

MQ 2015 & FY 2014-15 Results Presentation

May 8, 2015



Aaj ki mazbooti hi kal jhalkegi.

CLINIC
PLUS+



35x tak*
zyaada mazboot baal

MAZBOOT BAAL. MAZBOOT RISHTEY.

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.

Agenda

1

Strategy

2

Business Context

3

Current Quarter Performance

4

Financial Year Performance

5

Looking Ahead

Clear and Compelling Strategy

Strategic Framework

THE COMPASS

WE ARE UNILEVER...

MISSION
We are a successful, growing, sustainable business.
WE WORK TO CREATE A BETTER FUTURE 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.

VALUES
We focus on (consumers and customers) with a bias for action.
Our first priority is to our consumers, then customers, employees and communities.
When we fulfil our responsibilities to them, our shareholders will be rewarded.
We will aim through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

PRIORITIES
We chase and grow volume in every category and country.

HOW WE WILL WIN...

HOW WE WILL WIN...	Winning with brands and innovation	1	Deliver superior products, design, branding and marketing
		2	Engage better, better innovation
		3	Appeal to more consumers across reach and price points
	Winning in the marketplace	4	Lead market development
		5	Win with existing customers
		6	Be an executive powerhouse
	Winning through continuous improvement	7	Lean, rigorous and customer led value chain
		8	Drive return on brand equity
		9	Agile and competitive organisation
	Winning with people	10	Engagement and drive to talent pipeline ready to match our growth ambition
		11	Performance culture which supports our value
		12	Strengthen our operating framework for competitive advantage

Sustainable Living Plan



Goals

Consistent Growth

Competitive Growth

Profitable Growth

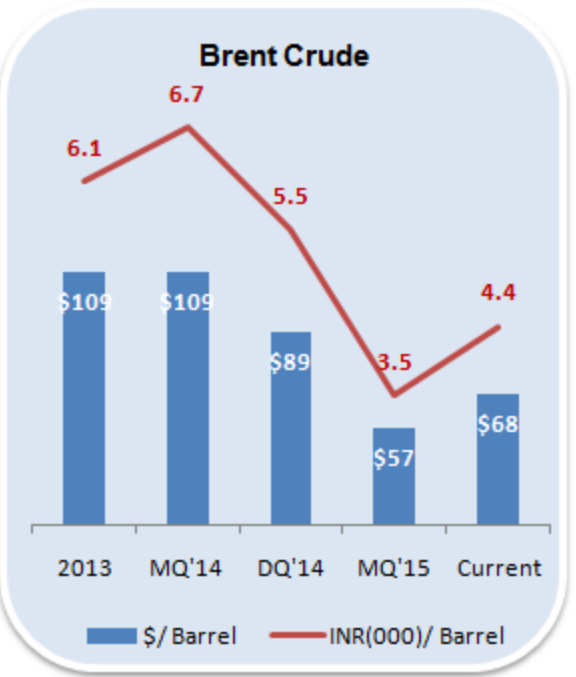
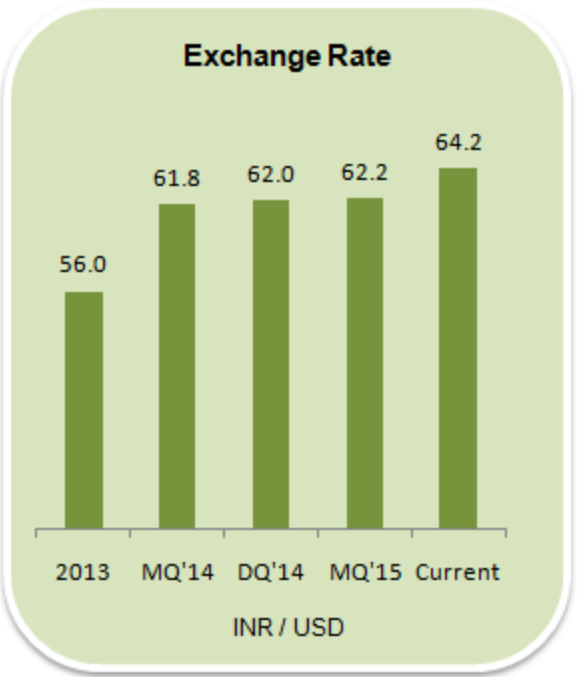
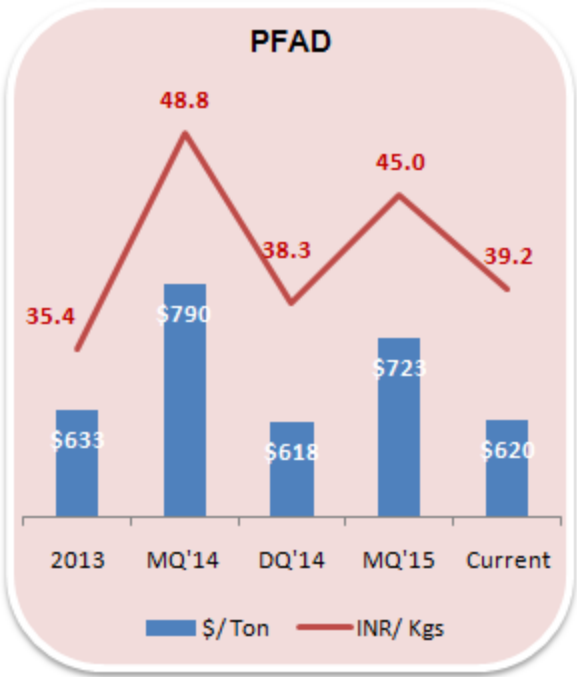
Responsible Growth

MQ 2015 – Context

Business environment volatile

- **Markets remain soft; pick up in reported growth in recent months**
- **Input costs benign**
- **Competitive activity high, particularly in commodity led categories**

Benign input costs



Source: Bloomberg data and internal estimates
 INR numbers arrived at by applying the average exchange rate of the quarter to the average USD cost of the commodity

- **Domestic Consumer business grows by 9%, ahead of market**
 - 6% underlying volume growth
- **Operating Profit (PBIT) at Rs.1248 crores, up 23%; margin expands +190 bps**
 - COGS lower by 310 bps; driven by lower commodity costs and savings programs
 - Competitive spends across segments - A&P up Rs. 188 crores (+22%, +150 bps), led by promotions
- **PAT (bei) at Rs. 911 crores, up 9%; Net Profit at Rs. 1018 crores, up 17%**
- **Impact of phase out of fiscal benefits: Topline (-160bps), PBIT (-60bps), ETR (-320bps yoy)**
 - Offset by, one time credit of Rs 71.5 crores for Excise Duty refund (+100bps topline, +80bps PBIT)

Broad based growth across segments

	<i>Sales growth %</i>
Soaps & Detergents	5
Personal Products	13
Beverages	11
Packaged Foods	14

Domestic Consumer grows at 9%

CATEGORY HIGHLIGHTS

Winning with Brands

Continued focus on innovations



Winning with Brands

Impactful 360 activation

Close up- Valentines Day Campaign



Pond's Men – Association with ABCD2



Leveraging Festivals



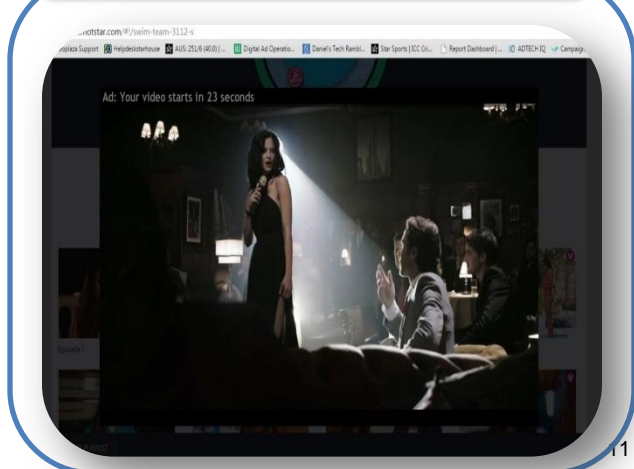
Lakme School of Style



Tweetheart Offers



Signature Collection on Hotstar



Skin Cleansing

Volume led growth



→ Growth driven by Lifebuoy, Liril and Pears

→ Lifebuoy Hand wash delivers another strong performance

→ Price deflation in the quarter due to:

- Commodity cost benefits passed on to consumers
- Phase out of Excise Duty benefits

Home Care

Growth led by premium segment



→ Laundry

- Surf sustains volume led double digit growth momentum
- Rin growth continues to be led by bars
- Wheel performance subdued
- Comfort delivers another good quarter led by market development

→ Household Care

- Growth led by Vim: broad based performance across bars and liquids

→ **Price deflation in quarter as commodity cost benefits were passed on to consumers**

Skin Care

Double digit growth led by FAL and Pond's



→ Fair & Lovely double digit growth momentum sustained



→ Pond's performance driven by Premium Skin Lightening and Talc

→ Lakme performance driven by Perfect Radiance and CC Cream



→ One off Excise Duty refund more than offsets phase out impact of fiscal benefits

Hair Care

Volume led double digit growth sustained



→ **Broad based double digit growth across brands and formats**

- Dove leads category performance
- Sunsilk driven by impactful activation
- Clinic Plus does well; re-launched towards end of quarter
- TRESemmé continues to gain ground



→ **Strong growth despite phase out of Excise Duty benefits**



Oral Care

Double digit growth on Close Up



→ Close Up does well on back of impactful activation

→ Pepsodent growth led by Gum Care and Clove & Salt

→ One off Excise Duty refund more than offsets phase out impact of fiscal benefits



Color Cosmetics

Innovation led double digit growth



→ **Lakme sustains strong growth led by premium make up**

- Absolute and 9 to 5 ranges doing well
- Exciting launch of Lip Love lip balm and 'Sculpt Lakme Lipstick'



→ **Cutting edge digital activation around another successful edition of Lakme Fashion Week**

→ **Elle 18 portfolio extended with additions to the lip range**

Beverages

Double digit growth in Tea and Coffee



→ Red Label, Taj and 3 Roses deliver double digit growth

- Driven by strengthened brands and sharper in-market activations
- Natural Care portfolio continues to do well
- Green Tea sustains momentum on focused market development



→ Coffee delivers a good quarter led by Bru Gold



Packaged Foods

Sixth successive quarter of double digit growth



→ Double digit growth in Kissan, Knorr and Kwality Walls

→ Kissan sustains activation led growth momentum

→ Knorr registers robust volume led growth, Instant Soups double

- Introduction of 2 new Chinese variants to the noodles portfolio

→ Kwality Walls and Magnum delivers a strong quarter

- Launch of Magnum Choco Cappuccino; now in 7 cities, with 4 variants



Packaged Foods

Driving growth through market development

Unlocking everyday relevance



Driving adoption and trials



KNORR
— at —
**THE KALAGHODA
ARTS FESTIVAL**

Sharper in-market execution





→ Pureit continues to strengthen its category leadership

→ Growth driven by premium devices

- Ultima (RO + UV) maintains its strong momentum
- Marvella RO+UV launched during quarter

→ Modern Trade and Pureit Perfect Stores accelerate growth

MQ 2015

Results summary

Rs Crores

Particulars	MQ'14	MQ'15	Growth %
Net Sales*	6,936	7,555	9
PBIT	1,012	1,248	23
PBIT margin (%)	14.6	16.5	190 bps
PAT bei	832	911	9
Net Profit	872	1,018	17

* Domestic Consumer grows at 9%

MQ 2015

PBIT to Net Profit

Particulars	Rs Crores		
	MQ'14	MQ'15	Growth %
PBIT	1011	1248	23
Add : Other Income	150	98	
Less : Finance Costs	5	0	
Exceptional Items – Credit / (Charge)	66	179	
PBT	1223	1525	25
Less : Tax	(351)	(507)	
Net Profit	872	1018	17

- Exceptional items include amongst others -
 - Profit on sale of wholly owned subsidiary Brooke Bond Real Estates Private Limited for Rs. 169 crores (MQ'14: Nil),
 - Reduction in provision for retirement benefits arising out of change in actuarial assumptions of Rs 5.4 crores (MQ'14: Rs. 50.75 crores)
- Tax rate for the quarter is 33.3% (MQ'14: 28.7%); FY 2015: 30.3% v/s 23.1% for FY 2014
 - Includes adjustments of previous years amounting to a charge of Rs. 45.4 crore.

Competitive and profitable growth sustained

- 9% Domestic Consumer growth, ahead of market
 - 6% underlying volume growth
- Competitive spends across segments - A&P stepped up by +150 bps
- PBIT margin expands +190 bps
 - Lower commodity costs and savings programs
 - One time benefit arising from Excise Duty refund (+80bps) offsetting phase out of fiscal benefits (-60bps)

**FINANCIAL YEAR ENDING
31ST MARCH 2015**

Financial Year ending 31st March 2015

Results summary

Rs Crores

Particulars	FY 2013-14	FY 2014-15	Growth %
Net Sales	27,408	30,171	10
PBITDA	4,475	5,208	16
PBIT	4,215	4,921	17
PBIT margin (%)	15.4	16.3	90 bps
PAT bei	3,555	3,843	8
Exceptional Items	228	664	
Net Profit	3,867	4,315	12

- Domestic Consumer grows at 10% with 5% UVG
- Impact of phase out of fiscal benefits - Topline (-90 bps), PBIT (-30 bps)
- Increase in Effective Tax Rate impacts PAT bei growth (FY 2015: 30.3%, FY 2014: 23.1%)
- Exceptional items primarily relate to sale/transfer of properties

Financial Year ending 31st March 2015

Strong track record of cash generation sustained

- **Higher cash from operations; another year of > 5000 crores**
 - After rationalization of creditor financing program
- **Higher taxes paid (FY15: 1940 crores, up 661 crores)**
- **Higher dividends paid* (FY15: 3427 crores, up 548 crores)**

Financial Year ending 31st March 2015

Broad based growth across segments

	USG	UVG	Profit
Soaps & Detergents	9%	3%	14%
Personal Products	11%	6%	17%
Beverages	9%	5%	6%
Packaged Foods	15%	10%	36%



USG: Underlying Sales growth; UVG: Underlying Volume growth; Profit = Segmental Profit

Financial Year ending 31st March 2015

Segment highlights

- Competitive performance on Soaps & Detergents in a volatile market
- Surf continues to lead category premiumization; now HUL's largest brand
- Personal Products delivers a healthy performance; double digit in Skin, Hair and Colours
- Fair & Lovely regains momentum during the year
- Six successive quarters of double digit growth in Packaged Foods
- Sustained market development yielding strong results (Liquids, Green Tea, Premium Coffee, Foods)
- Continued to build bigger brands -
 - Lifebuoy crosses Rs. 2000+ crores
 - All 3 Laundry brands (Surf, Rin and Wheel) > Rs. 2000 crores
 - FAL reaches Rs 2000 crores mark
 - Kwality Walls + Magnum now > Rs. 500 crores

Financial Year ending 31st March 2015

Delivered on strategy

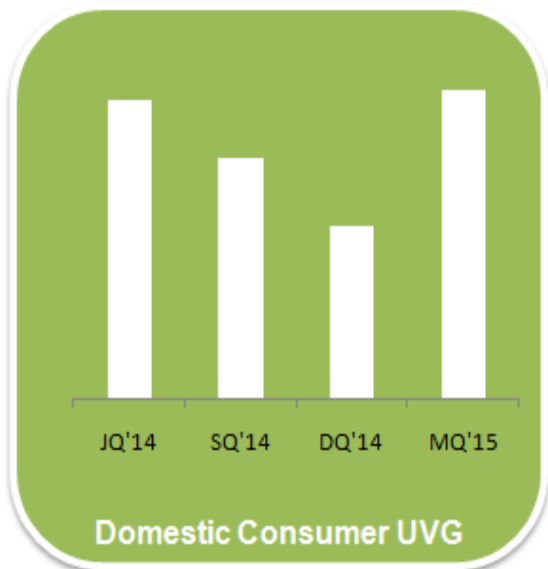
COMPETITIVE GROWTH

Ahead of market



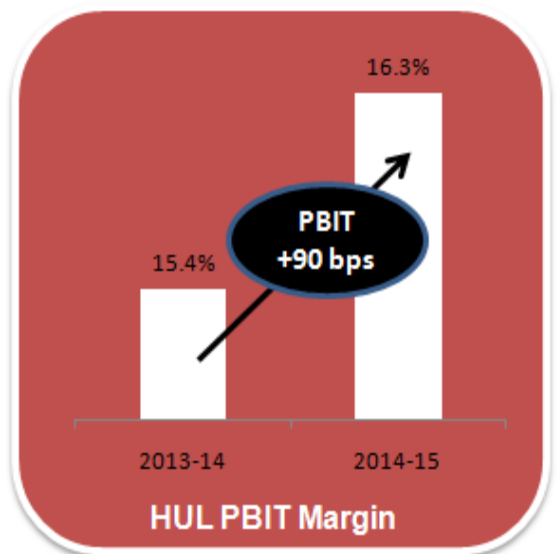
CONSISTENT GROWTH

Sustaining UVG in a slowing market



PROFITABLE GROWTH

Expanding margins whilst sustaining competitive investment



Whilst making progress on our Sustainability priorities



Hindustan Unilever Limited

**MAKING
SUSTAINABLE
LIVING
COMMONPLACE**

Financial Year ending 31st March 2015

Dividend

Particulars	FY 2013-14	FY 2014-15
Dividend Per Share	13	15
Interim	5.5	6
Final*	7.5	9
No. of Share (Cr.)	216.27	216.35
Total Dividend (Rs. Cr.)	2812	3245
Div. Dist. Tax (Rs. Cr.)	462	636
Total Div. Outflow (Rs. Cr.)	3274	3881

*Final dividend number for FY 2014-15 is subject to approval by the shareholders at the AGM

Looking ahead

- **In near term, pace of market recovery largely dependent on Rural**
- **Fiscal headwinds to continue for another year**
- **Mid-long term outlook for FMCG remains positive**
- **Sustained volume led growth and margin improvement**
 - Manage business dynamically
 - Market development
 - Continuous improvement
- **Strategy unchanged: Consistent, Competitive, Profitable, Responsible Growth**

For more information & updates

VISIT OUR WEBSITE

The screenshot shows the HUL Investor Centre website. On the left is a navigation menu with categories: UNDERSTANDING HUL, CORPORATE GOVERNANCE, SHAREHOLDER SATISFACTION SURVEY, SHAREHOLDER & AGM INFORMATION, SHAREHOLDING PATTERN, SHARE PRICE, and QUARTERLY RESULTS. The main content area features the 'Investor centre' header, a social media sharing bar, and a 'March Quarter 2015 Results' section. The results section includes a sub-header 'HUL will announce its results for MQ'15 on 8th May, 2015, (* Tentative Date)' and a 'View Results' button. Below this are three smaller result cards for March, December, and September quarters. To the right is a 'Presentations & speeches' section listing three presentations: 'Kotak Investor Conference Feb 2015 - CEO Keynote Address (5.1MB pdf)', 'DQ'14 Results Presentation (1.9MB pdf)', and 'SQ'14 Results Presentation (2.0MB pdf)', with a 'View all presentations' button at the bottom.

HUL INVESTOR APP

This section displays the HUL Investor App interface. At the top, three devices are shown: an iPhone, an iPad, and a tablet. The tablet screen shows the 'DQ'12 Results Presentation' with various product images. Below the device images is a large QR code for app access. To the right of the QR code are the Hindustan Unilever Limited logo and two app store availability badges: 'Available on the App Store' and 'ANDROID APP ON Google play'.