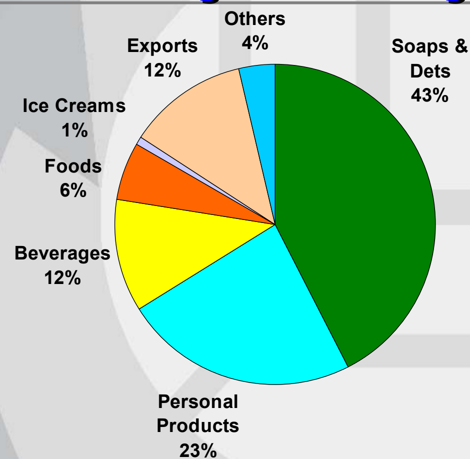
Hindustan Lever Limited

Presentation at ICICI Securities' - "India Unlimited"
Third Annual Investor Conference

Overview

Hindustan Lever
…. India's largest & leading FMCG company



Turnover $2.2 Bn

* *Based on FY2003 segmental revenues*

Hindustan Lever
…Lead player across FMCG Categories

Source : A.C,Neilson ORG Marg

	Category	HLL - Market Share (%)	#2 Market Share (%)
Market Leader	Fabric Wash	38	18
	Personal Wash	58	11
	Packet Tea	31	19
	Skin	58	7
	Hair Wash	54	15
	Talcum Powder	62	13
	Dishwash	59	11
	R&G Coffee	49	8
	Deodrants	62	11
	Jams	75	7

		HLL - Market Share (%)	#1 Market Share (%)
Strong No. 2	Toothpaste	33	48
	Instant Coffee	38	62
	Ketchups	30	44

Hindustan Lever

…. India's largest & leading FMCG company

	US $ Mn
Turnover	2238
Growth% (Cont. Businesses)	*4.3%*
EBITDA (Operational)	477
EBITDA Margin %	21.3%
Net Profit (bei)	398
EPS	18c
Surplus Cash Generated	361
EVA	315
Market Capitalisation	8547

** Figures based on FY2003 Audited Results*

The India Opportunity

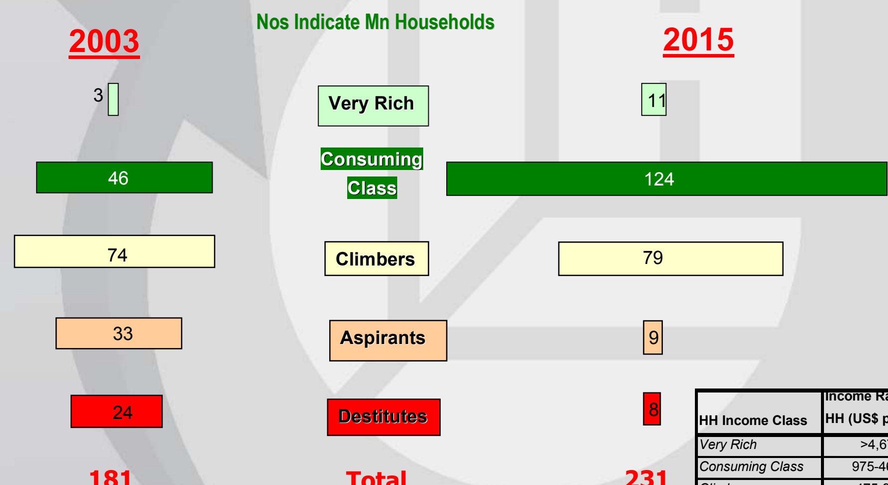
The India Opportunity

- More than 1 Billion Consumers
- Growing Disposable Income
- Young age profile : 45% less than 20 years*
- Low levels of Per Capita Consumption
- Growing aspirations fuelled by media

** Statistical Outline of India (2002-03)*

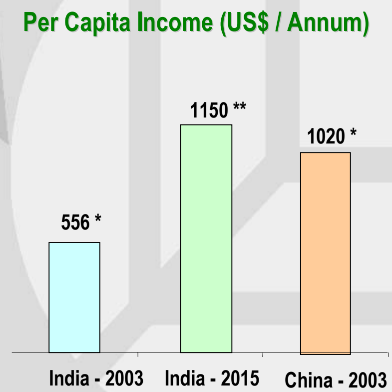
Growing Prosperity :
Consuming Class Households to Treble

Nos Indicate Mn Households



HH Income Class	Income Range per HH (US$ p.a)
Very Rich	>4,675
Consuming Class	975-4675
Climbers	475-975
Aspirants	350-475
Destitutes	<350

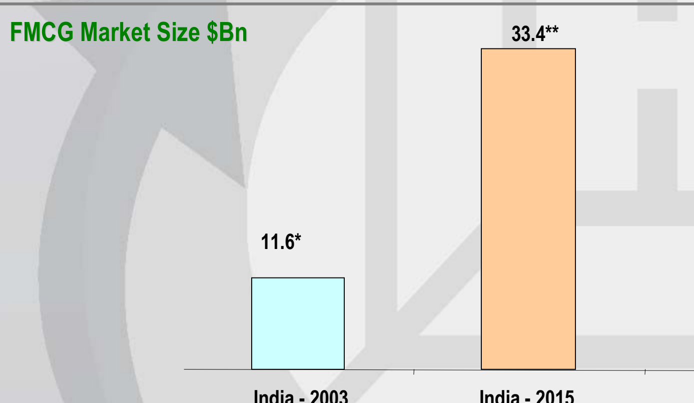
Growth in Per Capita Income



** Source : Euromonitor*

*** Source : BRICs Report - Goldman Sachs*

Market Size Expected to Treble



** Source HH Panel Data*

*** Estimated based on China's current per capita consumption*

Opportunity to Drive Penetration

Category	Total Penetration (%)
Toothpaste	43.5
Skin	24.7
Hair Wash	23.3
Talcum Powder	45.1
Dishwash	24.4
Ketchups	4.2

Source : Indian Readership Survey 2002

Opportunity to Grow Consumption

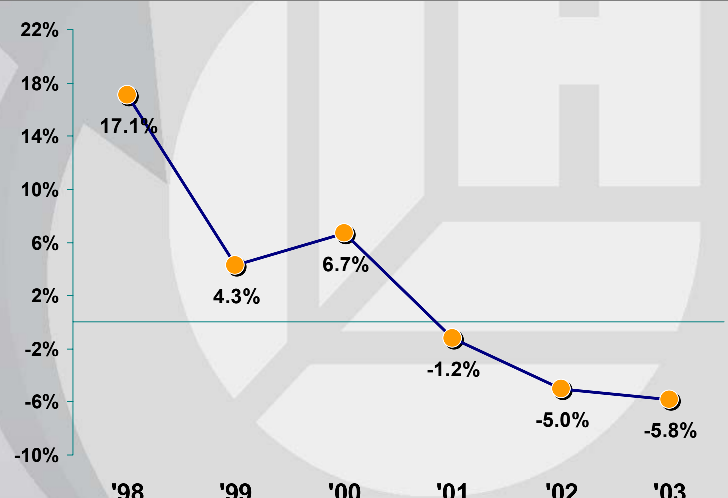
Per Capita Consumption (US $)

	Fabric Wash	Toothpastes	Shampoos
China	1.7	0.8	1.1
Indonesia	2.0	1.1	1.2
India	1.2	0.4	0.6

Source : Euromonitor

Challenges

FMCG Sector Growth slows…
and declines



A Transitional Phenomenon ?

- 3 Poor Monsoons
- Structural change in consumer spending
  - Easier financing options
  - Increase in HH infrastructure & Utility spends
- New Consumption Categories

Intensified Competition

- Low Price Players
- International Companies

Strategy

HLL - 2001
Three Pronged Strategy

- Focus the company : Secure future of Non - Core Businesses
- Improve profitability of Foods
- Grow through focus on "POWER BRANDS"

Strategy Update
Non Core Businesses Divested

Non Core Business

DIVESTED

- AFS
- Quest
- Adhesives
- Nickel Catalyst
- Seeds
- Diversey Lever
- Oils & Fats
- Mushrooms

TRANSFER

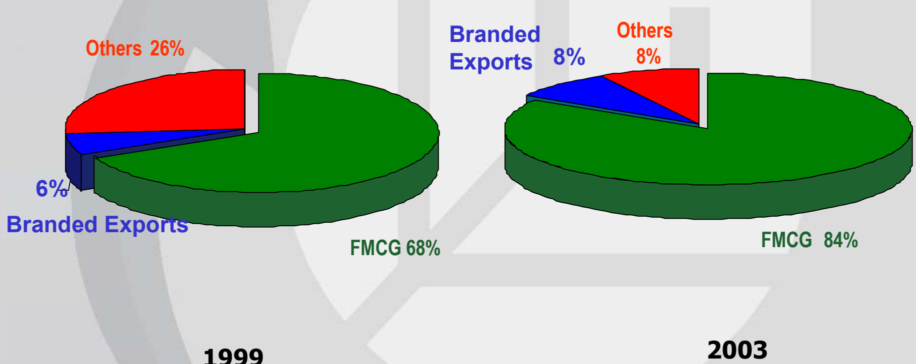
- Leather

Transferred to subsidiaries for potential JV / disposal

"Generating Excellent Value for Shareholders"

We now have...
a very focussed portfolio

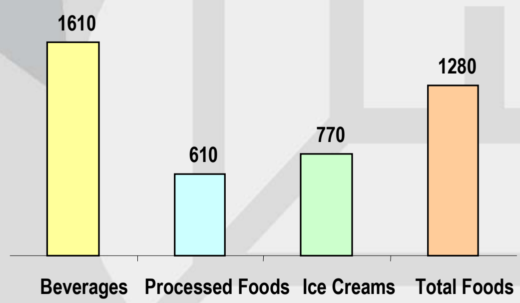
% Sales contribution



Strategy Update

Foods : Improved Profitability

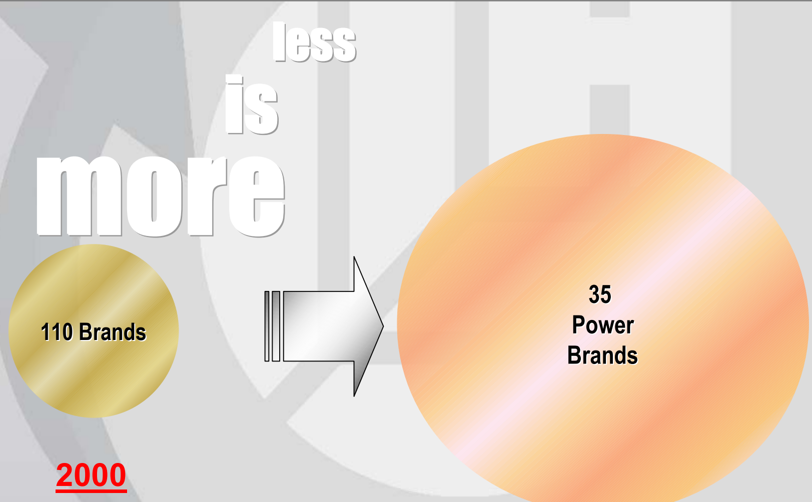
Bps change in Gross Margins 2000 - 03



"Fuel for growth"

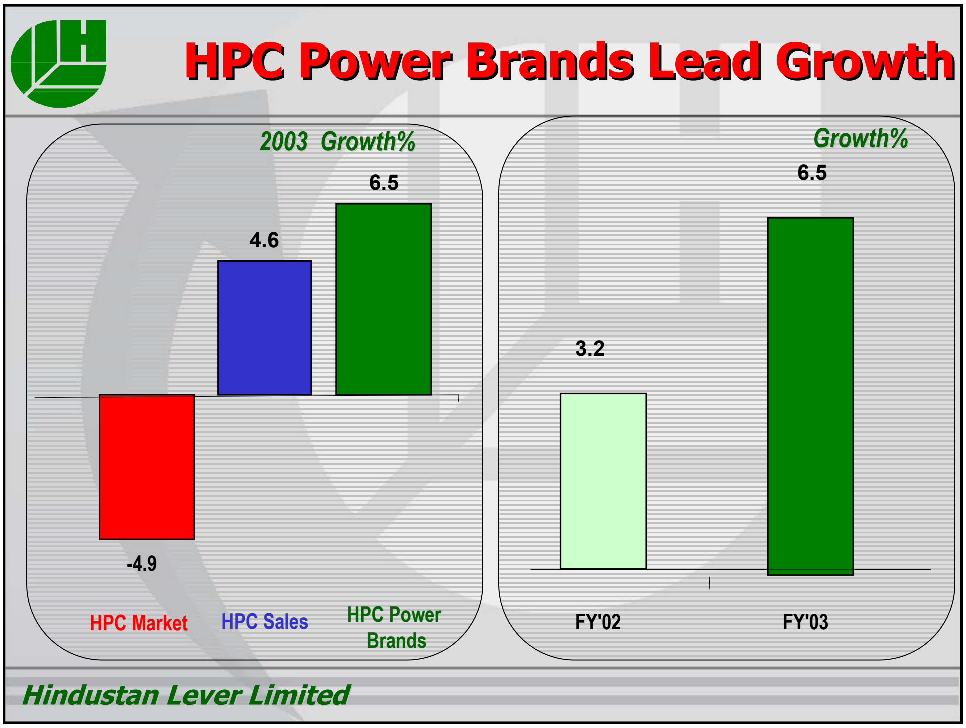
Strategy Update

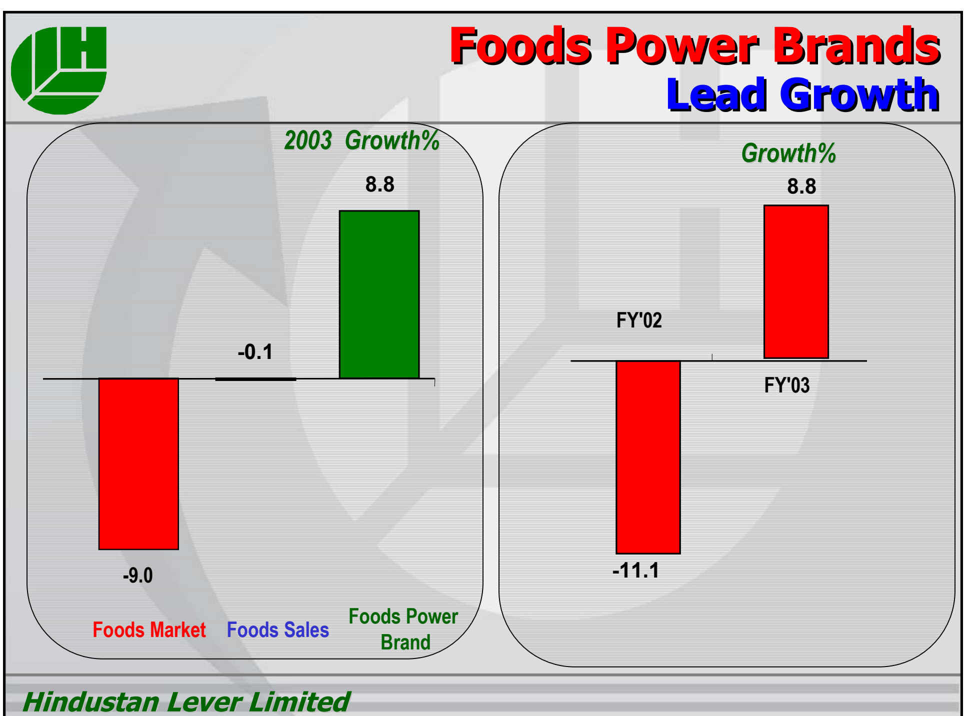
Focus : Power Brands



2000

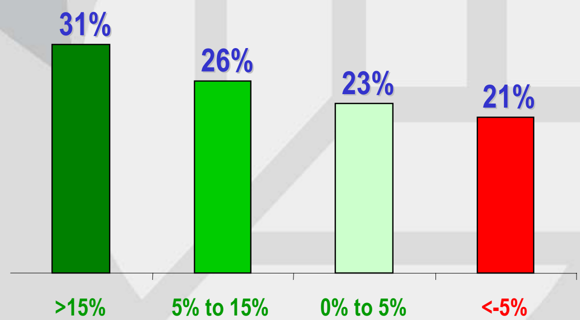
2004


HPC Power Brands Lead Growth
2003 Growth%
6.5
4.6
-4.9
HPC Market
HPC Sales
HPC Power Brands
Growth%
6.5
3.2
FY'02
FY'03
Hindustan Lever Limited


Foods Power Brands
Lead Growth
2003 Growth%
8.8
-0.1
-9.0
Foods Market
Foods Sales
Foods Power Brand
Growth%
8.8
FY'02
FY'03
-11.1
Hindustan Lever Limited

Power Brands
Growths & Declines

% Contribution to Power Brands Turnover

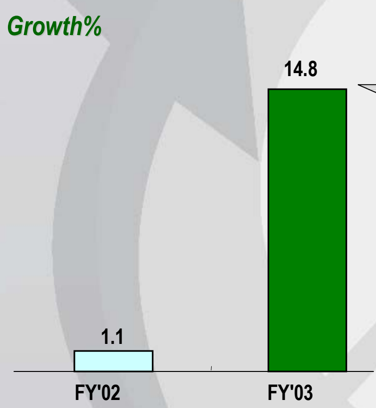


"Growths" "Declines"

Our Challenge : To grow the entire Portfolio

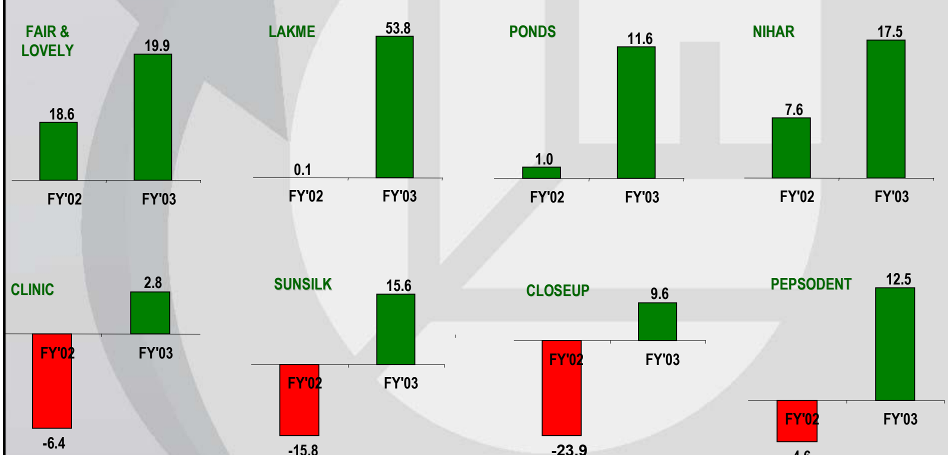
2003 Growth Drivers

Personal Products Lead Growth

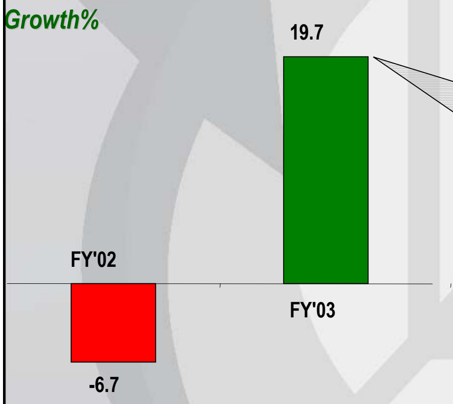


- Across Quarters
- Across Categories
- Across Brands
- Volume Led

Growth- Across Brands



Processed Foods : Changing gears
Moving into growth



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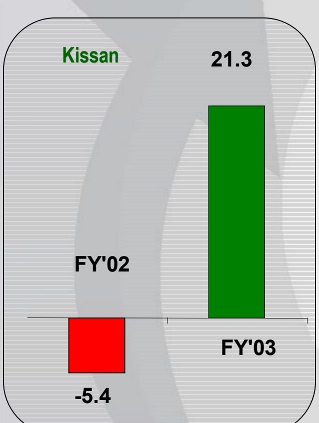
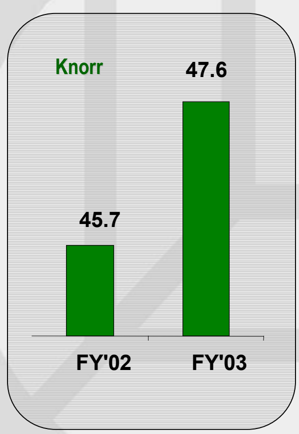
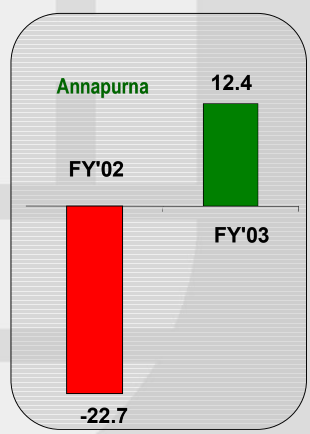
Growth- Across Brands

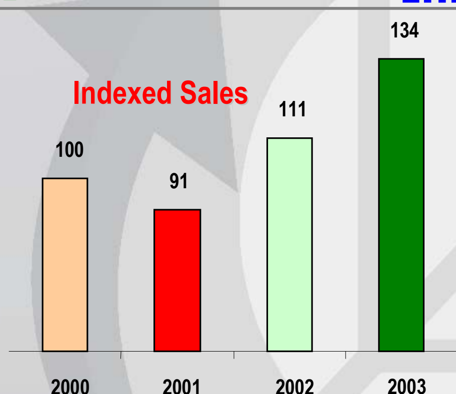


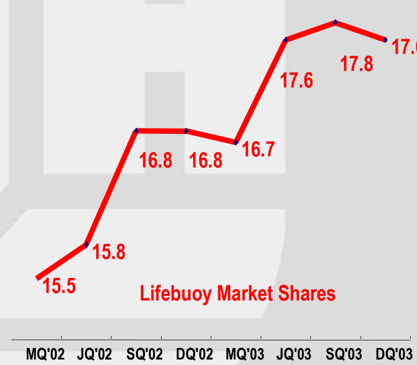




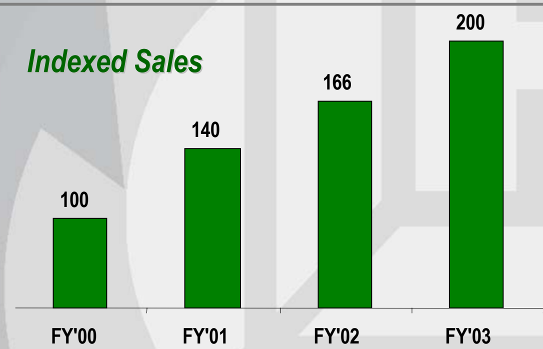
Brand Successes : Some Cases

Lifebuoy
Innovation led Success





Fair & Lovely
Innovation led Success



Sales Doubles in 3 years in a flat market

FAL Fairness Soap

FAL Ayurvedic

FAL Anti - Marks

FAL Deep Skin

FAL Big Nose Sachet

Building Capabilities for Growth

Technology Focus

- 1 out of 4 Unilever Global Research Centres
- 5 Global Innovation Centres
- >100 Scientists
- Innovation Culture

HPC : Innovation Drives Growth

Lakme :54%

Lifebuoy : 20%

FAL : 20%

Nihar : 18%

Sunsilk : 16%

Pears : 13%

P'dent :13%

Ponds: 12%

CloseUp : 10%

Wheel : 7%

Lux : 5%

* Group Basis

Foods : Innovation Drives Growth

Kissan : 21%

Knorr : 48%

Bru : 27%

Annapurna: 12%

Brooke Bond : 6%

* Group Basis

Investments in Brands : Quality

"Improved performance & sensorials"

Lifebuoy

Lux

Hamam

Rexona

Superior wash within budgets

Rin Shakti

Rin Supreme

Wheel Active

Wheel

Double Whiteness - "No Mud"

Accessible Price to drive
Penetration & Consumption

Lux	Rs.5
Dove	Rs 25
Lifebuoy	Rs 2, Rs 4.50
Surf Excel	Rs.1.50
Rin Shakti	Rs.1
Rin Supreme	Rs.5
Taaza	Rs 5
Vaseline	Rs 4
FAL	Rs 5
Ponds	Rs 5
Pepsodent	Rs 5, Rs 10, Rs 20, Rs 40
Ponds	Rs 5
Clinic Plus Sunsilk	Rs 0.50
Clinic Plus	Rs 5

Reaching out & Winning consumers

World Class Advertising

Reaching out & Winning consumers

Alternative Media

Visual demonstration of product superiority

"On the Streets"

Reaching out & Winning consumers
Lifebuoy Rural Health & Education Program

20 Mn homes contacted in one year

Winning the Customer & Channel Focus

- Partnering with Modern Trade
- Deepening Rural Distribution

Creating New Channels

- Direct Selling : HL Network
- Project Shakti
- "Out of Home"

Creating New Channels : HL Network

- Direct Selling
  - Product Range
    - Lever home range
    - Male grooming
    - Oral Care
    - Ayurveda
    - Personal Wash
  - Reach - 1400 towns
  - 2,36,000 consultants

Sales increases more than 4 fold in ‘03

Creating New Channels : Project Shakti

- Rural selling through SHG’s
  - Extended into 4 major states
  - Over 14,000 villages covered
  - Touching 20 mn rural lives
  - Plans ot cover 1,00,000 villages
    - Target : 100 mn rural lives.

Leveraging Scale & Technology

- Leveraging Concern Scale
  - Media Buying, NPI, Packaging
- Simplification through Shared Services

Supply Chain for Competitive Advantage

- New units to leverage fiscal incentives
- Manufacturing flexibility enhanced
- Project LEAP : end to end connectivity
- Connectivity with HLL Stockists

Fuel for growth and focus on customer service

New Business Opportunities

Herbal Health & Beauty	Max Confectionery
HL Network	WATER

Power House of Talent

- Preferred employer across functions and levels.
- Day 1 - Slot 1, Employer on all campuses
- Focus : Key Skills & Competencies
- Building effective teams
- Developing inspirational leaders

Excellent Talent Pool with a passion for winning

Building an Enterprise Culture

- Building Leadership
- Increased Diversity
- Performance Culture

Values | Action | Courage | Caring | Truth

In Summary

Our confidence in our future comes from

- Big Opportunity to grow Penetration & Consumption
- Unmatched Assets of HLL
  - Strong Brand Equities
  - Robust Business Capabilities
  - Enterprising Talent

Thank You