

Hindustan Unilever Limited – Results for June Quarter 2011

Domestic Consumer business grows by 15% in June Quarter

Mumbai, July 28th 2011: Hindustan Unilever Limited (HUL) announced results for the June Quarter 2011.

During the quarter, Domestic Consumer business grew by 15%, driven by strong 8.3% underlying volume growth, with double digit growth across segments.

Home and Personal Care business grew by 15.4%. Soaps and Detergents delivered strong growth, ahead of the market. In Laundry, all brands grew well across formats and Rin delivered its sixth consecutive quarter of double digit volume growth. In Skin Cleansing all segments grew well and Lifebuoy delivered double digit growth. Hand and Body Wash sales have tripled in the last two years.

Growth in Personal Products accelerated to 19.4%, underpinned by strong volumes. Skin Care grew strongly across the portfolio led by innovations. All the key brands continued to deliver strong double digit growth. FAL grew strongly on the core and aided by the launch of FAL Multi Vitamin Face Wash. Vaseline continues to extend to new platforms; Ponds and Lakme are successfully driving premiumisation across segments. Hair and Oral also delivered double digit growth. Clear was relaunched with “Nutrium 10” technology for superior efficacy and a customized range for men and women.

Foods business grew 14.9% with strong performance in both Beverages and Packaged Foods. Beverages grew by 13.1%, with Tea and Coffee performing well and Lipton Ice Tea was launched on the ‘Lite Refreshment’ platform. In Packaged Foods, Kissan and Knorr grew in double digits while Kwality Walls had one of its strongest quarters led by innovations and distribution expansion.

The business strategy for water is on track. Pureit continues to expand into retail channel and broaden its portfolio to appeal to more consumers across the income levels. Pureit Intella was launched as a more affordable offering.

Commodity inflation continues to be at high levels with Cost of Goods Sold going up by 480bps. Cost pressures were managed dynamically through aggressive savings programmes coupled with judicious pricing. The overall competitive intensity remained high. Advertising spends were stepped up in Personal Products and Packaged Foods while spends in Soaps and Detergents were calibrated in line with industry trends. A&P spends at 11.5% of sales remained competitive. The business continued to focus on driving buying efficiencies, cost saving programmes and return on marketing investments.

Profit before interest and tax (PBIT) grew by 11.3% with PBIT margin being lower by 40 bps. Profit after tax but before exceptional items, PAT (bei), grew by 11% to Rs. 578 crore during the quarter. Net Profit at Rs.627 crore grew by 18%.

Harish Manwani, Chairman commented: “Our strategy continues to deliver consistent and competitive growth. This is the fourth consecutive quarter of double digit growth led by a combination of innovations, market development and relentless focus on execution. In a challenging business environment, we are managing our business dynamically to ensure that we remain competitive and cost efficient.”

About Hindustan Unilever Limited

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods company, touching the lives of two out of three Indians. HUL's mission is to “add vitality to life” through its presence in over 20 distinct categories in Home & Personal Care Products and Foods & Beverages. The company meets everyday needs for nutrition, hygiene, and personal care, with brands that help people feel good, look good and get more out of life.

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