



## Hindustan Lever Limited Results – DQ '06

20th February 2007



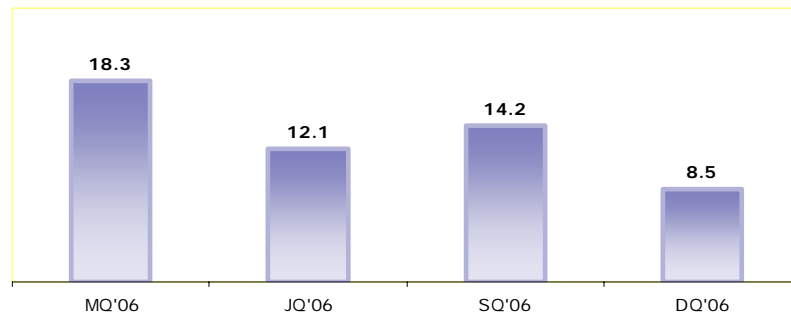
### Results Summary - DQ'06

- Continuing sales grows 6.9%
- FMCG business grows by 8.5%; HPC +8.0%, Foods +10.9%
- Steady Market Shares
- A&P spends higher by 7%
- PBIT grows 11.3%
- PAT grows by 10.2%
- Net Profit declines 1.9% as base DQ'05 includes Plantation Disposal

DQ'06 Results - 20 Feb '07

## FMCG Sales Growth

### FMCG Sales growth %



Underlying volume growth for DQ'06 = 4.3%

DQ'06 Results - 20 Feb '07

## Sales summary

Rs Crores	DQ'06	DQ'05	Growth%
HPC	2287	2118	8.0
Foods	491	442	10.9
<b>FMCG</b>	<b>2777</b>	<b>2560</b>	<b>8.5</b>
Exports	347	357	(2.8)
Others	31	34	(7.9)
<b>Continuing business</b>	<b>3156</b>	<b>2951</b>	<b>6.9</b>
Discontinued business	0	23	
<b>Net Sales</b>	<b>3156</b>	<b>2974</b>	<b>6.1</b>

DQ'06 Results - 20 Feb '07

Category Wise Sales growths		
	<u>Growth %^^</u>	
	<u>DQ'06</u>	<u>2006</u>
<b>Soaps &amp; Detergents</b>	<b>10.3</b>	<b>12.9</b>
<b>Personal Products</b>	<b>4.4^</b>	<b>15.7^</b>
<b>Beverages</b>	<b>7.7</b>	<b>3.8</b>
<b>Processed Foods</b>	<b>15.7</b>	<b>21.1</b>
<b>Ice Cream</b>	<b>50.6</b>	<b>38.5</b>
<b>FMCG</b>	<b>8.5</b>	<b>13.0</b>

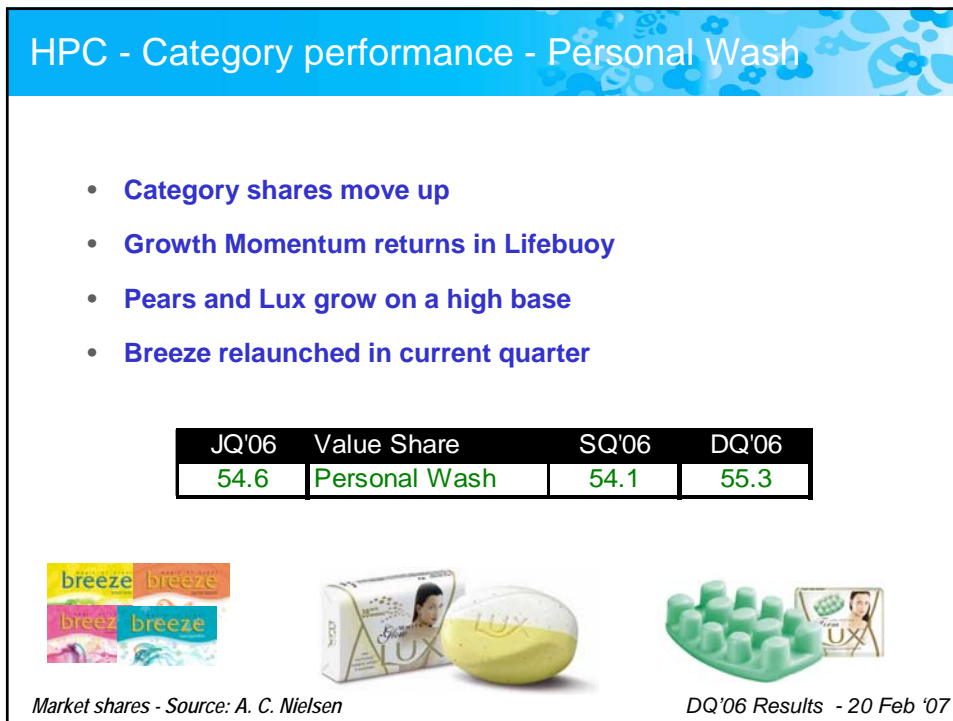
^ Adjusted for discontinued business (Nihar)  
^^ Excludes Other Segmental Income

DQ'06 Results - 20 Feb '07

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DQ'06 Results - 20 Feb '07



## HPC - Category performance – Fabric Wash

- Market shares improve
- Strong double digit growth in Surf on the “Dirt is Good” platform
- Double Digit growth in Rin for the 7<sup>th</sup> consecutive quarter
- Wheel grows well; returns to double digit growth

JQ'06	Value Share	SQ'06	DQ'06
35.3	Laundry	35.5	35.8



## HPC - Category performance - Shampoo

- Category market shares steady
- Sunsilk and Clinic Plus gains offset by high comparator of Clinic All Clear
- Sunsilk Colour Shine Range launched in SH'06

JQ'06	Value Share	SQ'06	DQ'06
48.0	Shampoo	48.9	48.5



Market shares - Source: A. C. Nielsen

DQ'06 Results - 20 Feb '07

## HPC - Category performance - Skin

- **Market Share steady**
- **Slow growth in Skin; Late & short winter affects off-take**
- **Mixed performance in the Brand Portfolio**
- **Top End range of Pond's does well; Investments continued in December Quarter**



JQ'06	Value Share	SQ'06	DQ'06
54.3	Skin	54.2	54.7

Market shares - Source: A. C. Nielsen

DQ'06 Results - 20 Feb '07

## HPC - Category performance - Toothpaste

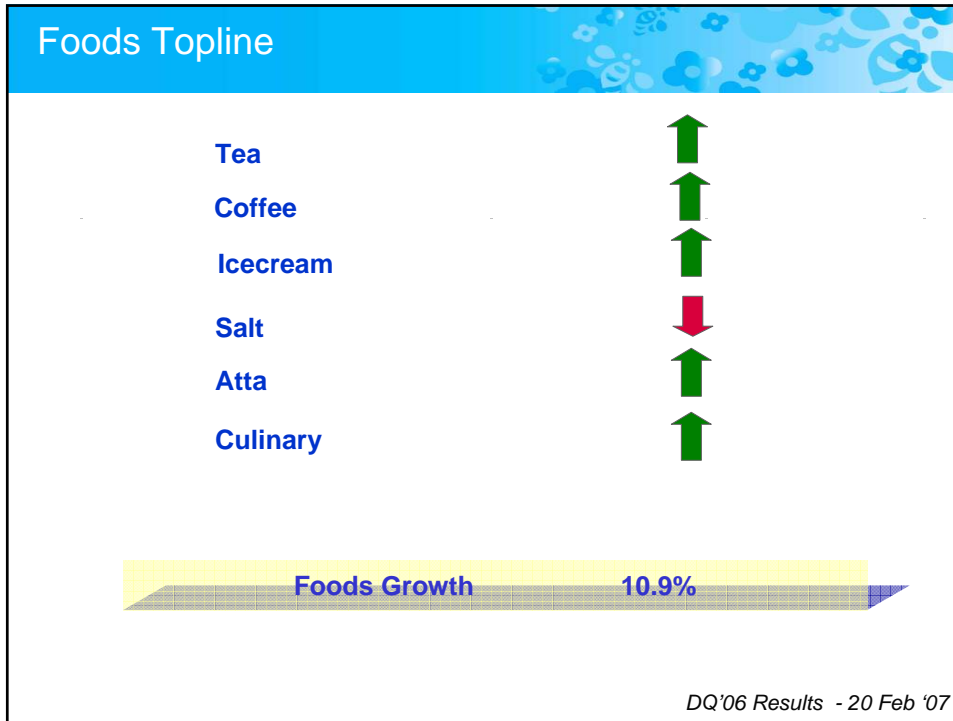
- **Market Shares Steady**
- **Close Up leads growth**
- **Successful launch of Pepsodent Complete 10/10**

JQ'06	Value Share	SQ'06	DQ'06
30.2	Toothpaste	30.7	30.4



Market shares - Source: A. C. Nielsen





## Foods - Category performance -Proc Foods

- Strong growth in Portfolio; Shares improve in Ketchup & Jams
- Knorr and Kissan grow strongly
- Annapurna records a modest growth



## Foods - Category performance -Icecream

- Category continues to perform very strongly
- Growth led by Impulse and Take Home segments





### Key Innovations/Activations - SH'06



Lux White Glow



Lux Uplifting Bar



Breeze Relaunch



Hamam launch



Lakme Free Spirit range



Lakme Free Spirit range



Pond's Age Miracle



Lux Body wash Range



Pond's Face Wash Range

DQ'06 Results - 20 Feb '07

### Key Innovations/Activations - SH'06



FAL - Menz Active



Lakme Fundamentals



FAL Skin Clarity Range



Vaseline Body Lotion



CP relaunch & CP Anti dandruff launch



Pepsodent 10/10 Activation

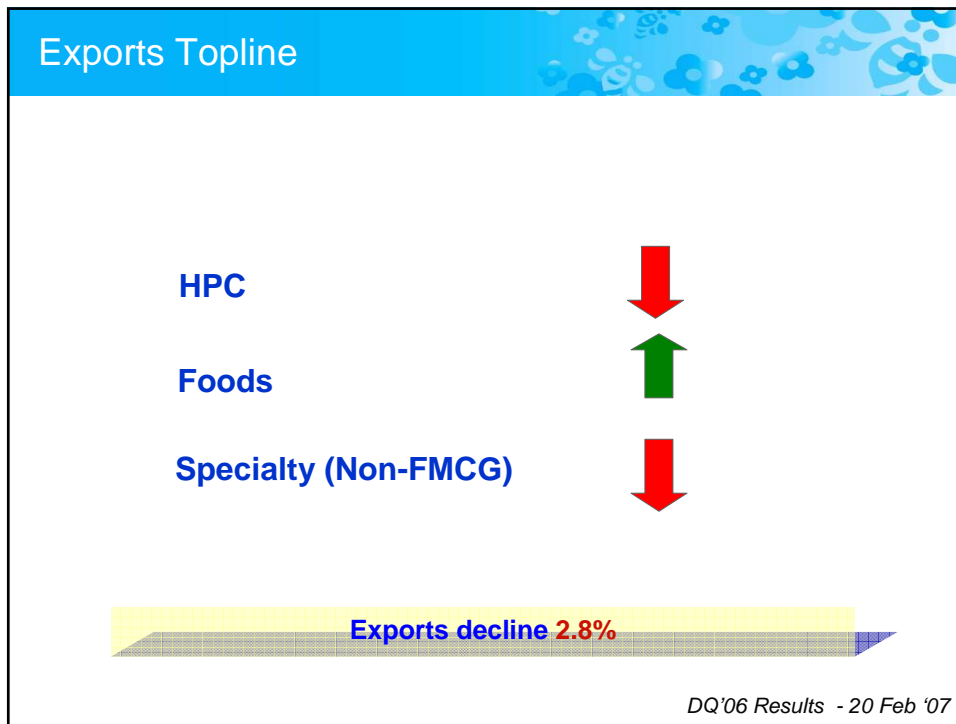


Taaza Relaunch



Sunsilk Top End range

DQ'06 Results - 20 Feb '07



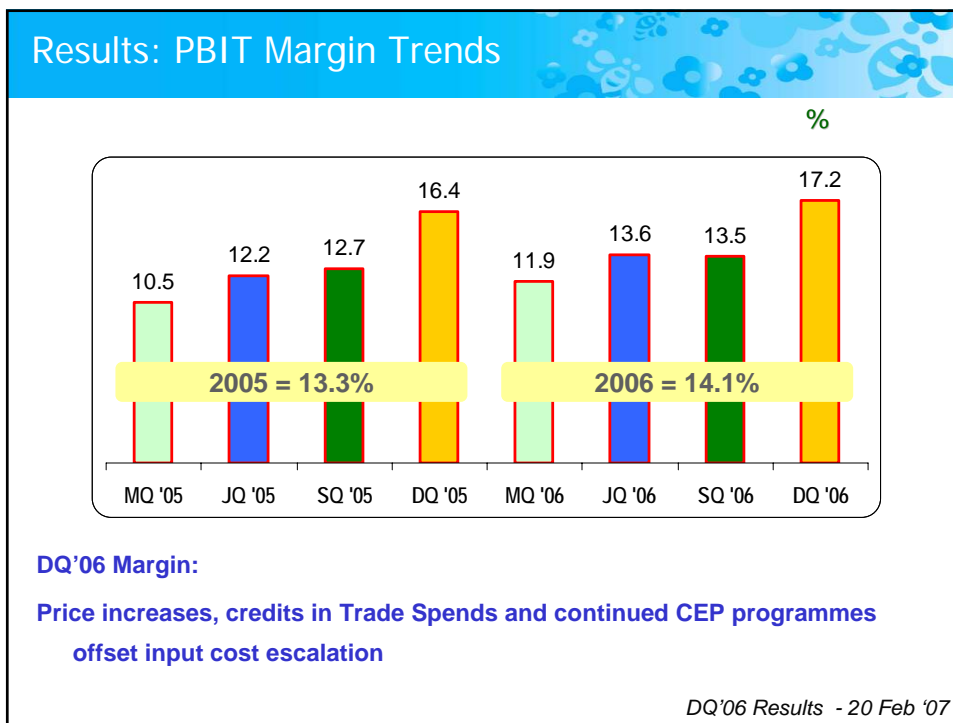
## Financial performance

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## Results

Rs Crores	DQ'06	DQ'05	Growth%
<b>PBIT</b>	<b>543</b>	<b>488</b>	<b>11.3</b>
<i>PBIT margin (percentage)</i>	17.2	16.4	↑ 80 bps
Financial Income (Net)	28	23	20.9
<b>PBT</b>	<b>571</b>	<b>511</b>	<b>11.8</b>
<b>PAT bei</b>	<b>483</b>	<b>439</b>	<b>10.2</b>
Exceptional Items	28	82	<b>(66.3)</b>
<b>Net Profit</b>	<b>511</b>	<b>521</b>	<b>(1.9)</b>

DQ'06 Results - 20 Feb '07



## Results - Exceptional items (Net of tax)

DQ'06

Rs crores

Item (Rs crores)	DQ'06
Profit from sale of 51% share in Subsidiary	36.7
Revision in Superannuation Costs	21.9
Restructuring Costs in Foods	(30.9)
Total	27.8

DQ'06 Results - 20 Feb '07

## HLL Results - 2006

DQ'06 Results - 20 Feb '07

## 2006 Highlights

- Sustained top line growth (+9.4%) on the back of a 11% growth in 2005
- FMCG grows by 12.8%; HPC (+13.7%), Foods (+9.0%)
- Growth broadbased
- A&P spends higher by 27%
- PBIT grows by 16.2%
- PAT and Net Profit grow by 13.7% and 31.8% respectively
- EPS grows by 31.4% to Rs. 8.40

DQ'06 Results - 20 Feb '07

## Broad Based Growth in HPC & Foods 2006

Value Growth %

### HPC

Soaps and  
detergents



Laundry



Personal Products



Personal Wash



Shampoos



Skin

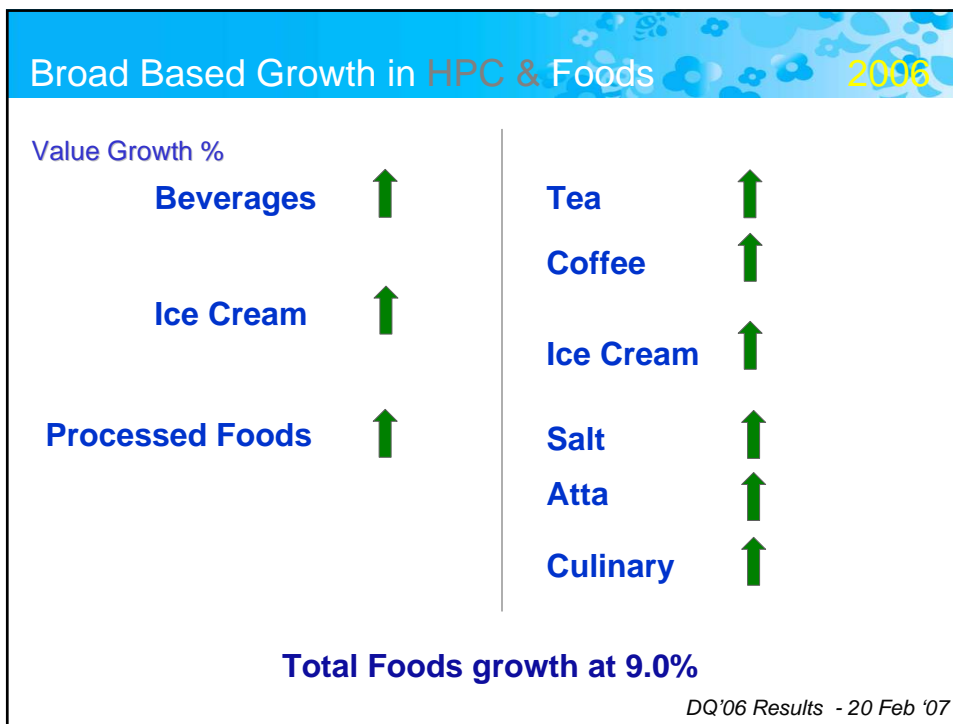


Toothpaste



**Total HPC growth at 13.7%**

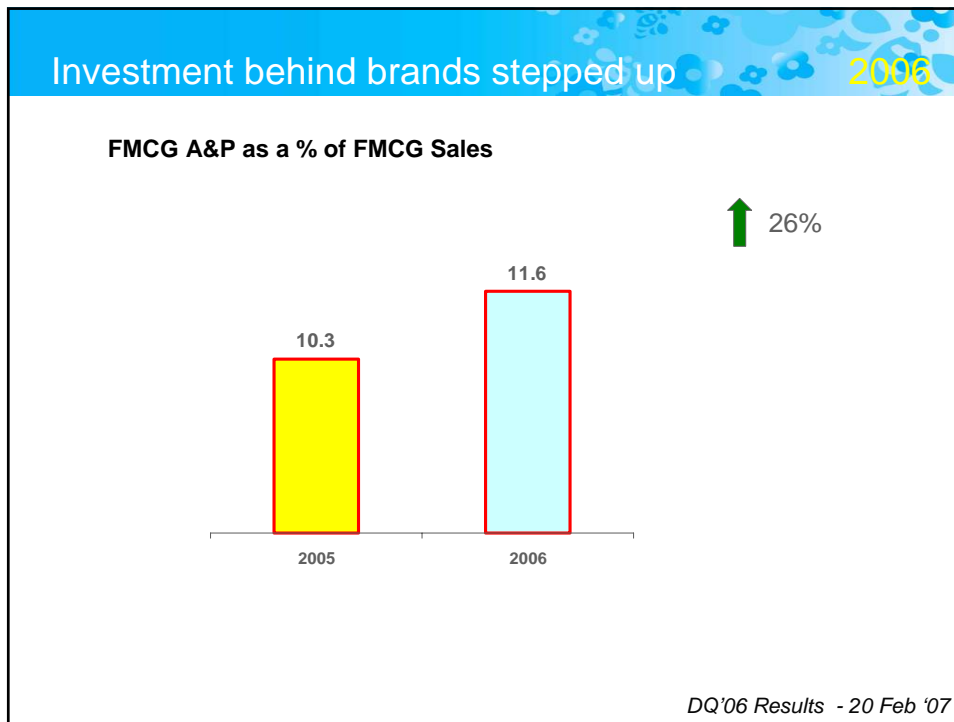
DQ'06 Results - 20 Feb '07



### Sales and Results - 2006

Rs Crores	2006	2005	Growth%
<b>Sales</b>	12103	11061	9.4
<b>PBIT</b>	1709	1471	16.2
<b>PBT</b>	1862	1604	16.0
<b>PAT</b>	1540	1355	13.7
<b>Net Profit</b>	1855	1408	31.8
<b>EPS (Rs)</b>	8.40	6.40	31.3

*DQ'06 Results - 20 Feb '07*



### Dividend

- Board recommends a final dividend of Rs 3.00 per share

Dividend Per Share of Re 1	2006	2005
Interim	3.00	2.50
Distribution Tax	0.42	0.33
Total Interim Dividend	3.42	2.83
Final	3.00	2.50
Distribution Tax	0.42	0.33
Total Final Dividend	3.42	2.83
<b>Total Distribution (Incl Tax)</b>	<b>6.84</b>	<b>5.66</b>

*DQ'06 Results - 20 Feb '07*

## To sum up..

- **Good topline growth for the year**
- **Substantial investments behind brands throughout the year**
- **Good progress in all HPC Categories**
- **Foods grows well driven by strong growth in processed foods and ice creams categories and recovery in Tea**
- **Cost pressures continued, managed by selective price increases and cost effectiveness programmes**

*DQ'06 Results - 20 Feb '07*

## Looking ahead..

- **FMCG Market expected to grow at current levels; proactive government actions should help contain increasing inflation concerns**
- **High levels of innovation will be sustained and A&P investments will be made competitively and effectively**
- **Focus on core foods portfolio will continue. Foods Strategy for the longer term being in place, a phased implementation programme will commence**

*DQ'06 Results - 20 Feb '07*



## Looking ahead..


- **Excellent Water test market results give confidence for a national rollout, commencing from 2007. Investments will be stepped up accordingly**
- **Cost pressures continue with Vegetable Oil prices hardening, though partially offset by reduction in Crude Oil. Judicious price increases and Cost effectiveness programmes will help mitigate the impact**
- **Continued investments in capability building in the area of modern trade and supply chain. The focus will be on customer service backed by Technology and Competitive Best Practice**

*DQ'06 Results - 20 Feb '07*

**Thank you**

**For more information, please visit <http://www.hll.com>**



*DQ'06 Results - 20 Feb '07*




# HLL Results – DQ '06

## Analyst Meet

20<sup>th</sup> February 2007



# Backups



DQ'06 Results - 20 Feb '07

## Results - Exceptional items (Net of tax)

Rs crores

PARTICULARS	DQ'05
Profit on transfer of Plantation divisions to subsidiaries	89
Profit on disposal of trade investment	44
One time reduction in tax liability on account of integration of TOCDL	23
Provision for diminution in value of investments in subsidiary companies / Joint ventures	(33)
Provision towards impairment of tangible / intangible assets of a business	(25)
Cost arising out of termination of sourcing arrangement	(10)
Compensation under VRS	(6)
<b>EXCEPTIONAL ITEMS</b>	<b>82</b>

DQ'06 Results - 20 Feb '07

## Market shares

Value share %

Category	Apr-06	Dec-06
Laundry	35.0	36.0
Shampoo	47.7	47.5
Skin	53.7	54.7
Personal Wash	55.4	55.4
Toothpaste	30.0	30.0
Tea	25.6	24.3
Instant Coffee	46.4	41.9

DQ'06 Results - 20 Feb '07