

Hindustan Unilever Limited – June Quarter 2009 Results

- **FMCG sales and Operating profits grow 13%**
 - **Strong volume growth in Personal Products and Foods**
 - **60bps improvement in operating margins after 180 bps increase in brand investments**
- **PAT before exceptional items and mark-to-market charge grows 7%; PAT (bei) flat**

Mumbai, July 28th 2009: Hindustan Unilever Limited (HUL) announced its results for June Quarter 2009. FMCG maintained strong growth of 13% with underlying volume growth, recovering to 2%. Underlying volume growth in June quarter showed an improvement of 6% compared to March quarter. Net Sales grew 8% with planned reduction in non core exports.

HPC business grew at 12% driven by strong volume growth in Personal Products. Soaps & Detergents grew 10% and Personal Products growth was higher at 15%. Key actions to strengthen competitiveness in Laundry have been implemented; Surf and Rin led category growth, while grammage increases in Wheel to improve consumer value, are taking effect in the market. In Soaps, Lifebuoy and Liril were re-launched during the quarter while Dove continued to grow rapidly. Pricing actions have been implemented at the mass end resulting in strong volume growth in Breeze. Shampoo category performed well with Clinic Plus and Sunsilk driving category growth; Dove shampoo doubled sales and Clinic All Clear was relaunched as Clear. In Skin care, Fair and Lovely continued to drive growth while Vaseline grew on the back of strong volumes; Ponds White Beauty, the premium skin lightening cream, and Vaseline Healthy White body lotion were launched during the quarter, with good consumer response. In Oral, Close Up led category growth. In Personal Products, Hair and Oral gained market shares compared to the previous quarter.

Foods business grew at 17% with growth momentum across all segments. Beverages grew at 19% with all brands growing well. Lipton Yellow Label Tea was relaunched in this quarter. Processed Foods delivered volume led growth of 15%, driven by Kissan and Annapurna. Ice-Creams grew well at 23%, again led by volume. Swirl's Ice Cream Parlours are now present across 65 locations in 18 cities.

Pureit expanded its footprint and has now reached 1500 towns nationally. The business has a strong consumer franchise of 2 million households, and is progressing as per plan.

Lower input costs combined with tight cost management and operating leverage have led to higher operating margins in this quarter. Material costs, including purchased goods, were lower by 110 bps as a % of sales. Our investment behind brands continues with A&P growing by 26%. New launches and higher media investments drove the step-up in A&P spends. PBIT (bei) grew 12.6% with operating margins improving by 60 bps to 15.0%. This quarter had a mark to

market (MTM) charge of Rs 32 crores from restatement of forex exposures at closing exchange rates (JQ'08 gain Rs 25 cr). Excluding the MTM impact, PAT (bei) grew by 7%. On a reported basis, PAT bei was flat while Net Profit declined by -2.7% due to exceptional income in the base.

Mr. Harish Manwani, Chairman commented: "Against the backdrop of a challenging economic environment, we have taken decisive actions to strengthen our competitiveness and execution capabilities in the market place. These have started to show positive results with good volume recovery in Personal Products and Foods. At the same time, significant cost effectiveness measures across the value chain have helped improve operating margins. We will continue to focus on delivering competitive and profitable growth."

About 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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