

Hindustan Unilever Limited

WINNING DECISIVELY

CLSA HONG KONG, 16 SEPT 2014

SANJIV MEHTA, CEO & MD



SAFE HARBOR STATEMENT

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

INTRODUCING HUL: INDIA'S LARGEST FMCG COMPANY



FY 2013 - 14

NET SALES	NET PROFIT	EPS (BASIC)	CASH FROM OPS
Rs 274 bln	Rs 39 bln	Rs 17.88	Rs 50 bln
USD 4.5 bln	USD 640 mln	USD 30 ¢	USD 830 mln

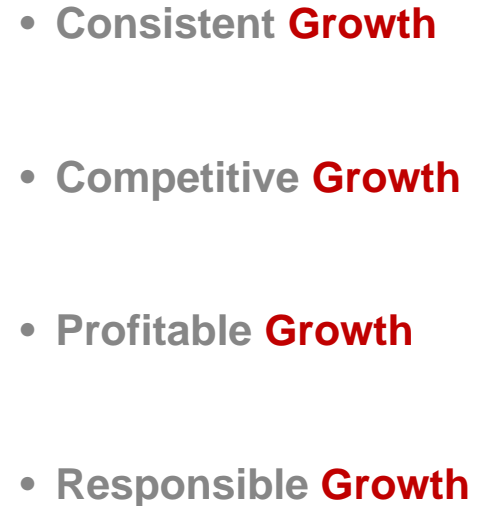
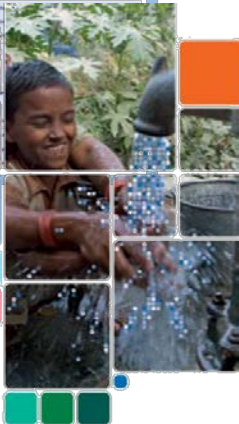
INR / USD = 60.47 (average for FY 2013-14)

Segments	% Revenue	% Results
Soaps & Detergents	49	40
Personal Products	29	46
Beverages	12	13
Packaged Foods	6	1
Others (incl Water)	4	-1

- Deep roots in local culture; 75+ years in India with leading market position across categories
- 3 HUL brands in the 2013 Brand Equity Top 5 Most Trusted Brands list
- Direct distribution reach of > 3 million stores; total coverage of close to 7 million stores
- Over 16,000 employees, 70 Manufacturing locations, 40+Depots, 2700+ Distributors

A Clear Set of Goals

THE COMPASS



WE HAVE DELIVERED ON OUR GOALS

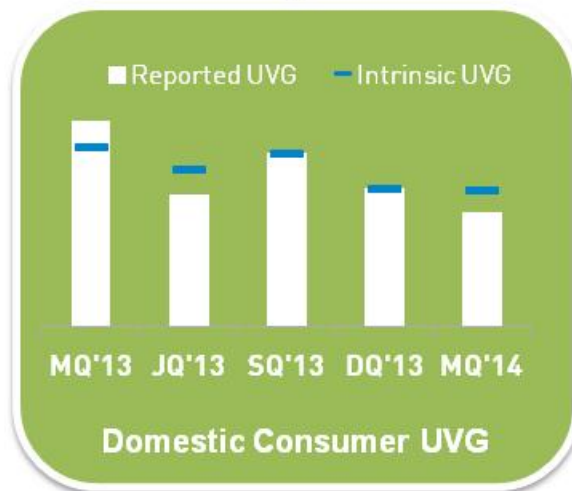
COMPETITIVE GROWTH

Ahead of market



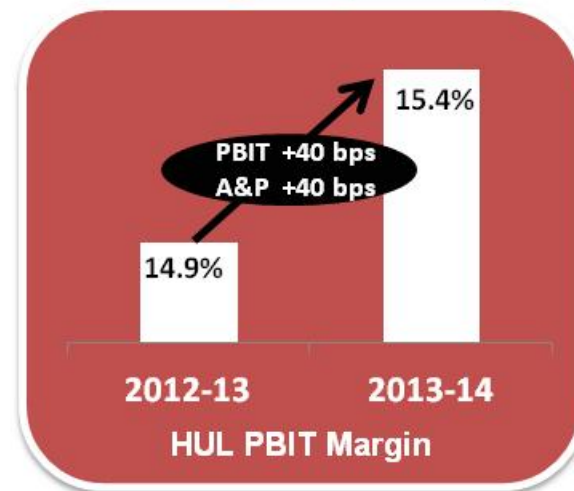
CONSISTENT GROWTH

Sustaining UVG in a slowing market



PROFITABLE GROWTH

Expanding margins whilst investing competitively



Domestic Consumer business grows 9% | 4% UVG | PBIT +12%

MADE PROGRESS ON OUR SUSTAINABILITY PRIORITIES



IMPROVING HEALTH & WELL-BEING



58 million people touched by **Lifebuoy** handwashing programs since 2010



57.5 million people gained access to safe drinking water from **Pureit** by end 2013



REDUCING ENVIRONMENTAL IMPACT



Reduced CO₂ emissions by 27%, water use by 37%, waste by 84%*



Out of 38 sites, **33 factories are now zero discharge sites & 35 sites zero non-hazardous waste to landfills**



33,750 climate friendly freezers with Hydro Carbon technology



80% of tomatoes & 13% of tea is sourced from sustainable sources



100% of palm oil sourced in 2013 backed by Green Palm certificates



ENHANCING LIVELIHOODS



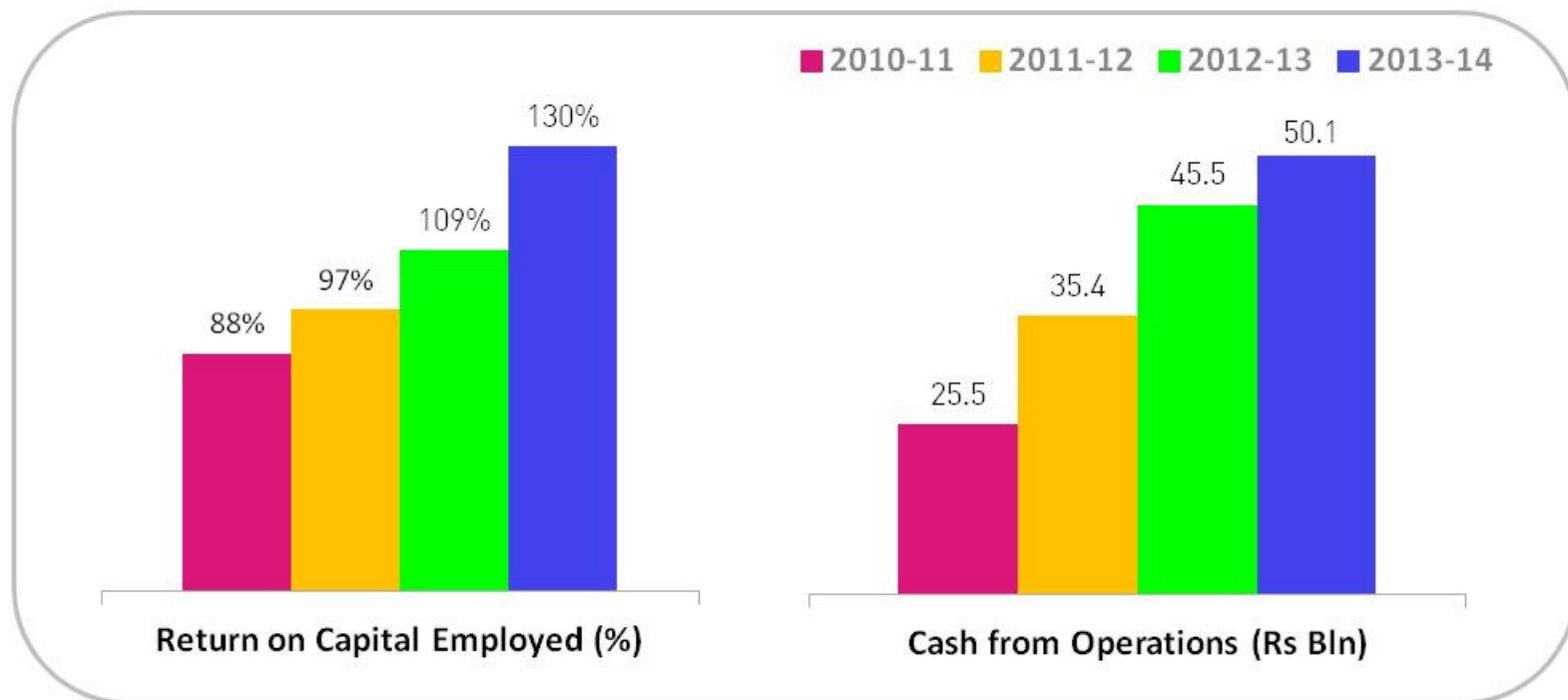
65,000 Shakti Ammas and over **50,000 Shaktimaans** who cover >4m households across 160,000 villages



Kwality Wall's mobile vending operations provide over **6500 people** with entrepreneurship opportunities

**compared to 2008 baseline*

SUSTAINED OUR STRONG TRACK RECORD



CONTINUE TO BUILD BIGGER BRANDS



CONTINUE TO WIN WITH CONSUMERS



Most Trusted Brand in Water Purifiers

RETAINED OUR TOP EMPLOYER POSITION

EMPLOYER OF
CHOICE

3rd YEAR
in a row

DREAM
EMPLOYER

5th YEAR
in a row

NO. 1

Employer in **Mktg & IIMs**
FMCG in **Finance & IT**
Employer for **Women**



CONTINUE TO BE RECOGNIZED

Forbes

Conscious Capitalist
2013 - Forbes India
Leadership Awards

FORTUNE

2nd in Fortune's List
of Most Admired
Companies

AIMA
ALL INDIA MANAGEMENT ASSOCIATION

AIMA Managing Award
2013 as the "Multinational
in India of the Year"



HUL - Corporate
Social Crusader
of the Year

Business Standard
Log on to Indian business

Business Standard Awards for
Corporate Excellence recognizes
HUL as Star MNC of the Year 2013



HUL won Golden
Peacock Environment
Management Award



HUL - Client of
the Year at
Effies 2013

**IR GLOBAL
RANKINGS**

HUL rated No. 1 on
the Most Popular IR
Website globally



Silver Shield for best
annual report across
Manufacturing sector

EMVIES

HUL awarded
'Best Media Client
of the Year'

Forbes | 2014
**THE WORLD'S
MOST INNOVATIVE
COMPANIES**

HUL recognised as Most
Innovative Company in India



Hindustan Unilever Limited

HUL: WINNING DECISIVELY



WE ARE POSITIVE ABOUT THE MEDIUM – LONG TERM OUTLOOK FOR FMCG IN INDIA

Affluence



Aspirations



Attitudes



Awareness

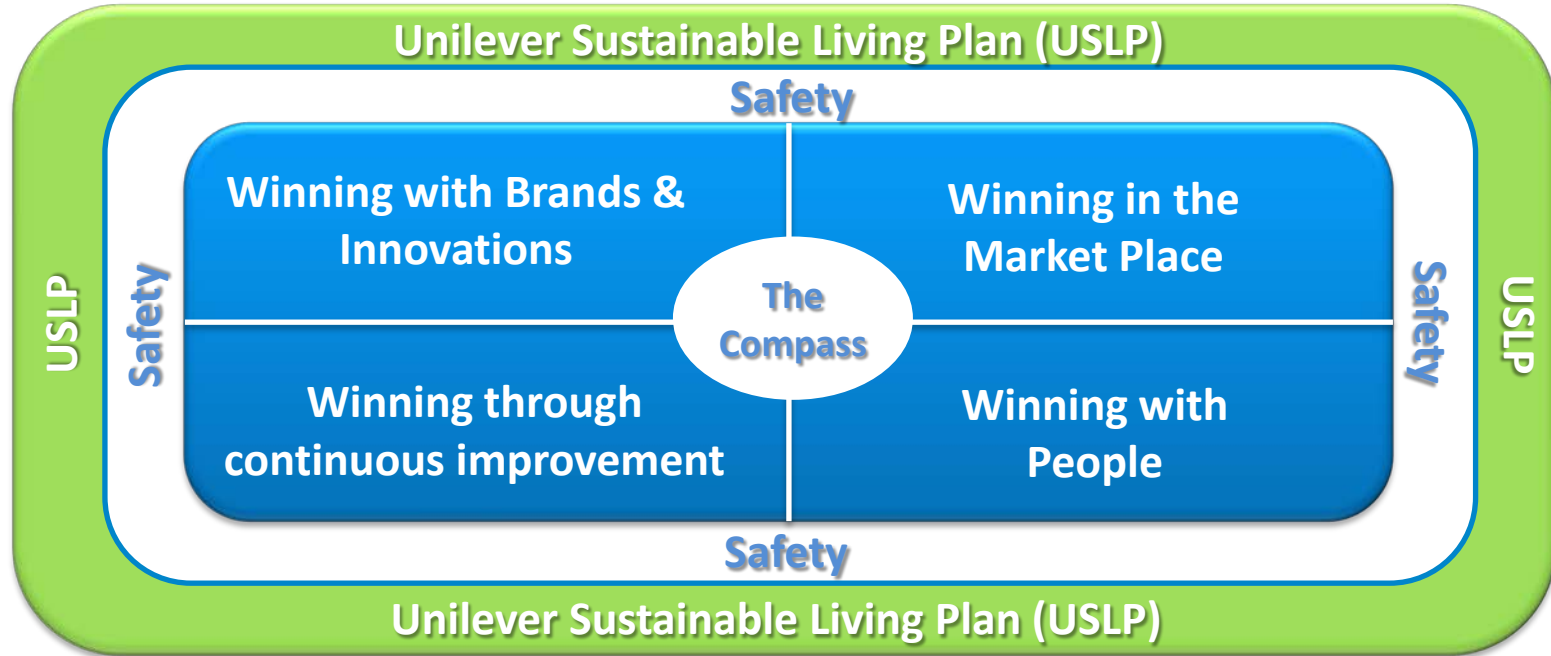


Access



More Users | More Usage | More Benefits

WINNING FRAMEWORK





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HUL: WINNING DECISIVELY

Winning with Brands & Innovations

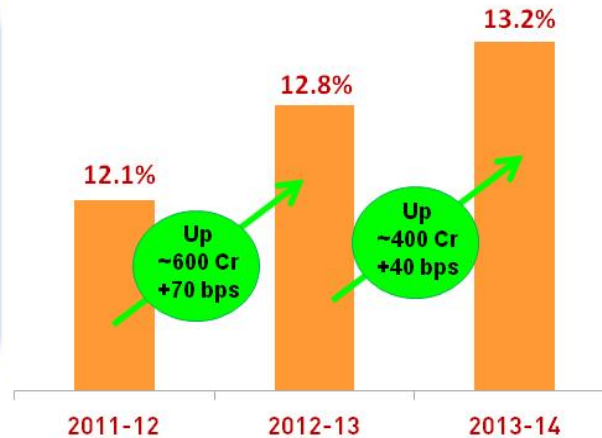


INVESTING COMPETITIVELY

Strong Core



A&P up Rs 1000 Cr in last 2 years



Market Development



TURBO CHARGING INNOVATIONS



Younger looking skin with



Bigger | Better | Faster

DEPLOYING IMPACTFUL ACTIVATION



LEVERAGING GLOBAL TO WIN LOCAL



~Rs 100 Cr in first full year post launch



Online + assisted selling in premium chains in 3 cities



Across 250+ premium salons in 6 cities



Extended this season; now in 5 cities



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HUL: WINNING DECISIVELY

Winning in the Marketplace

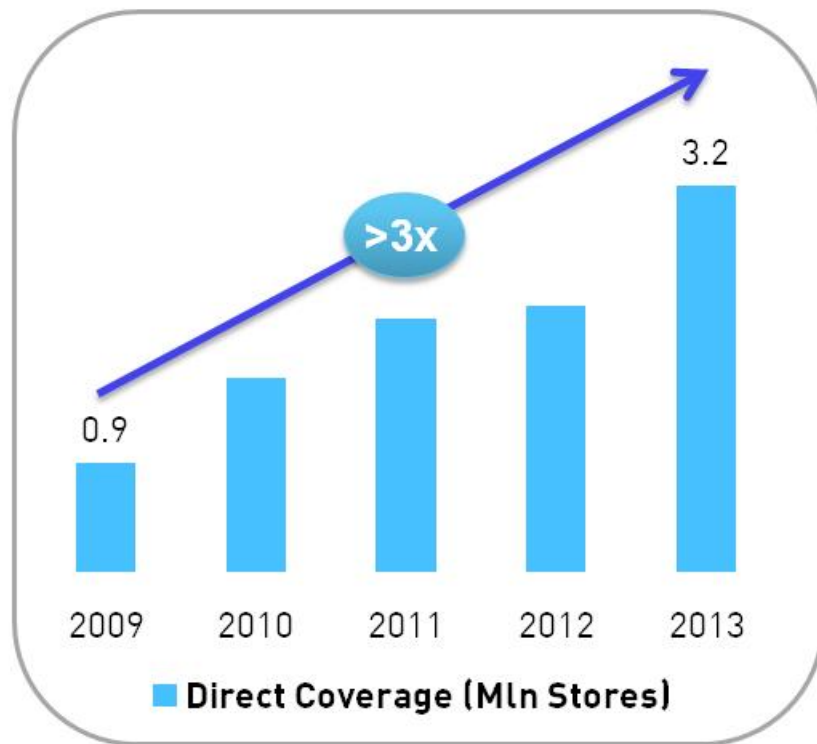


2013: THE I WILL, 1 MILL CHALLENGE



Delivering 1 Million More, 1 Million Perfect Stores

BUILDING COMPETITIVE ADVANTAGE: MORE STORES



BUILDING COMPETITIVE ADVANTAGE: BETTER STORES

Taking Perfect Stores
Deeper & Wider



2013: 1million stores turned
Perfect



Rollout of Perfect Villages:
8500 villages covered



Every Day Great Execution

WINNING PARTNERSHIPS IN MODERN TRADE

ACROSS CATEGORIES



Market Development Models

IN STORE



World Class In-Store Assets



Advisors / dynamic CTAs to drive niches



JBP engagement, CatMan, VMI

ACROSS FORMATS

ACROSS CUSTOMERS

Higher market shares | Profitable | Preferred supplier

LEVERAGING TECHNOLOGY TO DRIVE EXECUTION

Shakti Mobile enabling Shakti Ammas



Using Shopper Insight to Win On Shelf





Hindustan Unilever Limited

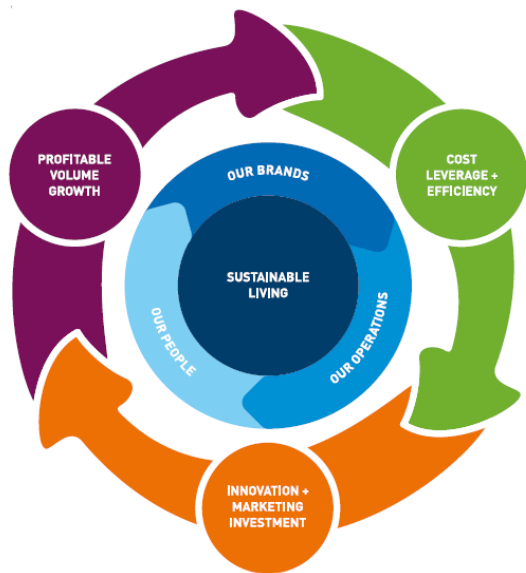
HUL: WINNING DECISIVELY

Winning through Continuous Improvement



DRIVING THE VIRTUOUS CYCLE OF GROWTH

A Business Model That Works



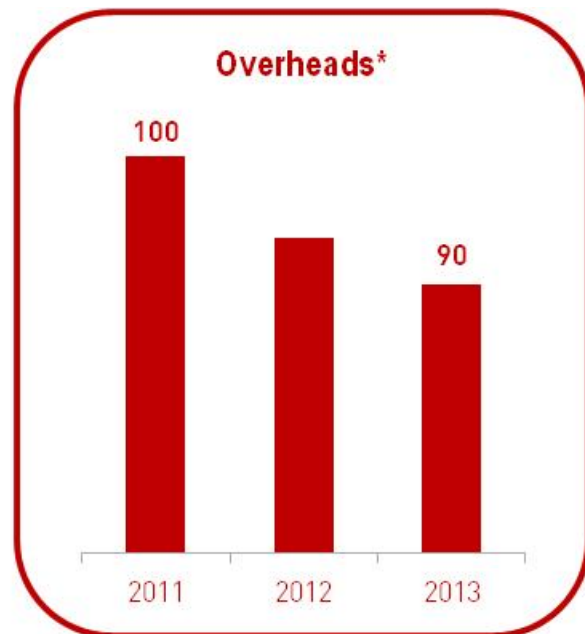
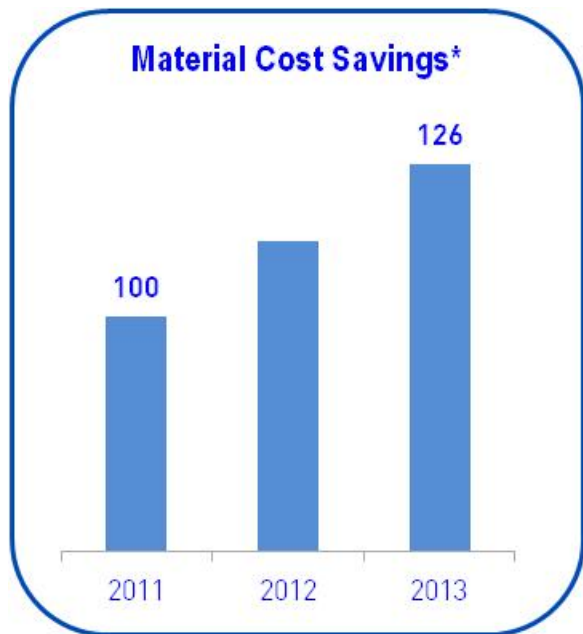
Max the Mix



End-to-end cost focus



END TO END COST FOCUS



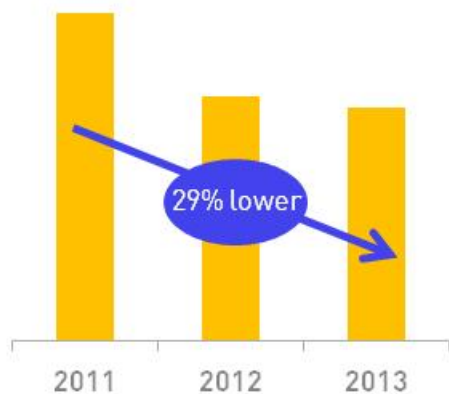
Savings Up, Costs Down

**All charts indexed to 2011 (Base = 100)*

EFFICIENT SUPPLY CHAIN

Safety FIRST

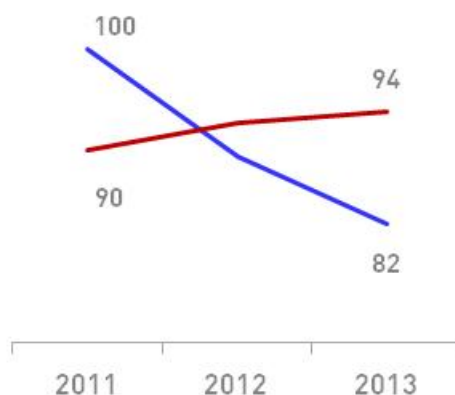
■ Accidents per million hrs worked



Service up, Inventory down

— Inventory DOH (Indexed)

— CCFOT



Innovation Management

■ Innovation Network OTIF %



Capex Productivity

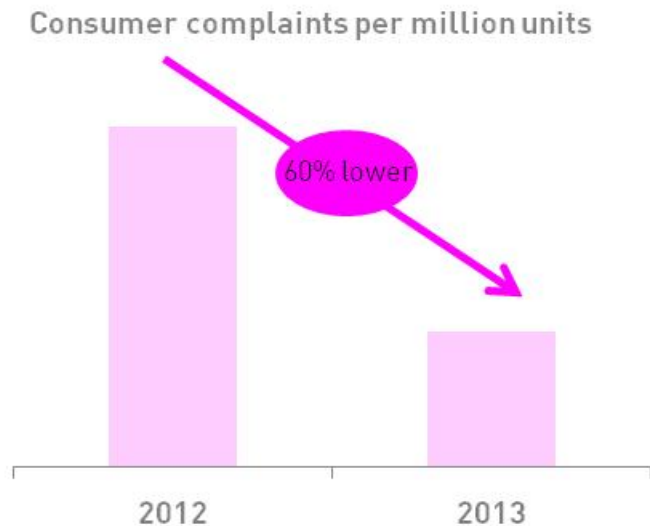
■ Productivity Improvement

■ New Capital Investment



DIALING UP QUALITY

Improved Product Quality



Superior Service Standards



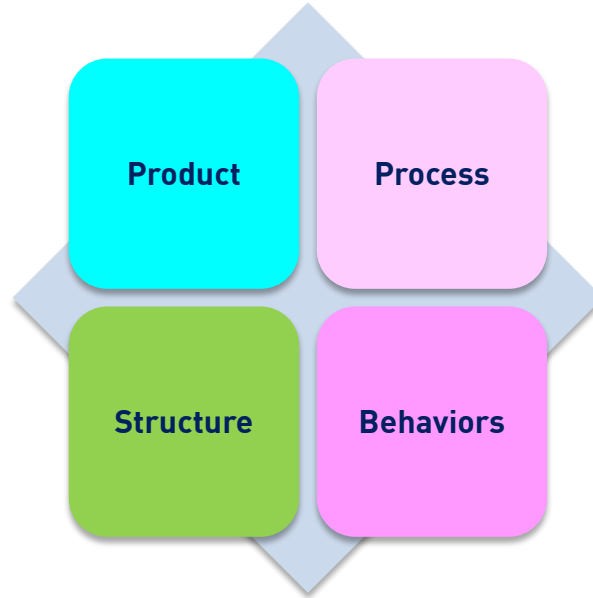
99.8%

efficiency across **1.7m +**
consumer engagements

AGILITY & SIMPLIFICATION



Focused workstreams



Simplify & Sharpen



30%+ lower SKUs



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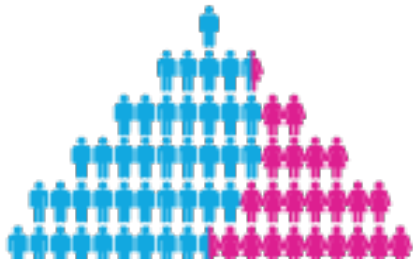
Winning with People



WINNING WITH & THROUGH OUR PEOPLE

Values

INTEGRITY
RESPECT
RESPONSIBILITY
PIONEERING



Diverse Workforce

1

Number 1
People
Place
Performance
One team

Performance Culture



Behaviours

BUILDING TALENT & CAPABILITIES



**Enhancing Front Line
Capability**



Foods College



**Building capability
across HPC**



**Line manager &
employee education**



**Customized solutions
for Water**



**Going Digital
across functions**

Focus on building institutional capabilities



Hindustan Unilever Limited

**MAKING
SUSTAINABLE
LIVING
COMMONPLACE**

BUILDING PERFECT COMMUNITIES



Transforming Lives by Empowering
Communities for a Sustainable Future



IMPROVING
HEALTH AND
WELL-BEING

Behavioural programs



REDUCING
ENVIRONMENTAL
IMPACT

Water security projects



ENHANCING
LIVELIHOODS

Vocational training

Launched across 9 sites in Phase 1 | We aim to impact a million lives through Prabhat

HELPING CREATE A BRIGHTER FUTURE

TAKE THE SUNLIGHT LIVING CHALLENGE
AND JOIN THEM TO SAVE WATER.



Hindustan Unilever Limited

projectSunlight

www.projectsunlight.co.in, [#BRIGHTFUTURE](https://www.facebook.com/HindustanUnileverLimited)



WINNING THRUSTS – 4 THEMES TODAY



MAGIC IN MARKETING



HARNESSING NON-TV



WINNING IN MANY INDIAS

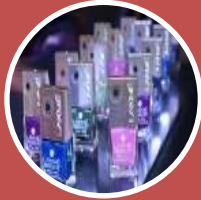


BUILDING BRANDS IN STORE



Magic in Marketing

Creating Magic through...



**Magnify
every 'P'**



**'Boringly
Consistent'**



**Big Brands
Big Social
Missions**



**Buzz
The '7th' P**



**Redefine
Category
Role**



**Unshackle
Myths**



We know it's happening when...



3 Golds at Cannes Lions



**Pond's Men launch
1.5mn views in digital within a month.**

**We create MAGIC
in every category
and in every
interaction with
shoppers and
consumers**



**Magnum Digital media 73%
awareness 120% business delivery**



**Clinic Plus build salience through
increase in Emotional attachment**



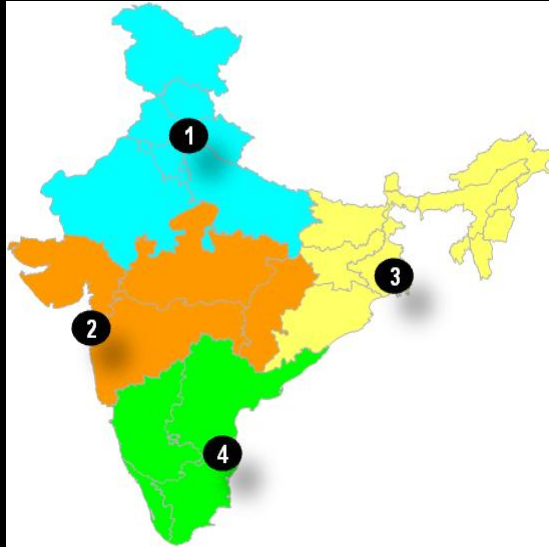
LAKME EYECONIC and KISSAN AV



Winning In Many Indias

Reorganizing to Win in Many INDIAS

Current

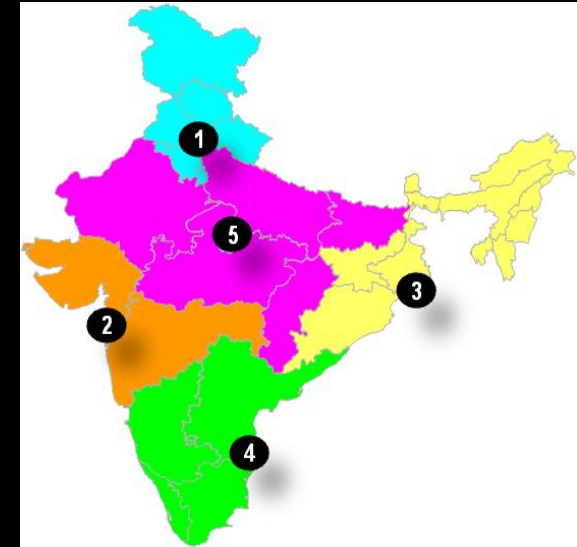


4 Branches

India = Diverse = Many Indias



Proposed



5 Branches, 14 Consumer Clusters

Structure | Processes | Empowerment | Micro Marketing

Winning through Consumer Clusters



**Faster
response in the
marketplace**

**Seamless
Communication for
better execution**

**Smaller teams
with sharper
focus**

**Better Infra
leading to
better delivery**

Driving Every Day Great Execution at a Consumer Cluster level



Harnessing Non TV media

Non TV- Media

RADIO



OUTDOOR



CINEMA



PRINT



DIGITAL

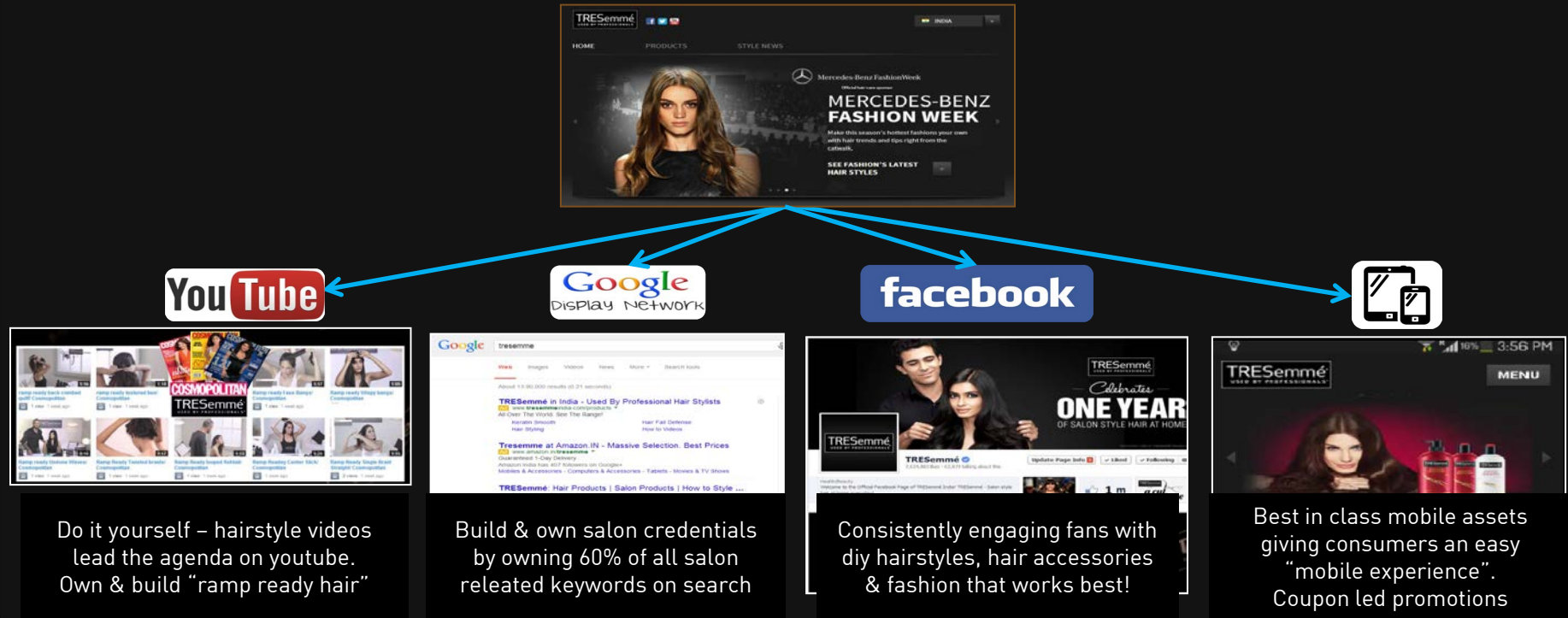


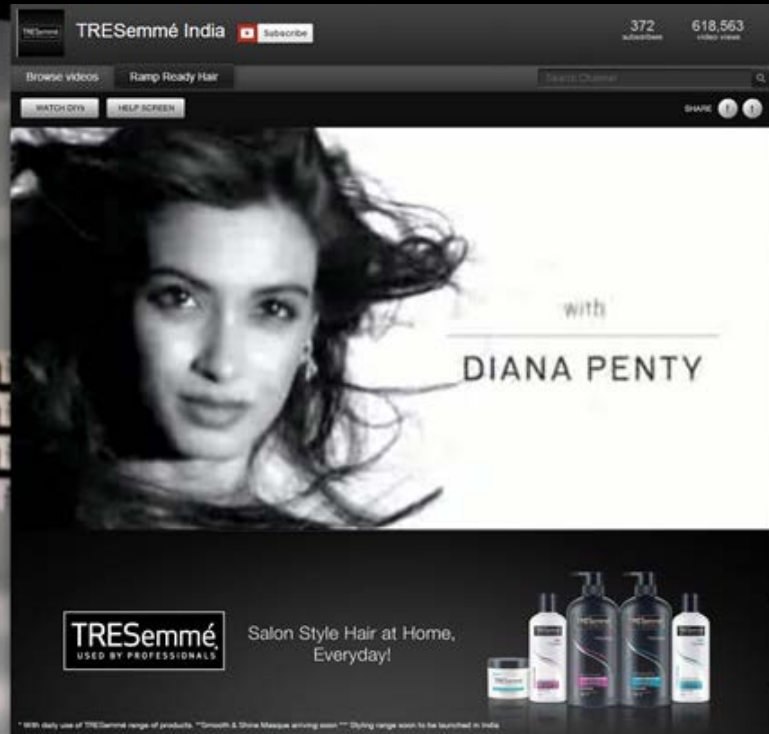


Kan Khajura Tesan AV

Going the Digital route - Tresseme

Tresemme's digital role – own backstage experience & build “salon style hair” credentials





TRESemme AV



Building Brands In Store (BBIS)

'BUILDING BRANDS IN STORE'

Using Store as Medium to Drive Salience & Equity leveraging all 6Ps



PRODUCT



PACKAGING



PRICING



PROMOTION



PLACE



PROPOSITION



Building LAKME in-store

Redesigned Beauty Advisor counter assets to bring alive Pro-Stylist



Digitized assets (Makeover App) at key counters

Redesigned makeover units and doubled the number of makeover artists to amplify new launch experiential

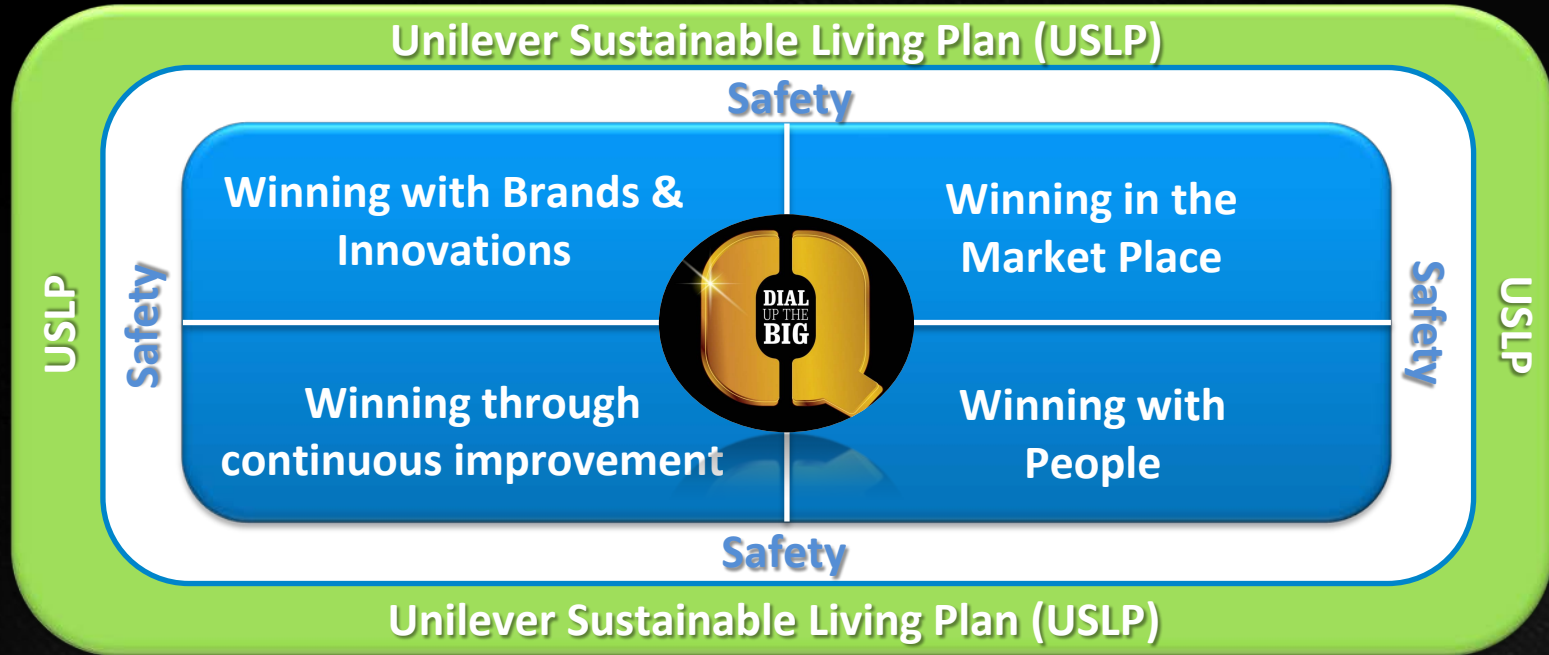


Aggressive thrust on product experience in Lakme Salons via visual merchandising, sell-out training and demo integration with services

The Result



WINNING DECISIVELY



Consistent | Competitive | Profitable | Responsible Growth

THANK YOU

For More Information

VISIT OUR WEBSITE

<http://www.hul.co.in/investorrelations/>



HUL INVESTOR APP

