

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **Hindustan Unilever Limited**. If you require any clarifications about the action to be taken, you may consult either your stock broker or investment consultant or the Manager to the Open Offer or the Registrar to the Open Offer. In case you have recently sold your Shares in **Hindustan Unilever Limited**, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of Stock Exchange through whom the said sale was effected.

**VOLUNTARY CASH OPEN OFFER AT INR 600 (Indian Rupees Six Hundred Only)  
PER FULLY PAID-UP EQUITY SHARE (the "Open Offer Price")**  
Pursuant to The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (the "**SEBI (SAST) Regulations, 2011**")

TO ACQUIRE  
487,004,772 fully paid-up equity shares of face value INR 1 each  
representing 22.52% of the Voting Share Capital

OF  
**Hindustan Unilever Limited**  
*Registered Office: Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai 400 099  
Telephone: +91 22 39830000; Fax: +91 22 28249438*  
(the "**Target Company**")

BY  
**Unilever PLC**  
*Registered Office: Port Sunlight, Wirral, Merseyside CH62 4ZD, United Kingdom  
Telephone: +44 20 78225252 Fax: +44 20 78225951*  
(the "**Acquirer**")

ALONG WITH  
**Unilever N.V.**  
*Registered Office: Weena 455, PO Box 760, 3000 DK Rotterdam, The Netherlands  
Telephone: +31 10 2174000; Fax: +31 10 2174798*

(as person acting in concert with the Acquirer and referred to as the "**PAC**")

**Notes:**

1. This Open Offer is being made pursuant to Regulation 6 of the SEBI (SAST) Regulations, 2011.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations, 2011.
3. As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date before the closure of the tendering period, the Open Offer shall be subject to all such statutory approvals. The Acquirer has filed an application with the Reserve Bank of India ("RBI") dated 21 May 2013 seeking its approval for acquisition of Shares in the Open Offer from Non-resident Indians ("NRI") and overseas corporate bodies ("OCB"), as may be required, under the Foreign Exchange Management Act, 1999 ("FEMA") and the regulations thereunder. Notwithstanding the RBI approval sought by the Acquirer, NRI and OCB Shareholders, if any, may also obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer.
4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
5. Upward revision/withdrawal, if any, of the Open Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement ("DPS") has appeared. The Acquirer and the PAC are permitted to revise the Open Offer Price upwards only at any time prior to the last three working days before the commencement of the tendering period i.e. up to 18 June 2013. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer.
6. **There has been no competing offer as of the date of this Letter of Offer.**
7. A copy of the Public Announcement ("PA"), the DPS and this Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is also available on SEBI's website: ([www.sebi.gov.in](http://www.sebi.gov.in)).

Manager to the Open Offer	Registrar to the Open Offer
 <b>HSBC Securities and Capital Markets (India) Private Limited</b> 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 Telephone: +91 22 22681703 / 1560 Fax: +91 22 2263 1984 Email: <a href="mailto:hulopenoffer@hsbc.co.in">hulopenoffer@hsbc.co.in</a> Contact Person: Ms. Tanu Singh / Mr. Mayank Sharma SEBI Registration Number: INM000010353	 <b>Karvy Computershare Private Limited</b> Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081 Telephone: +91 40 2342 0818 – 828 / Toll free no: 1-800-3454-001 Fax: +91 40 23431551 Email: <a href="mailto:murali.m@karvy.com">murali.m@karvy.com</a> Contact Person: Mr. Muralikrishna SEBI Registration Number: INR000000221
<b>OPEN OFFER OPENS ON: 21 JUNE 2013</b>	<b>OPEN OFFER CLOSES ON: 4 JULY 2013</b>

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER	
ACTIVITY	DAY AND DATE
PA Date	Tuesday, 30 April 2013
DPS Date	Wednesday, 8 May 2013
Last date for public announcement of a competing open offer being made	Wednesday, 29 May 2013
Identified Date*	Friday, 7 June 2013
Last date by which the Letter of Offer will be dispatched to the Shareholders	Friday, 14 June 2013
Last date for upward revision of Open Offer Price	Tuesday, 18 June 2013
Last date by which an independent committee of the board of directors of the Target Company shall give its recommendation	Wednesday, 19 June 2013
Issue opening advertisement to be published	Thursday, 20 June 2013
Date of commencement of tendering period	Friday, 21 June 2013
Date of expiry of tendering period	Thursday, 4 July 2013
Last date for communication of rejection / acceptance and payment of consideration for applications accepted / return of unaccepted Share certificates	Thursday, 18 July 2013

\* Date falling on the 10<sup>th</sup> Working Day prior to the commencement of tendering period, for the purpose of determining the Shareholders (as defined hereinafter) to whom the Letter of Offer shall be sent.

All Shareholders (whether registered or unregistered) of the Target Company are eligible to participate in the Open Offer any time before the closure of the tendering period.

## **RISK FACTORS**

### **A. Risks relating to the Open Offer**

1. As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date before the Closure of the Tendering Period, the Open Offer shall be subject to all such approval(s). In case of delay in the Open Offer, due to non-receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and/or the PAC agreeing to pay interest to the public shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer and/or the PAC have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer. The Acquirer has filed an application with the RBI dated 21 May 2013 seeking its approval for acquisition of Shares in the Open Offer from NRI and OCB Shareholders, as may be required, under FEMA and the regulations thereunder. Notwithstanding the RBI approval sought by the Acquirer, NRI and OCB Shareholders, if any, may also obtain all requisite approvals required for tendering the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer.
2. In the event that either (a) there is any litigation leading to a stay or injunction on this Open Offer or that restricts or restrains the Acquirer and/or the PAC from performing their obligations hereunder; or (b) SEBI instructing the Acquirer and/or the PAC not to proceed with this Open Offer, then this Open Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Shareholders of the Target Company whose Shares are accepted under this Open Offer as well as the return of Shares not accepted under this Open Offer by the Acquirer and/or the PAC may get delayed.
3. The tendered Shares and documents submitted therewith would be held by the Registrar to the Open Offer till the process of acceptance of Shares tendered and payment of consideration to the Shareholders is completed. Shares cannot be withdrawn once tendered, even if the acceptance of Shares under the Open Offer and dispatch of consideration is delayed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Open Offer. During such period, there may be fluctuations in the market price of the Shares.
4. In the event that the Shares tendered in the Open Offer are more than the Shares to be acquired under this Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer. Therefore, there is no certainty that all Shares tendered in the Open Offer will be accepted.
5. The Acquirer, the PAC and the Manager to the Open Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, this Letter of Offer or in advertisements or any materials issued by or on behalf of the Acquirer and/or the PAC and any person placing reliance on any other source of information (not released by the Acquirer, the PAC or the Manager to the Open Offer) would be doing so at their own risk.

### **B. Relating to the Acquirer, the PAC and the Target Company**

1. The Acquirer and the PAC make no assurance with respect to the financial performance of the Target Company.
2. The Acquirer and the PAC make no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

3. The Acquirer and the PAC do not provide any assurance with respect to the market price of the Shares before, during or after the Open Offer and each of them expressly disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Open Offer.
4. The Acquirer and the PAC do not accept responsibility with respect to the information contained in the PA, the DPS, or the Letter of Offer that pertains to the Target Company.

**The risk factors set forth above, pertain only to the Open Offer and are not intended to be a complete analysis of all risks in relation to the Open Offer or in association with the Acquirer, the PAC or the Target Company, but are only indicative. The risk factors set forth above, do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Open Offer. Shareholders are advised to consult their stock brokers, tax or investment consultants, if any, for analysing all the risks with respect to their participation in the Open Offer.**

### **C. CURRENCY OF PRESENTATION**

1. In this Letter of Offer, all references to “INR” are references to the Indian Rupee(s) (“**INR**”). At some places Euro (“**€**”) and Pound Sterling (“**GBP**”) have been used which represent the currency of the European Union and the United Kingdom respectively.
2. All data presented in € and GBP in this Letter of Offer has been converted into INR for the purpose of convenience of translation.
3. The conversion has been assumed at the following rate as on the date of the PA (i.e. 30 April 2013) (unless otherwise stated in this Letter of Offer):  
€ 1 = INR 70.9775 (Source: Reserve Bank of India - <http://www.rbi.org.in>)  
GBP 1 = INR 84.0015 (Source: Reserve Bank of India - <http://www.rbi.org.in>)
4. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.

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## KEY DEFINITIONS

Term	Definition
Acquirer or Unilever PLC	Unilever PLC having its registered office at Port Sunlight, Wirral, Merseyside CH62 4ZD, United Kingdom
Board of Directors	Board of directors of the Acquirer, the PAC or the Target Company, as the case may be
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Certificate for Deduction of Tax at Lower Rate	Certificate issued by the income tax department for deduction of tax at a lower rate
Closure of the Tendering Period	4 July 2013
Depository Escrow Account	The depository account called “ <b>KCPL ESCROW ACCOUNT HUL OPEN OFFER</b> ”, opened by the Registrar to the Open Offer with Karvy Stock Broking Limited at NSDL. The DP ID is IN300394 and the beneficiary client ID is 18610135
DP	Depository Participant
DPs	Detailed Public Statement in relation to the Open Offer, dated 8 May 2013, issued by the Manager to the Open Offer, on behalf of the Acquirer and the PAC, in accordance with Regulation 6 read with Regulations 13(4), 14 and 15(2) of the SEBI (SAST) Regulations, 2011
Draft Letter of Offer	The draft of the Letter of Offer filed with SEBI in accordance with Regulation 16 (1) of SEBI (SAST) Regulations, 2011 on 15 May 2013
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Escrow Account – Cash	Escrow account named “ <b>HUL Open Offer Escrow Account</b> ” maintained by the Acquirer with the Escrow Bank in accordance with the Escrow Agreement
Escrow Agreement	The escrow agreement between the Acquirer, the Manager to the Open Offer and the Escrow Bank, dated 30 April 2013
Escrow Bank	The Hongkong and Shanghai Banking Corporation Limited acting through its branch situated at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai - 400 057
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investors

FIPB	Foreign Investment Promotion Board constituted by the Government of India
Identified Date	7 June 2013 i.e. date falling on the 10 <sup>th</sup> Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Shareholders to whom the Letter of Offer shall be sent
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
Income Tax Rules	Income Tax Rules, 1962
INR	Indian Rupee(s)
Letter of Offer	This Letter of Offer dated 11 June 2013
Listing Agreement	Listing Agreement with the Stock Exchanges in India, as amended from time to time
Manager to the Open Offer or Merchant Banker	HSBC Securities and Capital Markets (India) Private Limited
NOC	No objection certificate issued by the Indian income tax department indicating the amount of tax to be deducted by the Acquirer before remitting the consideration
NRI	Non-resident Indian
NSDL	National Securities Depositories Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Offer Consideration	Total consideration of INR 292,202,863,200 (Indian Rupees two hundred and ninety two billion two hundred and two million eight hundred and sixty three thousand and two hundred) payable by the Acquirer to acquire 487,004,772 Shares under the Open Offer at the Open Offer Price of INR 600 per Share
Open Offer	Voluntary open offer being made by the Acquirer along with the PAC to the public shareholders of the Target Company for the acquisition of 487,004,772 Shares representing 22.52% of the Voting Share Capital of the Target Company
Open Offer Price	INR 600 per Share
Other Promoter Entities	Brooke Bond Group Ltd, Unilever Overseas Holdings AG, Unilever UK & CN Holdings Ltd, Brooke Bond South India Estates Ltd, Brooke Bond Assam Estates Ltd and Unilever Overseas Holdings BV
PA	Public Announcement of the Open Offer made by the Manager to the Open Offer on behalf of the Acquirer and the PAC on 30 April 2013 in accordance with Regulation 6 read with Regulations 13(3) and 15(1) of the SEBI (SAST) Regulations, 2011
PAC	Unilever N.V. having its registered office at Weena 455, PO Box 760, 3000 DK Rotterdam, The Netherlands
PAN	Permanent Account Number
RBI	The Reserve Bank of India
Registrar to the Open Offer	Karvy Computershare Private Limited
SCRR	Securities Contract (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations, 1997	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
SEBI (SAST)	The Securities and Exchange Board of India (Substantial

Regulations, 2011	Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholders	Persons holding Share(s) of the Target Company excluding the Acquirer, the PAC and the Other Promoter Entities
Share(s)	Fully paid-up equity shares of a face value of INR 1 each of the Target Company carrying voting rights, and including any security which entitles the holder thereof to exercise voting rights. For the purpose of this definition, Shares shall include all depository receipts carrying an entitlement to exercise voting rights in the Target Company
Stock Exchange(s)	BSE and NSE
Target Company	Hindustan Unilever Limited having its registered office at Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai 400099
Tendering Period	21 June 2013 to 4 July 2013
Unilever Group	Refers to the Unilever group of companies. The Acquirer and the PAC are the two parent companies of the Unilever Group
Voting Share Capital	Total fully diluted voting equity share capital of the Target Company
Working Day	A working day of SEBI

## **1. DISCLAIMER CLAUSE**

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER “HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 15 MAY 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

## **2. DETAILS OF THE OPEN OFFER**

### **2.1 Background to the Open Offer**

- 2.1.1. The Open Offer is a voluntary open offer made by the Acquirer along with the PAC to the Shareholders of the Target Company in accordance with Regulation 6 of the SEBI (SAST) Regulations, 2011. The Acquirer along with the PAC is making the Open Offer to the Shareholders to acquire up to 487,004,772 Shares representing 22.52% of the Voting Share Capital.
- 2.1.2. The Acquirer holds 794,806,750 Shares representing 36.75% of the Voting Share Capital. Other Promoter Entities which are also members of the Unilever Group own 340,042,710 Shares representing 15.72% of the Voting Share Capital. The Open Offer does not result in any change of control of the Target Company.
- 2.1.3. In terms of the first proviso of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, neither the Acquirer nor the PAC have acquired or have been allotted any Shares in the 52 weeks preceding the date of the PA.
- 2.1.4. The Open Offer is being made for consolidating the Acquirer's shareholding in the Target Company and represents a further step in the Acquirer and the PAC's strategy to invest in emerging markets. The long heritage and great brands of the Target Company and the significant growth potential of a country with 1.3 billion people makes India a strategic long term priority for the business of the Acquirer and the PAC.
- 2.1.5. The Open Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.
- 2.1.6. Upon completion of the Open Offer, assuming full acceptances, the Acquirer will hold 1,281,811,522 Shares of the Target Company, representing a total of 59.28% of the Voting

Share Capital and together with the Other Promoter Entities will hold, in aggregate, 1,621,854,232 Shares, representing a total of 75.00% of the Voting Share Capital.

- 2.1.7. Neither the Acquirer nor the PAC has been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.
- 2.1.8. As of the date of this Letter of Offer, Mr. Harish Manwani, the Non Executive Chairman and member of the Board of Directors of the Target Company is also the Chief Operating Officer of the Unilever Group and is a representative of the Acquirer and the PAC in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011. The Acquirer and the PAC reserve the right to seek reconstitution of the Board of Directors of the Target Company after the completion of the Open Offer, in accordance with the provisions contained in the SEBI (SAST) Regulations, 2011 and the Companies Act, 1956. However, as of the date of the Letter of Offer, the Acquirer and the PAC have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.
- 2.1.9. As per Regulation 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company upon receipt of the DPS is required to constitute an independent committee of its Board of Directors to provide written reasoned recommendations on the Open Offer to the Shareholders and such recommendations shall be published at least two Working Days prior to the commencement of the Tendering Period in the same newspapers where the DPS was published and simultaneously a copy of such recommendation is required to be sent to SEBI, the BSE, the NSE and to the Manager to the Open Offer.

## 2.2 Details of the Open Offer

- 2.2.1. The PA announcing the Open Offer was made on 30 April 2013 to the BSE and the NSE and a copy thereof was also filed with SEBI and the Target Company at its registered office.
- 2.2.2. The DPS in respect of the Open Offer was published on 8 May 2013, in the following newspapers:

Newspaper	Language	Editions
The Times of India	English	All editions
The Economic Times	English	All editions
The Economic Times	Gujarati	All editions
Navbharat Times	Hindi	All editions
Maharashtra Times	Marathi	Mumbai

A copy of the DPS was also sent to the BSE, the NSE, SEBI and the Target Company at its registered office. The PA and the DPS are also available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in).

- 2.2.3. The Open Offer is being made by the Acquirer along with the PAC to the Shareholders of the Target Company in terms of Regulation 6 of the SEBI (SAST) Regulations, 2011, for the acquisition of 487,004,772 Shares representing 22.52% of the Voting Share Capital. The date of opening of the Tendering Period for the Open Offer is 21 June 2013.
- 2.2.4. The price being offered under this Open Offer is INR 600 per Share, in accordance with Regulation 8 of the SEBI (SAST) Regulations, 2011. The Open Offer Price will be payable in cash by the Acquirer, in accordance with Regulation 9(1) (a) of the SEBI (SAST) Regulations, 2011.
- 2.2.5. There are no partly paid-up Shares in the Target Company.
- 2.2.6. There is no differential price being offered for the Shares tendered in the Open Offer.
- 2.2.7. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011. There has been no competing offer as of the date of this Letter of Offer.
- 2.2.8. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. All Shares (up to the maximum

number set out above) validly tendered in the Open Offer will be acquired by the Acquirer, in accordance with the terms and conditions contained in the DPS and this Letter of Offer. In the event that the Shares tendered in the Open Offer by the Shareholders are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer.

- 2.2.9. The Manager to the Open Offer does not hold any Shares as on the date of this Letter of Offer.
- 2.2.10. In terms of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC have not acquired any Shares of the Target Company since the date of the PA and up to the date of this Letter of Offer.
- 2.2.11. In terms of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, during the offer period, the Acquirer and the PAC will not acquire any Shares other than those tendered in this Open Offer. Further in terms with Regulation 6(2) of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC will not acquire any Shares for a period of six months after completion of the Open Offer except pursuant to another open offer as permitted under Regulation 6(2) of the SEBI (SAST) Regulations, 2011.
- 2.2.12. The Acquirer along with the PAC may withdraw the Open Offer in accordance with the conditions specified in paragraph 6.12.2 of this Letter of Offer. In the event of such withdrawal, the same would be notified, in accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, by way of a public announcement in the same newspapers in which the DPS had appeared and simultaneously inform in writing to SEBI, the NSE, the BSE and the Target Company at its registered office.
- 2.2.13. The Shares of the Target Company are listed on the BSE and the NSE. As per Clause 40A of the Listing Agreement read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding (i.e. Shares held by the public excluding the Shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. Pursuant to this Open Offer, the public shareholding in the Target Company shall not reduce below the minimum level required as per the Listing Agreements entered into by the Target Company with the BSE and the NSE read with Rule 19A of the SCRR.

### **2.3 Object of the Open Offer**

- 2.3.1. The Open Offer is being made for consolidating the Acquirer's shareholding in the Target Company and represents a further step in the Acquirer and the PAC's strategy to invest in emerging markets. The long heritage and great brands of the Target Company and the significant growth potential of a country with 1.3 billion people makes India a strategic long term priority for the Acquirer and the PAC.
- 2.3.2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, the Acquirer does not currently have any plans to sell, dispose of or otherwise encumber any material assets of the Target Company during the period of two years from the expiry of the Open Offer period except in the ordinary course of business of the Target Company (including the disposal of specific product portfolios/lines of the Target Company pursuant to the broader strategy of the Unilever Group). It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, during such period of two years, save as set out above, the Acquirer undertakes not to sell, dispose of or otherwise encumber any material assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution by way of a postal ballot in terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011.

### 3. BACKGROUND OF THE ACQUIRER AND PERSON ACTING IN CONCERT

#### A. ACQUIRER – Unilever PLC

- 3.1. The Acquirer is a public limited company registered in England and Wales with its registered office at Port Sunlight, Wirral, Merseyside CH62 4ZD, United Kingdom.
- 3.2. The Acquirer and the PAC are the two parent companies of the Unilever Group.
- 3.3. Unilever Group is one of the world's leading suppliers of food, home care and personal care products with sales in over 190 countries. Unilever Group has approximately 173,000 employees around the world and generated annual sales of over €50 billion (approximately INR 3,549 billion) in 2012. Over half of Unilever Group's footprint is in the faster growing developing and emerging markets (55% in 2012). Unilever Group's portfolio includes some of the world's best known brands such as Knorr, Persil / Omo, Dove, Sunsilk, Hellmann's, Lipton, Rexona / Sure, Wall's, Lux, Rama, Ponds and Axe.
- 3.4. Together with their group companies, the Acquirer and the PAC operate as nearly as practicable as a single economic entity. This is achieved by a series of agreements between the Acquirer and the PAC, together with special provisions in the Articles of Association of the Acquirer and the PAC. The Acquirer and the PAC have the same directors, adopt the same accounting principles and pay dividends to their respective shareholders on an equalised basis. The Acquirer, the PAC and their group companies constitute a single reporting entity for the purposes of presenting consolidated accounts. Accordingly, the consolidated accounts of the Unilever Group are presented by both the Acquirer and the PAC as their respective consolidated accounts. The Acquirer and the PAC have agreed to co-operate in all areas and ensure that all group companies act accordingly. The Acquirer and the PAC are holding and service companies, and the business activity of the Unilever Group is carried out by their subsidiaries around the world. Shares in group companies may ultimately be held wholly by either the Acquirer or the PAC or by the two companies in varying proportions. The two companies have different shareholder constituencies and shareholders can hold shares in either or both companies but cannot convert or exchange the shares of one company for shares of the other.
- 3.5. The Acquirer was incorporated in England & Wales as Lever Brothers, Limited in 1894. It changed its name on 31 December 1937 to Lever Brothers & Unilever Limited which was subsequently changed on 1 March 1952 to Unilever Limited. Unilever Limited then reregistered under the Companies Acts 1948 to 1980 as a public company on 1 June 1981 as Unilever PLC.
- 3.6. The Acquirer has shares listed on the London Stock Exchange and as American Depositary Receipts on the New York Stock Exchange.
- 3.7. The market price per ordinary share of the Acquirer was as follows:

Date	Market price per ordinary share of the Acquirer
30 December 2011	GBP 21.63
31 December 2012	GBP 23.66
Date of the PA (30 April 2013)	GBP 27.86

Source: Bloomberg

Note:

1. Price refers to the closing price as on that day

- 3.8. The issued equity share capital of the Acquirer as of 31 December 2012 was made up of: GBP 40.8 million (approximately INR 3,427 million) split into 1,310,156,361 ordinary shares of GBpence 3<sup>1/9</sup> (approximately INR 2.61) each and GBP 100,000 (approximately INR 8.4 million) of deferred stock. The total number of voting rights attached to the Acquirer's outstanding shares is as follows:

	Total number of votes	% of issued capital
1,310,156,361 ordinary shares	1,310,156,361 <sup>(1)</sup>	99.76

GBP 100,000 deferred stock	3,214,285	0.24
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Note:

1. Of which 26,696,994 shares were held by the Acquirer in treasury and 8,046,353 shares were held by the PAC group companies or by share trusts as at 31 December 2012. These shares are not voted on.

- 3.9. The Acquirer is not owned or controlled, directly or indirectly, by another corporation, any foreign government or by any other legal or natural person. As on 4 March 2013, Blackrock Inc., and Trustees of the Leverhulme Trust and the Leverhulme Trade Charities Trust are persons/groups known to be holding more than 3% of the voting rights of the Acquirer.
- 3.10. The Acquirer directly holds 36.75% of the Voting Share Capital and is currently a promoter of the Target Company. The Other Promoter Entities in the aggregate own 340,042,710 Shares constituting 15.72% of the Voting Share Capital and are direct or indirect subsidiaries of the Acquirer. The Acquirer and the Other Promoter Entities are the current promoters of the Target Company.
- 3.11. The Other Promoter Entities are not participating in the Open Offer as acquirers or persons acting in concert. The Other Promoter Entities, which are direct or indirect subsidiaries of the Acquirer, own Shares as follows:
- Brooke Bond Group Ltd holds 106,739,460 Shares constituting 4.94% of the Voting Share Capital;
  - Unilever Overseas Holdings AG holds 68,784,320 Shares constituting 3.18% of the Voting Share Capital;
  - Unilever UK & CN Holdings Ltd holds 60,086,250 Shares constituting 2.78% of the Voting Share Capital;
  - Brooke Bond South India Estates Ltd holds 52,747,200 Shares constituting 2.44% of the Voting Share Capital;
  - Brooke Bond Assam Estates Ltd holds 32,820,480 Shares constituting 1.52% of the Voting Share Capital; and
  - Unilever Overseas Holdings BV holds 18,865,000 Shares constituting 0.87% of the Voting Share Capital.
- 3.12. Names, details of experience, qualification, and date of appointment of the directors on the Board of Directors of the Acquirer, are as follows:

<p><b>Michael Treschow (Chairman)</b>  <b>Nationality:</b> Swedish  <b>Age:</b> 69  <b>Date of Appointment:</b> 16 May 2007  <b>Key areas of prior experience:</b> Consumer, science &amp; technology  <b>Current external appointments:</b> Non-executive director, ABB Group. Chairman, Dometic Group. Board member, Knut and Alice Wallenberg Foundation. Member of the European Advisory, Eli Lilly and Company  <b>Previous relevant experience:</b> Chairman, Telefonaktiebolaget L M Ericsson 2002-2011. Chairman, AB Electrolux 2004-2007, Confederation of Swedish Enterprise 2004-2007. CEO, AB Electrolux 1997-2002, Atlas Copco 1991-1997  <b>Qualification:</b> Earned a master of engineering degree from the Institute of Technology, Lund, Sweden</p>
<p><b>Kees Storm (Vice Chairman and Senior Independent Director)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 70  <b>Date of Appointment:</b> 9 May 2006  <b>Key areas of prior experience:</b> Finance  <b>Current external appointments:</b> Chairman, supervisory board, and audit committee member, KLM Royal Dutch Airlines N.V. Member, supervisory board, AEGON N.V. Chairman and audit committee member, Anheuser-Busch InBev S.A. Board member and audit committee member, Baxter International, Inc. Vice-chairman, supervisory board, Pon Holdings B.V.  <b>Previous relevant experience:</b> Chairman, executive board, AEGON N.V. 1993-2002  <b>Qualification:</b> MA, Business Economics, University of Rotterdam</p>
<p><b>Paul Polman (Chief Executive Officer)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 56  <b>Date of Appointment as CEO:</b> 1 January 2009</p>

<p><b>Date of Appointment as Director:</b> 29 October 2008  <b>Key areas of prior experience:</b> Finance, consumer, sales/marketing  <b>Current external appointments:</b> Non-executive director, The Dow Chemical Company. President, Kilimanjaro Blind Trust. Vice-chairman, executive committee, World Business Council for Sustainable Development  <b>Previous relevant experience:</b> Procter &amp; Gamble Co. 1979-2001, group president Europe and officer, Procter &amp; Gamble Co. 2001-2006. Chief financial officer, Nestlé S.A. 2006-2008. Director, Alcon Inc 2006-2008. Executive vice president and zone director for the Americas 2008  <b>Qualification:</b> BBA/BA from the University of Groningen, Netherlands, in 1977 and an MA Economics and MBA finance/international marketing from the University of Cincinnati in 1979</p>
<p><b>Jean-Marc Huët (Chief Financial Officer)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 43  <b>Date of Appointment as CFO:</b> 1 February 2010  <b>Date of Appointment as Director:</b> 12 May 2010  <b>Key areas of prior experience:</b> Finance, consumer  <b>Current external appointments:</b> Non-executive director, Delta Topco Limited  <b>Previous relevant experience:</b> Executive vice president and chief financial officer, Bristol-Myers Squibb Company 2008-2009. Non-executive director, Mead Johnson Nutrition 2009. Chief financial officer, Royal Numico NV 2003-2007. Investment Banking, Goldman Sachs International 1993-2003. Clement Trading 1991-1993  <b>Qualification:</b> MBA from INSEAD, Fontainebleau, France, and a bachelor's degree from Dartmouth College, New Hampshire, USA</p>
<p><b>Louise Fresco (Non Executive Director)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 61  <b>Date of Appointment:</b> 14 May 2009  <b>Key areas of prior experience:</b> Science/technology, academia  <b>Current external appointments:</b> Professor of international development and sustainability at the University of Amsterdam. Supervisory director, RABO Bank. Member, Social and Economic Council of the Netherlands (SER)  <b>Previous relevant experience:</b> Director of research (1997-1999) and assistant director-general for agriculture (2000-2006), the Agriculture Department of the UN's Food and Agriculture Organisation (FAO), president of the Advisory Council, Research on Nature and Environment, vice-chair, Council of the United Nations University  <b>Qualification:</b> MSc in agricultural engineering from Wageningen University in 1976 and Doctoral degree with honours from Wageningen University in 1986, where she specialised in tropical agriculture</p>
<p><b>Ann Fudge (Non Executive Director)</b>  <b>Nationality:</b> American  <b>Age:</b> 61  <b>Date of Appointment:</b> 14 May 2009  <b>Key areas of prior experience:</b> Consumer, sales/marketing  <b>Current external appointments:</b> Non-executive director, Infosys, Novartis AG, General Electric Co. Chairman, US Programs Advisory Panel of Gates Foundation. Honorary director of Catalyst. Member, Foreign Affairs Policy Board, U.S. State Department. Member, finance committee of Harvard University  <b>Previous relevant experience:</b> Non-executive director, Buzzient Inc. 2010-2013. Chairman &amp; CEO, Young &amp; Rubicam 2003-2006. Various positions at General Mills 1977-1986, Kraft General Foods 1986-2001  <b>Qualification:</b> Graduate of Simmons College and Harvard Business School, earning respectively BA (honors) in management, 1973; and MBA, 1977</p>
<p><b>Charles E Golden (Non Executive Director)</b>  <b>Nationality:</b> American  <b>Age:</b> 66  <b>Date of Appointment:</b> 9 May 2006  <b>Key areas of prior experience:</b> Finance  <b>Current external appointments:</b> Non-executive director Indiana University Health, Hill-Rom Holdings, Eaton Corporation and the Lilly Endowment. Member of finance committee, Indianapolis Museum of Art  <b>Previous relevant experience:</b> Executive vice-president, chief financial officer and director, Eli Lilly and Company 1996-2006  <b>Qualification:</b> Studied in Pennsylvania, graduating from Lafayette College in 1968 with a BA in economics. He went on to obtain an MBA at Lehigh University in 1970</p>
<p><b>Byron E Grote (Non Executive Director)</b>  <b>Nationality:</b> American/British  <b>Age:</b> 64  <b>Date of Appointment:</b> 9 May 2006</p>

<p><b>Key areas of prior experience:</b> Finance</p> <p><b>Current external appointments:</b> Executive vice president, Corporate Business Activities, BP p.l.c.</p> <p><b>Previous relevant experience:</b> Chief financial officer, BP p.l.c. 2002-2011. Member, UK Business – Government Forum on Tax and Globalisation 2008- 2010. Vice-chairman, UK Government's Public Services Productivity Panel 1998-2000</p> <p><b>Qualification:</b> PhD in quantitative analysis from Cornell University</p>
<p><b>Hixonia Nyasulu (Non Executive Director)</b></p> <p><b>Nationality:</b> South African</p> <p><b>Age:</b> 58</p> <p><b>Date of Appointment:</b> 16 May 2007</p> <p><b>Key areas of prior experience:</b> Sales/marketing</p> <p><b>Current external appointments:</b> Director, Barloworld Ltd., Member, advisory board of JP Morgan S.A. Beneficiary, Sequel Property Investments</p> <p><b>Previous relevant experience:</b> Chairman, Sasol Ltd, Ithala, Development Finance Corporation. Deputy chairman, Nedbank Limited, Non-executive director, AVI Ltd</p> <p><b>Qualification:</b> Hixonia has a BA in social work and an honours degree in psychology. She also holds an Executive Leadership Development Programme Certificate from the Arthur D Little Management Education Institute in Massachusetts</p>
<p><b>Sir Malcolm Rifkind (Non Executive Director)</b></p> <p><b>Nationality:</b> British</p> <p><b>Age:</b> 66</p> <p><b>Date of Appointment:</b> 12 May 2010</p> <p><b>Key areas of prior experience:</b> Government, legal and regulatory affairs</p> <p><b>Current external appointments:</b> Non-executive director, Adam Smith International and Continental Farmers Group plc</p> <p><b>Previous relevant experience:</b> A Queen's Counsel. Served in Cabinets of Margaret Thatcher and John Major, last position being that of Foreign Secretary</p> <p><b>Qualification:</b> Educated at George Watson's College and Edinburgh University where he studied law before taking a postgraduate degree in political science</p>
<p><b>Paul Walsh (Non Executive Director)</b></p> <p><b>Nationality:</b> British</p> <p><b>Age:</b> 57</p> <p><b>Date of Appointment:</b> 14 May 2009</p> <p><b>Key areas of prior experience:</b> Finance, consumer, sales/marketing</p> <p><b>Current external appointments:</b> Chief executive officer and director, Diageo PLC. Non-executive director, FedEx Corporation Inc. and Avanti Communications Group PLC. Ambassador, Business Ambassador Network, adviser to the Department of Energy and Climate Change. Member, International Business Leaders Forum.</p> <p><b>Previous relevant experience:</b> Chief operating officer, Diageo plc 2000. CEO, The Pilsbury Company. Non-executive director, Centrica plc</p> <p><b>Qualification:</b> Paul was educated at Manchester Polytechnic (now Manchester Metropolitan University)</p>
<p><b>Laura Cha (Non Executive Director)</b></p> <p><b>Nationality:</b> Chinese</p> <p><b>Age:</b> 64</p> <p><b>Date of Appointment:</b> 15 May 2013</p> <p><b>Current external appointments:</b> Non-official member of the Executive Council of Hong Kong Special Administrative Region and a Hong Kong delegate to the 11th National People's Congress of China, Independent non-executive director of HSBC Holdings plc and China Telecom Corporation Limited, as well as non-executive deputy chairman of The Hongkong and Shanghai Banking Corporation, the Asia Pacific subsidiary of HSBC Holdings plc, Member of the Advisory Board of the Yale School of Management and a senior international advisor for Foundation Asset Management AB.</p> <p><b>Previous relevant experience:</b> Mrs Cha worked in the Securities and Futures Commission in Hong Kong from 1991 to early 2001, then became the first person outside Mainland China to join the Chinese Central Government at the vice-ministerial rank when she was appointed as vice chairman of the China Securities Regulatory Commission in 2001. She stayed in that post until 2004.</p> <p><b>Qualification:</b> Mrs Cha was educated in the US, with a BA from the University of Wisconsin and a JD degree from the University of Santa Clara, and she is a member of the State Bar of California</p>
<p><b>Mary Ma (Non Executive Director)</b></p>

**Nationality:** Chinese  
**Age:** 61  
**Date of Appointment:** 15 May 2013  
**Current external appointments:**  
Mary Ma was appointed chairman of Boyu Capital, a private equity fund in 2011. Prior to Boyu, Ms Ma was the partner of TPG Capital and co-chairman of TPG China where she primarily focused on investments in the Greater China region. Before joining TPG, Ms Ma was the senior vice president and chief financial officer of Lenovo Group. She still serves the Lenovo Board as non-executive vice chairman and has done since 2007. She is also an independent director of Standard Chartered Bank (Hong Kong) Limited and non-executive director of Wumart Stores. Ms Ma has been a member of the Listing Committee of The Stock Exchange of Hong Kong since 2009, a member of The Hong Kong Institute of Directors since 2000, and was a member of the Dean's Council of the Kennedy School of Harvard University from 2002-2007.  
**Previous relevant experience:**  
Prior to joining Lenovo she worked for The Chinese Academy of Sciences  
**Qualification:** Graduated from Capital Normal University in Beijing in 1976, and studied at King's College of the London University in the United Kingdom

**John Rishton (Non Executive Director)**

**Nationality:** British  
**Age:** 55  
**Date of Appointment:** 15 May 2013  
**Current external appointments:**  
John Rishton has been chief executive officer of Rolls-Royce Holdings plc since 31 March 2011. He was appointed a non-executive director of Rolls-Royce Group in 2007 and served as chairman of the audit committee and a member of the ethics and nominations committees. He served as the chief executive officer and president of Royal Ahold N.V. from November 2007 to March 2011. Prior to becoming CEO he was chief financial officer Royal Ahold from 2006.  
**Previous relevant experience:**  
Mr Rishton served as a non-executive director of ICA AB from 2006 to 2010 and Allied Domecq Plc from 2003 to 2005. He was the chief financial officer of British Airways Plc from 2001 to 2005.  
**Qualification:** Fellow of Chartered Institute of Management Accountants and has an Economics Degree from Nottingham University

- 3.13. None of the directors of the Acquirer are directors on the Board of Directors of the Target Company.
- 3.14. Mr. Harish Manwani, the Non Executive Chairman and member of the Board of Directors of the Target Company is also the Chief Operating Officer of the Unilever Group and is a representative of the Acquirer and the PAC in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011 and holds 22,130 Shares in the Target Company.
- 3.15. The Acquirer's key financial information based on its audited consolidated financial statements as at and for financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer are as follows:

(Amount in € million and INR million except per share data)

Profit & Loss Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Income from Operations / Total Revenue / Turnover	44,262	3,141,606	46,467	3,298,111	51,324	3,642,849
Other Income	-	-	-	-	-	-
Total Income	44,262	3,141,606	46,467	3,298,111	51,324	3,642,849
Total Expenditure	36,930	2,621,199	39,005	2,768,477	43,136	3,061,685
Profit before Depreciation Interest and Tax	7,332	520,407	7,462	529,634	8,188	581,164
Depreciation and amortisation <sup>(3)</sup>	993	70,481	1,029	73,036	1,199	85,102
Interest <sup>(4)</sup>	207	14,692	188	13,344	306	21,719
Profit Before Tax	6,132	435,234	6,245	443,254	6,683	474,343
Provision for Tax	1,534	108,879	1,622	115,126	1,735	123,146
Profit after Tax / Net Income / Net Profit	4,598	326,355	4,623	328,129	4,948	351,197

Balance Sheet Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Sources of Funds						

Balance Sheet Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Paid up share capital	484	34,353	484	34,353	484	34,353
Reserves and Surplus (excluding revaluation reserves) <sup>(5)</sup>	14,594	1,035,846	14,437	1,024,702	15,232	1,081,129
Net worth	15,078	1,070,199	14,921	1,059,055	15,716	1,115,482
Secured loans	93	6,601	80	5,678	1	71
Unsecured loans <sup>(6)</sup>	12,393	879,624	14,582	1,034,994	14,634	1,038,685
<b>Total</b>	<b>27,564</b>	<b>1,956,424</b>	<b>29,583</b>	<b>2,099,727</b>	<b>30,351</b>	<b>2,154,238</b>
<b>Uses of Funds</b>						
Net fixed assets <sup>(7)</sup>	27,520	1,953,301	32,322	2,294,135	32,371	2,297,613
Investments	511	36,270	478	33,927	535	37,973
Net current assets / (liabilities)	(1,074)	(76,230)	(3,638)	(258,216)	(3,668)	(260,345)
Deferred tax asset	607	43,083	421	29,882	1,113	78,998
Total miscellaneous expenditure not written off	-	-	-	-	-	-
<b>Total</b>	<b>27,564</b>	<b>1,956,424</b>	<b>29,583</b>	<b>2,099,727</b>	<b>30,351</b>	<b>2,154,238</b>

Other Financial Data	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Dividend (%) <sup>(8)</sup>	54.97%	54.97%	59.60%	59.60%	61.39%	61.39%
Earnings per share ("EPS") <sup>(9)</sup>	1.51	107.18	1.51	107.18	1.58	112.14

Notes:

- Since the financial statements of the Acquirer are prepared in €, the functional currency of the Acquirer, the financial figures have been converted into INR for purpose of convenience of translation. The conversion has been assumed at € 1 = INR 70.9775 (Source: Reserve Bank of India - <http://www.rbi.org.in>) as on 30 April 2013 (unless otherwise stated in this Letter of Offer).
  - Source: The consolidated financial information set forth above has been extracted from the audited consolidated financial statements of the Acquirer as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with IFRS and audited by PricewaterhouseCoopers LLP. As set out above in Paragraph 3.4, the Acquirer, the PAC and their group companies constitute a single reporting entity for purposes of presenting consolidated accounts. Accordingly the accounts of the Unilever Group are presented by the Acquirer as its consolidated accounts.
  - Includes amortisation of finite life intangible assets and software and depreciation of property, plant and equipment.
  - Includes net finance costs, share of net profit / loss of joint ventures and associates and other income / (loss) from non-current investments.
  - Includes share premium, other reserves, retained profit and non-controlling interests.
  - Includes unsecured financial liabilities, non-current tax liabilities, pension and post-retirement healthcare liabilities, provisions, deferred tax liabilities and other non-current liabilities.
  - Includes goodwill, intangible assets, property, plant and equipment, pension asset for funded scheme in surplus and other non-current assets.
  - Dividend per share / Earnings per share.
  - EPS has been taken as the basic earnings per share disclosed in the audited consolidated financial statements of the Acquirer.
- 3.16. The estimated total cost of Unilever Group's contingent liabilities at 31 December 2012 was €236 million (INR 16,751 million). These contingent liabilities arise in respect of litigation against group companies, investigations by competition, regulatory and fiscal authorities and obligations arising under environmental legislation.
- 3.17. The Acquirer is in compliance with the applicable corporate governance requirements set out in the 2010 UK Corporate Governance Code to which it is subject. The Acquirer has appointed Ms. Tonia Lovell as the Group Secretary under applicable laws.
- 3.18. The Acquirer has been in compliance with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company, within the time specified in the regulations over the last 10 years except for the years 2006, 2008, 2009, 2010 and 2013. In the year 2006 there was a delay of nine days, in the year 2008 there was a delay of 14 and 11 days, in the year 2009, there was a delay of four days and in the year 2010, there was a delay of 31 days by the Acquirer in making a disclosure under Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 1997. In

the year 2013 there was a delay of four days by the Acquirer in making a disclosure under Regulation 30(1)/(2) of the SEBI (SAST) Regulations, 2011. SEBI may initiate appropriate action against the Acquirer in terms of the regulations and provisions of the SEBI Act for delayed compliance of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011. Details of such compliances are set forth herein below:

Sl. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status Of compliance with SEBI (SAST) Regulations	Remarks
1	8(1)	21.04.2004	02.04.2004	-	Complied	-
2	8(2)	21.04.2004	02.04.2004	-	Complied	-
3	8(1)	22.06.2004	02.06.2004	-	Complied	-
4	8(2)	22.06.2004	02.06.2004	-	Complied	-
5	8(1)	06.09.2004	31.08.2004	-	Complied	-
6	8(2)	06.09.2004	31.08.2004	-	Complied	-
7	8(1)	21.04.2005	04.04.2005	-	Complied	-
8	8(2)	21.04.2005	04.04.2005	-	Complied	-
9	8(1)	14.07.2005	27.06.2005	-	Complied	-
10	8(2)	14.07.2005	27.06.2005	-	Complied	-
11	8(1)	21.08.2005	08.08.2005	-	Complied	-
12	8(2)	21.08.2005	08.08.2005	-	Complied	-
13	8(1)	21.04.2006	13.04.2006	-	Complied	-
14	8(2)	21.04.2006	13.04.2006	-	Complied	-
15	8(1)	06.06.2006	15.06.2006	9	Delayed compliance	-
16	8(2)	06.06.2006	15.06.2006	9	Delayed compliance	-
17	8(1)	30.08.2006	14.08.2006	-	Complied	-
18	8(2)	30.08.2006	14.08.2006	-	Complied	-
19	8(1)	21.04.2007	02.04.2007	-	Complied	-
20	8(2)	21.04.2007	02.04.2007	-	Complied	-
21	8(1)	28.05.2007	14.05.2007	-	Complied	-
22	8(2)	28.05.2007	14.05.2007	-	Complied	-
23	8(1)	29.08.2007	16.08.2007	-	Complied	-
24	8(2)	29.08.2007	16.08.2007	-	Complied	-
25	8(1)	29.11.2007	22.11.2007	-	Complied	-
26	8(2)	29.11.2007	22.11.2007	-	Complied	-
27	8(1)	21.04.2008	05.05.2008	14	Delayed compliance	-
28	8(2)	21.04.2008	05.05.2008	14	Delayed compliance	-
29	8(1)	24.04.2008	05.05.2008	11	Delayed compliance	-
30	8(2)	24.04.2008	05.05.2008	11	Delayed compliance	-
31	8(1)	26.08.2008	22.08.2008	-	Complied	-
32	8(2)	26.08.2008	22.08.2008	-	Complied	-
33	8(1)	21.04.2009	07.04.2009	-	Complied	-
34	8(2)	21.04.2009	07.04.2009	-	Complied	-
35	8(1)	23.07.2009	14.07.2009	-	Complied	-
36	8(2)	23.07.2009	14.07.2009	-	Complied	-
37	8(1)	30.11.2009	04.12.2009	4	Delayed compliance	-
38	8(2)	30.11.2009	04.12.2009	4	Delayed compliance	-
39	8(1)	21.04.2010	20.04.2010	-	Complied	-
40	8(2)	21.04.2010	20.04.2010	-	Complied	-
41	8(1)	16.08.2010	10.08.2010	-	Complied	-
42	8(2)	16.08.2010	10.08.2010	-	Complied	-
43	8(1)	23.11.2010	24.12.2010	31	Delayed compliance	-
44	8(2)	23.11.2010	24.12.2010	31	Delayed compliance	-
45	8(1)	21.04.2011	18.04.2011	-	Complied	-
46	8(2)	21.04.2011	18.04.2011	-	Complied	-
47	7(1) & (2)	Not applicable	Not applicable	-	-	-
48	7(1A) & (2)	Not applicable	Not applicable	-	-	-

49	29(1)/(2)	Not applicable	Not applicable	-	-	-
50	30(1)/(2)	10.04.2012	04.04.2012	-	Complied	-
51	30(1)/(2)	09.04.2013	16.04.2013	4	Delayed compliance	-
52	31(1)	Not applicable	Not applicable	-	-	-
53	31(2)	Not applicable	Not applicable	-	-	-

Note:

1. References to 8(1), 8(2), 7(1), 7(1A) and 7(2) are references to Regulations 8(1), 8(2), 7(1), 7(1A) and 7(2) of SEBI (SAST) Regulations, 1997, and references to 29(2), 30(2), 31(1) and 31(2) are references to Regulations 29(2), 30(2), 31(1) and 31(2) of SEBI (SAST) Regulations, 2011.

- 3.19. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.
- 3.20. The Target Company enters into various related party transactions in the course of its business with the Acquirer and members of the Unilever Group. According to the Annual Report of the Target Company for the years ended 31 March 2011 and 31 March 2012, the Unilever Group has entered into commercial transactions with the Target Company. The significant transactions are as set out below:
- a. Disclosure of transactions between the Target Company and the related parties and the status of outstanding balances as on 31 March 2011 and 31 March 2012:

(Amount in INR million)

Description of the nature of the transaction	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Holding Company</b>		
Dividend paid	5,563.6	5,166.2
Royalty expense	3,034.2	2,659.6
Income from services rendered	3,341.8	2,933.5
Outstanding as at the year end :		
- Payables	718.8	1,172.6
<b>Fellow Subsidiaries</b>		
Sale of finished goods / raw materials etc.	7,459.7	7,025.0
Rent Received	11.0	11.0
Other recoveries	-	151.3
Expenses shared by fellow subsidiaries	-	0.8
Advertising and sales promotion expenses	-	6.4
Purchase of finished goods / raw materials etc.	3,294.9	3,373.4
Dividend paid	2,380.3	2,210.3
Royalty expense	38.2	29.4
Purchase of Tangible Fixed Assets	-	62.7
Software development and procurement of licenses	52.5	46.6
Maintenance and support costs for licences and software	23.0	20.4
Outstanding as at the year end :		
- Receivables	1,666.4	1,462.1
- Payables	1,098.1	1,794.8
Advances to suppliers	24.2	-
<b>Joint Venture</b>		
Purchase of finished goods / raw materials etc.	1,450.7	1,233.7
Sale of Finished Goods	-	1.7
Outstanding as at the year end :		
- Receivables	126.6	149.9
<b>Key Management Personnel</b>		
Remuneration	324.9	224.7

Dividend paid	1.5	0.9
Consideration received on exercise of options	28.4	0.1
<b>Employees' Benefit Plans where there is significant influence</b>		
Contributions during the year	410.1	383.3
Outstanding receivables at the year end	77.6	43.3

b. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year ended 31 March 2011 and 31 March 2012:

(Amount in INR million)		
Description of the nature of the transaction	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Sale of finished goods / raw materials etc.</b>		
Unilever Asia Private Ltd	1,339.2	916.3
Unilever Gulf Free Zone Establishment, Arabia	2,085.2	1,724.3
<b>Rent received</b>		
Unilever Industries Pvt. Ltd.	11.0	11.0
<b>Purchase of Tangible Fixed Assets</b>		
Unilever De Mexico De RL	-	9.2
Unilever De Argentina SA	-	21.5
Unilever (China) Investing Company	-	32.0
<b>Purchase of finished goods / raw materials etc.</b>		
Kimberly Clark Lever Private limited	1,450.7	2,512.8
Unilever Supply Chain Company	1,567.9	1,457.0
Unilever Australia Limited	-	307.3
Unilever Asia Private Limited	1,220.8	874.3
<b>Dividend paid</b>		
Unilever PLC	5,563.6	5,166.2
<b>Royalty expense (Gross)</b>		
Unilever PLC	3,038.5	2,659.6
<b>Income from services rendered</b>		
Unilever PLC	3,341.2	2,933.5
<b>Other Recoveries</b>		
Unilever Asia Private Limited	-	151.3
<b>Remuneration</b>		
Nitin Paranjpe	97.4	79.2
Sridhar Ramamurthy	32.0	27.5
Gopal Vittal	38.0	21.4
Pradeep Banerjee	33.3	-
<b>Consideration received on exercise of options</b>		
Hemant Bakshi	5.2	0.00
Leena Nair	2.9	0.00
Nitin Paranjpe	6.0	0.00
Pradeep Banerjee	9.1	0.00
Sridhar Ramamurthy	5.2	-
<b>Maintenance and support costs for licences and software</b>		
Unilever N.V.	23.0	20.4
<b>Software development and procurement of licenses</b>		
Unilever N.V.	52.5	46.6
<b>Contributions during the year</b>		
The Union Provident Fund	304.4	208.0

Hind Lever Gratuity Fund	78.4	-
The Hind Lever Pension Fund	27.3	175.3
<b>Outstanding as at the year end – Receivables</b>		
Kimberly Clark Lever Private Limited	126.6	149.9
Unilever Asia Private Limited	311.4	-
<b>Outstanding as at the year end – Payables</b>		
Unilever N.V.	143.0	489.4
Unilever Supply Chain Company	544.2	560.6
Unilever Asia Private Limited	243.1	86.5
Unilever Australia Limited	-	6.8
Lipton Limited UK	12.1	134.3
Unilever PLC	718.8	1,172.6
<b>Advances to suppliers</b>		
Lipton Soft Drinks (Ireland)	14.2	-
Unilever Asia Pte Limited	10.0	-

Note:

1. Source: Annual Report of the Target Company for the years ended 31 March 2011 and 31 March 2012 (consolidated accounts). The disclosures by the Target Company of its related party transactions are also available on Pages 140 to 144 in its Annual Report for the year ended 31 March 2012 and on Pages 139 to 143 in its Annual Report for the year ended 31 March 2011. The Annual Reports of the Target Company may be obtained from the Target Company's website (<http://www.hul.co.in>)
2. The Acquirer and the Other Promoter Entities received INR 3,179 million and INR 1,360 million respectively as final dividend (INR 4.00 per Share) paid by the Target Company for the financial year ended 31 March 2012. The final dividend was paid by the Target Company to its shareholders on 27 July 2012 after approval of the shareholders at its 79<sup>th</sup> Annual General Meeting held on 23 July 2012.

The Board of Directors of the Target Company, at the board meeting on 22 January 2013, approved a proposal to enter into a new agreement (“**New Agreement**”) with the Acquirer (and entities of the Unilever Group) for the provision of technology, trademark licenses and other services. The New Agreement between the Acquirer and the Target Company became effective from 1 February 2013.

The New Agreement envisages that the then existing royalty cost of c.1.4% of turnover will increase, in a phased manner, to a royalty cost of c.3.15% of turnover no later than the financial year ending 31 March 2018, i.e. a total estimated increase of 1.75% of turnover. The increase in royalty cost, in the period from 1 February 2013 to 31 March 2014 is estimated to be 0.5% of turnover, and thereafter in a range of 0.3% to 0.7% of turnover in each financial year, leading up to a total estimated royalty cost increase of 1.75% of turnover compared to existing arrangements, no later than the financial year ending 31 March 2018.

## **B. PERSONS ACTING IN CONCERT (\*)**

*(\*)As per regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011, the persons falling within the categories listed in regulation 2(1)(q)(2) (i) to (xiii) are deemed to be persons acting in concert, unless the contrary is established. Although the Other Promoter Entities and other persons may fall within such categories, please note that none of the Other Promoter Entities nor any such other persons are acting in concert with the Acquirer and the PAC for the purposes of this Open Offer.*

### **B1. Unilever N.V.**

- 3.21. The PAC is a public limited company registered in the Netherlands with its registered office at Weena 455, PO Box 760, 3000 DK Rotterdam, The Netherlands.
- 3.22. The Acquirer and the PAC are the two parent companies of the Unilever Group, which is one of the world's leading suppliers of fast-moving consumer goods across the foods, refreshment, home and personal care categories.
- 3.23. Together with their group companies, the Acquirer and the PAC operate as nearly as practicable as a single economic entity. This is achieved by a series of agreements between

the Acquirer and the PAC, together with special provisions in the Articles of Association of the Acquirer and the PAC. The Acquirer and the PAC have the same directors, adopt the same accounting principles and pay dividends to their respective shareholders on an equalised basis. The Acquirer, the PAC and their group companies constitute a single reporting entity for the purposes of presenting consolidated accounts. Accordingly, the consolidated accounts of the Unilever Group are presented by both the Acquirer and the PAC as their respective consolidated accounts. The Acquirer and the PAC have agreed to co-operate in all areas and ensure that all group companies act accordingly. The Acquirer and the PAC are holding and service companies, and the business activity of the Unilever Group is carried out by their subsidiaries around the world. Shares in group companies may ultimately be held wholly by either the Acquirer or the PAC or by the two companies in varying proportions. The two companies have different shareholder constituencies and shareholders can hold shares in either or both companies but cannot convert or exchange the shares of one company for shares of the other.

- 3.24. The PAC was incorporated under the name Naamlooze Vennootschap Margarine Unie in The Netherlands in 1927. The PAC changed its name on 9 May 1930 to Unilever N.V. which was subsequently changed on 23 November 1937 to Lever Brothers & Unilever N.V. On 3 March 1952 it changed its name to Unilever N.V.
- 3.25. The PAC's shares and depository receipts are listed on Euronext Amsterdam and New York Registry Shares on the New York Stock Exchange.
- 3.26. The Foundation Unilever NV Trust Office holds approximately 77% of the PAC's ordinary shares and holds approximately 34% of the PAC's 7% cumulative preference shares (the "Foundation"). The Foundation has a board independent of the Unilever Group. As part of its corporate objects, the Foundation issues depository receipts in exchange for the PAC's ordinary shares and the PAC's 7% preference shares. These depository receipts are listed on Euronext Amsterdam, as are the PAC's ordinary and 7% preference shares themselves.
- 3.27. The holders of depository receipts are entitled to all dividends and economic benefits on the underlying shares held by the Foundation; can attend all general meetings of the PAC, either personally or by proxy (and also have the right to speak); and can under all circumstances exercise all voting rights on the underlying shares or instruct the Foundation to vote on their behalf. The Foundation only votes shares that are not represented at a general meeting (either in person or by proxy); and is required, by the conditions of the administration applicable to the depository receipts, to vote in such a manner as it deems to be in the interest of the holders of depository receipts.
- 3.28. The market price per ordinary share of the PAC was as follows:

Date	Market price per ordinary share of the PAC
30 December 2011	€ 26.57
31 December 2012	€ 28.84
Date of the PA (30 April 2013)	€ 32.32

Source: Bloomberg

Note:

1. Price refers to the closing price as on that day

- 3.29. The issued share capital of the PAC as on 31 December 2012 comprises of:
- €274,356,432 (approximately INR 19,473 million) split into 1,714,727,700 ordinary shares of €0.16 each;
  - €1,028,568 (approximately INR 73 million) split into 2,400 ordinary shares numbered 1 to 2,400 known as special shares; and
  - €81,454,014 (approximately INR 5,781 million) split into two classes (6% and 7%) of cumulative preference shares

The voting rights attached to the PAC's outstanding shares are split as follows:

	Total number of votes	% of issued capital
1,714,727,700 ordinary shares	1,714,727,700 <sup>(1)</sup>	76.89
2,400 special shares	6,428,550	0.29
161,060 6% cumulative preference shares	431,409,276 <sup>(2)</sup>	19.34
29,000 7% cumulative preference shares	77,678,313 <sup>(3)</sup>	3.48

Notes:

1. Of which 141,560,629 shares were held in treasury and 16,789,821 shares were held to satisfy obligations under share-based incentive schemes as at 31 December 2012. These shares are not voted on.
2. Of which 37,679 6% cumulative preference shares were held in treasury as at 31 December 2012. These shares are not voted on.
3. Of which 7,562 7% cumulative preference shares were held in treasury as at 31 December 2012. These shares are not voted on.

- 3.30. The PAC is not owned or controlled, directly or indirectly, by another corporation, any foreign government or by any other legal or natural person. Between 1 January 2010 and 31 December 2012, ING Groep N.V. and ASR Nederland N.V. are persons/groups known to be holding more than 5% of the voting rights of the PAC.
- 3.31. The PAC does not directly hold any shares in the Target Company and hence the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.
- 3.32. The PAC, through its direct and indirect subsidiaries, holds a minority stake in Unilever UK & CN Holdings Ltd which in turn holds 60,086,250 Shares constituting 2.78% of the Voting Share Capital of the Target Company.
- 3.33. Names, details of experience, qualification, and date of appointment of the directors on the Board of Directors of the PAC, are as follows:

<p><b>Michael Treschow (Chairman)</b>  <b>Nationality:</b> Swedish  <b>Age:</b> 69  <b>Date of Appointment:</b> 16 May 2007  <b>Key areas of prior experience:</b> Consumer, science &amp; technology  <b>Current external appointments:</b> Non-executive director, ABB Group. Chairman, Dometic Group. Board member, Knut and Alice Wallenberg Foundation. Member of the European Advisory, Eli Lilly and Company  <b>Previous relevant experience:</b> Chairman, Telefonaktiebolaget L M Ericsson 2002-2011. Chairman, AB Electrolux 2004-2007, Confederation of Swedish Enterprise 2004-2007. CEO, AB Electrolux 1997-2002, Atlas Copco 1991-1997  <b>Qualification:</b> Earned a master of engineering degree from the Institute of Technology, Lund, Sweden.</p>
<p><b>Kees Storm (Vice Chairman and Senior Independent Director)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 70  <b>Date of Appointment:</b> 9 May 2006  <b>Key areas of prior experience:</b> Finance  <b>Current external appointments:</b> Chairman, supervisory board, and audit committee member, KLM Royal Dutch Airlines N.V. Member, supervisory board, AEGON N.V. Chairman and audit committee member, Anheuser-Busch InBev S.A. Board member and audit committee member, Baxter International, Inc. Vice-chairman, supervisory board, Pon Holdings B.V.  <b>Previous relevant experience:</b> Chairman, executive board, AEGON N.V. 1993-2002  <b>Qualification:</b> MA, Business Economics, University of Rotterdam</p>
<p><b>Paul Polman (Chief Executive Officer)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 56  <b>Date of Appointment as CEO:</b> 1 January 2009  <b>Date of Appointment as Director:</b> 29 October 2008  <b>Key areas of prior experience:</b> Finance, consumer, sales/marketing  <b>Current external appointments:</b> Non-executive director, The Dow Chemical Company. President, Kilimanjaro Blind Trust. Vice-chairman, executive committee, World Business Council for Sustainable Development  <b>Previous relevant experience:</b> Procter &amp; Gamble Co. 1979-2001, group president Europe and officer, Procter &amp; Gamble Co. 2001-2006. Chief financial officer, Nestlé S.A. 2006-2008. Director, Alcon Inc 2006-2008. Executive vice president and zone director for the Americas 2008  <b>Qualification:</b> BBA/BA from the University of Groningen, Netherlands, in 1977 and an MA Economics and MBA finance/international marketing from the University of Cincinnati in 1979</p>

<p><b>Jean-Marc Huët (Chief Financial Officer)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 43  <b>Date of Appointment as CFO:</b> 1 February 2010  <b>Date of Appointment as Director:</b> 12 May 2010  <b>Key areas of prior experience:</b> Finance, consumer  <b>Current external appointments:</b> Non-executive director, Delta Topco Limited  <b>Previous relevant experience:</b> Executive vice president and chief financial officer, Bristol-Myers Squibb Company 2008-2009. Non-executive director, Mead Johnson Nutrition 2009. Chief financial officer, Royal Numico NV 2003-2007. Investment Banking, Goldman Sachs International 1993-2003. Clement Trading 1991-1993  <b>Qualification:</b> MBA from INSEAD, Fontainebleau, France, and a bachelor's degree from Dartmouth College, New Hampshire, USA</p>
<p><b>Louise Fresco (Non Executive Director)</b>  <b>Nationality:</b> Dutch  <b>Age:</b> 61  <b>Date of Appointment:</b> 14 May 2009  <b>Key areas of prior experience:</b> Science/technology, academia  <b>Current external appointments:</b> Professor of international development and sustainability at the University of Amsterdam. Supervisory director, RABO Bank. Member, Social and Economic Council of the Netherlands (SER)  <b>Previous relevant experience:</b> Director of research (1997-1999) and assistant director-general for agriculture (2000-2006), the Agriculture Department of the UN's Food and Agriculture Organisation (FAO), president of the Advisory Council, Research on Nature and Environment, vice-chair, Council of the United Nations University  <b>Qualification:</b> MSc in agricultural engineering from Wageningen University in 1976 and Doctoral degree with honours from Wageningen University in 1986, where she specialised in tropical agriculture</p>
<p><b>Ann Fudge (Non Executive Director)</b>  <b>Nationality:</b> American  <b>Age:</b> 61  <b>Date of Appointment:</b> 14 May 2009  <b>Key areas of prior experience:</b> Consumer, sales/marketing  <b>Current external appointments:</b> Non-executive director, Infosys, Novartis AG, General Electric Co. Chairman, US Programs Advisory Panel of Gates Foundation. Honorary director of Catalyst. Member, Foreign Affairs Policy Board, U.S. State Department. Member, finance committee of Harvard University  <b>Previous relevant experience:</b> Non-executive director, Buzzient Inc. 2010-2013. Chairman &amp; CEO, Young &amp; Rubicam 2003-2006. Various positions at General Mills 1977-1986, Kraft General Foods 1986-2001  <b>Qualification:</b> Graduate of Simmons College and Harvard Business School, earning respectively BA (honors) in management, 1973; and MBA, 1977</p>
<p><b>Charles E Golden (Non Executive Director)</b>  <b>Nationality:</b> American  <b>Age:</b> 66  <b>Date of Appointment:</b> 9 May 2006  <b>Key areas of prior experience:</b> Finance  <b>Current external appointments:</b> Non-executive director Indiana University Health, Hill-Rom Holdings, Eaton Corporation and the Lilly Endowment. Member of finance committee, Indianapolis Museum of Art  <b>Previous relevant experience:</b> Executive vice-president, chief financial officer and director, Eli Lilly and Company 1996-2006  <b>Qualification:</b> Studied in Pennsylvania, graduating from Lafayette College in 1968 with a BA in economics. He went on to obtain an MBA at Lehigh University in 1970</p>
<p><b>Byron E Grote (Non Executive Director)</b>  <b>Nationality:</b> American/British  <b>Age:</b> 64  <b>Date of Appointment:</b> 9 May 2006  <b>Key areas of prior experience:</b> Finance  <b>Current external appointments:</b> Executive vice president, Corporate Business Activities, BP p.l.c.  <b>Previous relevant experience:</b> Chief financial officer, BP p.l.c. 2002-2011. Member, UK Business – Government Forum on Tax and Globalisation 2008- 2010. Vice-chairman, UK Government's Public Services Productivity Panel 1998-2000  <b>Qualification:</b> PhD in quantitative analysis from Cornell University</p>
<p><b>Hixonia Nyasulu (Non Executive Director)</b>  <b>Nationality:</b> South African</p>

<p><b>Age:</b> 58  <b>Date of Appointment:</b> 16 May 2007  <b>Key areas of prior experience:</b> Sales/marketing  <b>Current external appointments:</b> Director, Barloworld Ltd., Member, advisory board of JP Morgan S.A. Beneficiary, Sequel Property Investments  <b>Previous relevant experience:</b> Chairman, Sasol Ltd, Ithala, Development Finance Corporation. Deputy chairman, Nedbank Limited, Non-executive director, AVI Ltd  <b>Qualification:</b> Hixonia has a BA in social work and an honours degree in psychology. She also holds an Executive Leadership Development Programme Certificate from the Arthur D Little Management Education Institute in Massachusetts</p>
<p><b>Sir Malcolm Rifkind (Non Executive Director)</b></p> <p><b>Nationality:</b> British  <b>Age:</b> 66  <b>Date of Appointment:</b> 12 May 2010  <b>Key areas of prior experience:</b> Government, legal and regulatory affairs  <b>Current external appointments:</b> Non-executive director, Adam Smith International and Continental Farmers Group plc  <b>Previous relevant experience:</b> A Queen's Counsel. Served in Cabinets of Margaret Thatcher and John Major, last position being that of Foreign Secretary  <b>Qualification:</b> Educated at George Watson's College and Edinburgh University where he studied law before taking a postgraduate degree in political science</p>
<p><b>Paul Walsh (Non Executive Director)</b></p> <p><b>Nationality:</b> British  <b>Age:</b> 57  <b>Date of Appointment:</b> 14 May 2009  <b>Key areas of prior experience:</b> Finance, consumer, sales/marketing  <b>Current external appointments:</b> Chief executive officer and director, Diageo PLC. Non-executive director, FedEx Corporation Inc. and Avanti Communications Group PLC. Ambassador, Business Ambassador Network, adviser to the Department of Energy and Climate Change. Member, International Business Leaders Forum  <b>Previous relevant experience:</b> Chief operating officer, Diageo plc 2000. CEO, The Pilsbury Company. Non-executive director, Centrica plc  <b>Qualification:</b> Paul was educated at Manchester Polytechnic (now Manchester Metropolitan University)</p>
<p><b>Laura Cha (Non Executive Director)</b></p> <p><b>Nationality:</b> Chinese  <b>Age:</b> 64  <b>Date of Appointment:</b> 15 May 2013  <b>Current external appointments:</b> Non-official member of the Executive Council of Hong Kong Special Administrative Region and a Hong Kong delegate to the 11th National People's Congress of China, Independent non-executive director of HSBC Holdings plc and China Telecom Corporation Limited, as well as non-executive deputy chairman of The Hongkong and Shanghai Banking Corporation, the Asia Pacific subsidiary of HSBC Holdings plc, Member of the Advisory Board of the Yale School of Management and a senior international advisor for Foundation Asset Management AB.  <b>Previous relevant experience:</b> Mrs Cha worked in the Securities and Futures Commission in Hong Kong from 1991 to early 2001, then became the first person outside Mainland China to join the Chinese Central Government at the vice-ministerial rank when she was appointed as vice chairman of the China Securities Regulatory Commission in 2001. She stayed in that post until 2004  <b>Qualification:</b> Mrs Cha was educated in the US, with a BA from the University of Wisconsin and a JD degree from the University of Santa Clara, and she is a member of the State Bar of California</p>
<p><b>Mary Ma (Non Executive Director)</b></p> <p><b>Nationality:</b> Chinese  <b>Age:</b> 61  <b>Date of Appointment:</b> 15 May 2013  <b>Current external appointments:</b> Mary Ma was appointed chairman of Boyu Capital, a private equity fund in 2011. Prior to Boyu, Ms Ma was the partner of TPG Capital and co-chairman of TPG China where she primarily focused on investments in the Greater China region. Before joining TPG, Ms Ma was the senior vice president and chief financial officer of Lenovo Group. She still serves the Lenovo Board as non-executive vice chairman and has done since 2007. She is also an independent director of Standard Chartered Bank (Hong Kong) Limited and non-executive director of Wumart Stores. Ms Ma has been a member of the Listing Committee of The Stock Exchange of Hong Kong since 2009, a member of The Hong Kong Institute of Directors since 2000, and was a member of the Dean's Council of the Kennedy School of Harvard University from 2002-2007</p>

<p><b>Previous relevant experience:</b> Prior to joining Lenovo she worked for The Chinese Academy of Sciences</p> <p><b>Qualification:</b> Graduated from Capital Normal University in Beijing in 1976, and studied at King's College of the London University in the United Kingdom</p>
<b>John Rishton (Non Executive Director)</b>
<p><b>Nationality:</b> British</p> <p><b>Age:</b> 55</p> <p><b>Date of Appointment:</b> 15 May 2013</p> <p><b>Current external appointments:</b> John Rishton has been chief executive officer of Rolls-Royce Holdings plc since 31 March 2011. He was appointed a non-executive director of Rolls-Royce Group in 2007 and served as chairman of the audit committee and a member of the ethics and nominations committees. He served as the chief executive officer and president of Royal Ahold N.V. from November 2007 to March 2011. Prior to becoming CEO he was chief financial officer Royal Ahold from 2006</p> <p><b>Previous relevant experience:</b> Mr Rishton served as a non-executive director of ICA AB from 2006 to 2010 and Allied Domecq Plc from 2003 to 2005. He was the chief financial officer of British Airways Plc from 2001 to 2005.</p> <p><b>Qualification:</b> Fellow of Chartered Institute of Management Accountants and has an Economics Degree from Nottingham University</p>

- 3.34. None of the directors of the PAC are directors on the Board of Directors of the Target Company.
- 3.35. Mr. Harish Manwani, the Non Executive Chairman and member of the Board of Directors of the Target Company is also the Chief Operating Officer of the Unilever Group and is a representative of the Acquirer and the PAC in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011 and holds 22,130 Shares in the Target Company.
- 3.36. The PAC's key financial information based on its audited consolidated financial statements as at and for financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by PricewaterhouseCoopers N.V., the statutory auditors of the PAC are as follows:-

(Amount in € million and INR million except per share data)

Profit & Loss Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Income from Operations / Total Revenue / Turnover	44,262	3,141,606	46,467	3,298,111	51,324	3,642,849
Other Income	-	-	-	-	-	-
Total Income	44,262	3,141,606	46,467	3,298,111	51,324	3,642,849
Total Expenditure	36,930	2,621,199	39,005	2,768,477	43,136	3,061,685
Profit before Depreciation Interest and Tax	7,332	520,407	7,462	529,634	8,188	581,164
Depreciation and amortisation <sup>(3)</sup>	993	70,481	1,029	73,036	1,199	85,102
Interest <sup>(4)</sup>	207	14,692	188	13,344	306	21,719
Profit Before Tax	6,132	435,234	6,245	443,254	6,683	474,343
Provision for Tax	1,534	108,879	1,622	115,126	1,735	123,146
Profit after Tax / Net Income / Net Profit	4,598	326,355	4,623	328,129	4,948	351,197

Balance Sheet Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
<b>Sources of Funds</b>						
Paid up share capital	484	34,353	484	34,353	484	34,353
Reserves and Surplus (excluding revaluation reserves) <sup>(5)</sup>	14,594	1,035,846	14,437	1,024,702	15,232	1,081,129
Net worth	15,078	1,070,199	14,921	1,059,055	15,716	1,115,482
Secured loans	93	6,601	80	5,678	1	71
Unsecured loans <sup>(6)</sup>	12,393	879,624	14,582	1,034,994	14,634	1,038,685
<b>Total</b>	<b>27,564</b>	<b>1,956,424</b>	<b>29,583</b>	<b>2,099,727</b>	<b>30,351</b>	<b>2,154,238</b>
<b>Uses of Funds</b>						
Net fixed assets <sup>(7)</sup>	27,520	1,953,301	32,322	2,294,135	32,371	2,297,613
Investments	511	36,270	478	33,927	535	37,973
Net current assets / (liabilities)	(1,074)	(76,230)	(3,638)	(258,216)	(3,668)	(260,345)
Deferred tax asset	607	43,083	421	29,882	1,113	78,998

Balance Sheet Statement	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Total miscellaneous expenditure not written off	-	-	-	-	-	-
<b>Total</b>	<b>27,564</b>	<b>1,956,424</b>	<b>29,583</b>	<b>2,099,727</b>	<b>30,351</b>	<b>2,154,238</b>

Other Financial Data	As at and for the financial year ending 31 December					
	2010		2011		2012	
	€	INR	€	INR	€	INR
Dividend (%) <sup>(8)</sup>	54.97%	54.97%	59.60%	59.60%	61.39%	61.39%
Earnings per share ("EPS") <sup>(9)</sup>	1.51	107.18	1.51	107.18	1.58	112.14

Notes:

1. Since the financial statements of the PAC are prepared in €, the functional currency of the PAC, the financial figures have been converted into INR for purpose of convenience of translation. The conversion has been assumed at € 1 = INR 70.9775 (Source: Reserve Bank of India - <http://www.rbi.org.in>) as on 30 April 2013 (unless otherwise stated in this Letter of Offer).
  2. Source: The consolidated financial information set forth above has been extracted from the audited consolidated financial statements of the PAC as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with IFRS and audited by PricewaterhouseCoopers N.V. As set out above in Paragraph 3.23, the Acquirer, the PAC and their group companies constitute a single reporting entity for purposes of presenting consolidated accounts. Accordingly, the accounts of the Unilever Group is presented by the PAC as its consolidated accounts.
  3. Includes amortisation of finite life intangible assets and software and depreciation of property, plant and equipment.
  4. Includes net finance costs, share of net profit / loss of joint ventures and associates and other income / (loss) from non-current investments.
  5. Includes share premium, other reserves, retained profit and non-controlling interests.
  6. Includes unsecured financial liabilities, non-current tax liabilities, pension and post-retirement healthcare liabilities, provisions, deferred tax liabilities and other non-current liabilities.
  7. Includes goodwill, intangible assets, property, plant and equipment, pension asset for funded scheme in surplus and other non-current assets.
  8. Dividend per share / Earnings per share
  9. EPS has been taken as the basic earnings per share disclosed in the audited consolidated financial statements of the PAC.
- 3.37. The estimated total cost of Unilever Group's contingent liabilities at 31 December 2012 was €236 million (INR 16,751 million). These contingent liabilities arise in respect of litigation against group companies, investigations by competition, regulatory and fiscal authorities and obligations arising under environmental legislation.
- 3.38. The PAC is in compliance with the applicable corporate governance requirements set out in the Dutch Corporate Governance Code to which it is subject. The PAC has appointed Ms. Tonia Lovell as the Group Secretary under applicable laws.
- 3.39. The PAC has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.
- 3.40. The Target Company enters into various related party transactions in the course of its business with the PAC and members of the Unilever Group. According to the Annual Report of the Target Company for the financial years ended 31 March 2011 and 31 March 2012, the Unilever Group has entered into commercial transactions with the Target Company. The significant transactions are as set out below:

- a. Disclosure of transactions between the Target Company and the related parties and the status of outstanding balances as on 31 March 2011 and 31 March 2012:

(Amount in INR million)

Description of the nature of the transaction	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Holding Company</b>		
Dividend paid	5,563.6	5,166.2
Royalty expense	3,034.2	2,659.6
Income from services rendered	3,341.8	2,933.5
Outstanding as at the year end :		

- Payables	718.8	1,172.6
<b>Fellow Subsidiaries</b>		
Sale of finished goods / raw materials etc.	7,459.7	7,025.0
Rent Received	11.0	11.0
Other recoveries	-	151.3
Expenses shared by fellow subsidiaries	-	0.8
Advertising and sales promotion expenses	-	6.4
Purchase of finished goods / raw materials etc.	3,294.9	3,373.4
Dividend paid	2,380.3	2,210.3
Royalty expense	38.2	29.4
Purchase of Tangible Fixed Assets	-	62.7
Software development and procurement of licenses	52.5	46.6
Maintenance and support costs for licences and software	23.0	20.4
Outstanding as at the year end :		
- Receivables	1,666.4	1,462.1
- Payables	1,098.1	1,794.8
Advances to suppliers	24.2	-
<b>Joint Venture</b>		
Purchase of finished goods / raw materials etc.	1,450.7	1,233.7
Sale of Finished Goods	-	1.7
Outstanding as at the year end :		
- Receivables	126.6	149.9
<b>Key Management Personnel</b>		
Remuneration	324.9	224.7
Dividend paid	1.5	0.9
Consideration received on exercise of options	28.4	0.1
<b>Employees' Benefit Plans where there is significant influence</b>		
Contributions during the year	410.1	383.3
Outstanding receivables at the year end	77.6	43.3

b. Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year ended 31 March 2011 and 31 March 2012:

(Amount in INR million)

Description of the nature of the transaction	For the year ended 31 March 2012	For the year ended 31 March 2011
<b>Sale of finished goods / raw materials etc.</b>		
Unilever Asia Private Ltd	1,339.2	916.3
Unilever Gulf Free Zone Establishment, Arabia	2,085.2	1,724.3
<b>Rent received</b>		
Unilever Industries Pvt. Ltd.	11.0	11.0
<b>Purchase of Tangible Fixed Assets</b>		
Unilever De Mexico De RL	-	9.2
Unilever De Argentina SA	-	21.5
Unilever (China) Investing Company	-	32.0
<b>Purchase of finished goods / raw materials etc.</b>		
Kimberly Clark Lever Private limited	1,450.7	2,512.8

Unilever Supply Chain Company	1,567.9	1,457.0
Unilever Australia Limited	-	307.3
Unilever Asia Private Limited	1,220.8	874.3
<b>Dividend paid</b>		
Unilever PLC	5,563.6	5,166.2
<b>Royalty expense (Gross)</b>		
Unilever PLC	3,038.5	2,659.6
<b>Income from services rendered</b>		
Unilever PLC	3,341.2	2,933.5
<b>Other Recoveries</b>		
Unilever Asia Private Limited	-	151.3
<b>Remuneration</b>		
Nitin Paranjpe	97.4	79.2
Sridhar Ramamurthy	32.0	27.5
Gopal Vittal	38.0	21.4
Pradeep Banerjee	33.3	-
<b>Consideration received on exercise of options</b>		
Hemant Bakshi	5.2	0.00
Leena Nair	2.9	0.00
Nitin Paranjpe	6.0	0.00
Pradeep Banerjee	9.1	0.00
Sridhar Ramamurthy	5.2	-
<b>Maintenance and support costs for licences and software</b>		
Unilever N.V.	23.0	20.4
<b>Software development and procurement of licenses</b>		
Unilever N.V.	52.5	46.6
<b>Contributions during the year</b>		
The Union Provident Fund	304.4	208.0
Hind Lever Gratuity Fund	78.4	-
The Hind Lever Pension Fund	27.3	175.3
<b>Outstanding as at the year end – Receivables</b>		
Kimberly Clark Lever Private Limited	126.6	149.9
Unilever Asia Private Limited	311.4	-
<b>Outstanding as at the year end – Payables</b>		
Unilever N.V.	143.0	489.4
Unilever Supply Chain Company	544.2	560.6
Unilever Asia Private Limited	243.1	86.5
Unilever Australia Limited	-	6.8
Lipton Limited UK	12.1	134.3
Unilever PLC	718.8	1,172.6
<b>Advances to suppliers</b>		
Lipton Soft Drinks (Ireland)	14.2	-
Unilever Asia Pte Limited	10.0	-

Note:

1. Source: Annual Report of the Target Company for the years ended 31 March 2011 and 31 March 2012 (consolidated accounts). The disclosures by the Target Company of its related party transactions is available on Pages 140 to 144 in its Annual Report for the year ended 31 March 2012 and on Pages 139 to 143 in its Annual Report for the year ended 31 March 2011. The Annual Reports of the Target Company may be obtained from the Target Company's website (<http://www.hul.co.in>)
2. The Acquirer and the Other Promoter Entities received INR 3,179 million and INR 1,360 million respectively as final dividend (INR 4.00 per Share) paid by the Target Company for the financial year ended 31 March 2012. The final dividend was paid by the Target Company to its shareholders on 27 July 2012 after approval of the shareholders at its 79<sup>th</sup> Annual General Meeting held on 23 July 2012.

The Board of Directors of the Target Company, at the board meeting on 22 January 2013, approved a proposal to enter into a New Agreement with the Acquirer (and entities of the Unilever Group) for the provision of technology, trademark licenses and other services. The New Agreement between the Acquirer and the Target Company became effective from 1 February 2013.

The New Agreement envisages that the then existing royalty cost of c.1.4% of turnover will increase, in a phased manner, to a royalty cost of c.3.15% of turnover no later than the financial year ending 31 March 2018, i.e. a total estimated increase of 1.75% of turnover. The increase in royalty cost, in the period from 1 February 2013 to 31 March 2014 is estimated to be 0.5% of turnover, and thereafter in a range of 0.3% to 0.7% of turnover in each financial year, leading up to a total estimated royalty cost increase of 1.75% of turnover compared to existing arrangements, no later than the financial year ending 31 March 2018.

#### 4. BACKGROUND OF THE TARGET COMPANY

4.1 The Target Company is a market leader in the fast moving consumer goods business in India, with brands spanning categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream and water purifiers. Its portfolio includes the following brands: Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall's and Pureit. The Target Company has its registered office at Unilever House, B. D. Sawant Marg, Chakala, Andheri East, Mumbai – 400 099.

4.2 The Acquirer set up its first subsidiary in India, Hindustan Vanaspati Manufacturing Company in 1931, followed by Lever Brothers India Limited in 1933 and Unilever Traders Limited in 1935. The three companies merged in 1956 to form Hindustan Lever Limited. Effective 11 June 2007, the name of Hindustan Lever Limited was changed to Hindustan Unilever Limited after receiving the approval of shareholders during the 74th Annual General Meeting on 18 May 2007.

4.3 The Shares of the Target Company have been listed on BSE (Scrip ID: HUL, Scrip Code: 500696) and NSE (Symbol: HINDUNILVR, ISIN: INE030A01027) since 1 January 1957 and 6 July 1995 respectively.

4.4 As at 31 March 2013, the total issued and subscribed share capital of the Target Company was INR 2,215,591,286 comprising 2,215,591,286 Shares of INR 1 each and fully paid up share capital of the Target Company was INR 2,162,472,310 comprising 2,162,472,310 Shares of INR 1 each. The difference between total issued and subscribed share capital and fully paid up share capital of the Target Company is due to the buyback made from open market as per special resolutions passed through postal ballot on 14 September 2007 and 26 July 2010. The total number of shares bought back under the scheme was 30,235,772 and 22,883,204 respectively.

Paid up shares	No. of shares / voting rights	% of shares / voting rights
Fully paid-up equity shares	2,162,472,310	100%
Partly paid-up equity shares	-	-
<b>Total paid-up equity shares</b>	<b>2,162,472,310</b>	<b>100%</b>
<b>Total voting rights</b>	<b>2,162,472,310</b>	<b>100%</b>

4.5 Trading of the Shares of the Target Company is not currently suspended on the BSE or the NSE. As on the date of this Letter of Offer, there are no (i) partly paid-up Shares; or (ii) any instruments convertible into Shares. There are no Shares which are not listed on either the BSE or the NSE. As per the shareholding pattern of the Target Company as on 31 March 2013, 607,991 Shares (aggregating to 0.03% of the share capital) of the Target Company are under lock-in, being Shares issued under Employee Stock Plans.

- 4.6 The Shares of the Target Company have been delisted from the following stock exchanges in India.

S.No	Stock Exchange	Date of Delisting
1	Bangalore Stock Exchange Ltd	16 September 2005
2	The Stock Exchange – Ahmedabad	11 October 2005
3	The Delhi Stock Exchange Association Ltd	14 October 2005
4	Madras Stock Exchange Ltd	31 March 2006
5	The Gauhati Stock Exchange Ltd	23 March 2006
6	The Calcutta Stock Exchange Association Ltd	14 August 2006
7	Cochin Stock Exchange Ltd	18 September 2006

- 4.7 The details of the Board of Directors of the Target Company are set forth below:

S.No	Name	Date of appointment	Designation	Director Identification Number
1	Mr. Harish Manwani	29.04.2005	Non Executive Chairman	00045160
2	Mr. Nitin Paranjpe	01.06.2007	Managing Director and CEO	00045204
3	Mr. Sridhar Ramamurthy	03.07.2009	Executive Director (Finance and IT) and CFO	02557168
4	Mr. Pradeep Banerjee	01.03.2010	Executive Director	02985965
5	Mr. A. Narayan	29.06.2001	Director	00012084
6	Mr. S. Ramadorai	20.05.2002	Director	00000002
7	Mr. R. A. Mashelkar	04.04.2008	Director	00074119
8	Mr. O. P. Bhatt	20.12.2011	Director	00548091
9	Dr. Sanjiv Misra	08.04.2013	Director	03075797

- 4.8 Mr. Harish Manwani, the Non Executive Chairman and member of the Board of Directors of the Target Company is also the Chief Operating Officer of the Unilever Group and is a representative of the Acquirer and the PAC in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011. He has neither participated nor shall participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Open Offer.

- 4.9 The Target Company undertook the following activities including scheme of amalgamation, restructuring, merger / demerger and spin off during the last 3 years:

- April 2013: The Target Company entered into a Share Purchase Agreement with the promoters of M/s. Aquagel Chemicals Private Limited (“**ACPL**”) for acquisition of 74% of the equity share capital of ACPL. The Target Company was earlier holding an investment to the extent of 26% of the equity share capital of ACPL. Consequent to the acquisition of remaining 74% of the equity share capital, ACPL has become a wholly owned subsidiary of the Target Company with effect from April 2013.
- August 2011: The Target Company’s board has approved in principle a Scheme of Arrangement for transfer of the FMCG Exports Business Division into a wholly owned subsidiary of the Target Company, Unilever India Exports Limited. The scheme has been approved by the shareholders as well as the Bombay High Court. The appointed date for the scheme was 1 April 2011 and the scheme became effective from 1 January 2012.
- July 2010: The Target Company divested a 43.31% stake in Hindustan Field Services Pvt. Ltd., a 50:50 joint venture between the Target Company and Smollan Holdings (Pty) Ltd.
- April 2010: Under a scheme of arrangement, the Target Company merged Bon Ltd., a wholly owned subsidiary of the Target Company, with itself. The appointed date for the scheme was 1 April 2009 and the scheme became effective from 28 April 2010.
- March 2010: The Target Company divested 49% stake in Capgemini Business Services (India) Ltd. (“**CGBSL**”), formerly Unilever India Shared Services Ltd. (“**UISSL**”). UISSL

was the in-house Business Process Outsourcing unit of the Target Company. Cap Gemini SA and the Target Company entered into an agreement in September 2006, for sale of 51% controlling stake of the Target Company in UISSL. Post dilution, UISSL was renamed as Capgemini Business Services (India) Ltd. In terms of a separate agreement entered in October 2006 and subsequent amendments thereto, both parties further agreed for dilution of the balance 49% stake of the Target Company in favour of Cap Gemini SA by March 31, 2010. Accordingly, the Target Company has now divested its 49% stake in CGBSL in favour of Cap Gemini SA.

Except for the above, the Target Company has not been party to any scheme of amalgamation, restructuring, merger / demerger and spin off during the last three years.

- 4.10 The Other Promoter Entities have been in compliance with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company, within the time specified in the regulations over the last 10 years except for the years 2006, 2008, 2009, 2010 and 2013. In the year 2006 there was a delay of nine days, in the year 2008 there was a delay of 14 and 11 days, in the year 2009, there was a delay of four days and in the year 2010, there was a delay of 31 days by the Other Promoter Entities in making a disclosure under Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 1997. In the year 2013 there was a delay of four days by the Other Promoter Entities in making a disclosure under Regulation 30(1)/(2) of the SEBI (SAST) Regulations, 2011. SEBI may initiate appropriate action against the Other Promoter Entities in terms of the regulations and provisions of the SEBI Act for delayed compliance of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011. Details of such compliances by Other Promoter Entities are set forth herein below:

Sl. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status Of compliance with SEBI (SAST) Regulations	Remarks
1	8(1)	21.04.2004	02.04.2004	-	Complied	-
2	8(2)	21.04.2004	02.04.2004	-	Complied	-
3	8(1)	22.06.2004	02.06.2004	-	Complied	-
4	8(2)	22.06.2004	02.06.2004	-	Complied	-
5	8(1)	06.09.2004	31.08.2004	-	Complied	-
6	8(2)	06.09.2004	31.08.2004	-	Complied	-
7	8(1)	21.04.2005	04.04.2005	-	Complied	-
8	8(2)	21.04.2005	04.04.2005	-	Complied	-
9	8(1)	14.07.2005	27.06.2005	-	Complied	-
10	8(2)	14.07.2005	27.06.2005	-	Complied	-
11	8(1)	21.08.2005	08.08.2005	-	Complied	-
12	8(2)	21.08.2005	08.08.2005	-	Complied	-
13	8(1)	21.04.2006	13.04.2006	-	Complied	-
14	8(2)	21.04.2006	13.04.2006	-	Complied	-
15	8(1)	06.06.2006	15.06.2006	9	Delayed compliance	-
16	8(2)	06.06.2006	15.06.2006	9	Delayed compliance	-
17	8(1)	30.08.2006	14.08.2006	-	Complied	-
18	8(2)	30.08.2006	14.08.2006	-	Complied	-
19	8(1)	21.04.2007	02.04.2007	-	Complied	-
20	8(2)	21.04.2007	02.04.2007	-	Complied	-
21	8(1)	28.05.2007	14.05.2007	-	Complied	-
22	8(2)	28.05.2007	14.05.2007	-	Complied	-
23	8(1)	29.08.2007	16.08.2007	-	Complied	-
24	8(2)	29.08.2007	16.08.2007	-	Complied	-
25	8(1)	29.11.2007	22.11.2007	-	Complied	-
26	8(2)	29.11.2007	22.11.2007	-	Complied	-
27	8(1)	21.04.2008	05.05.2008	14	Delayed compliance	-
28	8(2)	21.04.2008	05.05.2008	14	Delayed compliance	-

29	8(1)	24.04.2008	05.05.2008	11	Delayed compliance	-
30	8(2)	24.04.2008	05.05.2008	11	Delayed compliance	-
31	8(1)	26.08.2008	22.08.2008	-	Complied	-
32	8(2)	26.08.2008	22.08.2008	-	Complied	-
33	8(1)	21.04.2009	07.04.2009	-	Complied	-
34	8(2)	21.04.2009	07.04.2009	-	Complied	-
35	8(1)	23.07.2009	14.07.2009	-	Complied	-
36	8(2)	23.07.2009	14.07.2009	-	Complied	-
37	8(1)	30.11.2009	04.12.2009	4	Delayed compliance	-
38	8(2)	30.11.2009	04.12.2009	4	Delayed compliance	-
39	8(1)	21.04.2010	20.04.2010	-	Complied	-
40	8(2)	21.04.2010	20.04.2010	-	Complied	-
41	8(1)	16.08.2010	10.08.2010	-	Complied	-
42	8(2)	16.08.2010	10.08.2010	-	Complied	-
43	8(1)	23.11.2010	24.12.2010	31	Delayed compliance	-
44	8(2)	23.11.2010	24.12.2010	31	Delayed compliance	-
45	8(1)	21.04.2011	18.04.2011	-	Complied	-
46	8(2)	21.04.2011	18.04.2011	-	Complied	-
47	7(1) & (2)	Not applicable	Not applicable	-	-	-
48	7(1A) & (2)	Not applicable	Not applicable	-	-	-
49	29(1)/(2)	Not applicable	Not applicable	-	-	-
50	30(1)/(2)	10.04.2012	04.04.2012	-	Complied	-
51	30(1)/(2)	09.04.2013	16.04.2013	4	Delayed compliance	-
52	31(1)	Not applicable	Not applicable	-	-	-
53	31(2)	Not applicable	Not applicable	-	-	-

Note:

1. References to 8(1), 8(2), 7(1), 7(1A) and 7(2) are references to Regulations 8(1), 8(2), 7(1), 7(1A) and 7(2) of SEBI (SAST) Regulations, 1997, and references to 29(2), 30(2), 31(1) and 31(2) are references to Regulations 29(2), 30(2), 31(1) and 31(2) of SEBI (SAST) Regulations, 2011.

- 4.11 The Target Company's key financial information based on its audited consolidated financial statements for the financial years ended 31 March 2011, 31 March 2012 and 31 March 2013 audited by M/s. Lovelock & Lewes is as follows:

(Amount in INR million except per share data)

Profit & Loss Statement	As at and for the financial year period ending 31 March		
	2011	2012	2013
	INR	INR	INR
Income from Operations / Revenue from operations (net)	200,226	234,363	270,040
Other Income	2,552	2,596	5,320
Total Income / Total Revenue	202,777	236,960	275,360
Total Expenditure <sup>(2)</sup>	170,905	198,391	221,930
Profit before Depreciation Interest and Tax	31,872	38,569	53,431
Depreciation and amortisation	2,293	2,335	2,513
Interest	10	17	257
Profit Before Tax	29,569	36,217	50,660
Provision for Tax <sup>(3)</sup>	6,609	8,310	12,371
Profit After tax	22,961	27,907	38,290

Balance Sheet Statement	As at and for the financial year ending 31 March		
	2011	2012	2013
	INR	INR	INR
<b>Sources of Funds</b>			
Paid up share capital	2,160	2,162	2,163
Reserves and Surplus (excluding revaluation reserves) <sup>(4)</sup>	25,336	34,832	26,694
Net worth	27,495	36,994	28,856
Secured loans	-	-	-
Unsecured loans <sup>(5)</sup>	8,929	10,060	12,007
<b>Total</b>	<b>36,424</b>	<b>47,054</b>	<b>40,863</b>
<b>Uses of Funds</b>			
Net fixed assets <sup>(6)</sup>	29,169	28,713	33,723

Balance Sheet Statement	As at and for the financial year ending 31 March		
	2011	2012	2013
	INR	INR	INR
Investments	484	703	3,953
Net current assets <sup>(7)</sup>	4,697	15,539	1,101
Deferred tax asset	2,074	2,099	2,085
Total miscellaneous expenditure not written off	-	-	-
<b>Total</b>	<b>36,424</b>	<b>47,054</b>	<b>40,863</b>

Other Financial Data	As at and for the financial year ending 31 March		
	2011	2012	2013
	INR	INR	INR
Dividend (%) <sup>(8)</sup>	61.73%	58.05%	33.88%
Earnings per share (Basic)	10.53	12.92	17.71

Notes:

1. Source: The consolidated financial information set forth above has been extracted from the Target Company's audited consolidated financial statements as at and for years ended 31 March 2011, 31 March 2012 and 31 March 2013 prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956 and audited by M/s. Lovelock & Lewes, Firm Registration Number 301056E.
2. Includes income from exceptional items
3. Includes income tax expense and income attributable to minority shareholders
4. Includes minority interests
5. Includes other long term liabilities and long term provisions. For year ending 31 March 2013, it also includes long term borrowings of INR844 m
6. Includes tangible assets, intangibles assets, capital work-in-progress, intangible assets under development and long term loans and advances
7. Net current assets = Current assets – Current liabilities
8. Dividend (%) = Dividend per share / Earnings per share

4.12 The shareholding pattern of the Target Company before and after the Open Offer, calculated as on the Identified Date is as follows:

S.No	Shareholder Category	Shareholding & Voting Rights prior to the acquisition and the Open Offer		Shareholding & Voting Rights agreed to be acquired which triggered off the Regulations		Shareholding & Voting Rights to be acquired in the Open Offer (Assuming full acceptance)		Shareholding/ Voting rights after the acquisition and the Open Offer	
		No	%age	No	%age	No	%age	No	%age
(1)	<b>Promoter Group including Acquire</b>								
1a.	Acquirer	794,806,750	36.75	-	-	487,004,772	22.52	1,281,811,522	59.28
1b.	Other Promoter Entities	340,042,710	15.72	-	-	-	-	340,042,710	15.72
(2)	<b>Parties to the agreement other than 1(a)</b>								
	-	-	-	-	-	-	-	-	-
(3)	<b>Public (other than parties to agreement, Acquirer)</b>								
3a.	FIs / MFs / FIs / Banks, SFIs	649,063,820	30.01	-	-	-	-	Will depend on response from each category	
3b.	Non institutions	378,559,030	17.51	-	-	-	-		
	Total public (3a + 3b)	1,027,622,850	47.52	-	-	(487,004,772)	(22.52)	540,618,078	25.00
	<b>Grand total (1+2+3)</b>	<b>2,162,472,310</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,162,472,310</b>	<b>100.00</b>

4.13 The Target Company has been in compliance with the applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011 within the time specified over the last 10 years except for the years 2008 and 2010. In the year 2008 there was a delay of 2 and 5 days and in the year 2010 there has been delay of 22 days by the Target Company in making a disclosure under Regulation 8(3) of the SEBI (SAST) Regulations, 1997. SEBI may initiate appropriate action against the Target Company in terms of the regulations and provisions of the SEBI Act for delayed compliance of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011. Details of such compliances are set forth herein below:

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status Of compliance with SEBI (SAST) Regulations	Remarks
1	8(3)	30.04.2004	02.04.2004	-	Complied	-
2	8(3)	01.07.2004	02.06.2004	-	Complied	-
3	8(3)	15.09.2004	31.08.2004	-	Complied	-
4	8(3)	30.04.2005	04.04.2005	-	Complied	-
5	8(3)	23.07.2005	27.06.2005	-	Complied	-
6	8(3)	30.08.2005	08.08.2005	-	Complied	-
7	8(3)	30.04.2006	13.04.2006	-	Complied	-
8	8(3)	15.06.2006	15.06.2006	-	Complied	-
9	8(3)	01.09.2006	14.08.2006	-	Complied	-
10	8(3)	30.04.2007	02.04.2007	-	Complied	-
11	8(3)	06.06.2007	14.05.2007	-	Complied	-
12	8(3)	07.09.2007	16.08.2007	-	Complied	-
13	8(3)	07.12.2007	22.11.2007	-	Complied	-
14	8(3)	30.04.2008	05.05.2008	5	Delayed compliance	-
15	8(3)	03.05.2008	05.05.2008	2	Delayed compliance	-
16	8(3)	04.09.2008	22.08.2008	-	Complied	-
17	8(3)	30.04.2009	27.04.2009	-	Complied	-
18	8(3)	01.08.2009	14.07.2009	-	Complied	-
19	8(3)	09.12.2009	04.12.2009	-	Complied	-
20	8(3)	30.04.2010	20.04.2010	-	Complied	-
21	8(3)	16.08.2010	10.08.2010	-	Complied	-
22	8(3)	02.12.2010	24.12.2010	22	Delayed compliance	-
23	8(3)	30.04.2011	18.04.2011	-	Complied	-
24	7(3)	Not applicable	Not applicable	-	-	-
25	7(3)	Not applicable	Not applicable	-	-	-

Note:

- References to 7(3) and 8(3) are references to Regulation 7(3) and 8(3) of SEBI (SAST) Regulations, 1997

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A. Justification for Offer Price

- The Shares of the Target Company are listed on the BSE and the NSE.
- The Open Offer Price is INR 600 per Share.
- The Open Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011, and subject to the terms and conditions mentioned in the PA, the DPS and this Letter of Offer.
- The Shares of the Target Company are frequently traded on the NSE during the preceding 12 calendar months prior to the month of the PA within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011. The annualised trading turnover of the Target Company for

the period commencing on 1 April 2012 and ending on 31 March 2013 on the NSE and the BSE, where the Shares are listed, is as follows:

Stock Exchange	Total Number of Shares traded during the past 12 months	Total Number of Shares	Trading Turnover (% of the total listed Shares)
NSE	562,935,798	2,162,472,310	26.03%
BSE	53,578,839	2,162,472,310	2.48%

- 5.5 The Open Offer Price of INR 600 per Share of the Target Company is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, in view of the following:

a	the highest negotiated price per Share, if any, of the Target Company for any acquisition under the agreement attracting the obligations to make a public announcement of an open offer;	Not applicable
b	the volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA;	Not applicable
c	the highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the PA; and	Not applicable
d	the volume-weighted average market price of the Shares of the Target Company for a period of 60 trading days immediately preceding the date of the PA for Shares of the Target Company made under SEBI (SAST) Regulations, 2011, as traded on the NSE being the stock exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period.	INR 463.32

- 5.6 The Open Offer Price is higher than the highest of 5.5 (a) to (d) above, as required under the SEBI (SAST) Regulations, 2011.

- 5.7 The price and volume data of the Shares on the NSE, where the Shares are most frequently traded, for a period of 60 trading days immediately preceding the date of the PA (i.e. 30 April 2013), are set forth below:

No.	Date	Net Turnover (NSE) (INR)	Total Volume (NSE) (Number of Shares)
1	Wednesday, 30 January 2013	1,544,086,000	3,235,887
2	Thursday, 31 January 2013	1,232,454,000	2,602,245
3	Friday, 01 February 2013	827,690,000	1,778,094
4	Monday, 04 February 2013	1,082,101,000	2,333,391
5	Tuesday, 05 February 2013	678,444,000	1,464,418
6	Wednesday, 06 February 2013	1,090,003,000	2,398,688
7	Thursday, 07 February 2013	595,756,000	1,306,127
8	Friday, 08 February 2013	930,663,000	2,054,421
9	Monday, 11 February 2013	775,417,000	1,687,906
10	Tuesday, 12 February 2013	535,208,000	1,161,048
11	Wednesday, 13 February 2013	665,409,000	1,457,944
12	Thursday, 14 February 2013	1,249,180,000	2,698,872
13	Friday, 15 February 2013	670,223,000	1,446,219
14	Monday, 18 February 2013	523,135,000	1,116,507
15	Tuesday, 19 February 2013	800,580,000	1,684,526
16	Wednesday, 20 February 2013	596,701,000	1,257,057
17	Thursday, 21 February 2013	961,093,000	2,049,876
18	Friday, 22 February 2013	1,109,662,000	2,420,050
19	Monday, 25 February 2013	671,820,000	1,483,568
20	Tuesday, 26 February 2013	724,066,000	1,591,179
21	Wednesday, 27 February 2013	698,313,000	1,530,865
22	Thursday, 28 February 2013	1,788,378,000	3,984,567
23	Friday, 01 March 2013	724,837,000	1,620,895
24	Monday, 04 March 2013	938,209,000	2,112,775
25	Tuesday, 05 March 2013	1,158,869,000	2,602,130
26	Wednesday, 06 March 2013	1,381,556,000	3,117,341

27	Thursday, 07 March 2013	1,525,485,000	3,510,565
28	Friday, 08 March 2013	1,617,940,000	3,710,974
29	Monday, 11 March 2013	959,783,000	2,172,102
30	Tuesday, 12 March 2013	1,359,839,000	3,055,791
31	Wednesday, 13 March 2013	878,142,000	1,964,447
32	Thursday, 14 March 2013	2,226,715,000	4,887,406
33	Friday, 15 March 2013	2,646,169,000	5,763,799
34	Monday, 18 March 2013	1,073,606,000	2,315,988
35	Tuesday, 19 March 2013	1,410,503,000	3,089,196
36	Wednesday, 20 March 2013	1,245,143,000	2,681,146
37	Thursday, 21 March 2013	1,690,032,000	3,649,437
38	Friday, 22 March 2013	935,203,000	2,023,676
39	Monday, 25 March 2013	542,825,000	1,175,950
40	Tuesday, 26 March 2013	1,212,906,000	2,577,126
41	Thursday, 28 March 2013	2,731,815,000	5,842,644
42	Monday, 01 April 2013	444,476,000	944,417
43	Tuesday, 02 April 2013	402,984,000	855,108
44	Wednesday, 03 April 2013	789,037,000	1,700,086
45	Thursday, 04 April 2013	807,640,000	1,726,008
46	Friday, 05 April 2013	647,505,000	1,372,376
47	Monday, 08 April 2013	890,017,000	1,869,019
48	Tuesday, 09 April 2013	1,469,646,000	3,098,313
49	Wednesday, 10 April 2013	953,678,000	2,033,464
50	Thursday, 11 April 2013	1,029,924,000	2,194,005
51	Friday, 12 April 2013	717,715,000	1,502,206
52	Monday, 15 April 2013	653,172,000	1,378,046
53	Tuesday, 16 April 2013	701,485,000	1,451,228
54	Wednesday, 17 April 2013	1,312,554,000	2,711,366
55	Thursday, 18 April 2013	1,064,212,000	2,197,874
56	Monday, 22 April 2013	1,104,684,000	2,283,739
57	Tuesday, 23 April 2013	637,424,000	1,320,840
58	Thursday, 25 April 2013	1,348,759,000	2,833,099
59	Friday, 26 April 2013	1,045,970,000	2,239,631
60	Monday, 29 April 2013	5,347,480,000	11,096,404
	<b>Total</b>	<b>67,378,321,000</b>	<b>145,424,072</b>
	<b>Volume Weighted Average Market Price (Net Turnover divided by Total Volume)</b>		<b>463.32</b>

- 5.8 The Acquirer and the PAC are permitted to make upward revisions in the Open Offer Price, at any time prior to the last three Working Days before the commencement of the tendering period of the Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and the PAC are required to (i) make corresponding increases to the amount kept in the Escrow Account - Cash, as set out in paragraph 5.13 of this Letter of Offer; (ii) make a public announcement in the newspapers where the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the BSE, the NSE and the Target Company at its registered office of such revision.
- 5.9 The Open Offer Price represents a premium of approximately 29.5% over the maximum price arrived at as per Regulation 8(2) of the SEBI (SAST) Regulations, 2011, a premium of 26.0% to the Target Company's one month's average closing price of the Share and 25.0% to the last one week's average closing price of the Share on the NSE (one month and one week average price of the Share in reference to the closing price of the Share as on 29 April 2013 on the NSE).

## **B. FINANCIAL ARRANGEMENTS**

- 5.10 The total funding requirement for the Open Offer (assuming full acceptances) i.e., for the acquisition of 487,004,772 Shares at the Open Offer Price of INR 600 per Share, is INR 292,202,863,200 (Indian Rupees two hundred and ninety two billion two hundred and two million eight hundred and sixty three thousand and two hundred), the Offer Consideration.

- 5.11 The Acquirer has made firm financial arrangements for fulfilling the payment obligations under the Open Offer, and the Acquirer is able to implement this Open Offer.
- 5.12 The Acquirer has adequate resources to meet the financial requirements of this Open Offer. These resources include a combination of the Acquirer's available cash and its undrawn committed financial facilities with banks outside India. As on 31 December 2012 the Acquirer had access to €2,465 million (equivalent to INR 174,960 million), in cash and cash equivalents, as disclosed in its audited consolidated financial statements prepared in accordance with IFRS as adopted by the European Union and as publicly disclosed and available at <http://www.unilever.com>. The undrawn committed financial facilities are adequate to pay the Offer Consideration of INR 292,202,863,200 (Indian Rupees two hundred and ninety two billion two hundred and two million eight hundred and sixty three thousand and two hundred).
- 5.13 By way of security for performance of the Acquirer and the PAC's obligations under the SEBI (SAST) Regulations, 2011, the Acquirer has created the Escrow Account - Cash with the Escrow Bank, and has deposited a sum of INR 29,970,286,320 (Indian Rupees twenty nine billion nine hundred seventy million two hundred and eighty six thousand three hundred and twenty) in the Escrow Account – Cash. The Escrow Account – Cash is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of SEBI (SAST) Regulations, 2011, i.e., 25% of the first INR 5,000,000,000 (Indian Rupees five billion) and 10% of the balance consideration.
- 5.14 The Manager to the Open Offer has entered into the Escrow Agreement pursuant to which the Acquirer has authorised the Manager to the Open Offer to realize the value of the Escrow Account - Cash in terms of Regulation 17 of SEBI (SAST) Regulations, 2011.
- 5.15 PricewaterhouseCoopers LLP, Chartered Accountants, 1 Embankment Place, London, WC2N 6RH, telephone number +44 207 583 5000, fax number +44 207 212 4652, registration number OC303525 have provided a certificate available for public inspection dated 29 April 2013 confirming that the undrawn committed facilities of the Acquirer are adequate to pay the maximum consideration of INR 292.2 billion payable under the Open Offer.
- 5.16 The Acquirer and the PAC have, by a certificate dated 30 April 2013, given an undertaking to the Manager to the Open Offer to meet its financial obligations under the Open Offer.
- 5.17 Based on the above, the Manager to the Open Offer is satisfied about the ability of the Acquirer and the PAC to implement the Open Offer in accordance with the SEBI (SAST) Regulations, 2011, as firm arrangements for funds through verifiable means have been made by the Acquirer and/or the PAC to meet the payment obligations under the Open Offer.

## **6. TERMS AND CONDITIONS OF THE OPEN OFFER**

- 6.1. The Open Offer is being made by the Acquirer along with the PAC to all Shareholders of the Target Company. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and transfer deed (for Shareholders holding Shares in the physical form) will be mailed to those Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Identified Date (i.e. 7 June 2013). Owners of Shares who are not registered as Shareholders are also eligible to participate in the Open Offer at any time prior to the Closure of the Tendering Period.
- 6.2. All Shareholders are eligible to participate in the Open Offer anytime before the closure of the Tendering Period.
- 6.3. The Acquirer shall accept this Open Offer subject to the following:
- i. Applications in respect of Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the

said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under the Open Offer. The applications in some of these cases, may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Open Offer.

- ii. The Acquirer will acquire the Shares which are free from all lien, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

The Board of Directors of the Target Company has recommended a final dividend of INR 6 (Indian Rupees six only) per Share for the financial year ended 31 March 2013. Subject to approval of the final dividend at the Target Company's Annual General Meeting to be held on 26 July 2013 and other relevant approvals (if any), Shareholders who have tendered their Shares in the Open Offer will be entitled to receive the final dividend from the Target Company in respect of the Shares tendered by them.

- 6.4. As per the shareholding pattern of the Target Company as on 31 March 2013, 607,991 Shares (aggregating to 0.03% of the share capital) of the Target Company are under lock-in, being Shares issued under Employee Stock Plans.
- 6.5. The Open Offer is not conditional and is not subject to any minimum level of acceptance. The acceptance of the Open Offer must be unconditional and should be entirely at the discretion of the Shareholders of the Target Company. Each Shareholder of the Target Company to whom the Open Offer is being made, is free to offer his Shares, in whole or in part while accepting the Open Offer.
- 6.6. The Acquirer and the PAC reserve the right of upward revision to the Open Offer Price at any time prior to the last three Working Days before the commencement of the tendering period of the Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and the PAC are required to (i) make corresponding increases to the amount kept in the Escrow Account - Cash, as set out in paragraph 5.13 of this Letter of Offer; (ii) make a public announcement in the newspapers where the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the BSE, the NSE and the Target Company at its registered office of such revision.
- 6.7. The Tendering Period of the Open Offer will open on 21 June 2013 and close on 4 July 2013.
- 6.8. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the PA, the DPS and this Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for the Open Offer.
- 6.9. In the event that the Shares tendered in the Open Offer are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer.
- 6.10. The Acquirer and/or the PAC will not be responsible for any loss of share certificate(s) and the Open Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.
- 6.11. Accidental omission to dispatch the Letter of Offer to any person to whom this Open Offer has been made to or non-receipt of the Letter of Offer by any such person shall not invalidate the Open Offer in any way.

#### **6.12 Statutory and Other Approvals**

- 6.12.1 As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and/or the PAC to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PAC at a later date before the Closure of the Tendering Period, the Open Offer shall be subject to all such approvals and the Acquirer and the PAC shall make the necessary applications for such approvals.

- 6.12.2 In accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC, will have the right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal of the Open Offer, a public announcement will be made within two Working Days of such withdrawal, in the same newspapers in which the DPS was published.
- 6.12.3 In case of delay in the Open Offer, due to non-receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC and to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and/or the PAC agreeing to pay interest to the public shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer has the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer.
- 6.12.4 The Acquirer has filed an application with the RBI dated 21 May 2013 seeking its approval for acquisition of Shares in the Open Offer from NRI and OCB Shareholders, as may be required, under the FEMA and the regulations thereunder. Notwithstanding the RBI approval sought by the Acquirer, NRI and OCB Shareholders, if any, may also obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer. Further, if Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted and on non-receipt of approval from RBI, the Acquirer reserves the right to reject such Shares tendered in the Open Offer.

## **7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER**

- 7.1. The Letter of Offer will be mailed to the Shareholders, whose names appear on the register of members of the Target Company, as on the close of business on the Identified Date and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories as on the close of business on the Identified Date.
- 7.2. Every Shareholder in the Target Company, regardless of whether she / he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Open Offer.
- 7.3. Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and send in their acceptances by filling the same.
- 7.4. Shareholders of the Target Company who wish to accept the Open Offer and tender their Shares, held either in physical or in dematerialised form, can send or hand deliver the Form of Acceptance-cum-Acknowledgement duly signed along with all the relevant documents as mentioned in the Letter of Offer, at any of the collection centres of the Registrar to the Open Offer mentioned below during working hours on or before the Closure of the Tendering Period, i.e., no later than 4:00 pm on 4 July 2013, in accordance with the procedure as set out in the Letter of Offer.

- 7.5. All of the centres of the Registrar to the Open Offer mentioned herein below will be open as follows: (Monday to Friday - 10:00 am to 4:00 pm and Saturday - 10:00 am to 1:00 pm). The centres will be closed on Sundays and public holidays.

No.	Collection Centre	Address	Contact Person	Tel. No., Fax No. and Email Id	Mode of delivery
1.	Chennai	Karvy Computershare Private Limited, Flat No F-11, 1st Floor Akshaya Plaza, No.108 Adhidhanar Salai Egmore, Chennai – 600002	Mr. K. Gunasekhar	Tel. No.: +91 44 28587781 Fax No.: N.A. Email:chennaiirc@karvy.com	Hand Delivery
2.	Bengaluru	Karvy Computershare Private Limited, No. 54, Yadamma, Heritage, Vani Vilas Road, Next to Butter Sponge Bakery, Basavana Gudi, Bengaluru 560 004	Mr. S. K. Sharma/ Mr. Mahadev	Tel. No.: +91 80 26621192 Fax No.: +91 80 26621169 Email:ircbangalore@karvy.com	Hand Delivery
3.	Mumbai – Fort	Karvy Computershare Private Limited, 24-B, Rajabahadur Mansion, Ground Floor, 6 Ambalal Doshi Marg, Behind BSE Limited, Fort Mumbai – 400001	Ms. Nutan Shirke	Tel. No.: +91 22 66235412 / 27 Fax No.: +91 22 66331135 Email: ircfort@karvy.com nutan.shirke@karvy.com	Hand Delivery
4.	New Delhi	Karvy Computershare Private Limited, 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110001	Mr. Rakesh K. Jamwal / Vinod Singh Negi	Tel. No.: +91 11 43681700 / 1798 Fax No.: +91 11 41036370 Email: rakeshj@karvy.com jmathew@karvy.com	Hand Delivery
5.	Ahmedabad	Karvy Computershare Private Limited, 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380006	Mr. Aditya Gupta/ Robert Joeboy	Tel. No.: +91 79 66614772 / 26400527 Fax No.: N.A. Email: ahmedabad@karvy.com robert.joeboy@karvy.com	Hand Delivery
6.	Hyderabad	Karvy Computershare Private Limited, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081	Mr. Bhakta Singh	Tel. No.: +91 40 44655000 / 23420818 - 23 Fax No.: +91 40 23431551 Email: ircmadhapur@karvy.com	Hand Delivery/ Registered Post
7.	Kolkatta	Karvy Computershare Private Limited, 49, Jatin Das Road, Near Deshpriya Park, Kolkata – 700029	Mr. Sujit Kundu/ Mr. Debnath	Tel. No.: +91 33 24644891 Fax No.: +91 33 24644866 Email: sujitkundu@karvy.com nilkanta@karvy.com	Hand Delivery
8.	Mumbai – Andheri	Karvy Computershare Pvt Ltd. 7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai 400053	Ms. Neelam	Tel No: 022-26730799 Fax No: N.A Email: neelam@karvy.com	Hand Delivery

- 7.6. Shareholders who are unable to hand deliver their documents at the collection centre referred to above, may send the same by registered post or by courier, at their own risk and cost, to the Registrar to the Open Offer at its address, Karvy Computershare Private Limited, Unit: HUL - Open offer, Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Contact Person: Mr. Muralikrishna.

7.7. Shareholders can tender their lock-in Shares in the Open Offer subject to the continuation of the residual lock-in period in the hands of the Acquirer.

**7.8 Procedure for Shares held in physical form**

7.8.1 Shareholders who hold Shares of the Target Company in physical form and wish to tender their Shares under the Open Offer will be required to submit the duly completed and signed Form of Acceptance-cum-Acknowledgement, original Share certificate(s), blank transfer deed(s) duly signed, stamped and witnessed, to the Registrar to the Open Offer either by registered post / courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of Closure of the Tendering Period of the Open Offer i.e. 4 July 2013.

7.8.2 In case of (i) Shareholders who have not received the Letter of Offer; (ii) unregistered shareholders; (iii) owner of the Shares who have sent the Shares to the Target Company for transfer, may send their application in writing to the Registrar to the Open Offer, on plain paper stating the name, address, number of Shares held, number of Shares tendered, distinctive numbers, folio numbers along with the documents to prove their title to such Shares such as broker note, succession certificate, original Share certificate / original letter of allotment and Share transfer deeds (one per folio), duly signed by such Shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be so as to reach the Registrar to the Open Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. 4 July 2013. Alternatively, such Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Open Offer by making an application in writing to that effect or from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)).

7.8.3 No indemnity regarding title is required from the unregistered shareholders. The unregistered shareholders should not sign the transfer deed and the transfer deed should be valid for transfer.

**7.9 Procedure for the Shares held in dematerialised form**

7.9.1 Shareholders holding Shares of the Target Company in dematerialised form and who wish to tender their Shares under the Open Offer will be required to submit the duly completed and signed Form of Acceptance-cum-Acknowledgement to the Registrar to the Open Offer either by registered post / courier or by hand delivery so as to reach on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. 4 July 2013 along with a photocopy of the delivery instructions in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the DP, in favour of “**KCPL ESCROW ACCOUNT HUL OPEN OFFER**”.

7.9.2 The Registrar to the Open Offer, **Karvy Computershare Private Limited** has opened the Depository Escrow Account with NSDL for receiving Shares during the Open Offer from Shareholders who hold Shares in dematerialised form. The details of the Depository Escrow Account are mentioned below:

Depository Participant Name	Karvy Stock Broking Ltd.
DP ID	IN300394
Client ID	18610135
Account Name	KCPL ESCROW ACCOUNT HUL OPEN OFFER
Depository	National Securities Depository Ltd.

- 7.9.3 Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the Depository Escrow Account with NSDL. In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Depository Escrow Account by the Registrar to the Open Offer, the Shareholder may be deemed to have accepted the Open Offer.
- 7.9.4 In the case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered shareholders, (c) owners of the Shares who have sent the Shares to the Target Company for transfer, may send their application in writing to the Registrar to the Open Offer, on plain paper stating the name, address, number of Shares held, number of Shares tendered, DP name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares in favour of "**KCPL ESCROW ACCOUNT HUL OPEN OFFER**" as per the details given in the table in paragraph 7.9.2 so as to reach the Registrar to the Open Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. 4 July 2013. Alternatively, such Shareholders, if they so desire, may apply on the Form of Acceptance-cum-Acknowledgement together with the information requested above. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the Registrar to the Open Offer by making an application in writing to that effect or from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)).
- 7.10. In the case of registered Shareholders, non-receipt of the Form of Acceptance-cum-Acknowledgement, but receipt of the Share certificates and the duly completed transfer deed, by the Registrar to the Open Offer, may be deemed to be acceptance of the Open Offer by such Shareholders.
- 7.11. In the case of registered Shareholders, non-receipt of the Form of Acceptance-cum-Acknowledgement, but credit of Shares in the Depository Escrow Account, may be deemed to be acceptance of the Open Offer by such Shareholders.
- 7.12. THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE-CUM- ACKNOWLEDGEMENT AND / OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE PAC, THE TARGET COMPANY OR THE MANAGER TO THE OPEN OFFER.
- 7.13. Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. 4 July 2013, else the application / acceptance form will be rejected.
- 7.14. The Acquirer has filed an application with the RBI dated 21 May 2013 seeking its approval for acquisition of Shares in the Open Offer from NRI and OCB Shareholders, as may be required, under the FEMA and the regulations thereunder. If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) require any approval from the RBI, the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, or in the case of NRI and OCB Shareholders, require any approvals to tender Shares held by them pursuant to the Open Offer, they will be required to submit such approvals along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted and on non-receipt of approval from RBI, the Acquirer and the PAC reserve the right to reject such Shares tendered in the Open Offer.
- 7.15. The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- 7.15.1. Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder has expired;
  - 7.15.2. Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and/ or transfer deed(s);
  - 7.15.3. A no objection certificate from the lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;
  - 7.15.4. In case of companies, the necessary corporate authorisation (including certified copy of board and / or general meeting resolution(s)); and
  - 7.15.5. Any other relevant documents.
- 7.16. If the aggregate valid responses to the Open Offer by the Shareholders are more than the Shares agreed to be acquired under the Open Offer, then Acquirer will accept the offers received from the Shareholders on a proportionate basis, in consultation with the Manager to the Open Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is one Share.
- 7.17. Payment to those Shareholders whose Share certificates and / or other documents are found valid and in order, will be made by way of a crossed account payee cheque / demand draft / pay order / through Direct Credit ("DC") / National Electronic Clearance System ("NECS") / National Electronic Funds Transfer ("NEFT") / Real Time Gross Settlement ("RTGS"). So as to avoid fraudulent encashment in transit, the Shareholders holding Shares in physical form should provide details of bank account of the first / sole Shareholder as provided in the Form of Acceptance-cum-Acknowledgement and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgement. In case of Shareholders holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole / first named holder at her / his registered address (at their own risk). The decision regarding (i) the acquisition (in part or full), of the Shares tendered pursuant to the Open Offer, or (ii) rejection of the Shares tendered pursuant to the Open Offer along with (a) any corresponding payment for the acquired Shares and / or (b) return of Share certificates for any rejected Shares or Shares accepted in part, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be, at the Shareholder's sole risk. Shares held in dematerialised form to the extent not acquired will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.
- 7.18. For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.
- 7.19. The unaccepted Share certificates, transfer forms and other documents, if any, will be returned by registered post at the Shareholders' sole risk. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received from their depository participant. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Open Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account.

Shareholders should ensure that their depository account is maintained till the Open Offer formalities are completed.

7.20. The Registrars to the Open Offer will hold in trust the Shares and Share certificate(s), Shares lying in credit of the Depository Escrow Account, Form of Acceptance-cum-Acknowledgement, and the transfer deed(s) on behalf of the Shareholders of Target Company who have accepted the Open Offer, until the cheques / drafts for the consideration and/ or the unaccepted Shares / Share certificates are dispatched / returned.

7.21. **Compliance with Tax requirements:**

**I. General**

- (a) As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). The consideration received by the non-resident Shareholders for Shares accepted in the Open Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/ business profits. Further, the payment of any interest (paid for delay in payment of Open Offer Price) by the Acquirer to a non-resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest.
- (b) As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by Acquirer to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer is required to deduct tax at source at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Open Offer Price).
- (c) All Shareholders whether resident or non-resident (including FIIs) are required to submit their PAN for income-tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable, to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (d) Each Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/ body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, it will be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted treating the Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Shareholder belongs, on the entire consideration and interest if any, payable to such Shareholder.
- (e) Any Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him / it by the Income Tax Authority of such other foreign country of which the shareholder claims to be a tax resident. The 'Tax Residence Certificate' should contain particulars and should be verified in the manner prescribed under the Income Tax Rules.
- (f) The Acquirer will not accept any request from any Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self computation/computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.
- (g) Securities transaction tax will not be applicable to the Shares accepted in the Open Offer.

- (h) The provisions contained in clause (c) to (e) above are subject to anything contrary contained in paragraphs II to V below.

## **II. Tax Implications in case of Non-resident Shareholders (other than FII)**

- (a) Remittance of consideration: While tendering Shares under the Open Offer, NRI, OCBs, and other non-resident Shareholders (excluding FIIs) will be required to submit a NOC or a Certificate for Deduction of Tax at Lower Rate, indicating the amount of tax to be deducted by Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (b) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, under the Income Tax Act on the entire consideration amount payable to such Shareholder.
- (c) Interest Payments: For interest payments by the Acquirer for delay in payment of Open Offer Price, if any, NRIs, OCBs, and other non-resident Shareholders (excluding FII) will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (d) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.
- (e) All NRIs, OCBs and other non-resident Shareholders (excluding FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (f) Treaty Benefits: Any NRIs, OCBs and other non-resident Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to the Shareholder by the Income Tax Authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA. The Tax Residence Certificate should contain particulars and should be verified in the manner prescribed under the Income Tax Rules.

## **III. Tax Implications in case of FII**

- (a) Tax Benefits for FIIs in respect of the consideration paid by the Acquirer:

As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act, subject to the following conditions:

- i. FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the Shares are held on capital account;
- ii. FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of Shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the nature of the FII's income is capital gains.

- (b) The absence of certificates/ declarations as contemplated in clause (a) above (as applicable), notwithstanding anything contained in clause (a) above, the Acquirer shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (i.e. FII).
- (c) In case it is certified by the FII that shares held by such FII in the Target Company are held on Trade Account no deduction of tax at source shall be made if such FII furnishes a Tax Residence Certificate and furnishes a self declaration stating that such FII does not have a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FII. In the absence of such certificates/declarations, the Acquirer shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (i.e. FII).
- (d) Notwithstanding anything contained in clause (a) to (c) above, in case an FII furnishes a NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (e) Interest Payments: For interest payments by the Acquirer for delay in payment of Open Offer Price, if any, FIIs will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (f) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.
- (g) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206-AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (h) Treaty Benefits: Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a "Tax Residence Certificate" provided to it by the income tax authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA. The Tax Residence Certificate should contain particulars and should be verified in the manner prescribed under the Income Tax Rules.

#### **IV. Tax Implications in case of resident shareholders**

- (a) For interest payments by the Acquirer for delay in payment of Open Offer Price, if any, the Acquirer will arrange to deduct tax at the rate of 10% (as provided in section 194A of the Income Tax Act).
- (b) All resident Shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer will arrange to deduct tax at the rate of 20% (as provided in section 206-AA of the Income Tax Act).
- (c) Notwithstanding anything contained in clause (a) to (c) above, no deduction of tax shall be made at source by the Acquirer where the total amount of interest payable to a resident Shareholder does not exceed INR 5,000 or where a self declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, has been furnished by a resident Shareholder. The self declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Shareholder furnished its PAN in such declaration.

#### **V. Tax Implications in foreign jurisdictions**

- (a) Apart from the above, the Acquirer is entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes (“**Overseas Tax**”). For this purpose, the non-resident Shareholder shall furnish a self declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer will be entitled to rely on this representation at their sole discretion.
- (b) Notwithstanding the details given above, all payments will be made to Shareholders subject to compliance with prevailing tax laws.
- (c) The tax deducted by the Acquirer while making payment to a Shareholder may not be the final tax liability of such Shareholder and shall in no way discharge the obligation of the Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.
- (d) Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- (e) The Acquirer, the PAC and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

## **8. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection to the Shareholders at the office of the Manager to the Open Offer at HSBC Securities and Capital Markets (India) Private Limited, 52 / 60 Mahatma Gandhi Road, Fort, Mumbai 400 001, between 10:30 a.m. and 3:00 p.m. on all working days (except Saturdays, Sundays and bank holidays) till the Closure of the Open Offer, i.e., 4 July 2013:

- (i) Copy of the certificate of incorporation, and articles of association, or equivalent constitutional documents of the Acquirer and the PAC;
- (ii) Copy of the certificate issued by PricewaterhouseCoopers LLP, Chartered Accountant, Telephone: +44 20 7583 5000, Fax: +44 20 7212 4652, Registration Number OC303525 dated 29 April 2013, certifying the adequacy of financial resources with the Acquirer to fulfill their obligations under the Open Offer;
- (iii) Copy of the audited annual report of the Acquirer and the PAC for the financial years ended on 31 December 2010, 31 December 2011 and 31 December 2012 and the Target Company for the financial years ended on 31 March 2010, 31 March 2011 and 31 March 2012 and audited financial statements for 31 March 2013 as released to the stock exchanges;
- (iv) Copy of the letter dated 2 May 2013, issued by the Escrow Bank, confirming the amount kept in the Escrow Account-Cash and a lien in favour of the Manager to the Open Offer;
- (v) Copy of the PA dated 30 April 2013, the DPS dated 8 May 2013, and Issue Opening advertisement dated 20 June 2013;
- (vi) Copy of the recommendation made by the Target Company’s committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations, 2011;
- (vii) Copy of the Open Offer Escrow Agreement dated 30 April 2013 entered into amongst the Acquirer, the Manager to the Open Offer and the Escrow Bank;
- (viii) Copy of the letter number CFD/DCR/OW/13864/2013 from SEBI dated 10 June 2013 containing its comments on the Draft Letter of Offer; and

- (ix) A copy of the agreement entered into with the DP for opening the Depository Escrow Account for the purpose of this Offer.

**9. DECLARATION BY THE ACQUIRER AND THE PERSON ACTING IN CONCERT**

- 9.1. The Acquirer and the PAC accepts full responsibility for the information contained in this Letter of Offer.
- 9.2. The Acquirer and the PAC will be, severally and jointly, responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations, 2011.
- 9.3. The person(s) signing this Letter of Offer are duly and legally authorised by the Acquirer and the PAC to sign the Letter of Offer.

**On behalf of**

**Unilever PLC**  
**Date:** 11 June 2013  
**Place:** London

**On behalf of**

**Unilever N.V.**  
**Date:** 11 June 2013  
**Place:** London

---

*Enclosed:*

- (1) Form of Acceptance-cum-Acknowledgement
- (2) Transfer deed for Shareholders holding Shares in physical form

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION  
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

*(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres as mentioned in the Letter of Offer)*

**Hindustan Unilever Limited**

*(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)*

**OPEN OFFER OPENS ON : FRIDAY, 21 JUNE 2013  
OPEN OFFER CLOSSES ON : THURSDAY, 4 JULY 2013**

From,  
Folio No./ DP ID No./ Client ID No.:  
Name:  
Address:

Tel. No.:  
Fax No.:  
Email:

To,  
**Karvy Computershare Private Limited**  
Plot No 17 to 24, Vithalrao Nagar,  
Hi-Tech City Road, Madhapur,  
Hyderabad 500081  
Telephone: +91 40 2342 0818 – 828 /  
Toll free no: 1-800-3454-001  
Fax: +91 40 234 31551  
Email: murali.m@karvy.com  
Contact Person: Mr. Muralikrishna

Please tick (✓) shareholders status (For taxation /TDS purpose)	
<input type="checkbox"/>	Person resident in India who is an individual / HUF / Association of Persons, having an aggregate income up to INR 10,00,000
<input type="checkbox"/>	Person resident in India who is an individual / HUF / Association of Persons, having an aggregate income exceeding INR 10,00,000
<input type="checkbox"/>	Person resident in India who is a partnership firm
<input type="checkbox"/>	Person resident in India who is a domestic company
<input type="checkbox"/>	Person resident outside India who is a company
<input type="checkbox"/>	Person resident outside India who is an individual / association of persons having an aggregate income up to INR 10,00,000
<input type="checkbox"/>	Person resident outside India who is an individual / association of persons having an aggregate income exceeding INR 10,00,000
<input type="checkbox"/>	Domestic venture capital fund and mutual fund
<input type="checkbox"/>	International venture capital fund which is a domestic company
<input type="checkbox"/>	International venture capital fund which is a foreign company
<input type="checkbox"/>	Overseas Corporate Bodies
<input type="checkbox"/>	Person resident outside India which is a partnership firm
<input type="checkbox"/>	Non-Resident Indian(s)
<input type="checkbox"/>	Foreign Institutional Investors
<input type="checkbox"/>	Multilateral Agency
<input type="checkbox"/>	Bilateral Development Financial Institution
<input type="checkbox"/>	Financial Institutions
<input type="checkbox"/>	Banks
<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Others (Specify)

Dear Sir,

**Subject: Voluntary Open Offer for acquisition of 487,004,772 Shares representing 22.52% of the Voting Share Capital from the public shareholders of Hindustan Unilever Limited (the "Target Company") by Unilever PLC (the "Acquirer") along with Unilever N.V. as person acting in concert with the Acquirer and referred to as the "PAC" in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "SEBI (SAST) Regulations, 2011")**

I/We refer to the Public Announcement made on 30 April 2013, Detailed Public Statement made on 8 May 2013 and Letter of Offer dated [•] for acquiring the Shares held by me/us in Hindustan Unilever Limited. I/We, the undersigned have read the aforementioned Public Announcement, Detailed Public Statement and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

**SHARES IN DEMATERIALIZED FORM**

I / We, holding Shares in the dematerialized form, accept the Open Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares	Depository

I/We have executed an off-market transaction via a delivery instruction from my account with NSDL / via an inter-depository delivery instruction from my account with CDSL

DP Name	Karvy Stock Broking Ltd.
DP ID	IN300394
Client ID	18610135
Account Name	<b>KCPL ESCROW ACCOUNT HUL OPEN OFFER</b>
Depository	National Securities Depository Ltd. ("NSDL")
Market	Off market

I / We note and understand that the Shares would lie in the Depository Escrow Account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

-----TEAR ALONG THIS LINE -----

**ACKNOWLEDGEMENT SLIP**

**Karvy Computershare Private Limited, Unit: HUL - Open Offer**

Received from \_\_\_\_\_ Residing at: \_\_\_\_\_  
Mr./Ms./ M/s. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement for Shares along with :  
Copy of delivery instruction slip from DP ID \_\_\_\_\_ Client ID \_\_\_\_\_  
For \_\_\_\_\_ number of Shares \_\_\_\_\_ number of Share Certificate(s) along with \_\_\_\_\_ number  
of transfer deed(s) under folio number (s) \_\_\_\_\_ for accepting the Open Offer

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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**SHARES IN PHYSICAL FORM**

I / We, accept the Open Offer and enclose the original Share certificate (s) and duly signed, stamped and witnessed blank transfer deed(s) in respect of my / our Shares as detailed below:

S. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided is inadequate, please attach a separate sheet with details) <b>Total No. of Shares</b>					

I / We note and understand that the Registrar to the Open Offer will hold the original Share certificate(s) and valid transfer deed in trust for me / us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

**For NRIs / OCBs / FIIs / Foreign Shareholders:**

I / We have enclosed the following documents: (select whichever is applicable)

- No Objection Certificate / Certificate for Deduction of Tax at Lower Rate from Income Tax Authorities
- Tax Residency Certificate. The Tax Residency Certificate should contain particulars and should be verified in the manner prescribed under the Income Tax Rules, 1962.
- RBI/FIPB or other regulatory approvals for tendering Shares of Hindustan Unilever Limited in the Open Offer (for NRI/OCB Shareholders)
- RBI/FIPB or other regulatory approvals, if any, obtained for holding Shares of Hindustan Unilever Limited hereby tendered in the Open Offer
- Self Attested Copy of PAN Card

I / We, confirm that the tax deduction on account of Shares of Hindustan Unilever Limited held by me / us is to be deducted on (tick whichever is applicable):

- Long-term capital gains
- Short-term capital gains
- Trade Account

**For FII Shareholders:**

I / We, confirm that the Shares of Hindustan Unilever Limited are held by me / us on (select whichever is applicable):

- Investment /Capital Account
- Trade Account

In case the Shares are held on Trade Account, kindly enclose a certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted. Where the tax is to be deducted on account of long-term capital gains, the Shareholders should submit a self-declaration certifying that the Shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of Shares), the Shareholder should obtain a certificate for deduction of tax at lower rate from income tax authorities. In the absence of the above tax would be deducted at the maximum marginal rate on the entire consideration paid to the Shareholders.

For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take actions based on the certification submitted along with this Form of Acceptance-cum-Acknowledgment by the Shareholders. NRI/OCB/other non-resident shareholders should provide certification as to their residential status along with this Form of Acceptance-cum-Acknowledgment. Declarations in this Form of Acceptance-cum-Acknowledgment as to the fact whether the Shares are held, by the NRI / OCB / other non-resident Shareholders, on investment / capital account or on trade account and whether the Shares are held as long-term capital asset or short-term capital asset. In case the Acquirer is of the view that the information / documents provided by the Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Shareholders.

**For Resident Shareholders:**

I / We, have enclosed the following documents:

- Self Attested Copy of PAN Card
- No Objection Certificate / Certificate for Deduction of Tax at Lower Rate from Income Tax Authorities
- Self Declaration in Form 15G
- Self-declaration in Form 15H

-----**TEAR ALONG THIS LINE**-----  
**All future correspondence, if any, should be addressed to the Registrar to the Open Offer at the following address quoting your reference Folio No. / DP ID and Client ID**

**Karvy Computershare Private Limited**  
**(Unit: HUL - Open offer)**  
Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081  
Telephone: +91 40 2342 0818 – 828 / Toll free no: 1-800-3454-001  
Fax: +91 40 234 31551  
Email: murali.m@karvy.com  
Contact Person: Mr. Muralikrishna

**Please tick (✓) shareholder status (For filing of Form FC-TRS) (\*)**

- Individual
- Company
- Foreign Institutional Investors (FII)
- Foreign Venture Capital Investor (FVCI)
- Foreign Trust
- Private Equity Fund
- Pension/ Provident Fund
- Sovereign Wealth Fund (SWF) \*\*
- Partnership/ Proprietorship Firm
- Financial Institution
- Overseas Corporate Bodies
- Non-Resident Indians/ Person(s) of Indian Origin
- Others (Please specify)

(\*) In case it is an incorporated entity, the entity tendering the Shares in the Open Offer is required to mention the place and date of incorporation.

Date of Incorporation: \_\_\_\_\_ Place of Incorporation: \_\_\_\_\_

\*\* SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.

**BANK DETAILS**

So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the bank account details as obtained from the beneficiary download to be provided by the depositories will be considered and not any details provided herein.

Please indicate the preferred mode of receiving payment (Please tick)      Electronic Mode      Physical Mode  
 Please indicate the preferred mode for electronic payment (Please tick)      RTGS      NEFT

For electronic payment through RTGS/NEFT, IFSC Code is mandatory else payment would be dispatched under physical mode.

Name of the Bank	Bank Branch
Account No.	Account Type (CA/SB/NRE/NRO/Others)
9 Digit MICR Code	IFSC Code (for RTGS/NEFT transfers)

I / We confirm that the Shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges and encumbrances of any kind whatsoever and such Shares, when acquired by Unilever PLC will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter. The Board of Directors of the Target Company has recommended a final dividend of INR 6 (Indian Rupees six only) per Share for the financial year ended 31 March 2013. I/we understand that subject to approval of the final dividend at the Target Company's Annual General Meeting to be held on 26 July 2013 and other relevant approvals (if any), Shareholders who have tendered their Shares in the Open Offer will be entitled to receive the final dividend from the Target Company in respect of the Shares tendered by them. I/We confirm that there are no tax or other claims pending against us which may affect the legality of the transfer of Shares under the Income Tax Act, 1961. I/We are not debarred from dealing in Shares.

I / We authorise the Acquirer, to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Open Offer and in terms of the Letter of Offer and I / we further authorise the Acquirer to return to me / us, Share certificates(s) / Shares in respect of which the Open Offer is not found valid / not accepted without specifying the reasons thereof.

I / We authorise the Acquirer and the Registrar to the Open Offer and the Manager to the Open Offer to send by registered post / speed post as may be applicable at my / our risk, the draft / cheque, in full and final settlement of the amount due to me / us and / or other documents or papers or correspondence to the sole / first holder at the address mentioned below. In case I / we have tendered my Shares in dematerialised form, I / we authorise Acquirer, the Registrar to the Open Offer and the Manager to the Open Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I / We authorise the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I / we authorise the Acquirer to split / consolidate the Share certificates comprising the Shares that are not acquired to be returned to me / us and for the aforesaid purposes the Acquirer is hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,  
Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First / Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First / Sole Shareholder:

Place:  
Date:

**SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER i.e. BY 4.00 P.M. ON THURSDAY, 4 JULY 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.**

## INSTRUCTIONS

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1. In the case of dematerialised Shares, the Shareholders are advised to ensure that their Shares are credited in favour of the Depository Escrow Account, before the Closure of the Tendering Period of the Open Offer i.e. Thursday, 4 July 2013. The Form of Acceptance-cum-Acknowledgement of such dematerialised Shares not credited in favour of the Depository Escrow Account, before the Closure of the Tendering Period of the Open Offer will be rejected.
  2. Shareholders should enclose the following:
    - a. **For Shares held in dematerialised form: Beneficial owners should enclose-**
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
      - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
      - In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Depository Escrow Account, the Acquirer may deem that the Open Offer has been accepted by the Shareholder.
      - For each delivery instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement.
    - b. **For Shares held in physical form: Registered Shareholders should enclose-**
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.
      - Original Share certificate(s)
      - Valid transfer deed duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Hindustan Unilever Limited and duly witnessed at the appropriate place. A blank transfer deed is enclosed along with the Letter of Offer.
      - **Please ensure that no other details are filled in the transfer deed except name, signature and witness.** Verification and attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorised to use the seal of his office.  
The details of buyer should be left blank failing which the same will be invalid under the Open Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.  
If the Registrar to the Open Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Open Offer will be deemed to have been accepted by such Shareholders
  3. The Share certificate(s), transfer deed(s), in case Shares are held in physical form or photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP for Shares held in dematerialised form and the Form of Acceptance-cum-Acknowledgement should be sent only to Karvy Computershare Private Limited, (the "Registrar to the Open Offer") and not to HSBC Securities and Capital Markets (India) Private Limited, (the "Manager to the Open Offer"), the Acquirer, the PAC or the Target Company.
  4. In case of Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer deed(s) as the order in which they hold Shares in Hindustan Unilever Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Open Offer.
  5. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
    - Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) in case the original Shareholder is dead.
    - Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance cum Acknowledgement and / or transfer deed(s).
    - In case of companies, the necessary corporate authorisation, including certified copy of board resolution(s).
  6. The Acquirer has filed an application with the RBI dated 21 May 2013 seeking its approval for acquisition of Shares in the Open Offer from NRI and OCB Shareholders, as may be required, under the Foreign Exchange Management Act, 1999 ("FEMA") and the regulations thereunder. While tendering their Shares under the Open Offer, NRIs/ OCBs/ foreign Shareholders are required to submit the previous RBI/ FIPB or any other regulatory body approvals (specific or general) that they may have obtained for acquiring the Shares of the Target Company. NRI/ OCB Shareholders, if any, may also obtain the approval from the RBI for tendering their Shares in the Open Offer and submit the same together with the Form of Acceptance-cum-Acknowledgement. In case the necessary RBI/ FIPB or any other regulatory body approvals are not submitted and if the RBI approval is not received, the Acquirer reserves the right to reject the Shares tendered.
  7. Non-resident Shareholders are advised to refer to the clause on taxation in the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.
  8. Rejection of Shares  
If the Shares are rejected for any reason (including reasons mentioned herein below), the Shares will be returned to the sole / first named holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
    - a) The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Hindustan Unilever Limited;
    - b) The transfer deed is not complete or valid;
    - c) The relevant documents, as applicable, mentioned above at 2 and in addition at 5 and 7 are not submitted with the Form of Acceptance-cum-Acknowledgement;The Acquirer also reserves the right to reject such tenders from Shareholders, where the relevant documents are not submitted.
  9. All documents / remittances sent by or to Shareholders will be at their own risk. Shareholders of Hindustan Unilever Limited are advised to adequately safeguard their interests in this regard. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
  10. Neither the Acquirer, the PAC, the Manager to the Open Offer, the Registrar to the Open Offer or Hindustan Unilever Limited will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar to the Open Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the Depository Escrow Account or submission of original physical Share certificates with inaccurate/incomplete particulars/instructions on your part, or for any other reason.
  11. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Open Offer at Karvy Computershare Private Limited, Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081 as to reach the Registrar to the Open Offer on or before 4.00 PM on the date of Closure of the Tendering Period of the Open Offer i.e. Thursday, 4 July 2013
  12. The Form of Acceptance-cum-Acknowledgement and other related documents can be submitted through the mode of delivery as mentioned, at any of the collection centers of Karvy Computershare Private Limited mentioned in the Letter of Offer:
  13. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Open Offer so as to reach the Registrar of the Open Offer at any of the collection centres on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.00 p.m. All queries pertaining to this Open Offer may be directed to the Registrar to the Open Offer.
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