

PRESS RELEASE

Hindustan Unilever Limited – December Quarter 2009 Results

- **Domestic Consumer and FMCG business grows 5%**
 - driven entirely by acceleration in volume growth
- **Underlying Operating Margin improved by 10 bps,**
 - step up in brand investments by 530 bps.
- **Net Profit grows 5.4%**

Mumbai, January 26th 2010: Hindustan Unilever Limited (HUL) announced its results for December Quarter 2009. Domestic consumer and FMCG sales grew 5%, driven by strong growth in Personal Products, Foods and Water. Underlying volume growth accelerated to 5% in the quarter. Actions to restore competitiveness in Soaps & Mass Laundry yielded positive results, with the Soaps & Detergents segment returning to volume growth during the quarter.

HPC business grew 4% with volume growth in Soaps, Detergents and Personal Products partly offset by price reductions in Laundry. Wheel delivered strong volume growth in Laundry. In Personal wash, relaunched Lux led volume growth and the premium soaps segment (Dove, Pears and Liril) continues to grow strongly.

Personal Products momentum was sustained with 16% growth led by strong volume growth in Hair Care and Skin Care. In the Hair category, Dove grew rapidly across shampoo and conditioners, becoming the No.1 Hair Care brand in Modern Trade. In Skin Care, recently launched Pond's White Beauty, received very good consumer response and FAL 'winter fairness' variant performed well; Pond's Talc and Vaseline grew strongly in the Hand & Body segment. In Oral, both Close Up and Pepsodent delivered volume growth aided by launch of Close Up "Peppermint Splash" and a new "Germicheck" advertising campaign on Pepsodent.

Foods business grew at 9% driven by all three segments – Beverages, Processed Foods and Ice Cream. Beverages was up 8% with all brands growing well. Coffee growth was largely driven by small packs. In Processed Foods, all brands - Kissan, Knorr and Annapurna grew well. Ice-Cream continued its volume led growth and 10 new Swirls parlours were started during the quarter.

Pure-It is making excellent progress and expanding its national franchise through innovation and channel expansion. A value added offering, Pure-It Autofill, was launched during the quarter.

Increased cost savings and buying efficiencies improved Gross Margins and significantly reduced cost of goods sold by 480 bps which were reinvested behind brands. A&P expenditure grew by 66% to support innovations and further strengthen market competitiveness. Underlying operating profit grew 5% and Operating margin excluding mark to market (MTM) accounting impact on forex exposures, improved 10 bps to 16.8%, despite the 530 bps increase in brand investments. Excluding mark to market (MTM), PAT (bei) was flat. Net Profit improved 5% due to exceptional gains from property disposal in the current quarter.

Harish Manwani, Chairman commented: “We are seeing good results from the actions that we have taken to drive growth. Volume growth accelerated in the quarter, backed by quality innovations, increased brand support and continued focus on market execution. We are committed to strengthening our market leadership and will invest appropriately in an increasingly competitive environment.”

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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