



Hindustan Unilever Limited

Results – JQ '10

28th July 2010

Investor Presentation

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Agenda

- **Market Context**
- **JQ'10 Highlights**
- **Performance Review**
- **Category Overview**
- **JQ'10 – Financial Results**
- **Looking ahead**

Market Context

- **FMCG Market growth sustains**
 - improving over MQ
- **Intense competitive environment across multiple segments**
- **High food inflation continues**
- **Monsoon progress under watch**

JQ'10 Highlights

- **Strong 11% volume growth in Domestic Consumer business with sales growing 8%**
- **Soaps & Detergents deliver double digit volume growth**
- **Personal Products, Foods & Water continue to grow in double digit**
- **Unblinking defence of our leadership position yielding positive results**
- **Continued focus on innovation, Brand building & building capabilities**
 - **A&P stepped up by 310 bps**
- **Cost of Goods sold lower by 60 bps**
- **PAT (bei) is Rs.521 crore ; Net Profit declined by -1.8%**

Accelerated growth through innovations

Sehatmand:
Nutritional Tea



Wheel: Improved
Formulation



Lux Purple



Dandruff
Therapy



8 new Ice Cream
Variants

Vaseline Menz:
Male Grooming



Face Cleansing: 4
Brands & 20 Variants



Compact Water Purifier



Knorr Soupy
Noodles

Skin: Expanding Portfolio



Male grooming: Meeting launch action standards

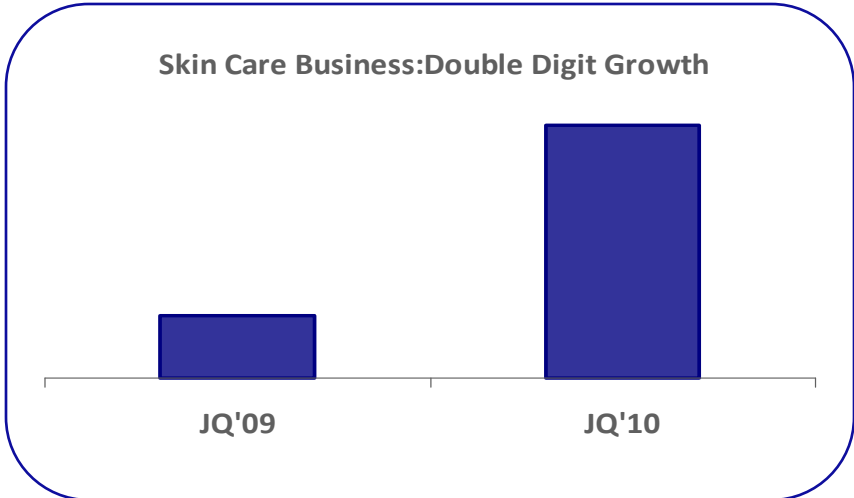
Gentle Care Oil Control Skin Lightening



Moisturizing



Facial Cleansing: Business size doubled in FH'10



Foods: Excellent launch of Knorr Soupy Noodles

Noodles

Filling snack

Convenient

Tasty (loved by kids)



Soups

Healthy

Does not interfere with main meal

Loved by Moms

A healthy and exciting snack for kids

Healthy Soup + Noodles = Knorr Soupy Noodles

RS. 15

RS. 15

RS. 10



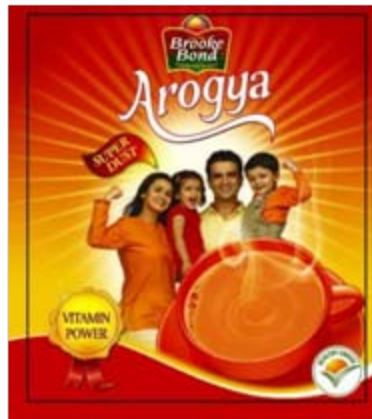
Tea: Straddling the pyramid



Sehatmand: Rolled out Nationally



Leaf & Dust Format



Daily Vitamin Power with 3 Cups

Strengthening the core : JQ'10 launches

Removes
Yellowness



Strengthened Product Superiority

Clear Fair Skin



...and building new categories



Building Fabric Conditioners; Comfort is national now

**Sure: World's No.1 Antiperspirant –
Now in India**



Project iQ under progress...

ORDER BOOKING					
LINES	FIND	TOTVAL			
<-- Select Category --> <input checked="" type="checkbox"/> Must Sell Packs <input checked="" type="checkbox"/>					
SKU	SO	OR			
LUX ORCHID 100 GMS	2	0			
LUX ORCHID 100 GMS	2	0			
ALA BLEACH 500ML	3	0			
LUX ORCHID 45 GMS	4	0			
LUX ORCHID 75 GMS	1	0			
LUX STWBY 125G	2	0			
SFXL BAR 125 GM	4	0			
STK	TUR	MRP	ITMVAL	GAP	RR
169	12.04	13.00	0	97	16
0	1	3	5	6	12
UNIT					
G	R	O	W	T	H
					Exit

Deliver Assortment

Reduce Out Of Stock

Build Assortment

Identify Opportunities



Sophisticated analytics for outlet level interventions

Simple front-end for better execution by salesmen

JQ'10: Roll out on track

More stores...

New Markets

**New outlets
(current villages)**

**Shakti/
Shaktiman**

**+500,000
stores**

**Progress on
track**

Better stores...

“Collective energy to win in the Market Place”



- 4145 employees' involvement

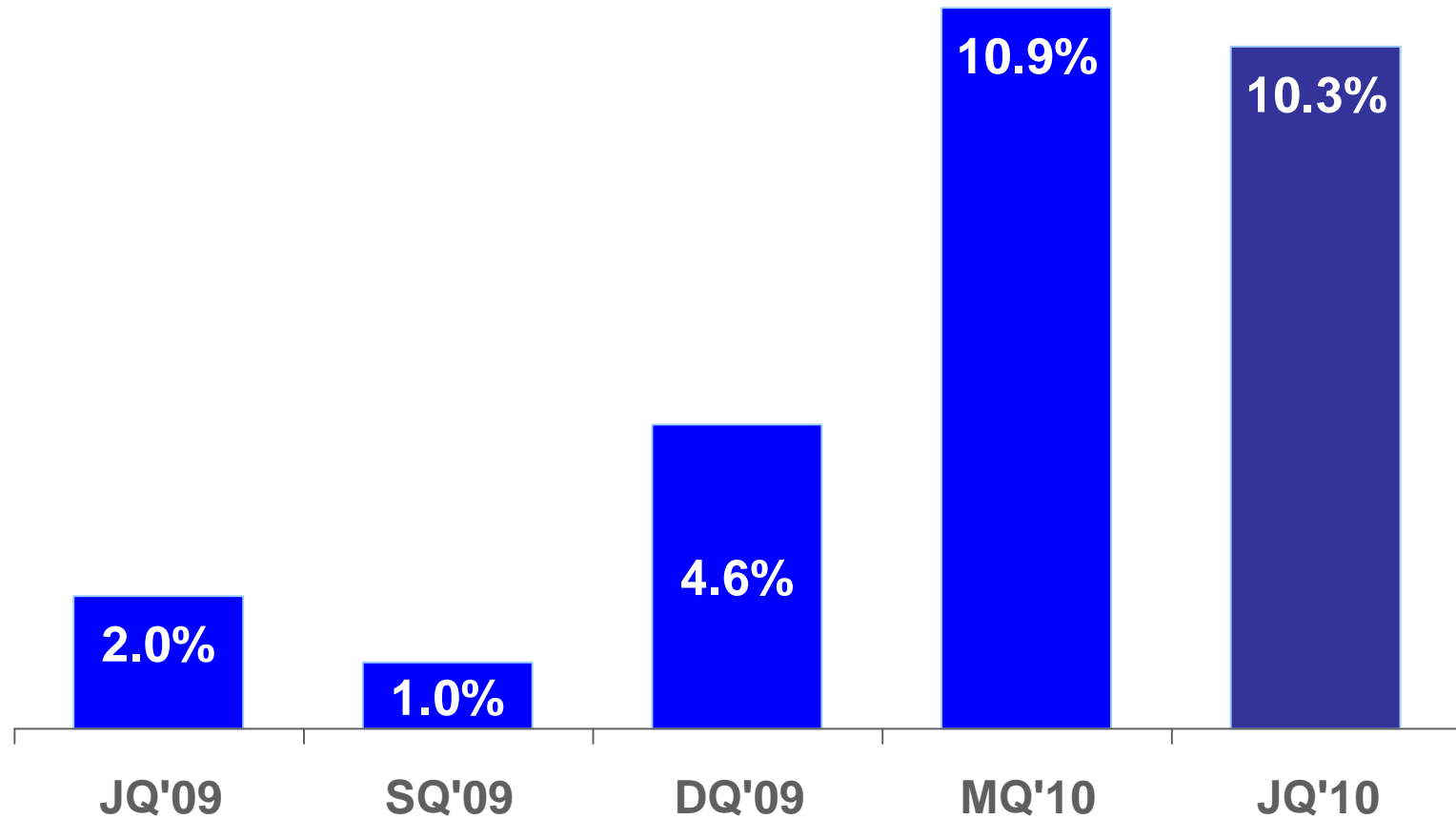


- 14000 stores converted into Perfect Stores over 6 days in 125 cities across country



Perfect Store = Right Assortment X Right Visibility X Right Quantity

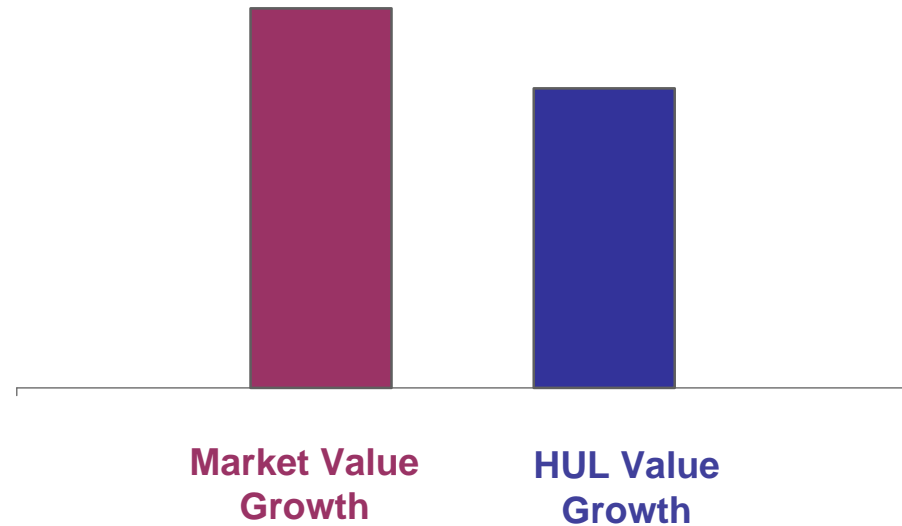
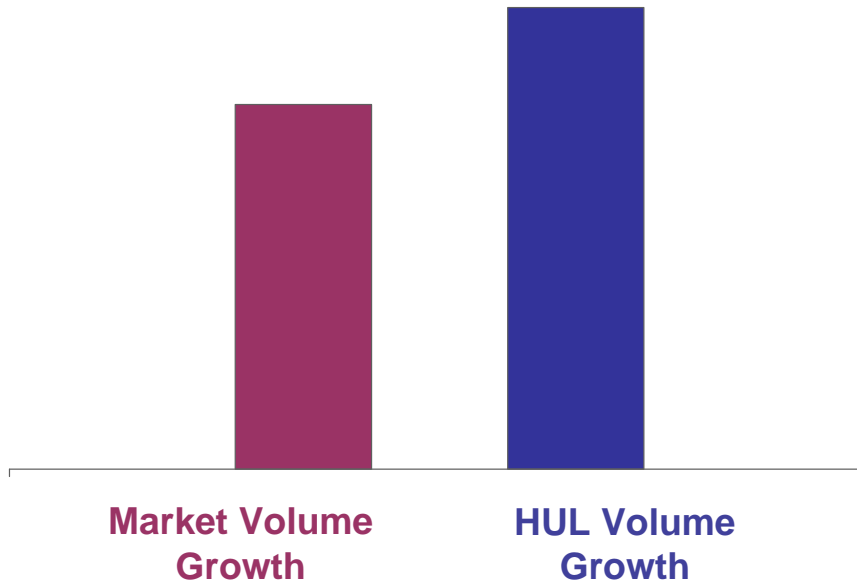
Reflected in strong volume growth momentum



Domestic FMCG Volume Growth

JQ'10 Results - 28th July 2010

Volume growth ahead of Market



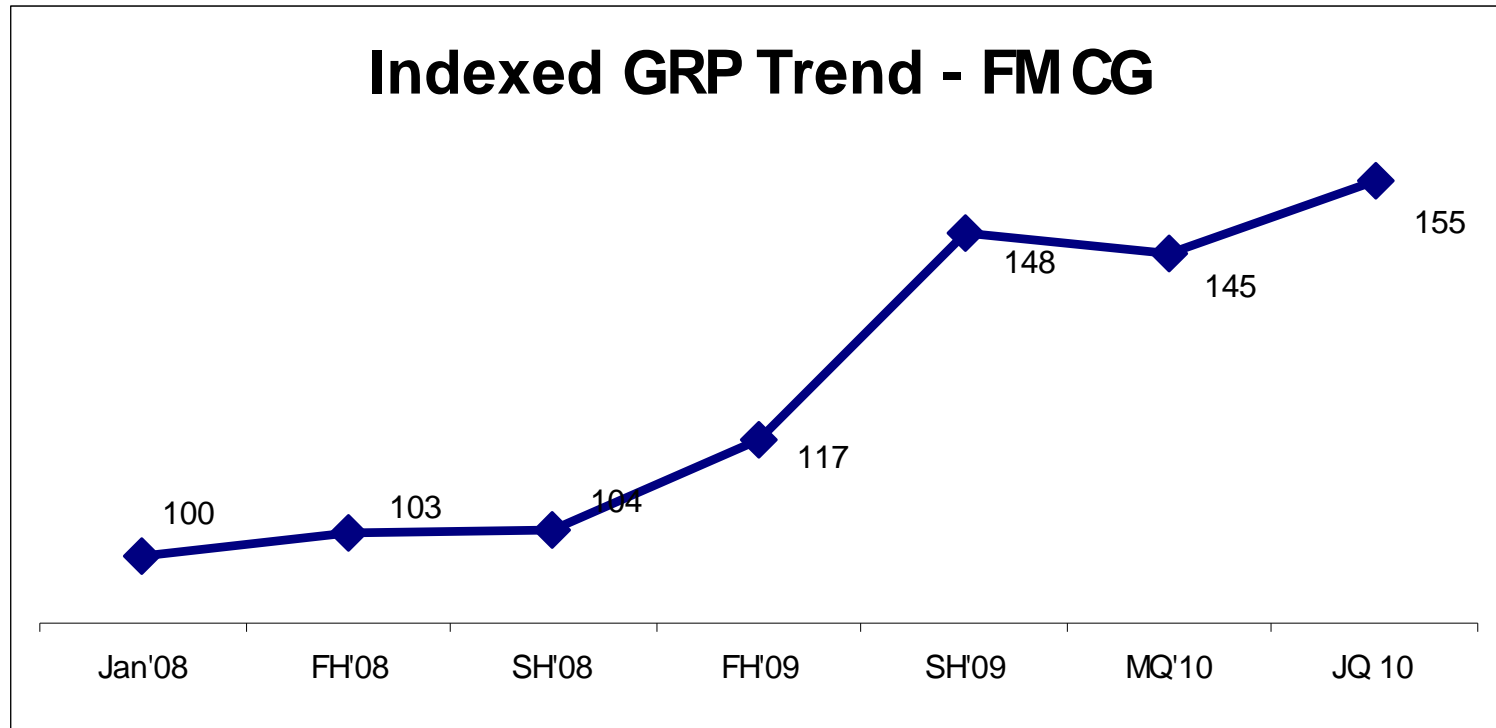
Category revenue growth

	<u>Growth% JQ'10</u>
Soaps & Detergents	2.4
Personal Products	11.4
Beverages	7.7
Processed Foods	22.7
Ice Cream	18.1
<hr/>	
Domestic FMCG	6.7 [^]
Domestic Consumer	7.6

[^] Excludes Other Operational Income

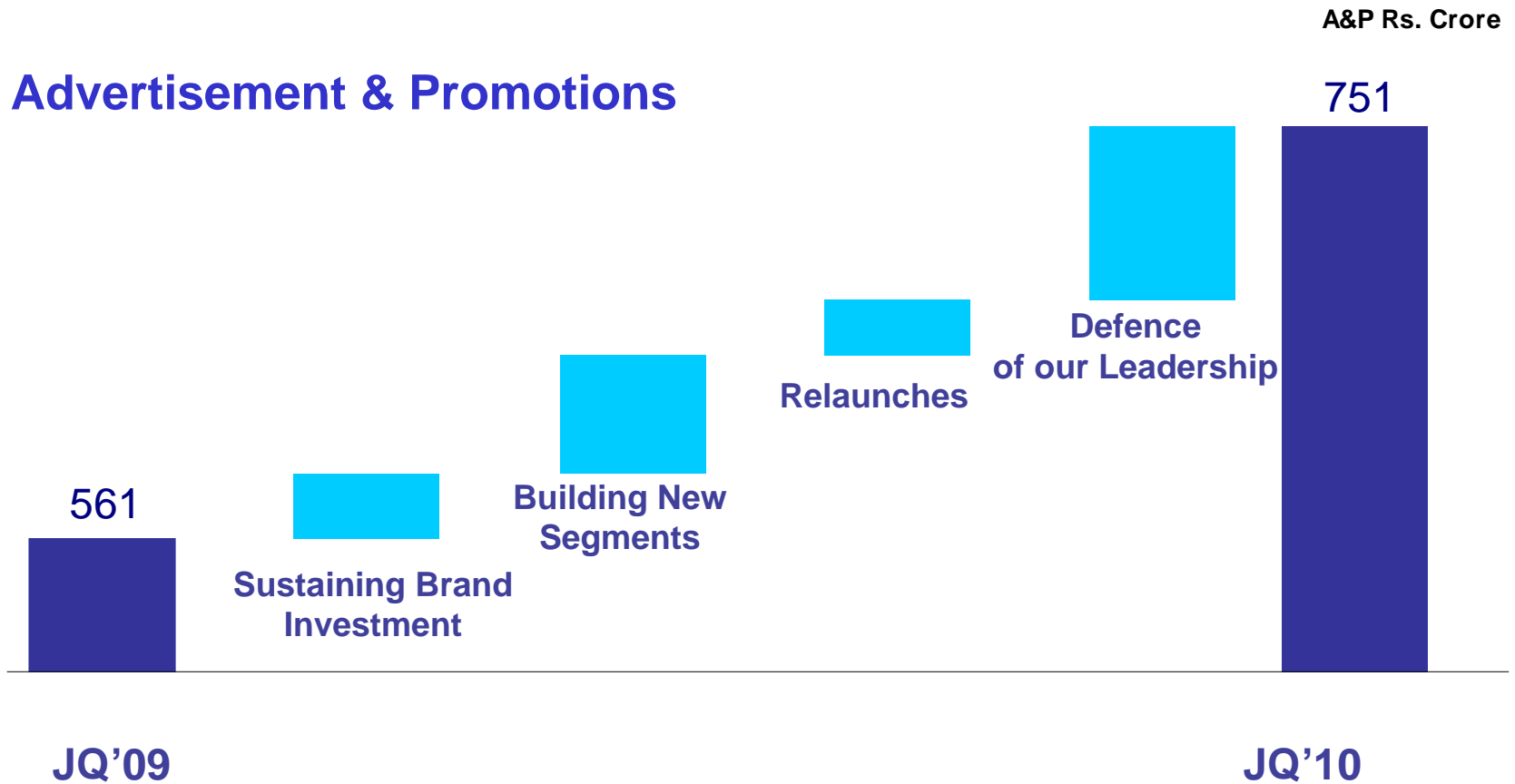
JQ'10 Results - 28th July 2010

Context: Intensified competitive environment



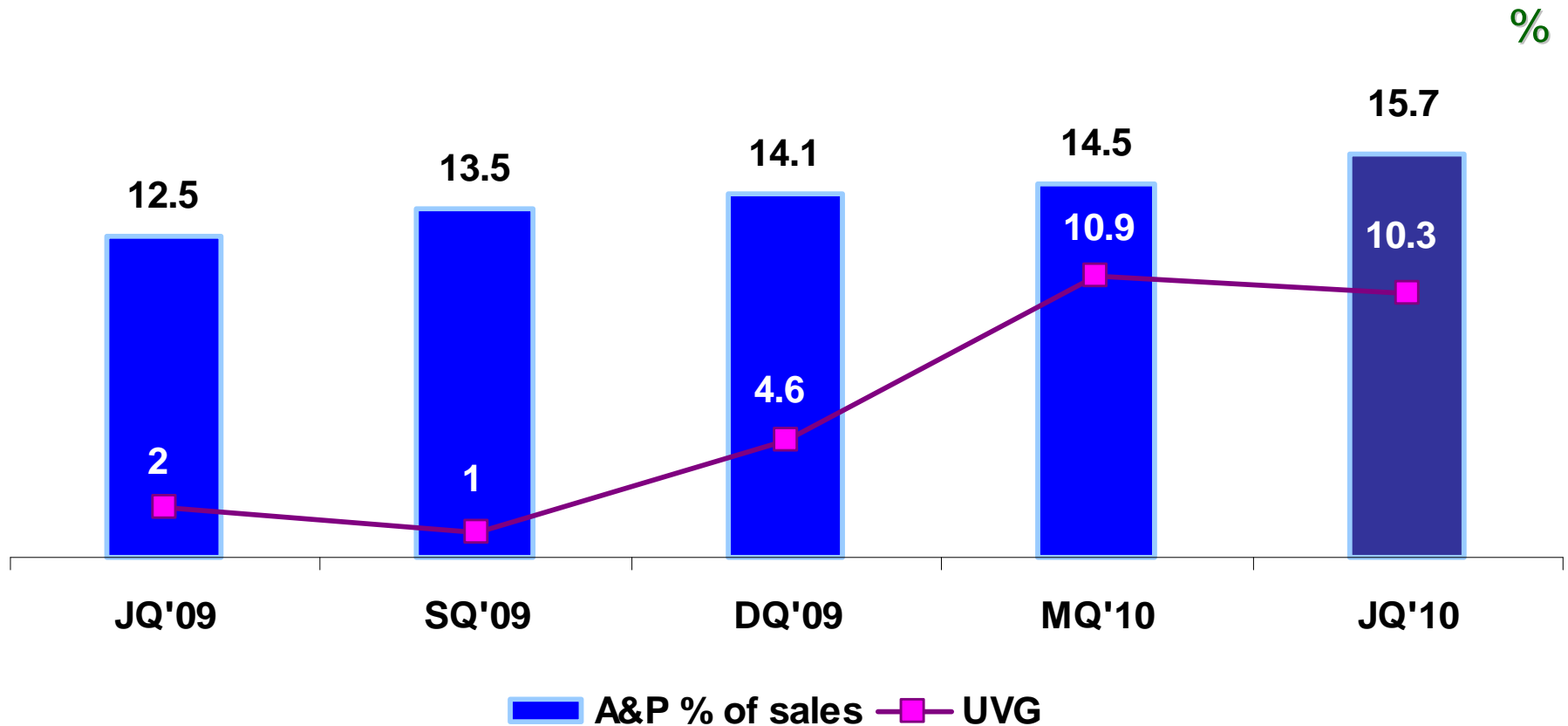
GRP trend reflecting competitive intensity

Commitment to Brand building and new categories



Continued Brand building investment

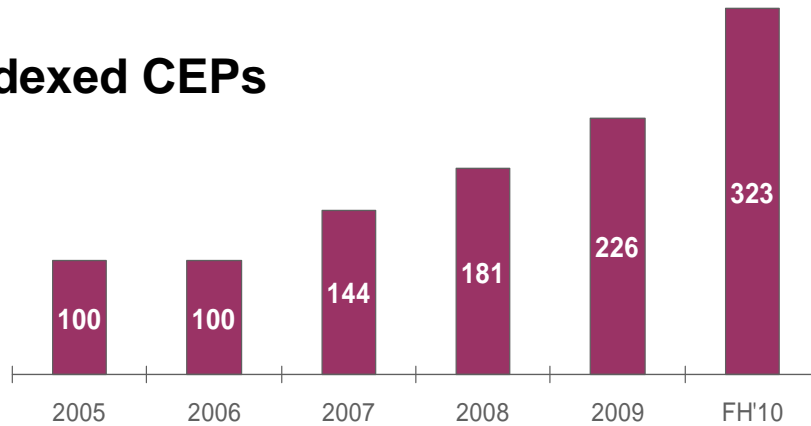
A&P as a % of Net Sales



Strong savings delivery & operating leverage

CEP & Indirect Cost Saving delivery fund Brand Investment

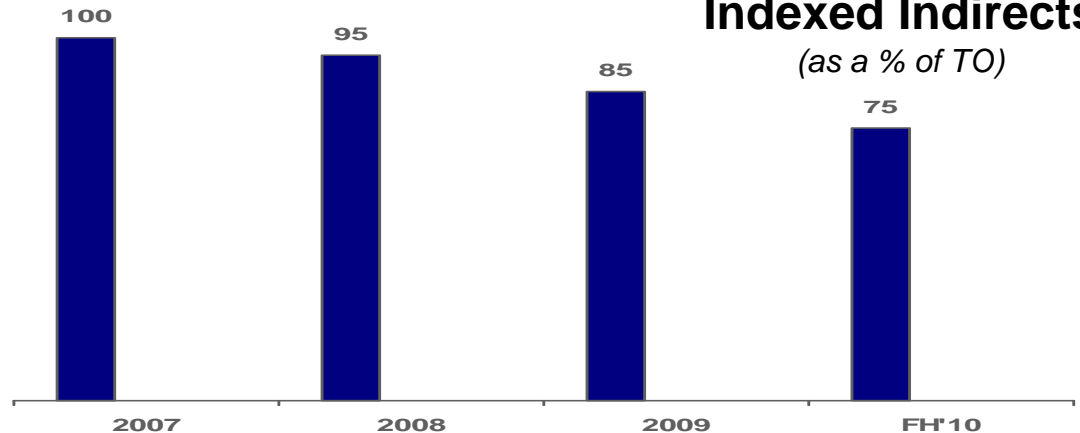
Indexed CEPs



FH'10 CEP are annualised for Full Year

Indexed Indirects

(as a % of TO)



JQ'10 Results - 28th July 2010

Laundry: Competitive growth

- Volume growth ahead of market, both in Powders & Bars
- Wheel delivers double digit sales growth underpinned by strong volume growth
- Rin relaunched; strong volume growth sustained
- Comfort rolled out nationally



New Rin: Product superiority strengthened

New Rin: New Product, New Packaging, New proposition



**सिर्फ नया रिन
पीलापन हटाए, चमक दिखाए.****

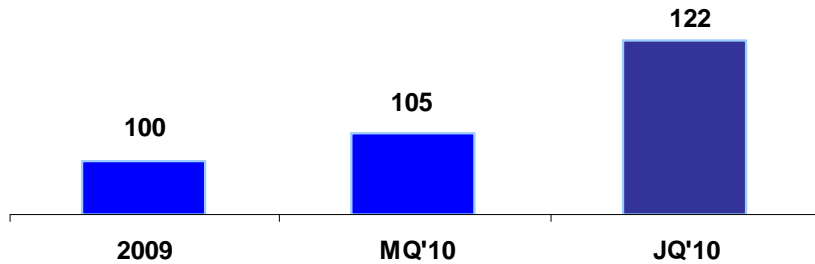


* MRP (inclusive of all taxes) - Rs. 25 for Net Wt. 500 g.
**In lab conditions using Patented Technology on Cotton and Synthetic fabrics.

Only Rin removes yellowness, to reveal shine

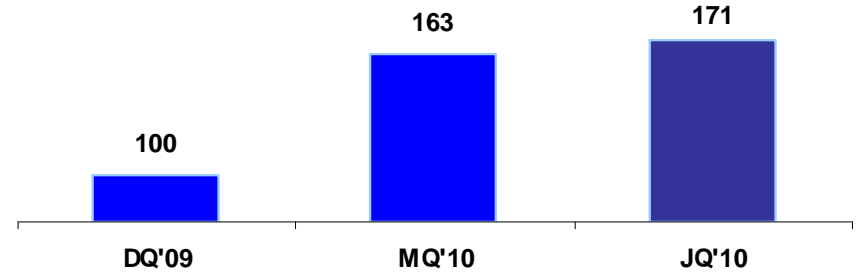
Laundry: unblinking defence of our leadership

Volume growth across brands



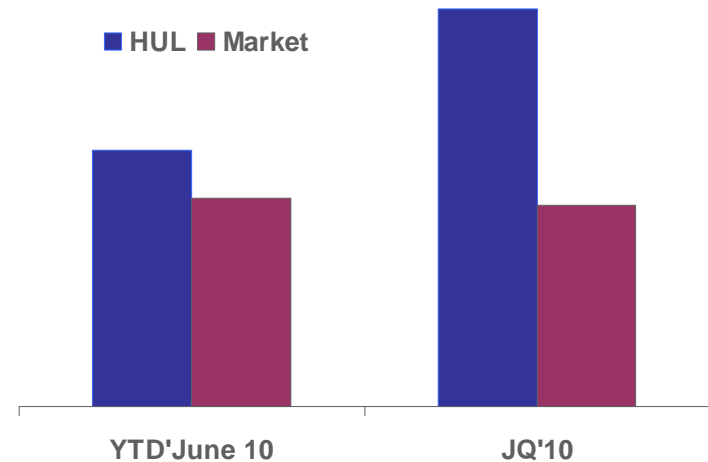
Indexed Fabric Wash Volume: Avg Ton/ Month

Rin: accelerating double digit volume growth



Rin (Powder + Bar) Volume Growth

...and ahead of market growth



Laundry Volume Growth

Personal Wash: Regaining volume momentum

- Portfolio rejuvenated with full support – across all segments
- Premium portfolio – continues to grow ahead of the market
- Fast growing Dove is now accessible to more consumers at Rs. 20 price point



Right Size - Right Value

Rs 20/-



Skin Care: Leading market development

- Leading market development across all segments
 - Pears & Ponds range in Facial Cleansing growing well ahead of market
 - Vaseline Men Range meeting action standards
- Fair & Lovely relaunched with new improved formulation



Facial Cleansing: Business size doubled in FH'10



Continued investment in core: Fair & Lovely



Fair & Lovely relaunched with added benefits of Clear Fairness



Max Fairness for Men



Relaunch through Perfect Stores

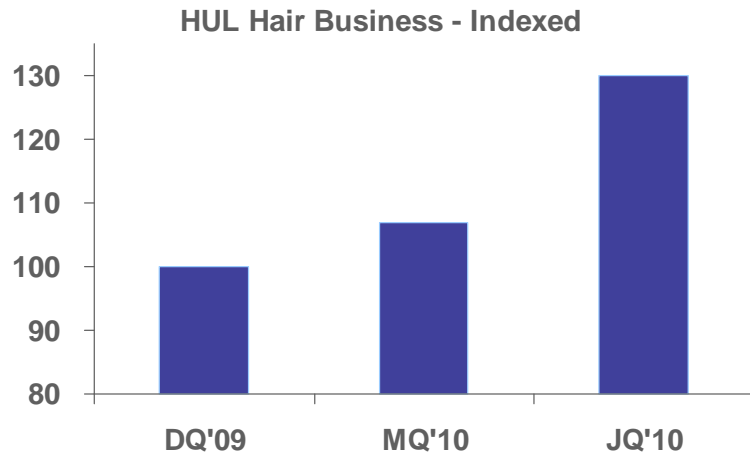
Hair and Oral: Growth momentum continues

- Hair continues to grow ahead of market for three quarters in a row
 - All Brands grow in volumes
 - Clinic Plus & Dove deliver strong double digit sales growth
 - Conditioners grow ahead of the market
- Oral Care: Volume led growth in Toothpaste
 - Pepsodent revitalised – new salient advertisement strengthens Germi Check credentials



Hair: Consistent & competitive growth

Growth: ahead of the market



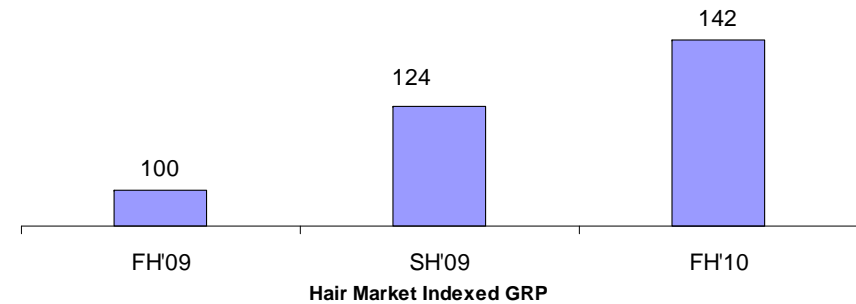
Shampoo: Presence across benefits, across price points



Leading market development in Conditioners



Heightened Competitive Intensity



Beverages grows in a weak market

- **Tea: Market growth slows down**
 - Double digit sales growth driven by Taj, 3 Roses & Red Label
 - Sehatmand performance on track
- **Coffee: Growth led by volumes**
 - Across conventional and instant coffee



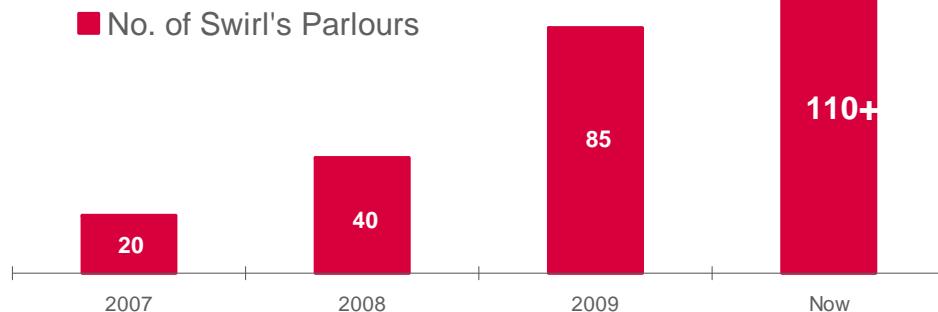
Processed Foods: Successful launch... Robust growth

- Processed foods grew in strong double digit with improved profitability
- Knorr delivers strong growth led by:
 - Extremely positive response to Knorr Soupy Noodles
 - Robust growth in Soups & Meal maker
- Kissan sustains strong growth momentum
- Annapurna continues to grow steadily
 - Low Sodium salt launched



Ice Cream crosses Rs. 100 CR turnover

- Impulse & Take Home segments drive growth
- Swirl's Parlours continue to expand



Pureit grows strongly

- Strong volume performance
- Product superiority builds competitive advantage
 - Only purifier to meet stringent criteria of EPA (USA)
- Successful launch of Pureit Compact at Rs. 1000 price point
 - No compromise on Germ Kill effectiveness and safety standards
- Extended retail coverage: >20,000 retail outlets nationally
- Service levels improved to 99.5%



JQ'10 – Results

Rs Cr

Rs Crores	JQ'10	JQ'09	Growth%
Net Sales	4794	4476	7.1
EBITDA	681	715	(4.8)
PBIT	627	673	(6.7)
<i>PBIT margin (%age)</i>	13.1	15.0	-
PBT bei	669	701	(4.5)
Exceptional Items	19	3	-
PBT	688	704	(2.2)
PAT bei	521	538	(3.1)
Extraordinary Items (net of Tax)	0	4	
Net Profit	533	543	(1.8)

JQ'10 – Exceptional Items

Rs Cr

Particulars	JQ'10	JQ'09
Assets Sale	19*	5
Sale of investment	4	-
Others	(4)	(2)
Total	19	3

*Rs.1849 Lakhs rounded off to 19 CR

JQ'10 Results - 28th July 2010

Looking ahead

We will continue to focus on:

- **Unblinking defence of our strong leadership positions in core categories**
- **Sustain competitive growth momentum through bigger and better innovations**
- **Leading market development of new categories**
 - **Winning with consumers, channels and segments of tomorrow**
- **Strengthen overall organisational capabilities**
 - **Speed to market**
 - **Flawless execution**
- **Further step up cost management and cash delivery**



Thank you

For more information, please visit <http://www.hul.co.in>



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