business
- Sourcing business will improve Exports margin basket



Leveraging
Unilever



A New Paradigm Supply Chain

- **RS-net implementation**

- Connectivity with HLL RSs

- **Benefits**

- System cost reduction
- Secondary Sales Tracking
- Robust sales & production planning
- Higher ROI for Redistribution Stockist
- Field force focus on "the HLL Way of Sales"

- **Project Leap**

- Personal wash pilot
- Phased roll-out

- **Shared services:**

- Technical capability established
- Roll-out in progress

**..m ake today
what we
sold yesterday**



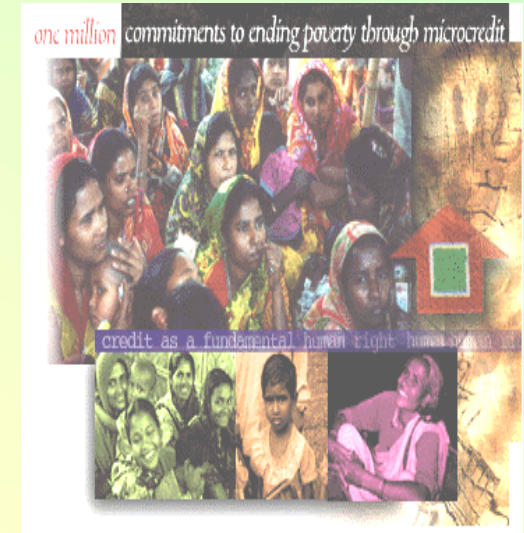


Driving New Initiatives



Water

Rural
Connectivity



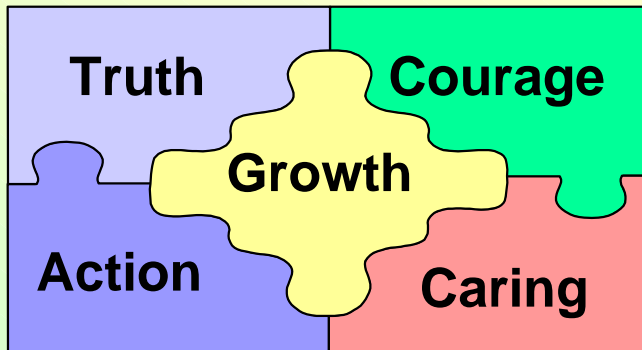
E-Tailing





Team working drives Enterprise Culture

- Goal Alignment
- Emotional Bonding
- Shared Values



Values form the bedrock of our Culture to drive Growth



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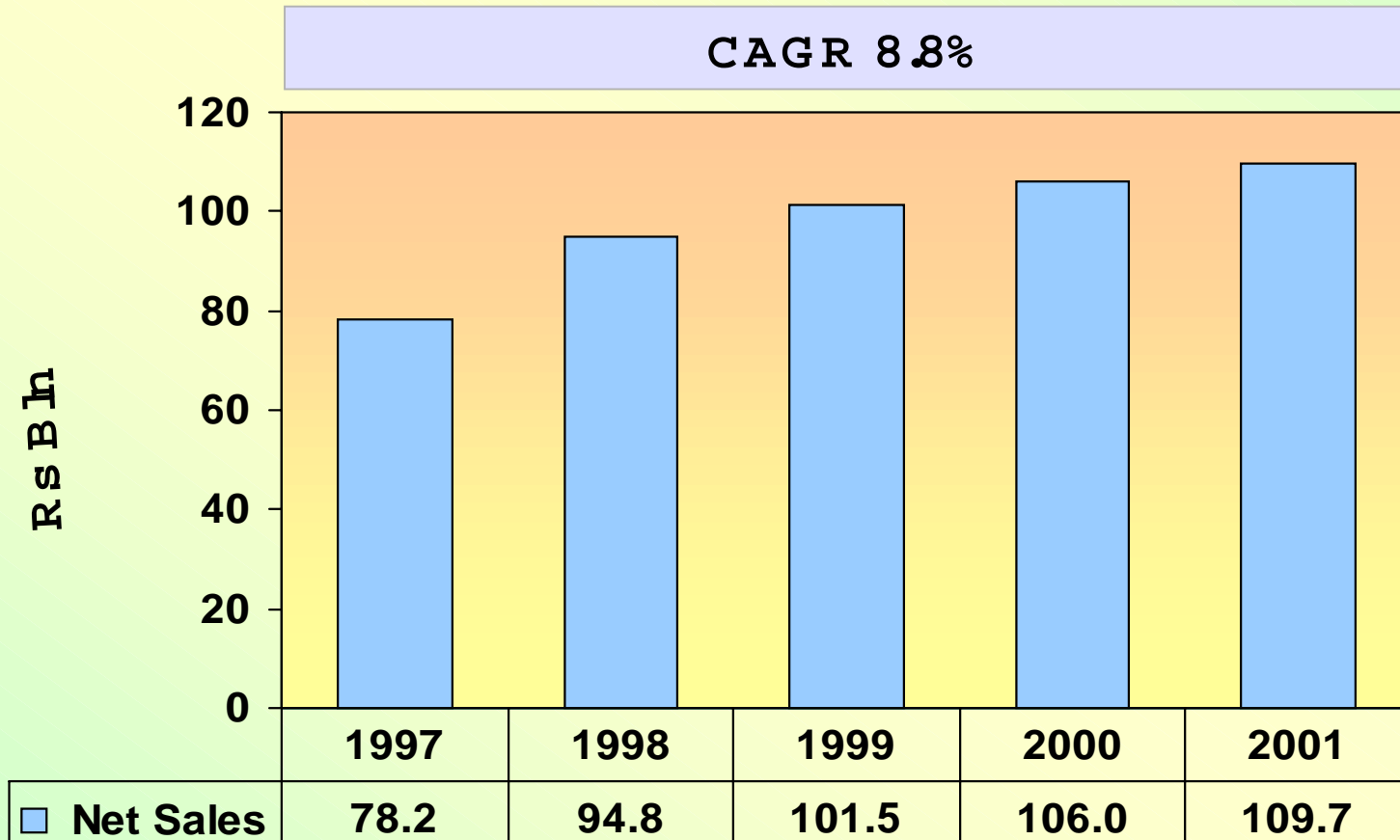
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Performance Trends

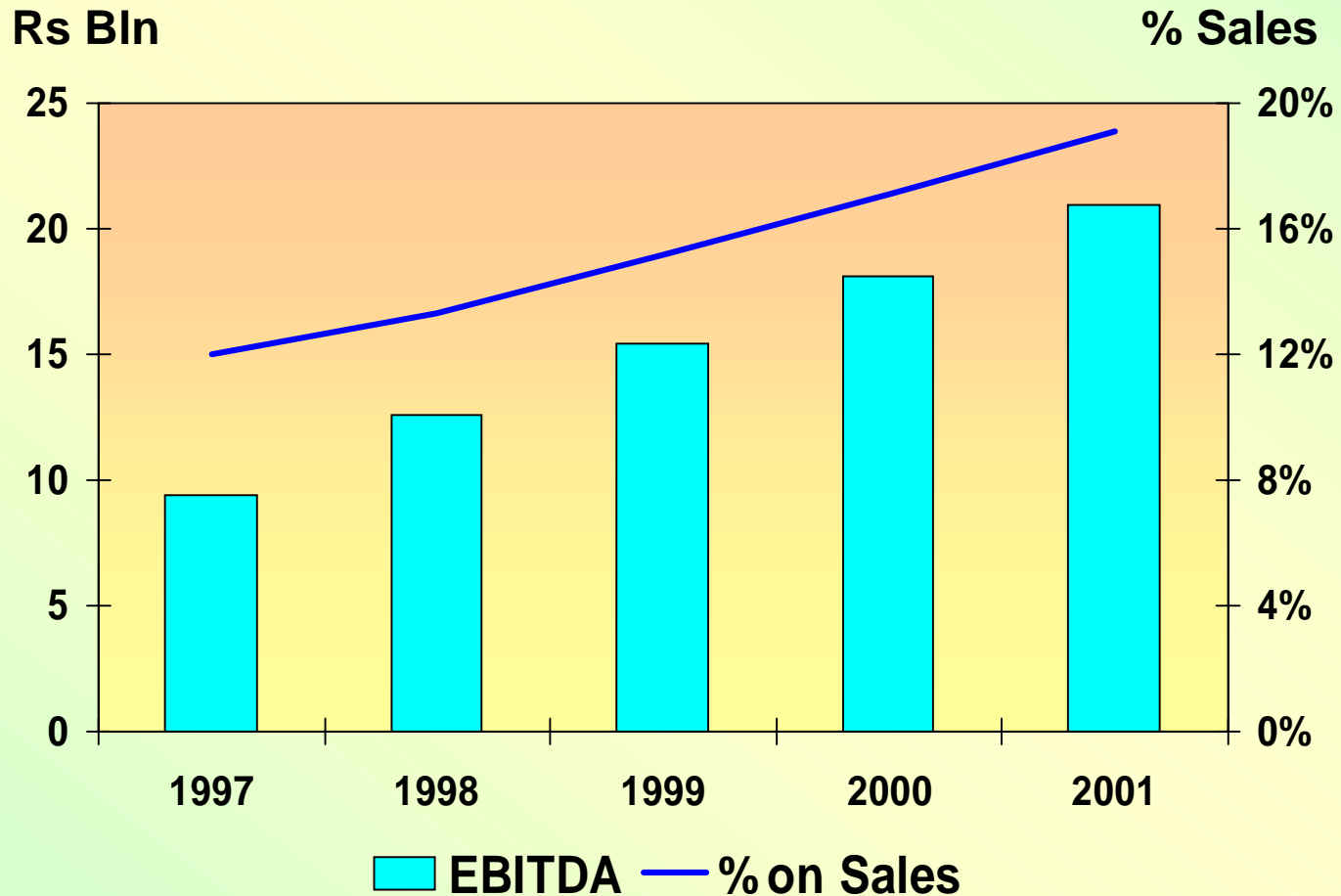


Net Sales





Operating Profits / Margins

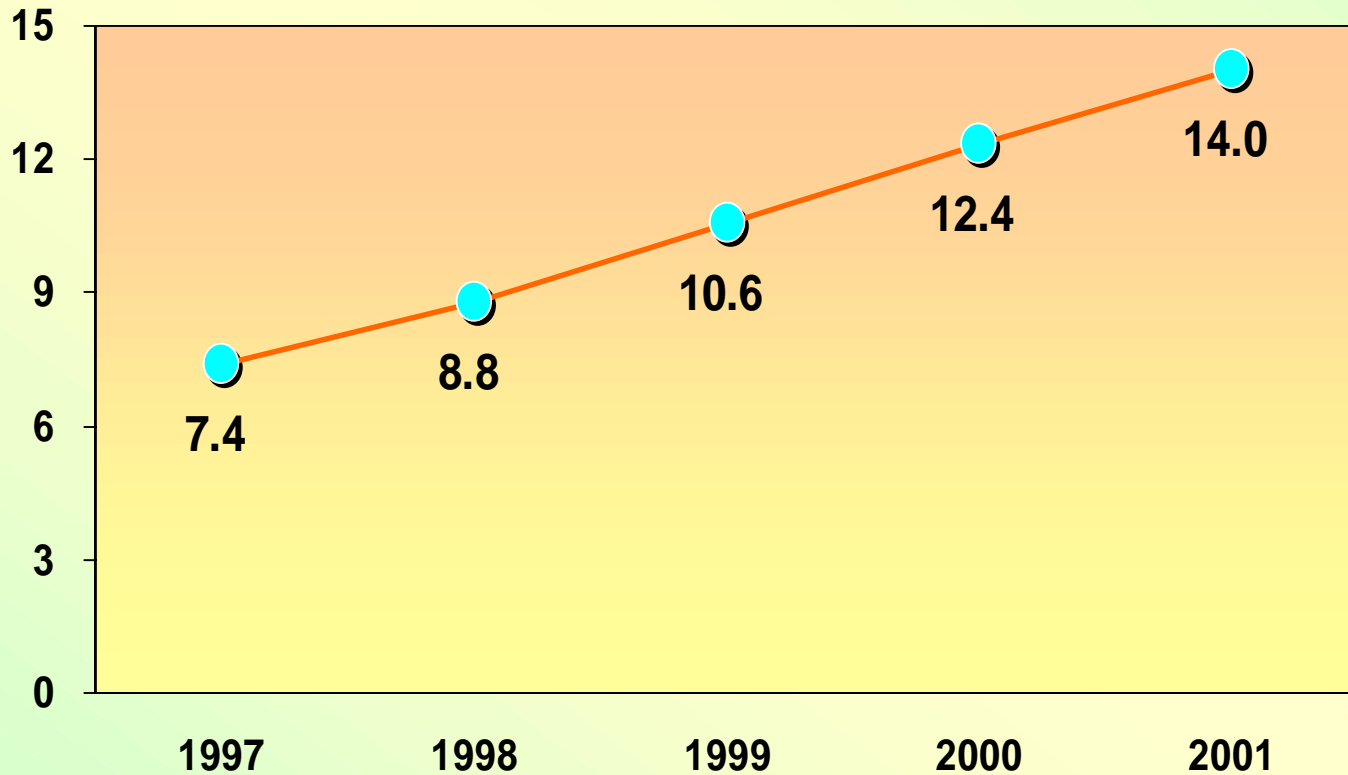


EBITDA = PBT (bei) + Deprn + Interest



Net Margins

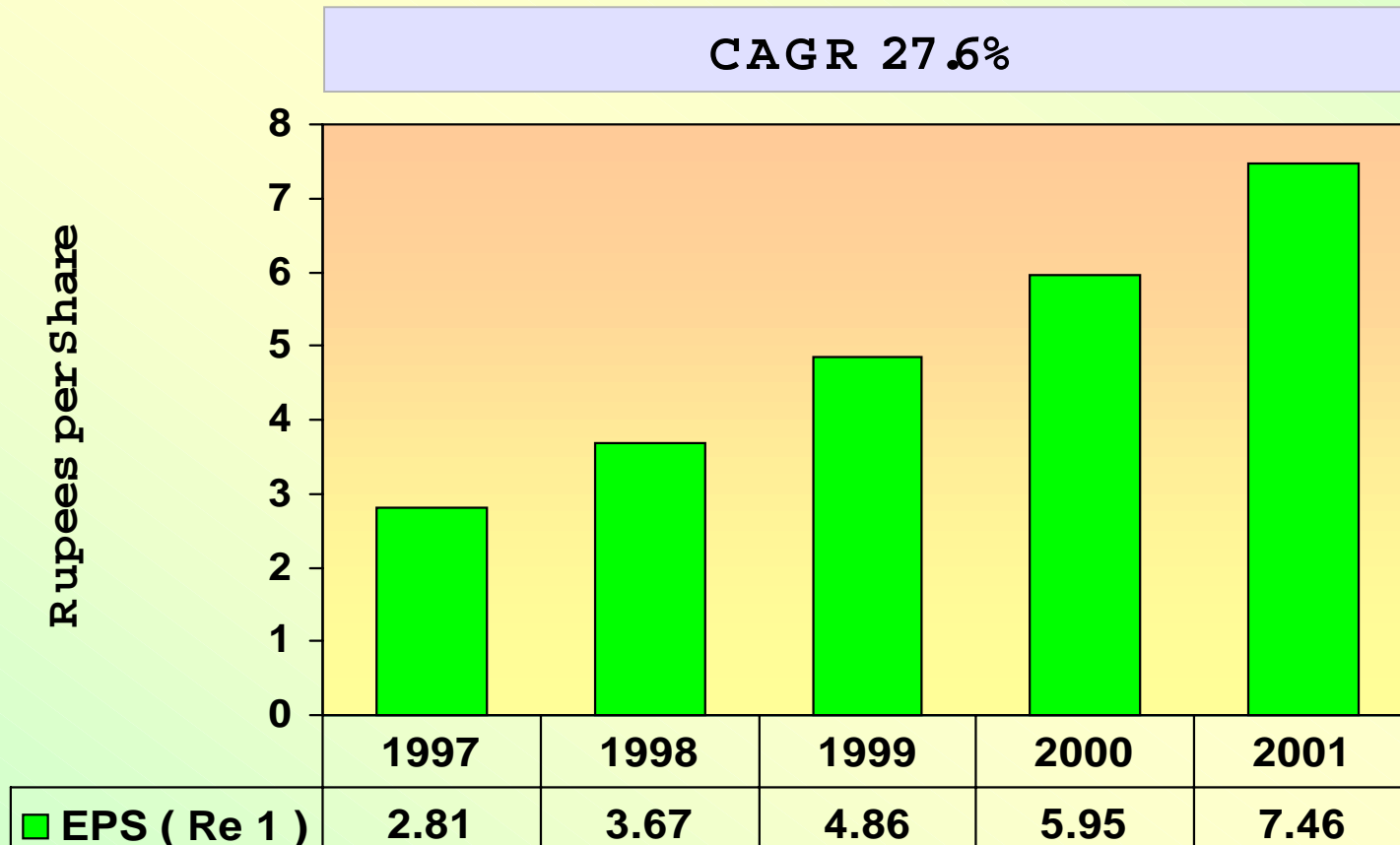
% Sales



Based on PAT (before exceptional items)

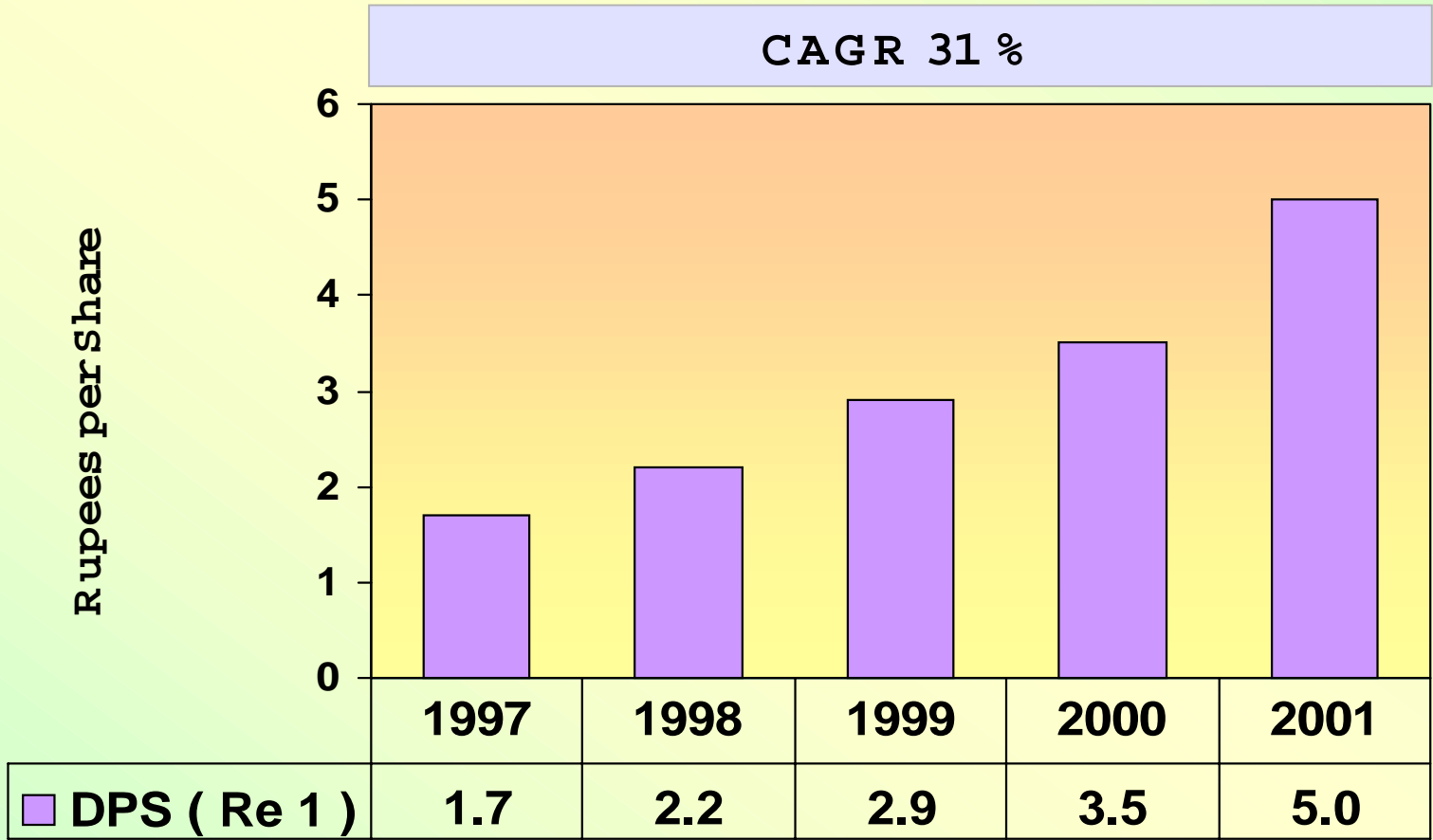


Earnings Per Share





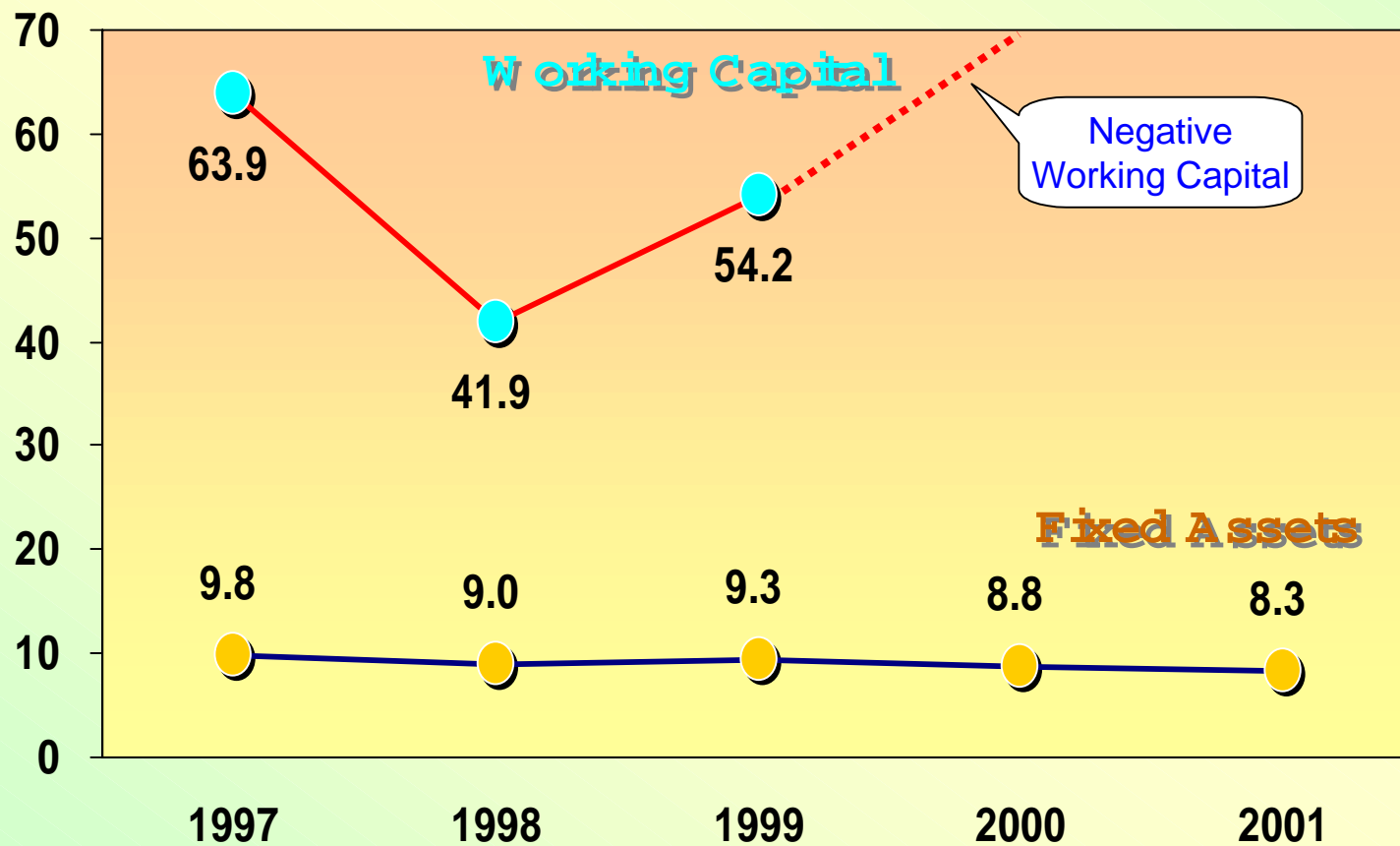
Dividend Per Share





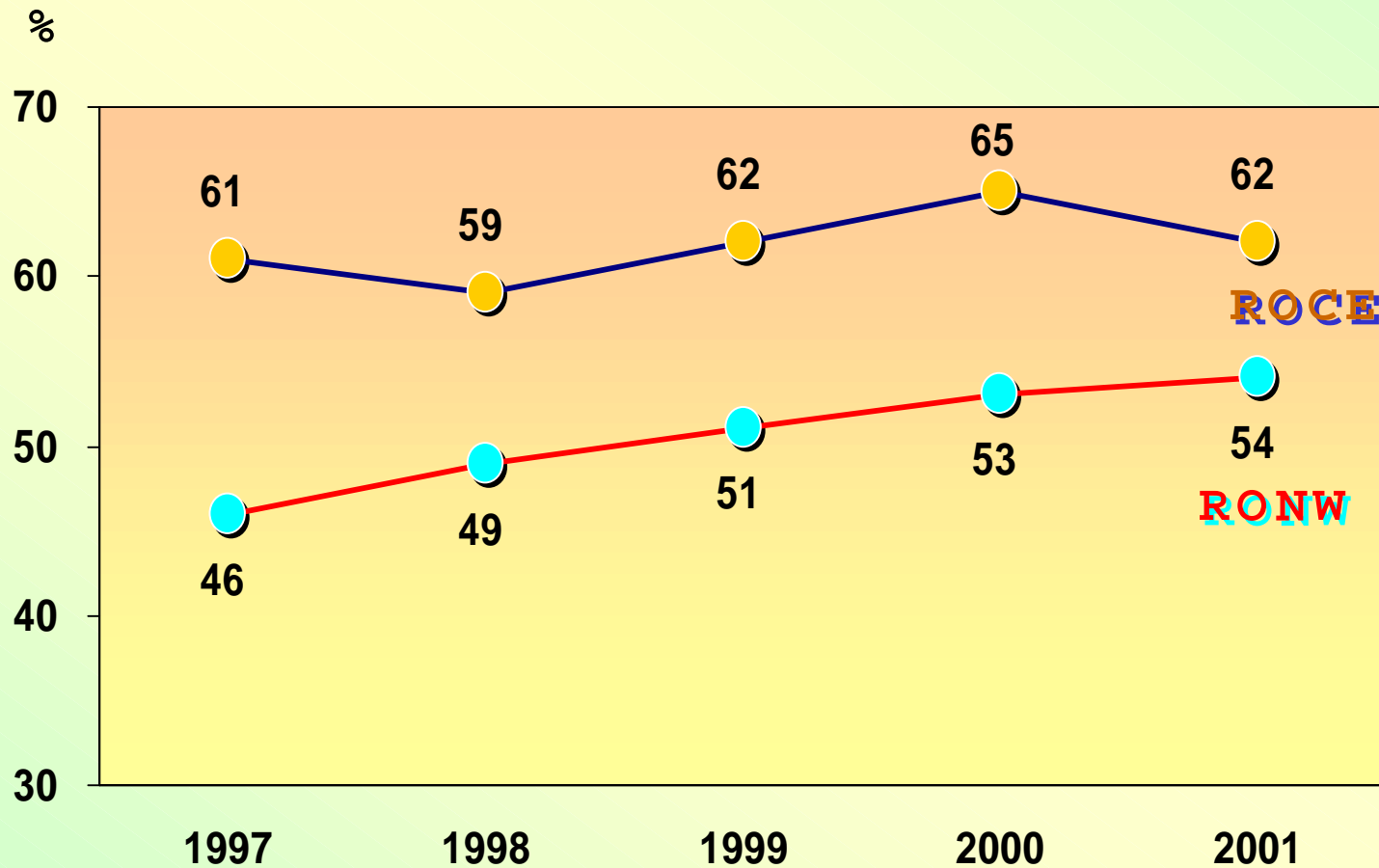
Asset Turnover

Times





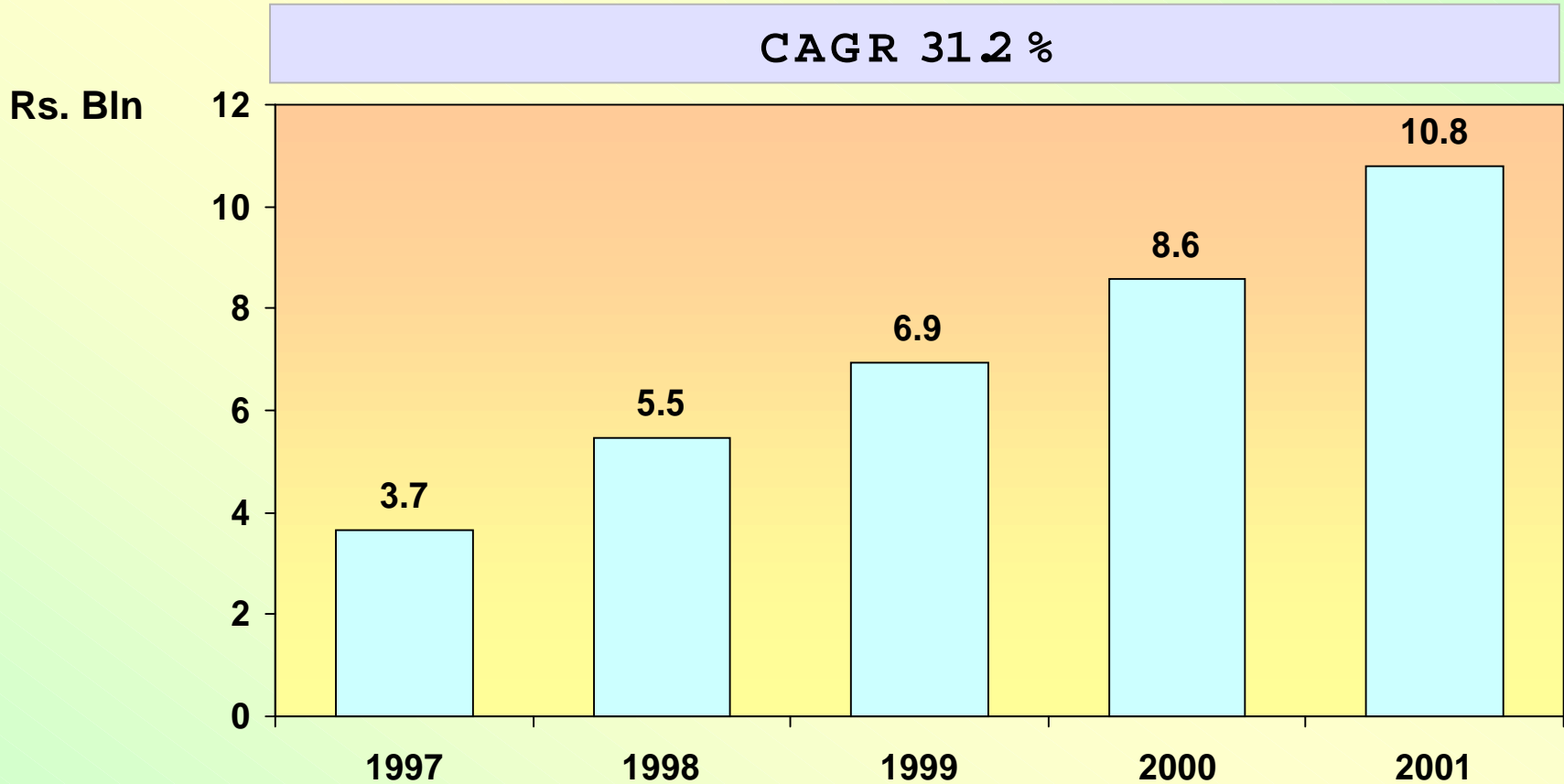
Returns



RONW based on PAT (before exceptional items)



Economic Value Added



EVA / Cap Empl %	1997	1998	1999	2000	2001
	28.4	33.2	33.5	35.9	38.4

* EVA = Net Operating Profit after Taxes - Cost of capital Employed



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Thank You