

Hindustan Unilever Limited – December Quarter 2008 Results

- **Net sales grow by 17%; FMCG grows 21%**
- **Profit before Interest, Tax and Exceptional Items grows 15%**
- **PAT from ordinary activities**
 - **before exceptional items grows by 13%**
 - **after exceptional items grows by 1%, due to higher exceptional gains in DQ'07 (base)**

Mumbai, January 25th 2009: Hindustan Unilever Limited (HUL) announced its results for December Quarter 2008. Net Sales grew by 17% and FMCG by 21% with underlying volume growth of 2%. Strong volume growth in Personal Products and Foods business was partly offset by the impact of slowdown in Soaps and Detergents, due to high input cost led price growth and market volume contraction in Detergents.

HPC Business grew 21% driven by price growth in Soaps and Detergents and all round volume growth in Personal Products. Laundry business grew strongly across all brands and growth in Personal Wash was led by Lux, Lifebuoy, Dove and Pears. Shampoo category continued growth momentum with robust volume growth, led by Sunsilk. Growth in Skin category was driven by Fair & Lovely and Close Up in the Oral category. Dove range of deodorants was launched in this quarter and Surf Excel Quickwash was re-launched.

Foods business grew by 23% with a strong performance across Beverages, Processed foods and Ice-Cream. Tea, Processed Foods and Ice-Cream all delivered strong volume growth. Gelato range of Ice-Creams was launched in this quarter.

Pure-It water business now has a national footprint with availability across more than 700 towns. Performance in this new category is tracking in line with plans.

Input cost inflation has started receding and if sustained, will reflect in lower consuming cost. However, impact of high input cost inflation continued in this quarter. Year -to-date investment behind brands continues at 10.1% of turnover, growing at 16%. Spends during the quarter remain competitive, although marginally lower by 1.3% over DQ'07. In a difficult economic environment, PBIT (bei) grew 15.1% and PAT (bei) grew 12.7%. PBIT margin for the quarter at 16.8% of Sales, was 20 bps below December quarter 2007. Profit

after Tax (PAT) from ordinary activities, after accounting for exceptional items grew 1%, due to higher base effect.

Mr. Harish Manwani, Chairman commented: "We continue to deliver strong top line and operating profit growth. Softening commodity prices augur well for the business as we sustain our focus on delivering superior consumer value. In the current economic scenario, market development and consumer spending are being monitored closely to manage the business dynamically. We remain determined to leverage our strong portfolio and scale to deliver competitive and profitable growth."

About 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.

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Hindustan Unilever Limited
HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2008

Rs. Lakhs

Unaudited Results for the Fourth Quarter ended 31st December			Unaudited Results for the Twelve months ended	Audited Results for the Twelve months and Accounting year ended
2008	2007		31st December 2008	31st December 2007
430,771	368,740	1. Net Sales [sum of (i) to (iv)]	1,634,519	1,371,775
326,882	270,664	i) Domestic FMCG - HPC	1,201,873	994,357
70,604	57,180	ii) Domestic FMCG - Foods	260,102	221,187
397,486	327,844	Domestic FMCG - Total (i+ii)	1,461,975	1,215,544
26,497	34,365	iii) Exports	134,873	134,226
6,788	6,531	iv) Others	37,671	22,005
7,096	10,200	2. Other Operational Income	31,519	19,365
437,867	378,940	3. Total Income (1+2)	1,666,038	1,391,140
365,522	316,110	4. Expenditure [sum of (a) to (g)]	1,437,056	1,197,745
11,675	(1,705)	a) (Increase)/decrease in stock in trade	(37,788)	(14,440)
168,985	135,957	b) Consumption of raw/packing materials	680,985	529,038
51,345	55,757	c) Purchase of goods	241,450	216,488
22,086	19,447	d) Employees Cost	91,776	76,781
4,057	3,688	e) Depreciation/Amortisation	15,405	13,836
37,102	37,590	f) Advertising & Promotions	164,635	142,290
70,272	65,376	g) Other expenditure	280,593	233,752
72,345	62,830	4.1. Profit Before Interest, Taxation and Exceptional Items (3-4)	228,982	193,395
(2,915)	(4,211)	5. Interest expense/(income) - net	(16,218)	(21,237)
3,029	(11,287)	6. Exceptional Items - loss/(gain)	(9,900)	(16,139)
72,231	78,328	7. Profit Before Tax from ordinary activities [3 - (4+5+6)]	255,100	230,771
9,007	15,676	8. Tax expense	43,303	44,697
63,224	62,652	9. Net Profit After Tax from ordinary activities [7-8]	211,797	186,074
(1,650)	492	10. Extraordinary Items (net of tax) - gain/(loss)	(1,650)	6,473
61,574	63,144	11. Net Profit [9+10]	210,147	192,547
21,795	21,775	Paid up Equity Share Capital (face value Re 1 per share)	21,795	21,775
		Reserves excluding Revaluation Reserve		122,082
2.90	2.88	Basic and Diluted Earnings per Share of Re 1 (before Extraordinary Items) - Rs.	9.72	8.44
2.83	2.90	Basic and Diluted Earnings per Share of Re 1 (after Extraordinary Items) - Rs.	9.64	8.73
1,044,616,471	1,042,613,895	Public Shareholding		
47.93%	47.88%	- Number of Shares	1,044,616,471	1,042,613,895
		- Percentage of Shareholding	47.93%	47.88%

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

Rs. Lakhs

Unaudited Results for the Fourth Quarter ended 31st December	
2008	2007
212,342	170,071
119,234	107,106
51,063	41,206
17,145	14,536
3,427	2,956
26,677	34,670
7,387	6,768
437,275	377,313
(176)	(219)
437,099	377,094
35,010	28,318
39,141	35,063
6,512	6,098
(390)	947
(284)	95
1,555	2,392
(2,546)	(2,623)
78,998	70,290
(439)	(258)
(6,328)	8,296
72,231	78,328
48,897	12,624
7,998	14,637
12,092	5,348
3,703	145
5,094	3,764
28,931	30,765
(8,148)	(2,453)
98,567	64,830
169,420	79,093
267,987	143,923

Segment Revenue (Sales and Income from Services)

- Soaps and Detergents
- Personal Products
- Beverages
- Processed Foods
- Ice Creams
- Exports
- Others (includes Chemicals, Water etc)
Total Segment Revenue
Less : Inter segment revenue
Net Segment Revenue

Segment Results (Profit Before Tax from ordinary activities)

- Soaps and Detergents
- Personal Products
- Beverages
- Processed Foods
- Ice Creams
- Exports
- Others (includes Chemicals, Water etc)
Total Segment Results
Less : Interest Expense
Add/(Less) : Other unallocable expenditure net of unallocable income
Total Profit Before Tax from ordinary activities

Capital Employed (Segment assets less Segment liabilities)

- Soaps and Detergents
- Personal Products
- Beverages
- Processed Foods
- Ice Creams
- Exports
- Others
Total Capital Employed in segments
Add : Unallocable corporate assets less corporate liabilities
Total Capital Employed in company

Unaudited Results for the twelve months ended 31st December 2008	Audited Results for the Twelve months and Accounting year ended 31st December 2007
786,837	639,994
432,884	368,660
180,517	154,063
64,731	54,010
18,986	16,150
135,523	134,897
38,765	22,729
1,658,243	1,390,503
(583)	(682)
1,657,660	1,389,821
114,820	97,869
119,592	102,037
23,894	23,002
422	1,520
1,008	1,284
9,374	4,685
(11,025)	(8,704)
258,085	221,693
(2,315)	(2,550)
(670)	11,628
255,100	230,771
48,897	12,624
7,998	14,637
12,092	5,348
3,703	145
5,094	3,764
28,931	30,765
(8,148)	(2,453)
98,567	64,830
169,420	79,093
267,987	143,923

Notes:

1. Net sales grew by 16.8% during the quarter. FMCG sales grew by 21.2% with a 20.8% growth in HPC and 23.5% growth in Foods businesses.
2. Operating Profit (Profit Before Interest, Taxation and Exceptional Items) for the quarter at Rs. 72345 lakhs (DQ'07: Rs. 62830 lakhs) grew by 15.1%.
3. Profit after tax from ordinary activities (excluding exceptional items – net of tax) for the quarter at Rs. 61226 lakhs (DQ'07: Rs. 54305 lakhs) grew by 12.7 % and for twelve months ended Dec 08 at Rs. 198774 lakhs (Dec 07: Rs. 174144 lakhs) grew by 14.1% .
4. Other Operational Income includes gain of Rs. 520 lakhs for DQ'08 (DQ'07: Rs. 1053 lakhs) & Rs. 6421 lakhs for Cum Dec 08 (Cum Dec 07 loss of Rs. 877 lakhs) on account of mark to market valuation of open forward contracts & monetary items (viz. foreign currency receivables & payables) in line with AS -11.
5. Interest expense/(income) - net consists of interest expense of Rs. 439 lakhs (DQ'07: Rs. 258 lakhs) and interest/dividend income of Rs. 3354 lakhs (DQ'07: Rs. 4469 lakhs).
6. Exceptional items in DQ'08 include profit on sale of properties Rs. 885 lakhs (DQ'07: Rs. 7582 lakhs), gain/charge on account of changes in actuarial assumptions in valuation of long term employee benefits - refer note 11 (DQ'07: gain of Rs. 6298 lakhs) and restructuring costs (including amount payable in an Industrial Dispute principally for a closed undertaking) of Rs. 4064 lakhs (DQ'07: Rs. 2392 lakhs).
7. Provision for taxation for the quarter includes Fringe Benefit Tax of Rs. 875 lakhs (DQ'07: Rs. 1000 lakhs) and write back of Rs. 5241 lakhs (DQ 07 Rs. 168 lakhs) representing taxation adjustments of previous years.
8. Extraordinary Item for the quarter pertains to a provision for diminution in the value of investment and write down of advances in a subsidiary company.
9. Investor complaints status

Complaints pending resolution as on 1 st October, 2008	: 00
Complaints received during DQ '08	: 33
Complaints resolved during DQ '08	: 33
Complaints pending for resolution as on 31st December, 2008	: 00
10. The Board of Directors has approved a change in the Accounting year of the Company to commence from 1st April of every year and to end on 31st March of the following year. Consequently, as a transitional arrangement, the next Annual Accounts and Report of the Company will be for a period of 15 months commencing 1st January 2008 and ending 31st March 2009.
11. In view of the above change of the Accounting Year, actuarial valuation of long term employee benefits in terms of the requirement of AS -15 would be done as at 31st March 09 and appropriately accounted for.
12. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
13. The text of the above statement was approved by the Board of Directors at their meeting held on 25th January, 2009.

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 need to be explained.

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

By order of the Board

Place: Mumbai
Date: 25th January, 2009

Nitin Paranjpe
Managing Director & CEO

Notes on Segment Information

1. Segment Revenue, Results and Capital Employed figures represents amount identifiable to each of the segments. Other un-allocable expenditure net of un-allocable income includes expenses on common services not directly identifiable to individual segments, corporate expenses, interest/dividend income (net) and exceptional items.

Capital Employed figures are as at 31st December 2008 and 31st December 2007. Unallocated corporate assets less corporate liabilities mainly represent investments of surplus funds.

2. Un-allocable Capital employed as on 31st Dec 08 is more as compared to previous year as provision for final dividend for year 2007 was included in the capital employed for year 2007. Also refer Note 10 on change in Accounting year.
3. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.