

Hindustan Unilever Limited – March Quarter 2009 Results

- **FMCG sales grows 12%;**
- **Robust growth in PBIT before exceptional items at 24%; 200bps improvement in operating margins.**
- **PAT before exceptional items (bei) grows by 20%**
- **Strong all round performance for 12 months ending March 2009;**
 - **FMCG sales growth at 18%; PBIT grew by 19%, margins expand 40 bps; and PAT bei growth at 15%**

Mumbai, May 10th 2009: Hindustan Unilever Limited (HUL) announced its results for March Quarter 2009. FMCG maintained strong value growth of 12%, in the context of a challenging environment, trade de-stocking and outlet consolidation in organised retail. Net Sales grew 6% with planned decline in non core exports.

HPC Business grew at 11% driven by carry forward impact of pricing in Soaps and Detergents which grew 16%. Personal Products grew 2%, affected by outlet consolidation in organised retail and decline in Oral Care. Laundry business grew well driven by Surf and Rin. Wheel growth was lower due to grammage impact. Growth in Personal Wash was led by Lux and Dove. Shampoo category witnessed moderate growth with Dove continuing to gain market shares and Sunsilk holding. Skin category growth was led by Fair and Lovely and strong volume growth in Vaseline. In Oral, growth in Close Up was offset by decline in Pepsodent. New range of Dove shampoos and Vaseline Healthy White were launched in this quarter.

Foods business grew by 13% with Beverages at 13% and Ice-Creams at 22% leading growth. Robust plans drove growth in Tea with all brands growing well. Processed Foods grew 7%, led by Jams, and Ice-Cream delivered a strong volume growth.

Pure-It is now Rs 200 crore brand with more than 1 million units sold in last 12 months and more than 2 million homes protected till date. Investment behind brand, infrastructure and capability building continues.

Input costs are down sequentially except in tea. Better cost management and operating leverage has led to higher operating margins in this quarter. Overall Material Cost including purchased goods were lower 210 bps. A&P investment has grown by 3% with media spends up by 27%, offset by lower promotions. PBIT (bei) grew 23.7% and PBIT margin for the quarter at 13.9% of Sales, was 200 bps higher than March Quarter 2008. PAT (bei) grew by robust 20% and Net Profit grew by 4% due to impact of exceptional expenditure.

On a comparable basis, in the period of 12 months ending March 2009, FMCG growth stands at 18.3%. PBIT (bei) grew 18.8% with PBIT margin expanding by 40 bps during the period of unprecedented costs increases. PAT (bei) grows by 15%.

Mr. Harish Manwani, Chairman commented: “We have focused on sustaining growth in a challenging economic environment by significantly improving consumer value across our portfolio. This has been achieved through a series of interventions, including pricing actions. Simultaneously, continued focus on costs and improved operating leverage has helped deliver strong profit growth. We will continue to drive our business to deliver competitive and profitable growth.”



Hindustan Unilever Limited

HINDUSTAN UNILEVER LIMITED

AUDITED FINANCIAL RESULTS FOR THE 15 MONTHS ENDED 31ST MARCH, 2009

Rs. Lakhs

STANDALONE		STANDALONE		CONSOLIDATED	
Unaudited Results for the Quarter ended 31st March		Audited Results for the Fifteen months & Accounting Year ended	Audited Results for the Twelve Months & Accounting Year ended	Audited Results for the Fifteen months & Accounting Year ended	Audited Results for the Twelve Months & Accounting Year ended
2009	2008	31st March 2009	31st December 2007	31st March 2009	31st December 2007
398,833	376,258	2,023,933	1,367,543	2,050,110	1,387,108
302,384	271,172	1,504,257	994,357	1,502,760	994,545
69,197	61,124	329,299	221,187	329,299	221,156
371,581	332,296	1,833,556	1,215,544	1,832,059	1,215,701
21,856	39,732	156,729	134,226	165,663	141,335
5,396	4,230	33,648	17,773	52,388	30,072
4,704	7,730	36,223	19,365	36,847	19,826
403,537	383,988	2,060,156	1,386,908	2,086,957	1,406,934
348,030	339,105	1,775,667	1,193,513	1,799,817	1,211,608
(4,369)	(23,508)	(42,157)	(14,440)	(42,918)	(14,056)
160,456	169,185	841,441	529,038	864,153	541,782
52,477	58,838	284,507	212,256	273,566	206,907
23,435	21,352	115,212	76,781	119,636	78,524
4,125	3,630	19,530	13,836	19,998	14,191
45,055	43,914	213,092	144,022	217,386	147,277
66,851	65,694	344,042	232,020	347,996	236,983
55,507	44,883	284,489	193,395	287,140	195,326
2,026	2,358	20,555	23,787	18,966	22,401
57,533	47,241	305,044	217,182	306,106	217,727
221	350	2,532	2,550	2,645	2,649
57,312	46,891	302,512	214,632	303,461	215,078
(10,709)	252	(1,630)	16,139	(773)	17,179
46,603	47,143	300,882	230,771	302,688	232,257
(7,104)	(9,048)	(50,356)	(44,697)	(51,794)	(40,835)
39,499	38,095	250,526	186,074	250,894	191,422
		(881)	6,473	99	465
				543	398
39,499	38,095	249,645	192,547	250,450	191,489
21,799	21,780	21,799	21,775	21,799	21,775
		184,285	122,082	191,882	128,975
1.81	1.75	11.50	8.44	11.49	8.66
1.81	1.75	11.48	8.42	11.47	8.64
1.81	1.75	11.46	8.73	11.50	8.69
1.81	1.75	11.44	8.71	11.47	8.66
1,045,026,617	1,043,134,106	1,045,026,617	1,042,613,895	1,045,026,617	1,042,613,895
47.94%	47.89%	47.94%	47.88%	47.94%	47.88%
		Nil		Nil	
		NA		NA	
		NA		NA	
		1,134,849,460		1,134,849,460	
		100.00%		100.00%	
		52.06%		52.06%	

Registered Office : 165/166 , Backbay Reclamation, Mumbai - 400 020

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

Rs. Lakhs

STANDALONE			STANDALONE		CONSOLIDATED	
Unaudited Results for the Quarter ended 31st March			Audited Results for the Fifteen months & Accounting Year ended 31st March 2009	Audited Results for the Twelve Months & Accounting Year ended 31st December 2007	Audited Results for the Fifteen months & Accounting Year ended 31st March 2009	Audited Results for the Twelve Months & Accounting Year ended 31st December 2007
2009	2008					
		Segment Revenue (Sales and Income from Services)				
201,219	173,820	- Soaps and Detergents	988,056	639,994	988,057	639,994
103,860	101,888	- Personal Products	536,744	368,660	537,074	368,856
48,929	43,097	- Beverages	229,446	154,063	229,446	154,063
16,339	15,198	- Processed Foods	81,070	54,010	81,070	54,010
4,528	3,698	- Ice Creams	23,514	16,150	23,514	16,150
22,047	39,893	- Exports	157,570	134,897	168,043	143,648
6,750	4,413	- Others (includes Chemicals, Water etc)	36,097	18,497	55,228	31,122
403,672	382,007	Total Segment Revenue	2,052,497	1,386,271	2,082,432	1,407,843
(209)	(154)	Less : Inter segment revenue	(792)	(682)	(4,157)	(2,324)
403,463	381,853	Net Segment Revenue	2,051,705	1,385,589	2,078,275	1,405,519
		Segment Results (Profit Before Tax from ordinary activities)				
33,353	23,251	- Soaps and Detergents	148,173	97,869	148,232	97,869
23,894	24,581	- Personal Products	142,896	102,037	142,961	102,623
6,551	5,350	- Beverages	30,815	23,002	30,830	23,002
(447)	343	- Processed Foods	145	1,520	150	1,520
(186)	(250)	- Ice Creams	862	1,284	863	1,241
1,436	1,779	- Exports	10,820	4,685	10,466	4,692
(2,422)	(3,053)	- Others (includes Chemicals, Water etc)	(13,447)	(8,704)	(10,151)	(6,919)
62,179	52,001	Total Segment Results	320,264	221,693	323,351	224,028
(221)	(350)	Less : Interest Expense	(2,532)	(2,550)	(2,645)	(2,649)
(15,355)	(4,508)	Add/(Less) : Other unallocable expenditure net of unallocable income	(16,850)	11,628	(18,018)	10,878
46,603	47,143	Total Profit Before Tax from ordinary activities	300,882	230,771	302,688	232,257
		Capital Employed (Segment assets less Segment liabilities)				
59,349	31,418	- Soaps and Detergents	59,349	12,624	59,187	12,522
2,294	11,526	- Personal Products	2,294	14,637	6,297	16,581
32,661	13,706	- Beverages	32,661	5,348	32,661	5,348
4,403	1,508	- Processed Foods	4,403	145	4,403	145
4,610	3,966	- Ice Creams	4,610	3,764	4,610	3,764
32,099	36,561	- Exports	32,099	30,765	33,758	33,780
(5,063)	(3,423)	- Others	(5,063)	(2,453)	(2,917)	(324)
130,353	95,262	Total Capital Employed in segments	130,353	64,830	137,999	71,816
75,798	87,592	Add : Unallocable corporate assets less corporate liabilities	75,798	79,093	76,526	79,549
206,151	182,854	Total Capital Employed in company	206,151	143,923	214,525	151,365

Notes:

1. The Board of Directors had 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 current year Annual Accounts and Report of the Company are for a period of 15 months commencing 1st January 2008 and ending 31st March 2009. The figures in respect of the previous year, however, relate to 12 months ended 31st December, 2007 and hence are not comparable.
2. Net sales grew by 6 % during the quarter ending March' 09. FMCG sales grew by 11.8% with a 11.5% growth in HPC and 13.2% growth in Foods businesses.
3. Operating Profit (Profit from Operations before Interest and Exceptional Items) for the quarter at Rs. 55507 lakhs (MQ'08: Rs. 44883 lakhs) grew by 23.7%.
4. Profit after tax from ordinary activities before exceptional items for the quarter at Rs. 45676 lakhs (MQ'08: Rs. 37929 lakhs) grew by 20.4 %.
5. Other Operational Income includes loss of Rs. 298 lakhs for MQ'09 (MQ'08: gain of Rs. 1260 lakhs) & gain of Rs. 6123 lakhs for fifteen months ended Mar 09 (Twelve Months ended 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.
6. Other income includes interest income, dividend income and net gain on sale of investments.
7. Exceptional items in MQ'09 include profit on sale of properties Rs. 669 lakhs (MQ'08: Rs. 644 lakhs), incremental provision for retirement benefits of Rs. 6048 lakhs (MQ'08: Nil) arising out of change in actuarial assumptions largely due to lower interest rates, restructuring costs of Rs. 2570 lakhs (MQ'08: Rs. 392 lakhs) & provision for remediation of a site of Rs.2500 lakhs (MQ 08: Nil).
8. Provision for taxation for the quarter includes Fringe Benefit Tax of Rs. 206 lakhs - net of recoveries (MQ'08: Rs. 875 lakhs) and provision of Rs. 875 lakhs (MQ 08 Rs. Nil) representing taxation adjustments of previous years.
9. As indicated in the note 1, the full year audited results for the 15 month period ended 31st March, 2009 are not comparable with those of year ended 31st December,2007. However on a memorandum basis, for comparative purposes unaudited results for 12 months ended 31st March 2009 are given below:
 - a) Net Sales at Rs.1647675 lakhs grew by 15.5%.
 - b) Profit from Operations before Interest & Exceptional items at Rs. 239606 lakhs grew by 18.8%,
 - c) Profit after Tax from ordinary activities before exceptional items at Rs.206520 lakhs grew by 15%
 - d) Net Profit at Rs. 211550 lakhs grew by 10.6%.
10. Investor complaints status
All 13 complaints received during MQ' 09 have been resolved to the satisfaction of the investors.
No complaints were pending for resolution either at the beginning or at the end of March Quarter – 2009
11. The Board of Directors at their meeting held on 10th May, 2009 recommended a final dividend of Rs. 4 per share of Re.1/- each, for the said 15 months ending 31st March 2009, subject to the approval of the shareholders. Together with the interim dividend of Rs.3.50 per share paid on 18 August, 2008, the total dividend for the said 15 months period works out to Rs. 7.50 per share of Re.1/- each. Final dividend, if any, will be paid on or after 6th July, 2009.

12. Notice is hereby given pursuant to Section 154 of the Companies Act, 1956 that for the purpose of ascertaining the shareholders who will be eligible to receive the final dividend, if any, for the said 15 months period, the Register of Members of the Company will be closed from 16th June, 2009 to 2nd July, 2009 (both days inclusive).
13. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
14. The text of the above statement was approved by the Board of Directors at their meeting held on 10th May, 2009.

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

By order of the Board

Place: Mumbai
Date: 10th May, 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 unallocable expenditure net of unallocable income 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 31st March 2009, 31st March 2008 and 31st December 2007. Unallocated corporate assets less corporate liabilities mainly represent investments of surplus funds.

2. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
3. The Board of Directors had 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 current year Annual Accounts and Report of the Company are for a period of 15 months commencing 1st January 2008 and ending 31st March 2009. The figures in respect of the previous year, however, relate to 12 months ended 31st December, 2007 and hence are not comparable.