

HINDUSTAN LEVER LIMITED

Audited Financial Results for the year ended 31st December 2001

	Unaudited Results for the Quarter ended 31st December		Audited Results for the Year ended 31st December	
	2001	2000	2001	2000
Net Sales	2,762.92	2,648.10	10,971.90	10,603.79
Other Income	75.03	85.81	381.79	345.07
Total Expenditure (d+e+f)	(2,186.43)	(2,175.23)	(9,257.92)	(9,139.68)
a) Increase/(decrease) in stock in trade	(82.06)	16.63	(4.64)	(83.84)
b) Consumption of raw/packing materials	(920.25)	(961.78)	(3,849.57)	(3,745.77)
c) Purchase of goods	(490.12)	(575.30)	(2,499.75)	(2,613.35)
d) Cost of Goods Sold (a+b+c)	(1,492.43)	(1,520.45)	(6,353.96)	(6,442.96)
e) Staff Cost	(146.65)	(96.99)	(591.70)	(614.35)
f) Other expenditure	(547.35)	(557.79)	(2,312.26)	(2,082.37)
Interest	(1.94)	(4.35)	(7.74)	(13.15)
Gross Profit	649.58	554.33	2,088.03	1,796.03
Depreciation / Amortisation	(39.41)	(34.48)	(144.66)	(130.94)
Profit before taxation	610.17	519.85	1,943.37	1,665.09
Provision for taxation - current tax	(107.06)	(90.27)	(397.69)	(355.00)
Provision for taxation - deferred tax	(3.13)	-	(4.73)	-
Profit after taxation, before exceptional items	499.98	429.58	1,540.95	1,310.09
Exceptional Items, net of taxes	(63.60)	-	100.36	-
Net Profit	436.38	429.58	1,641.31	1,310.09
Paid up Equity Share Capital (face value Re 1 per share)	220.12	220.06	220.12	220.06
Reserves excluding Revaluation Reserve			2,822.90	2,267.50
Basic and Diluted Earnings per Share of Re 1 (not annualised) - Rs.	1.98	1.95	7.46	5.95
Basic and Diluted Earnings per Share of Re 1 (annualised) - Rs.	7.93	7.81	7.46	5.95

**Segment wise Revenue, Results and Capital Employed, under Clause 41 of the Listing Agreement
(Rs Crores)**

	Unaudited Results for the quarter ended 31st December 2001	Audited Results for the 12 months ended 31st December 2001
Segment Revenue (Sales and Income from Services)		
- Soaps and Detergents	1,037.41	4,295.43
- Personal Products	625.25	2,217.94
- Beverages	372.73	1,418.82
- Foods (includes Oils and Fats, Culinary a	244.10	794.20
- Ice Creams	26.47	161.86
- Exports	389.17	1,750.62
- Others (includes Chemicals, Agri etc)	164.27	654.73
Total Segment Revenue	2,859.40	11,293.60
Less : Inter segment revenue	(60.89)	(267.55)
Net sales/income from operations	2,798.51	11,026.05
Segment Results (Profit before interest and tax)		
- Soaps and Detergents	303.68	978.63
- Personal Products	234.49	670.14
- Beverages	17.13	173.59
- Foods	13.45	6.92
- Ice Creams	(8.69)	(26.52)
- Exports	36.09	82.04
- Others	(11.37)	24.59
Total Segment Results	584.78	1,909.39
Less : Interest Expense	(1.93)	(7.74)
Add : Unallocable income net of Othe	27.32	41.72
Total Profit Before Tax	610.17	1,943.37
Capital Employed (Segment assets less Segment liabilities)		
- Soaps and Detergents	66.10	66.10
- Personal Products	(46.24)	(46.24)
- Beverages	(33.53)	(33.53)
- Foods	45.98	45.98
- Ice Creams	47.45	47.45
- Exports	275.40	275.40
- Others	154.01	154.01
Total Capital Employed in segments	509.17	509.17
Add : Unallocable corporate assets less cc	2,534.53	2,534.53
Total Capital Employed in company	3,043.70	3,043.70

Notes :

1) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the organisation structure as well as the differential risks and returns of these segments.

2) Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other unallocable expenditure includes expenses incurred on common services provided to the segments which are not directly identifiable to the individual segments as well as expenses incurred at a corporate level which relate to the company as a whole. Unallocable income mainly includes income from investment of surplus funds and dividends from subsidiary companies. Capital Employed figures are as at 31st December 2001. Unallocated corporate assets mainly relate to investments.

3) In line with the company's policy, business restructuring costs were charged on the basis of proportionate share of estimated annual costs till September quarter; these were retained in "Other unallocable expenditure" for Segment Reporting. In December quarter, the actual amount incurred has been charged to the respective segments. Accordingly, Beverages and Foods segment results include a charge of Rs 40.87 crores and Rs 1.55 crores respectively for December quarter and the year. Correspondingly, Rs 30.11 crores retained in "Other unallocable expenditure" till September quarter has been reversed.

Notes:

1. Net Profit for the year registered a growth of 25.3% while Profit After Tax grew by 17.6%. Net Profit for DQ '01 (after charging exceptional items: Rs.63.60 crores, net of tax) was Rs.436.38 crores. Profit After Tax, however, registered a growth of 16.4%.

2. During the year, sales grew by 3.5%. FMCG categories registered a growth of 6.2%, led by Home & Personal Care growth of 9.5%. Foods sales declined by 2% due to depressed prices and portfolio rationalisation in Tea. Export sales in core categories grew by 22%. However, overall exports marginally declined due to phasing out of unviable traded portfolio. Sales for December quarter 2001 (DQ '01) grew by 4.3% with FMCG categories growing by 7.8%. Home & Personal Care products registered a growth of 10.3%. Foods sales grew by 1.8%. Export sales were flat.

3. Exceptional items (net charge) for DQ '01 (Rs.63.60 crores, net of tax) comprise the following:

(a) Profit on disposal of Nickel Catalyst & Adhesives business: Rs.17.14 crores

(b) Provision for fixed asset write-off in respect of Culinary Products business: Rs.19.25 crores (net of deferred tax: Rs.12.37 crores)

(c) Provision for fixed asset write-off and estimated other related costs in respect of Icecream business: Rs.43.04 crores (net of

(d) Provision for additional liability in respect of employees' retirement benefits, necessitated due to fall in interest rate: Rs.63.25

Exceptional items (net income) for the year amounts to Rs.100.36 crores (net of tax; 2000: Nil)

4. Business restructuring costs amounting to Rs.48.04 crores (2000: Rs.109.33 crores) incurred during the year has been included

5. The results of the year and DQ '01 are not comparable to the corresponding previous periods to the extent of the items referred

(a) Sale of the Animal Feeds business of the company to Goldmohur Foods and Feeds Limited, a subsidiary company effective

(b) Integration of the Tea Exports business of Lipton India Exports Limited, a 100% subsidiary with the company, effective 1st April, 2001

(c) Integration of the personal products business of Lakme Lever Limited, a subsidiary, with the company, effective 1st April, 2001

Adjusting for the above, Net Sales for the year is Rs.10874.42 crores (2000: Rs.10575.61 crores) and Net Profit for the year is Rs.1534.99 crores (2000: Rs.1268.63 crores). Net Sales for DQ '01 is Rs.2762.92 crores (DQ '00: Rs.2663.99 crores) and Net Profit for DQ '01 is Rs.503.12 crores (DQ '00: Rs.406.48 crores).

6. The Board of Directors have, at the meeting held on 22nd January 2002, recommended a Final Dividend of Rs. 2.50 per equity share of Re.1 for the year, subject to approval by shareholders. Together with the Interim Dividend of Rs.2.50 per share, the total dividend for the year works out to Rs.5.00 per share of Re.1 (2000: Rs.3.50 per share).

7. At the Extraordinary General Meeting held on 12th December 2001, the shareholders approved the proposal for restructuring of the General Reserve of the Company by issue of Bonus Debentures in the ratio of 1 Bonus Debenture of Rs.6 for every share of Re.1 held in the Company. Application has been filed with the Honourable High Court of Bombay for approval of the Scheme.

8. The text of the above statement was taken on record at the Board Meeting held on 22nd January 2002.

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

Place : Mumbai

By Order of the Board

Date : 22nd January 2002

M.S. Banga
Chairman