Hindustan Unilever Limited – Results for June Quarter 2011

Domestic Consumer business grows by 15% in June Quarter

Mumbai, July 28th 2011: Hindustan Unilever Limited (HUL) announced results for the June Quarter 2011.

During the quarter, Domestic Consumer business grew by 15%, driven by strong 8.3% underlying volume growth, with double digit growth across segments.

Home and Personal Care business grew by 15.4%. Soaps and Detergents delivered strong growth, ahead of the market. In Laundry, all brands grew well across formats and Rin delivered its sixth consecutive quarter of double digit volume growth. In Skin Cleansing all segments grew well and Lifebuoy delivered double digit growth. Hand and Body Wash sales have tripled in the last two years.

Growth in Personal Products accelerated to 19.4%, underpinned by strong volumes. Skin Care grew strongly across the portfolio led by innovations. All the key brands continued to deliver strong double digit growth. FAL grew strongly on the core and aided by the launch of FAL Multi Vitamin Face Wash. Vaseline continues to extend to new platforms; Ponds and Lakme are successfully driving premiumisation across segments. Hair and Oral also delivered double digit growth. Clear was relaunched with "Nutrium 10" technology for superior efficacy and a customized range for men and women.

Foods business grew 14.9% with strong performance in both Beverages and Packaged Foods. Beverages grew by 13.1%, with Tea and Coffee performing well and Lipton Ice Tea was launched on the 'Lite Refreshment' platform. In Packaged Foods, Kissan and Knorr grew in double digits while Kwality Walls had one of its strongest quarters led by innovations and distribution expansion.

The business strategy for water is on track. Pureit continues to expand into retail channel and broaden its portfolio to appeal to more consumers across the income levels. Pureit Intella was launched as a more affordable offering.

Commodity inflation continues to be at high levels with Cost of Goods Sold going up by 480bps. Cost pressures were managed dynamically through aggressive savings programmes coupled with judicious pricing. The overall competitive intensity remained high. Advertising spends were stepped up in Personal Products and Packaged Foods while spends in Soaps and Detergents were calibrated in line with industry trends. A&P spends at 11.5% of sales remained competitive. The business continued to focus on driving buying efficiencies, cost saving programmes and return on marketing investments.

Profit before interest and tax (PBIT) grew by 11.3% with PBIT margin being lower by 40 bps. Profit after tax but before exceptional items, PAT (bei), grew by 11% to Rs. 578 crore during the quarter. Net Profit at Rs.627 crore grew by 18%.

Harish Manwani, Chairman commented: "Our strategy continues to deliver consistent and competitive growth. This is the fourth consecutive quarter of double digit growth led by a combination of innovations, market development and relentless focus on execution. In a challenging business environment, we are managing our business dynamically to ensure that we remain competitive and cost efficient."

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.

Media Contacts:
Email:mediacentre.hul@unilever.com,
Telephone: Prasad Pradhan - 022 39832429, R Ram - 022 39832413

HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2011

Rs. Lakhs

	Unaudited Results for the Quarter ended 30th June		Audited Results for the Accounting year ended
	2011	2010	31st March 2011
1.a. Net Sales from Operations [sum of (i) to (iv)]	**550,389**	**479,389**	**1,940,111**
i) Domestic FMCG - HPC	413,324	358,317	1,443,457
ii) Domestic FMCG - Foods	96,713	84,206	347,151
Domestic FMCG - Total (i+ii)	510,037	442,523	1,790,608
iii) Exports	30,450	26,298	109,313
iv) Others	9,902	10,568	40,190
1.b. Other Operating Income	7,547	8,232	33,409
1. Total Income [1.a. + 1.b.]	557,936	487,621	1,973,520
2. Expenditure [sum of (a) to (g)]	488,129	424,877	1,725,672
a) Decrease/(increase) in stock in trade and work in progress	19,026	11,107	(29,053)
b) Consumption of raw/packing materials	211,410	168,326	752,926
c) Purchase of traded goods	76,979	65,227	281,813
d) Employees Cost	28,623	25,061	96,126
e) Depreciation/Amortisation	5,620	5,350	22,083
f) Advertising & Promotions	63,295	75,121	276,423
g) Other expenditure	83,176	74,685	325,354
3. Profit from Operations Before Other Income, Interest and Exceptional Items (1-2)	**69,807**	**62,744**	**247,848**
4. Other Income	5,060	4,213	25,194
5. Profit before Interest & Exceptional Items (3+4)	74,867	66,957	273,042
6. Interest expense	2	8	24
7. Profit after Interest but before exceptional Items (5-6)	74,865	66,949	273,018
8. Exceptional Items - gain	5,875	1,850	20,683
9. Profit from Ordinary Activities Before Tax (7+8)	**80,740**	**68,799**	**293,701**
10. Tax expense	(18,024)	(15,478)	(63,104)
11. Net Profit from Ordinary Activities After Tax [9+10]	62,716	53,321	230,597
12. Extraordinary Items	-	-	-
13. Net Profit for the period (11+12)	**62,716**	**53,321**	**230,597**
14. Paid up Equity Share Capital (face value Re 1 per share)	**21,607**	**21,821**	**21,595**
15. Reserves excluding Revaluation Reserve			**241,730**
16. Earnings Per Share (EPS) -			
Basic Earnings per Share of Re 1 (before Extraordinary Items) - Rs.	2.90	2.44	10.58
Diluted Earnings per Share of Re 1 (before Extraordinary Items) - Rs.	2.90	2.44	10.56
Basic Earnings per Share of Re 1 (after Extraordinary Items) - Rs.	2.90	2.44	10.58
Diluted Earnings per Share of Re 1 (after Extraordinary Items) - Rs.	2.90	2.44	10.56
17. Public Shareholding			
- Number of Shares	1,025,834,100	1,047,230,942	1,024,622,508
- Percentage of Shareholding	47.48%	47.99%	47.45%
18. Promoters and Promoter Group Shareholding			
a) Pledged/Encumbered			
- Number of shares	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA
b) Non-Encumbered			
- Number of shares	1,134,849,460	1,134,849,460	1,134,849,460
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	52.52%	52.01%	52.55%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED, UNDER CLAUSE 41 OF THE LISTING AGREEMENT

Rs. Lakhs

	Unaudited Results for the Quarter ended 30th June		Audited Results for the Accounting year ended
	2011	2010	31st March 2011
Segment Revenue (Sales and Income from Services)			
- Soaps and Detergents	255,504	226,446	879,156
- Personal Products	163,070	136,551	584,410
- Beverages	60,856	53,784	234,397
- Packaged Foods	37,208	31,575	117,715
- Exports	30,634	26,477	109,965
- Others (includes Chemicals, Water, etc)	10,660	11,258	43,803
Total Segment Revenue	557,932	486,091	1,969,446
Less : Inter segment revenue	-	-	-
Net Segment Revenue	557,932	486,091	1,969,446
Segment Results (Profit before tax and interest from ordinary activities)			
- Soaps and Detergents	23,606	24,875	83,406
- Personal Products	41,326	33,879	149,481
- Beverages	7,540	6,953	35,776
- Packaged Foods	1,738	2,587	3,233
- Exports	2,368	2,269	9,155
- Others (includes Chemicals, Water, etc)	(256)	(2,661)	(7,495)
Total Segment Results	76,322	67,902	273,556
Less : Interest Expense	(2)	(8)	(24)
Add/(Less) : Other unallocable income net of unallocable expenditure	4,420	905	20,169
Total Profit Before Tax from ordinary activities	80,740	68,799	293,701
Capital Employed (Segment assets less Segment liabilities)			
- Soaps and Detergents	(26,346)	(62,178)	(37,623)
- Personal Products	1,688	(10,920)	14,502
- Beverages	25,666	14,215	34,217
- Packaged Foods	11,168	1,250	13,131
- Exports	18,847	19,149	19,561
- Others	(6,171)	(8,743)	(2,863)
Total Capital Employed in segments	24,852	(47,227)	40,925
Add : Unallocable corporate assets less corporate liabilities	303,464	359,610	222,467
Total Capital Employed in company	328,316	312,383	263,392

Notes:

1. Net sales grew by 14.8% during the quarter. Domestic Consumer Business (FMCG + Water) grew by 14.8% with a 15.4% growth in HPC and 14.9% growth in Foods businesses.

2. Operating Profit (Profit from Operations before Other Income, Interest and Exceptional Items) for the quarter at Rs. 69807 lakhs (JQ'10: Rs. 62744 lakhs) grew by 11.3%.

3. Profit after tax from ordinary activities before Exceptional Items (PAT-bei) (refer note 5 below) for the quarter at Rs. 57841 lakhs (JQ'10: Rs. 52120 lakhs) grew by 11%.

4. Other income includes interest income, dividend income and net gain on sale of other non trade investments.

5. Exceptional items in JQ'11 include profit on sale of properties Rs. 5099 lakhs (JQ'10: Rs. 1849 lakhs), profit on sale of long term trade investments Rs. Nil (JQ'10: Rs. 441 lakhs), restructuring costs of Rs. 595 lakhs (JQ'10: Rs. 440 lakhs) and write back of provision pertaining to a brand disposed in an earlier year Rs 957 lakhs (JQ'10: Rs. Nil).

   During the quarter, Hindustan Field Services Pvt. Ltd. ceased to be a subsidiary company consequent to dilution of the company's stake from 51% to 7.69%. The profit on dilution of such stake amounting to Rs 414 lakhs is included under Exceptional items.

6. In order to fully exploit the opportunity in exports market and to provide necessary focus, flexibility and speed to the business, the Board of Directors has approved a proposal for demerger of FMCG exports business including specific exports related manufacturing units of the Company into its wholly owned subsidiary Unilever India Exports Ltd. (UIEL) with effect from 1st April, 2011. Pending approval by the shareholders and by the Hon'ble Mumbai High Court, the financial results of the FMCG exports business continue to be reported as part of the company's results for the quarter.

7. Investor complaints status:
   All 18 complaints received during JQ'11 have been resolved. No complaints were pending for resolution either at the beginning or at the end of June 2011 quarter.

8. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.

9. The text of the above statement was approved by the Board of Directors at their meeting held on 28th July, 2011.

Limited Review: The Limited Review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related Report is being forwarded to the Stock Exchanges. This Report does not have any impact on the above Results and Notes which needs to be explained.

For more details, visit our website at http://www.hul.co.in

By order of the Board

Place: Mumbai
Date: 28th July, 2011

Nitin Paranjpe
Managing Director & CEO

Notes on Segment Information

1. Segment Revenue, Results and Capital Employed figures represent amounts identifiable to each of the segments. Other "unallocable income net of unallocable expenditure" includes expenses on common services not directly identifiable to individual segments, corporate expenses, interest/dividend/ other financial income (net) and exceptional items.

   Capital Employed figures are as at 30th June 2011, 30th June 2010 and 31st March 2011 respectively. Unallocated corporate assets less corporate liabilities mainly represent investments of surplus funds.

2. The Company has reviewed the segment reporting that existed as at 31st March, 2011 in light of changes to the management structure over the years, priorities for the future and the requirements of Accounting Standard 17 issued by the Institute of Chartered Accountants of India. Arising from the review, the Company has decided to combine Ice Creams and Processed Foods into the Packaged Foods segment. Consequently, the Foods business will be reported under two distinct business segments viz. Beverages and Packaged Foods. This change does not have a material impact on the company's segment reporting for the current period or earlier periods reported. Following this change, the company has restated the corresponding figures of segment information for all periods presented.

3. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.