

Results JQ'12

Investor Presentation – July 24, 2012

NEW *Fair & Lovely*

Not just a Cream, it's a Fairness Treatment!



1 FACE POLISH

2 LASER

3 VITAMIN MASK

4 ANTIOXIDANT

5 FACE PEEL



'Fairness treatment' refers to treatments in the cosmetic domain. Cosmetically targets the same skin flaws as above treatments. Results not equal to clinical/invasive skin treatments.

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Agenda

1

Strategy

2

Business Environment

3

Current Quarter Performance

4

Looking Ahead

Clear and compelling strategy

Strategic framework

THE COMPASS

WE ARE UNLIVER...

VISION
We are a successful, growing, sustainable business.

WE WERE TO CREATE A BETTER TOMORROW EVERY DAY
We help people feel good, look good and get more out of life with brands and services that are good for them and good for others.
We will inspire people to take small everyday actions that can add up to a big difference for the world.
We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.

MISSION
We focus on consumers and customers with a bias for action.

Our first priority is to our consumers, their customers, employees and communities. When we fulfil our responsibilities to these, our shareholders will be rewarded. We will work through a growth mindset and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

OPPORTUNITIES
Our ideas and great returns in every category and country.

HOW WE WILL WIN...

Winning with brands and innovation	1	Deliver superior products, design, branding and marketing
	2	Engage, buffer, inspire innovation
	3	Appeal to mass consumers across health and price points
Winning in the marketplace	4	Lead market development
	5	Win with existing customers
	6	Be the exclusive partner/hero
Winning through distribution improvement	7	Join, regenerate and customer-led relationships
	8	Drive return on brand equity
	9	Agile and innovative organization
Winning with people	10	Organization and drive to talent pipeline ready to double our growth ambition
	11	Performance culture which supports our vision
	12	Settings for operating framework for competitive advantage

Sustainable Living Plan



Goals

Consistent Growth

Competitive Growth

Profitable Growth

Responsible Growth

JQ'12 – Business environment

→ **FMCG markets grow in double digits**

- Soaps and Detergents growth led by pricing

→ **Competitive intensity sustains**

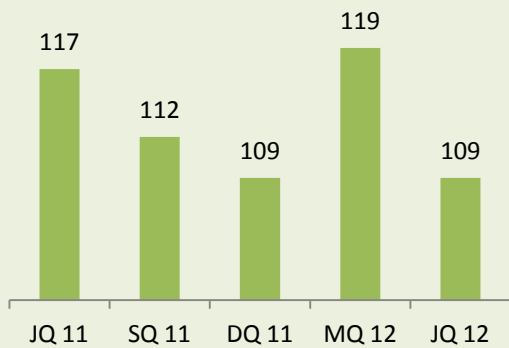
→ **Inflationary pressures continue**

- Currency offsets commodity

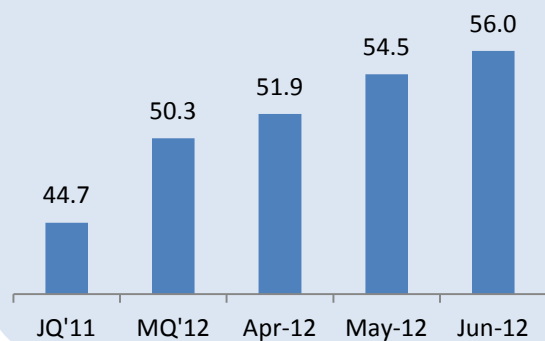
Inflationary pressures continue

Currency offsets commodity

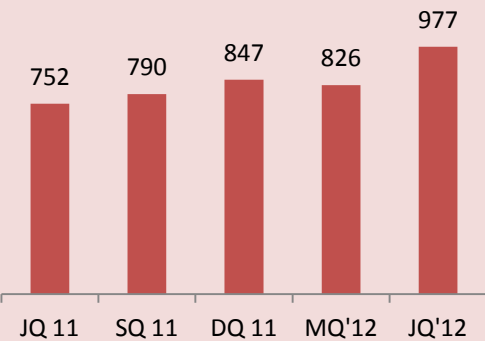
Crude* softens



USD/INR under pressure



PFAD^ up despite Palm softening



JQ'12 - Strong Performance

Growth profitable and broad based

→ **Domestic Consumer business grows by 18.7%**

- Strong 9% Underlying Volume Growth
- Double digit growth across both Home & Personal Care and Foods
- Growth continues to be led by Modern Trade and Rural

→ **Operating Profit grows by 30%; margin up 180 bps**

- Judicious pricing combined with relentless focus on buying efficiencies & CEPs
- COGS down by 220 bps; A&P up 160 bps

→ **PAT (bei) at Rs. 855 crores, grows by 48%; Net Profit Rs. 1331 crores, up by 112%**

- Exceptional income of Rs. 607 crores arising out of sale of properties

Broad based growth

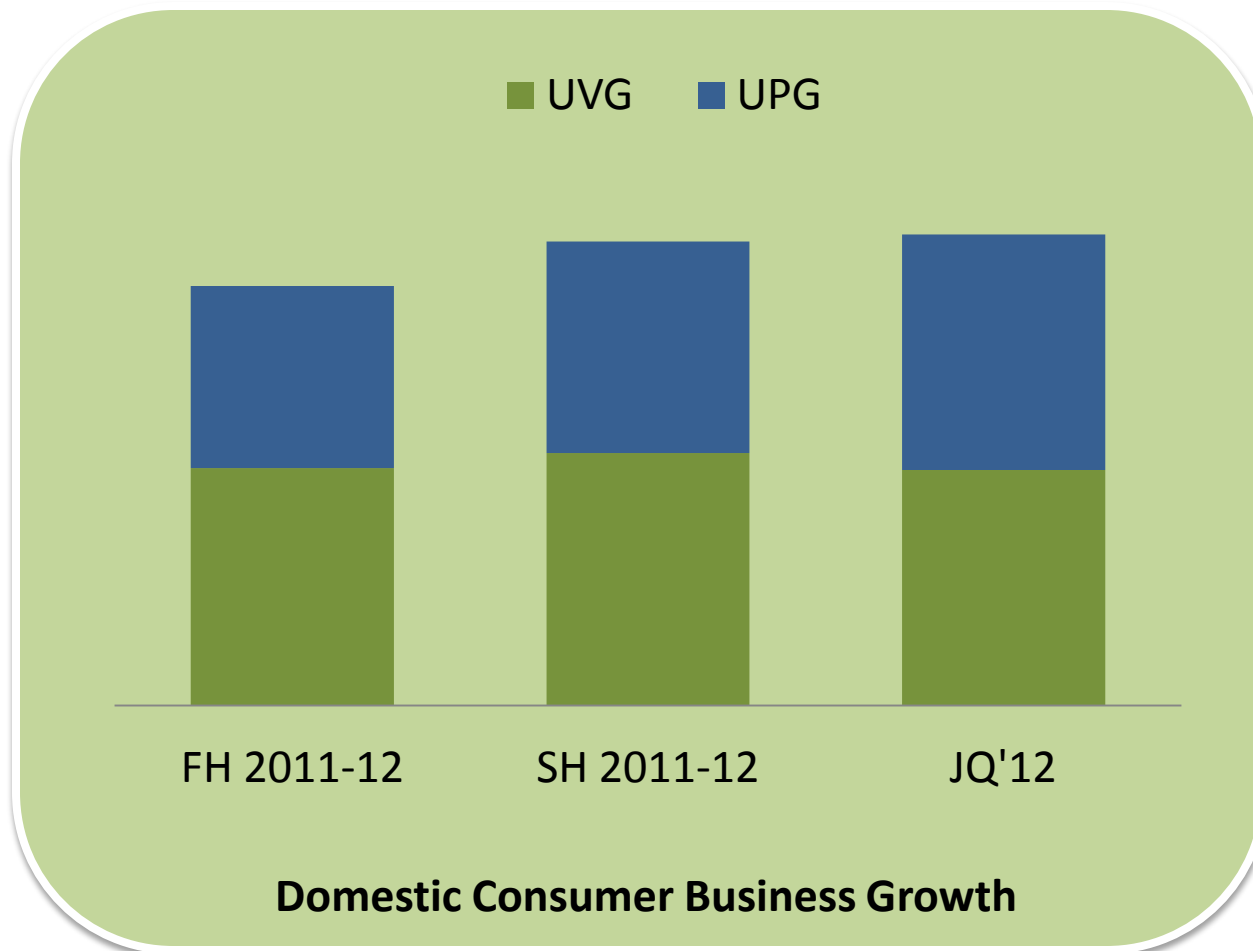
	<i>Growth % JQ '12</i>
Soaps & Detergents	23.7
Personal Products	16.7
Beverages	7.4
Packaged Foods	17.3
<hr/>	
Domestic FMCG[^]	18.7
Domestic Consumer[^]	18.7

[^] Excludes Other Operational Income

Domestic Consumer business = Domestic FMCG + Water

Winning consistently

Sustaining strong volume led growth



Domestic Consumer Business Growth

Domestic Consumer business = Domestic FMCG + Water

UVG: Underlying Volume Growth; UPG: Underlying Price Growth

Winning with brands

Continued focus on innovations



Axe soap bars
Engineered for guys



Vaseline moisture therapy Heel Cream



Lakme Perfect Radiance range



Fair and Lovely advanced multi vitamin with benefits of a skin treatment



Kissan 'sweet and spicy' ketchup



Selection 100 ml cups in four international flavours



New Vanilla Supreme from Kwality Walls



Pepsodent Expert protection range



Pepsodent Mouthwashes



Pureit Advanced with Double Protection

Winning in the marketplace

Bushfire 2012

SPREAD THE FIRE AT
40,000 OUTLETS ACROSS INDIA
MISSION BUSHFIRE 2012



6000

EMPLOYEES ACROSS INDIA

48000

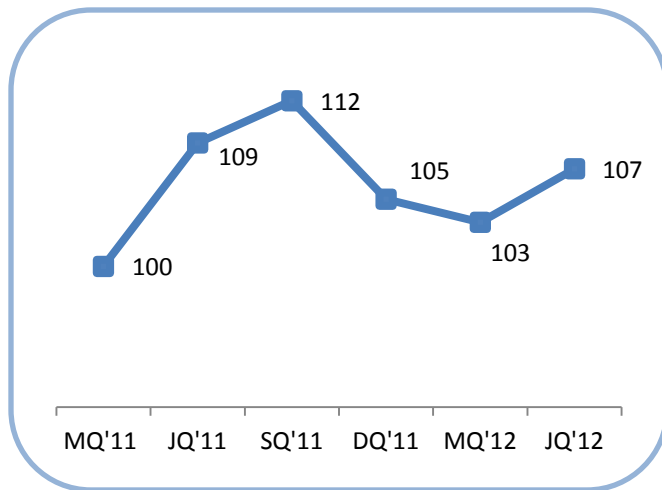
STORES CONVERTED PERFECT

BUSHFIRE
ONE Unilever, ONE ARMY
May 10th - May 17th

Media intensity sustains

Investing for growth

Industry GRP – indexed chart



→ Overall media intensity up sequentially

→ Competitive spends maintained

- A&P spends up Rs. 187 crs to Rs. 820 crs
 - +160 bps to 13.1% of sales
- Brand investments stepped up in all segments
- Focus on driving 360° engagement continues

Operating Margin expansion

Recovering the dip in base year

Operating Margin %



Benefitted from low base

CATEGORY HIGHLIGHTS

Skin Cleansing

Double digit growth across all segments



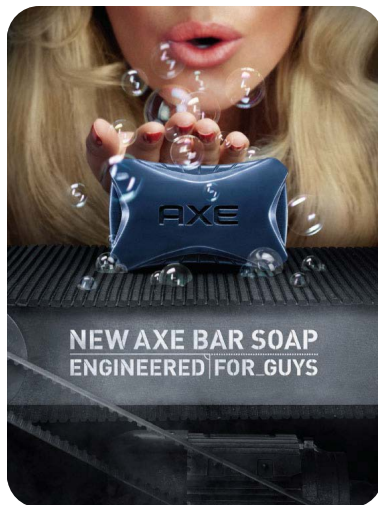
→ Growth ahead of market with strong volumes

→ All key brands grow in double digits

- Dove and Pears drive strong premium segment growths
- Lux growth momentum further accelerates

→ Axe Bar launched during the quarter

→ Liquids continue on high growth path



NEW AXE BAR SOAP
ENGINEERED FOR GUYS

Home Care

Strong broad based growth



→ Laundry: Growth ahead of market

- All brands and formats grow in double digits
- Strong performance in premium portfolio
 - Surf and Rin deliver double digit volume growth
- Comfort more than doubled during the quarter

→ Magic water saver launched in a test market

→ Household Care: Vim grows in double digits

- Vim liquid continues to grow strongly



Skin Care

Sustained double digit volume-led growth



→ Double digit growth in FAL, Pond's and Lakme

- Broad based growth in FAL; core relaunched during the quarter
- Pond's performs well at the premium end led by Age Miracle
- Lakme strengthened with the relaunch of Perfect Radiance range
 - Capsule Treatment launched with revolutionary technology
- Vaseline Heel Cream introduced during the quarter

→ Strong momentum in Facewash sustained



Fair and Lovely advanced multi vitamin relaunch

Not just a cream, it's a Fairness Treatment!

Targeted Action of 5 Fairness Treatments. Now in your hands.

New Fair & Lovely Advanced Multivitamin is not just a cream, it's a fairness treatment!
Like fairness treatments, it targets all the darkness related problems on the face, such as spots, dark-circles, suntan, dull and dark skin, giving you flawless treatment like fairness, everyday!

So how does New Fair & Lovely Advanced Multivitamin work?



Targets Spots like a Laser Treatment

Spots are caused by concentration of melanin - the dark pigment in the skin. Fair & Lovely's Advanced Multivitamin formula works on melanin at the source and lightens spots, and helps prevent them from re-appearing.



Targets Suntan like a Face Polish Treatment

Fair & Lovely Advanced Multivitamin's actives work on the tanned outer layer of the skin. By stimulating skin cell turnover and promoting skin renewal, it gently removes the impact of suntan, giving you the benefit of a face polish treatment.



Targets Dullness like Face Peel Treatment

Fair & Lovely Advanced Multivitamin works on Dullness, like a face peel treatment. It effectively removes dead cell layers and helps promote new skin generation for a renewed glow.



Targets Dark Circles like an Antioxidant Treatment

Fair & Lovely Advanced Multivitamin is completely safe to use even on the most sensitive part of your face - the under eye. It contains powerful antioxidants, Vitamin E & C known to reduce free radical damage to skin, and clinically proven to effectively reduce dark circles.



Lightens skin colour like a Vitamin Mask

Fair & Lovely contains a powerful cocktail of 4 Vitamins that penetrate the skin layers to lighten skin colour from deep within*.

NEW Fair & Lovely

advanced multi vitamin™



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Results not equal to clinical/ invasive treatments.
Cosmetically targets the same flaws as above treatments

Hair and Oral

Volume led double digit growth



→ Hair - double digit growth across formats

- Dove momentum sustained; volumes double again
- Conditioners continue to lead market development



→ Oral – growth stepped up; led by Pepsodent

- Pepsodent Expert Protection range launched in end June 2012
- Foray into Mouthwash



Beverages

Growth led by Coffee



→ Tea growth led by Modern Trade

- Red Label delivered volume led double digit growth
- Taj Mahal Tea Bags & Lipton Ice Tea do well
- Taaza under pressure

→ Strong performance in Coffee sustained

- Growth broad based; across Instant and Roast & Ground
- Innovations continue to perform well



Packaged Foods

Driven by core



→ Kissan – growth led by volumes

- Ketchup delivers 11th consecutive quarter of double digit growth
 - Portfolio expanded with Sweet and Spicy launch



→ Knorr – mixed performance

- Double digit growth in Soups
- Step up needed in balance portfolio



→ Kwality Walls continues strong growth momentum

- On the back of 18 new variants launched at onset of season



→ **Business delivers double digit growth**

- Marvella RO continues to grow volumes
- 3000 litres germ kill kit grows strongly

→ **Pureit Advanced with double protection launched**

→ **Leveraging IT to step up execution and efficiencies**

JQ'12 – Results

FMCG exports demerged – reported numbers not comparable

Rs Cr	HUL (as reported)			HUL (ex FMCG exports)			
	Particulars	JQ'11	JQ'12	Growth%	JQ'11	JQ'12	Growth%
	Net Sales	5496	6250	13.7	5233	6250	19.4
	PBITDA	754	966	28	728	966	33
	PBIT	698	909	30	677	909	34
	PBIT margin (%)	12.7	14.5	180 bps	12.9	14.5	160 bps
	PAT bei	578	855	48	562	855	52
	Net Profit	627	1331	112	611	1331	118

→ **Domestic Consumer Business grows by 18.7%**

→ **EBIT margins up 180 bps**

→ **PAT (bei) up 48%**

JQ'12 – Exceptional items

Particulars	Rs Cr	
	JQ'11	JQ'12
Assets Sale	51	607
Others	8	(2.5)
Total	59	605

JQ '12 assets sale includes sale of Gulita (Mumbai) and Whitefield (Bangalore)

JQ'12 – PBIT to Net Profit

Rs Cr			
Particulars	JQ'11	JQ'12	Growth
PBIT	698	909	30%
Add : Other Income*	51	219	
Less : Finance Costs	(0)	(5)	
Exceptional Items – Credit / (Charge)	59	605	
PBT	807	1727	114%
Less : Tax #	(180)	(396)	
Net Profit	627	1331	112%

- *** Other Income includes –**
 - Interest income, dividend income and net gain on sale of other non-trade current investments Rs 112.4 Cr (JQ'11 : Rs 50.6 Cr)
 - Net long term gain on sale of other non-trade investments Rs 71.7 (JQ'11 : Nil)
 - Interest on Income Tax Refunds Rs 34.5 Cr (JQ'11 : Nil)
- **# Tax** : Write back of excess tax provision of earlier years Rs 15.8 Cr (JQ'11 : Nil)

JQ'12 summary

- **Strong 18.7%* growth with 9% UVG in a challenging environment**
- **Operating Profit up 30%; margin recovery (+180 bps)**
- **PAT (bei) grows by 48%**
- **Strategy on track and delivering**

Looking ahead

➤ **Medium Term**

- Consumer growth drivers and market trends positive

➤ **Near Term Challenges**

- Monsoon
- Currency
- Inflation

➤ **Competitive intensity will sustain**

We remain committed to our strategy

Strategic framework

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