



Hindustan Unilever Limited

## **RESULTS FOR THE QUARTER ENDING 30<sup>th</sup> JUNE 2017**

### **DOMESTIC CONSUMER GROWTH AT 6%; EBITDA UP 14%**

**Mumbai, July 18<sup>th</sup>, 2017:** Hindustan Unilever Limited announced its results for the quarter ending 30<sup>th</sup> June 2017.

Under volatile market conditions, our Domestic Consumer business grew at 6% and Underlying Volume Growth remained flat. EBITDA margin was up 160 bps and Net Profit after Tax, (PAT) at Rs.1283 Crores grew 9%.

During the quarter, trade sentiment remained cautious, particularly in the run up to GST implementation. Despite high promotional intensity, stock pipelines remained low and varied across categories, channels and geographies. In these challenging circumstances we managed to deliver yet another quarter of resilient and profitable growth.

#### **Home Care:**

This quarter saw strong growth across mass & premium laundry. Surf, our largest brand maintained its robust volume-led growth momentum. However, the water business witnessed a muted quarter due to lower trade purchases and destocking before GST implementation.

#### **Personal Care:**

Personal wash witnessed broad based growth across all brands. Colour cosmetics delivered yet another quarter of robust growth. Fair & Lovely relaunch was well received.

This quarter, we launched 'Citra' - an iconic naturals brand from Asia in the Face Care segment. After a successful test market, we are also rolling out Lever Ayush, nationally. Lever Ayush is an ayurvedic range of personal care products spanning across 6 categories of skin care, soaps, hair care, hand wash, body lotions and oral care.

#### **Foods & Refreshment:**

Refreshments witnessed broad based, volume led growth. In Tea, double-digit growth was sustained by continuing to leverage our differentiated portfolio across different parts of India. Coffee and Ice Cream & Frozen Desserts also delivered a robust quarter. In Foods, the focus continued to be on market development for the category with Soups & Jams driving the category growth.

#### **Margin improvement sustained: EBITDA margin up by 160 bps**

Cost of Goods sold was down by 75 bps. While competitive Advertising and Promotion (A&P) spends were maintained, Zero Based Budgeting (ZBB) helped drive A&P percentage down by 20 bps and other expenses down by 40 bps. Earnings before interest, tax, depreciation and amortisation (EBITDA) was up by 14%. Profit after tax before exceptional items, PAT (bei), at Rs. 1292 Crores was up by 15%, Net Profit at Rs.1283 Crores, was up 9% for the quarter.

Harish Manwani, Chairman commented: "This quarter saw the announcement of the launch of GST, a ground-breaking tax reform for India. I am pleased with the manner in which our business worked closely with all key stakeholders including industry associations, the government and our trade partners to prepare the ground for a smooth transition. Despite the short term challenges of this transition, our company delivered yet another resilient performance. Both growth and margin improvement were delivered through a combination of sustained innovations, a comprehensive savings program and a relentless focus on execution in the market place. We remain positive on the medium term outlook for the industry and will continue to drive consumer value, which also delivers profitable volume driven growth for the company."





# HINDUSTAN UNILEVER LIMITED

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2017

(Rs in Crores)

Particulars	STANDALONE		STANDALONE	
	Unaudited Results for the Quarter ended 30th June		Audited Results for the Quarter ended 31st March	Audited Results for the Year ended 31st March
	2017	2016	2017	2017
<b>Revenue from operations</b>				
Sale of products (including excise duty)	9,094	8,662	8,773	33,895
Other operating revenue	128	140	113	592
<b>Other income</b>	113	108	83	526
<b>TOTAL INCOME</b>	<b>9,335</b>	<b>8,910</b>	<b>8,969</b>	<b>35,013</b>
<b>EXPENSES</b>				
Cost of materials consumed	2,904	2,918	3,116	11,363
Purchases of stock-in-trade	1,128	1,089	968	4,166
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	52	(52)	(62)	156
Excise duty	693	675	673	2,597
Employee benefits expenses	419	427	388	1,620
Finance costs	6	6	6	22
Depreciation and amortisation expenses	114	93	108	396
Other expenses				
Advertising and promotion	905	880	853	3,470
Others	1,255	1,230	1,299	5,068
<b>TOTAL EXPENSES</b>	<b>7,476</b>	<b>7,266</b>	<b>7,349</b>	<b>28,858</b>
<b>Profit before exceptional items and tax</b>	<b>1,859</b>	<b>1,644</b>	<b>1,620</b>	<b>6,155</b>
Exceptional items [net credit/ (charge)]	(13)	71	(1)	241
<b>Profit before tax</b>	<b>1,846</b>	<b>1,715</b>	<b>1,619</b>	<b>6,396</b>
<b>Tax expenses</b>				
Current tax	(618)	(524)	(403)	(1,865)
Deferred tax credit/(charge)	55	(17)	(33)	(41)
<b>PROFIT FOR THE PERIOD (A)</b>	<b>1,283</b>	<b>1,174</b>	<b>1,183</b>	<b>4,490</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Remeasurements of the net defined benefit plans	-	-	(32)	(32)
Tax on above	-	-	11	11
<b>Items that will be reclassified subsequently to profit or loss</b>				
Fair value of debt instruments through other comprehensive income	(3)	0	3	1
Tax on above	1	(0)	(1)	(0)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD (B)</b>	<b>(2)</b>	<b>0</b>	<b>(19)</b>	<b>(20)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (A+B)</b>	<b>1,281</b>	<b>1,174</b>	<b>1,164</b>	<b>4,470</b>
Paid up Equity Share Capital (face value Re. 1 per share)	216	216	216	216
Other Equity				6,274
<b>Earnings per equity share (Face value of Re 1 each)</b>				
Basic (in Rs)	5.93	5.42	5.47	20.75
Diluted (in Rs)	5.93	5.42	5.47	20.74



**SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES**

*(Rs in Crores)*

Particulars	Standalone		Standalone	
	Unaudited Results for the Quarter ended 30th June		Audited Results for the Quarter ended 31st March	Audited Results for the Year ended 31st March
	2017	2016	2017	2017
<b>Segment Revenue (Sales and Other operating income)</b>				
- Home Care	3,047	2,876	3,004	11,346
- Personal Care	4,368	4,222	4,075	16,304
- Foods	284	272	295	1,124
- Refreshments	1,346	1,215	1,300	4,848
- Others (includes Exports, Infant & Feminine Care etc.)	168	204	201	819
<b>Total Segment Revenue</b>	<b>9,213</b>	<b>8,789</b>	<b>8,875</b>	<b>34,441</b>
<b>Segment Results (Profit from ordinary activities before tax and interest )</b>				
- Home Care	448	356	389	1,259
- Personal Care	1,079	1,021	984	3,848
- Foods	41	17	28	85
- Refreshments	255	192	219	755
- Others (includes Exports, Infant & Feminine Care etc.)	(6)	(9)	(4)	(21)
<b>Total Segment Results</b>	<b>1,817</b>	<b>1,577</b>	<b>1,616</b>	<b>5,926</b>
Less: Finance Costs	(6)	(6)	(6)	(22)
Add/(Less): Finance Income and Other unallocable income net of unallocable expenditure	35	144	9	492
<b>Total Profit Before Tax from ordinary activities</b>	<b>1,846</b>	<b>1,715</b>	<b>1,619</b>	<b>6,396</b>
<b>Segment Assets</b>				
- Home Care	1,999	1,836	1,892	1,892
- Personal Care	4,328	3,730	4,097	4,097
- Foods	325	322	300	300
- Refreshments	1,388	1,479	1,542	1,542
- Others (includes Exports, Infant & Feminine Care etc.)	171	188	164	164
- Unallocable corporate assets	8,587	8,356	6,756	6,756
<b>Total Segment Assets</b>	<b>16,798</b>	<b>15,911</b>	<b>14,751</b>	<b>14,751</b>
<b>Segment Liabilities</b>				
- Home Care	2,463	2,257	2,337	2,337
- Personal Care	4,051	3,740	3,815	3,815
- Foods	275	291	254	254
- Refreshments	833	706	807	807
- Others (includes Exports, Infant & Feminine Care etc.)	77	69	74	74
- Unallocable corporate liabilities	3,935	3,871	974	974
<b>Total Segment Liabilities</b>	<b>11,634</b>	<b>10,934</b>	<b>8,261</b>	<b>8,261</b>

**Note on Segment Information:**

- Segment Revenue, Results, Assets and Liabilities represent amounts identifiable to each of the segments. Other "unallocable income net of unallocable expenditure" mainly includes interest, dividend, income from current investments (net), expenses on common services not directly identifiable to individual segments, corporate expenses and exceptional items.  
Segment Assets and Segment Liabilities are as at 30th June 2017, 30th June 2016 and 31st March 2017. Unallocable corporate assets less Unallocable corporate liabilities mainly represent investment of surplus funds and cash and bank.
- Previous period figures have been re-grouped / re-classified wherever necessary, to conform to this period's classification.

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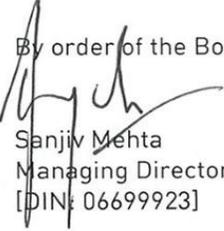
**Notes:**

1. Net Sales grew by 5% during the quarter. Domestic Consumer Business (FMCG) growth was 6% for the quarter.
2. Earnings before Interest, tax, depreciation and amortization (EBITDA) for the quarter is at Rs. 1,866 crores (JQ'16: Rs 1,636 crores) grew by 14%.
3. Profit After Tax before Exceptional Items for the quarter is at Rs 1,292 crores (JQ'16: Rs 1,128 crores grew by 15%)
4. Exceptional items, net charge in JQ'17 includes profit on sale of surplus properties Rs.4 crores (JQ'16: Rs 0 crores), restructuring expenses 17 crores (JQ'16: Rs. 32 crores). JQ'16 exceptional items also includes acquisition related cost Rs. 12 crores and one time write back of provision for employee benefits on account of plan amendments basis actuarial valuation Rs.115 crores.
5. Profit After Tax for the quarter is at Rs. 1,283 crores (JQ'16:Rs.1,174 crores) grew by 9 %.
6. Previous period figures have been re-grouped/re-classified wherever necessary.
7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 18<sup>th</sup> July, 2017.
8. The text of the above statement was approved by the Board of Directors at their meeting held on 18<sup>th</sup> July, 2017. The statutory auditors have expressed an unqualified report on the above results.

For more details on Results, visit Investor Relations section of our website at <http://www.hul.co.in> and Financial Results under Corporates section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

Place: Mumbai  
Date: 18<sup>th</sup> July, 2017

By order of the Board

  
Sanjiv Mehta  
Managing Director & CEO  
[DIN: 06699923]

