

## RESULTS FOR QUARTER AND FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH 2016

### ANOTHER QUARTER AND YEAR OF PROFITABLE VOLUME LED GROWTH

**Mumbai, May 9<sup>th</sup>, 2016:** Hindustan Unilever Limited announced its results for the quarter and financial year ending 31<sup>st</sup> March 2016.

#### **March Quarter 2016**

During the quarter, the Domestic Consumer business grew at 4%, with 4% underlying volume growth. Growth in the quarter was impacted by the phasing out of Excise Duty incentives, a one-time credit for excise duty refund in the base quarter and marginal price de-growth.

#### **Soaps and Detergents: Volume growth partially offset by price deflation**

Skin Cleansing was driven by strong volume growth on Dove, Lifebuoy and Hamam. In Laundry, growth was led by the premium segment, with Surf maintaining its strong double digit growth momentum. Comfort Fabric Conditioner delivered another strong performance on the back of sustained market development. Household Care performance was led by Vim liquids.

The quarter witnessed price deflation in this segment, albeit at lower levels, arising from actions taken earlier to pass on the benefit of lower commodity costs to consumers.

#### **Personal Products: Healthy underlying performance**

The reported growth for this segment was impacted by the phasing out of Excise Duty incentives, a one-time credit for excise duty refund in the base quarter and the residual impact from the re-alignment of channel spends.

Skin Care delivered broad based volume growth across Fair & Lovely, Pond's and Vaseline. The performance of Fair & Lovely was led by BB cream, whilst growth in Pond's and Lakme was driven by the premium portfolio.

Hair Care registered another quarter of volume led growth, with Dove and TRESemmé leading the category performance.

In Oral Care, Close Up continued to do well, while Pepsodent core was relaunched in the quarter.

Color Cosmetics sustained innovation led double digit growth with Lakme Absolute and 9 to 5 strengthening its position in premium make up.

#### **Beverages: Consistent growth**

Tea registered broad based growth, driven by market development and strengthened brand equities across the portfolio. Lipton Green Tea maintained its strong growth momentum. Bru Coffee delivered another quarter of double digit growth.

#### **Packaged Foods: Double digit growth sustained**

Market development continues to be a key driver of growth for this segment. Kissan delivered another robust quarter on both ketchups and jams, while the solid growth on Knorr was led by Instant Soups. Ice Creams registered double digit growth driven by sharper in-market execution on Kwaliti Walls and the extension of Magnum to new cities.

#### **Water: Innovation led growth**

Pureit delivered double digit growth led by the strong performance in the 'Reverse Osmosis' segment. The portfolio was further strengthened with the launch of the 'Pureit Ultima with Oxytube' device in quarter.

#### **Margin improvement sustained**

Lower input costs resulted in 240 bps reduction in Cost of Goods Sold. Brand investments were sustained at competitive levels; overall A&P was up by Rs.65 Crores (+40 bps). Profit before interest and tax (PBIT) grew by 11% and PBIT margin improved by 115 bps. Profit after tax before exceptional items, PAT (bei), grew by 13% to Rs.1031 Crores. Net Profit at Rs.1090 Crores, was up 7% with the growth rate impacted by the higher exceptional income arising from the sale of subsidiary in the base quarter.

#### **Financial Year 2015-16: Competitive and profitable growth delivered**

The Domestic Consumer business grew by 4% with 6% underlying volume growth. Reported growth was impacted by -110 bps arising from the phase out of excise duty incentives. Profit before interest and tax (PBIT) grew by 10% with PBIT margin improving +90 bps, despite the net excise duty impact of -50bps on PBIT. The consistency in margin improvement was delivered even as we continued to make significant investments behind our brands (A&P was up 160bps). Profit after tax but before exceptional items, PAT (bei), grew by 6% to Rs.4078 Crores. Net Profit was at Rs.4082 Crores, with the growth rate impacted by the higher exceptional income arising from subsidiary and property related sales in the previous year. The strong track record of cash generation was sustained with cash from operations exceeding Rs.5000 Crores for yet another year.

The Board of Directors have proposed a final dividend of Rs. 9.5 per share, subject to the approval of the shareholders at the AGM. Together with the interim dividend of Rs. 6.5 per share, the total dividend for the financial year ending 31<sup>st</sup> March, 2016 amounts to Rs. 16 per share.

Harish Manwani, Chairman commented: "In challenging markets and a deflationary cost environment, we have delivered another year of competitive and profitable growth. The consistency of our performance is a result of managing our business dynamically, and executing our strategy with even greater rigour and discipline. Our sustained focus on investing behind brands, sharpening our executional capabilities and driving market development has enabled us to keep winning with consumers in a rapidly changing market."





Hindustan Unilever Limited

**HINDUSTAN UNILEVER LIMITED**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2016**

STANDALONE		Particulars	STANDALONE		CONSOLIDATED	
Audited Results for the Quarter ended			Audited Results for the Year ended		Audited Results for the Year ended	
31st March 2016	31st March 2015		31st March 2016	31st March 2015	31st March 2016	31st March 2015
7,809.40	7,555.00	1.a. Net Sales from Operations (Net of excise duty)	31,425.27	30,170.50	32,482.72	31,199.72
136.26	120.63	1.b. Other Operating Income	561.90	635.12	711.00	772.47
7,945.66	7,675.63	1. Total Income from operations (net) [1.a. + 1.b.]	31,987.17	30,805.62	33,193.72	31,972.19
6,566.36	6,427.97	2. Expenses [sum of (a) to (g)]	26,578.00	25,884.07	27,601.41	26,880.85
2,844.73	2,929.18	a) Cost of materials consumed	11,274.73	11,867.31	11,979.89	12,569.21
976.89	913.99	b) Purchases of stock-in-trade	3,951.15	3,697.96	3,798.19	3,549.82
(52.24)	(16.22)	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	87.11	58.28	88.28	57.04
446.06	388.42	d) Employee benefits expense	1,592.02	1,578.89	1,742.24	1,723.87
87.52	70.52	e) Depreciation and amortisation expense	320.75	320.75	357.28	322.39
1,089.95	1,025.35	f) Advertising & Promotions	3,872.40	286.69	4,595.18	3,943.59
1,173.45	1,116.73	g) Other expenses	4,826.07	4,522.54	5,040.35	4,714.93
1,379.30	1,247.66	3. Profit from operations before other income, finance costs and exceptional items (1-2)	5,409.17	4,921.55	5,592.31	5,091.34
82.25	98.41	4. Other income	500.63	618.39	397.32	566.65
1,461.55	1,346.07	5. Profit from ordinary activities before finance costs and exceptional items (3+4)	5,909.80	5,539.94	5,989.63	5,657.99
0.03	-	6. Finance costs	0.18	16.52	4.54	17.70
1,461.52	1,346.07	7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	5,909.62	5,523.12	5,985.09	5,640.29
42.96	179.40	8. Exceptional items - net credit/ (charge)	(39.03)	664.30	(38.53)	679.22
1,504.48	1,525.47	9. Profit from Ordinary Activities Before Tax (7+8)	5,870.59	6,187.42	5,946.56	6,319.51
414.89	507.39	10. Tax expense	1,788.22	1,872.16	1,852.48	1,944.00
1,089.59	1,018.08	11. Net Profit from Ordinary Activities After Tax (9-10)	4,082.37	4,315.26	4,094.08	4,375.51
-	-	12. Extraordinary items	-	-	-	-
1,089.59	1,018.08	13. Net Profit for the period (11+12)	4,082.37	4,315.26	4,094.08	4,375.51
-	-	14. Share of profit of associates	-	-	-	-
-	-	15. Minority interest	-	-	(11.66)	(12.43)
-	-	16. Net Profit after taxes, minority interest and share of profit of associates (13+14+15)	4,082.37	4,315.26	4,082.42	4,363.08
216.39	216.35	17. Paid up Equity Share Capital (face value Re. 1 per share)	216.39	216.35	216.39	216.35
5.04	4.71	18. Reserves excluding Revaluation Reserve as per balance sheet	3,470.23	3,507.76	3,754.65	3,810.46
5.03	4.70	19.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):	18.87	19.95	18.87	20.17
-	-	(a) Basic - Rs.	18.86	19.94	18.86	20.16
-	-	(b) Diluted - Rs.	18.87	19.95	18.87	20.17
5.04	4.71	19.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):	18.86	19.94	18.86	20.16
5.03	4.70	(a) Basic - Rs.	-	-	-	-
-	-	(b) Diluted - Rs.	-	-	-	-



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**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

		STANDALONE		STANDALONE		CONSOLIDATED	
		Audited Results for the Quarter ended		Audited Results for the Year ended		Audited Results for the Year ended	
		31st March 2016	31st March 2015	31st March 2016	31st March 2015	31st March 2016	31st March 2015
	Particulars						
	Unaudited Results for the Quarter ended 31st December 2015						
	Segment Revenue (Sales and Other operating income)						
	- Soaps and Detergents	3,673.71	3,629.82	15,063.30	14,876.61	15,063.30	14,876.50
	- Personal Products	2,249.68	2,592.93	9,656.49	9,006.53	9,771.95	9,100.03
	- Beverages	1,036.16	984.07	3,887.68	3,631.49	3,880.85	3,631.26
	- Packaged Foods	532.50	476.83	2,117.07	1,891.80	2,117.07	1,891.80
	- Others (includes Exports, Water, Infant Care Products, etc.)	303.20	294.63	1,234.56	1,312.91	2,332.44	2,392.01
	Total Segment Revenue	7,936.78	7,970.99	31,949.10	30,719.34	33,155.61	31,891.60
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net Segment Revenue	7,936.78	7,970.99	31,949.10	30,719.34	33,155.61	31,891.60
	Segment Results (Profit before tax and interest from ordinary activities)						
	- Soaps and Detergents	544.90	508.92	2,142.08	2,033.65	2,142.07	2,065.50
	- Personal Products	682.19	748.32	2,755.35	2,424.35	2,758.31	2,423.53
	- Beverages	198.80	172.80	652.93	614.56	652.93	614.56
	- Packaged Foods	30.44	14.94	126.63	83.17	126.63	83.17
	- Others (includes Exports, Water, Infant Care Products, etc.)	(7.79)	(35.31)	(37.23)	(15.48)	174.71	196.10
	Total Segment Results	1,448.54	1,409.67	5,639.76	5,140.25	5,854.65	5,382.86
	Less: Finance Costs	(0.03)	(0.05)	(0.18)	(16.82)	(4.54)	(17.70)
	Add/(Less): Other unallocable income net of unallocable expenditure	55.97	(1.02)	231.01	1,063.99	96.45	954.35
	Total Profit Before Tax from ordinary activities	1,504.48	1,408.60	5,870.59	6,187.42	5,946.56	6,319.51
	Capital Employed (Segment assets less Segment liabilities)						
	- Soaps and Detergents	38.33	(500.35)	38.33	(123.33)	65.70	52.37
	- Personal Products	(334.94)	(723.53)	(334.94)	(427.60)	(317.54)	(385.35)
	- Beverages	658.20	262.00	658.20	377.20	658.20	377.20
	- Packaged Foods	279.14	237.19	279.14	215.92	279.14	215.92
	- Others (includes Exports, Water, Infant Care Products, etc.)	1.56	(52.91)	1.56	(24.57)	318.61	313.71
	Total Capital Employed in segments	642.29	(777.60)	642.29	17.62	1,004.11	573.85
	Add: Unallocable corporate assets less corporate liabilities	3,045.00	5,838.25	3,045.00	3,707.16	2,992.65	3,478.43
	Total Capital Employed	3,687.29	5,060.65	3,687.29	3,724.78	3,996.76	4,052.28

**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" mainly includes interest, dividend, gain on sale of investments (net), expenses on common services not directly identifiable to individual segments, corporate expenses and exceptional items.

Capital Employed figures are as at 31st March, 2016, 31st March, 2015 and 31st December, 2015. Unallocable corporate assets less corporate liabilities mainly represent investment of surplus funds and cash and bank.

2. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to this period's classification.

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Hindustan Unilever Limited

**HINDUSTAN UNILEVER LIMITED**  
**STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH 2016**

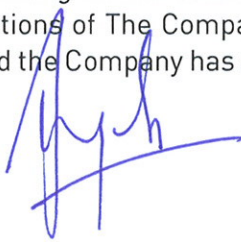
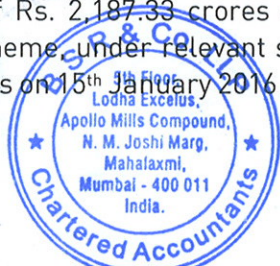
(Rs. in Crores)

	Particulars	STANDALONE		CONSOLIDATED	
		As at 31st March		As at 31st March	
		2016	2015	2016	2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Shareholders' funds</b>				
	(a) Share capital	216.39	216.35	216.39	216.35
	(b) Reserves and surplus	3,470.90	3,508.43	3,755.32	3,811.13
	<b>Sub-total - Shareholders' funds</b>	<b>3,687.29</b>	<b>3,724.78</b>	<b>3,971.71</b>	<b>4,027.48</b>
2	<b>Minority Interest</b>	-	-	25.05	24.80
3	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	-	-	42.00	7.00
	(b) Deferred tax liabilities (net)	-	-	-	0.37
	(c) Other long-term liabilities	218.20	170.11	221.71	172.40
	(d) Long-term provisions	1,124.39	956.35	1,156.99	996.19
	<b>Sub-total - Non-current liabilities</b>	<b>1,342.59</b>	<b>1,126.46</b>	<b>1,420.70</b>	<b>1,175.96</b>
4	<b>Current liabilities</b>				
	(a) Short-term borrowings	-	-	212.78	36.04
	(b) Trade payables	5,497.89	5,288.90	5,727.65	5,506.31
	(c) Other current liabilities	853.79	908.05	891.65	951.50
	(d) Short-term provisions	2,785.47	2,585.87	2,915.31	2,707.81
	<b>Sub-total - Current liabilities</b>	<b>9,137.15</b>	<b>8,782.82</b>	<b>9,747.39</b>	<b>9,201.66</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>14,167.03</b>	<b>13,634.06</b>	<b>15,164.85</b>	<b>14,429.90</b>
<b>B</b>	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Fixed assets	3,300.70	2,936.54	3,646.71	3,256.13
	(b) Goodwill on consolidation	-	-	81.18	81.18
	(c) Non-current investments	669.03	654.11	325.00	323.90
	(d) Deferred tax assets (net)	230.86	195.96	233.32	199.79
	(e) Long-term loans and advances	581.30	583.46	636.17	587.24
	(f) Other non-current assets	0.17	0.44	0.20	0.46
	<b>Sub-total - Non-current assets</b>	<b>4,782.06</b>	<b>4,370.51</b>	<b>4,922.58</b>	<b>4,448.70</b>
2	<b>Current assets</b>				
	(a) Current investments	2,297.52	2,623.82	2,422.42	2,701.18
	(b) Inventories	2,528.36	2,602.68	2,752.13	2,848.79
	(c) Trade receivables	1,064.52	782.94	1,268.51	1,010.28
	(d) Cash and bank balances	2,758.82	2,537.56	3,027.84	2,689.49
	(e) Short-term loans and advances	673.29	657.27	668.69	640.71
	(f) Other current assets	62.46	59.28	102.68	90.75
	<b>Sub-total - Current assets</b>	<b>9,384.97</b>	<b>9,263.55</b>	<b>10,242.27</b>	<b>9,981.20</b>
	<b>TOTAL - ASSETS</b>	<b>14,167.03</b>	<b>13,634.06</b>	<b>15,164.85</b>	<b>14,429.90</b>



**Notes:**

1. Net Sales grew by 3.4% during the quarter with Domestic Consumer Business (FMCG and Water) growing by 3.6%.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 1,379.30 crores (MQ'15: Rs. 1,247.66 crores) grew by 10.6%.
3. Profit after tax before Exceptional Items (refer note 6 & 7 below) for the quarter is at Rs.1,030.87 crores (MQ'15: Rs. 910.88 crores) grew by 13.2%.
4. Net Sales grew by 4.2 % during the financial year 2015-16. Domestic Consumer Business (FMCG and Water) grew by 4.4%, Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the year grew by 9.9% and Profit after tax from ordinary activities before Exceptional Items grew by 6.1%.
5. Other income includes interest income, dividend income and net gain on sale of other non-trade current investments aggregating to Rs. 74.75 crores (MQ'15: Rs. 96.94 crores), net gain on sale of non current investments Rs. 0.21 crores (MQ'15 : 1.47 crores) and interest on income tax refund of Rs. 7.28 crores (MQ'15: Nil).
6. Exceptional items, net credit in MQ'16 includes profit on sale of surplus properties Rs. 2.55 crores (MQ'15: Rs. 7.07 crores), profit recognised hitherto, on sale of Modern business Rs. 50.05 crores (MQ'15: Nil), profit on sale of a subsidiary Rs. Nil (MQ'15: Rs. 168.97 crores), charge for increase in provision for retirement benefits arising out of change in actuarial assumptions of Rs. 7.51 crores (MQ'15: Rs. 5.37 crores benefit) and restructuring expenses Rs. 2.13 crores (MQ'15: Rs. 2.02 crores).
7. Taxation for the quarter includes adjustments of previous years amounting to a credit of Rs. 53.59 crores (MQ'15: Rs. 45.37 crores charge).
8. On 17<sup>th</sup> December 2015 the Company announced that it has entered into an agreement with Mosons Group to acquire its flagship brand 'Indulekha'. The brand with a premium positioning and strong credentials around Ayurveda will complement our existing portfolio and strengthen our presence in the Hair Care category. The deal envisaged the acquisition of the trademarks 'Indulekha' and 'Vayodha', intellectual property, design and knowhow. This transaction was completed on 7<sup>th</sup> April 2016 and as such, there is no impact on the financial results for the quarter/year ended 31<sup>st</sup> March 2016.
9. During the quarter, the Company has entered into an agreement for sale and transfer of its Rice Exports business, carried out primarily under the brands 'Gold Seal Indus Valley' and 'Rozana', to LT Foods Middle East DMCC. This decision is in line with our strategy to exit non-core businesses, while continuing to drive our growth agenda in the core packaged foods business. The transaction is subject to statutory approvals and fulfillment of certain conditions. The business continues to be operated by HUL till the completion of the transaction and as such there is no impact of this transaction on financial results for the quarter/year ended 31<sup>st</sup> March 2016.
10. The Scheme of Arrangement (Scheme) between the Company and its Members, envisages the transfer of entire balance of Rs. 2,187.33 crores standing to the credit of General Reserves to the Profit and Loss Account. The Scheme, under relevant sections of The Companies Act 1956 and 2013, was approved by the Board of Directors on 15<sup>th</sup> January 2016 and the Company has since filed an application with the Hon'ble High



Court of Bombay (Court) during the quarter after receiving necessary clearances from the Stock Exchange. The Scheme is subject to the sanction of the Court, approvals of shareholders and such other approvals as applicable. There is no impact of the said Scheme on financial results for the quarter/year ended 31<sup>st</sup> March 2016.

11. The Board of Directors at their meeting held on Monday, 9<sup>th</sup> May, 2016 recommended a final dividend of Rs. 9.50 per share of Re.1 each, for the financial year ended 31<sup>st</sup> March, 2016. Together with the interim dividend of Rs. 6.50 per share paid on 2<sup>nd</sup> November, 2015, the total dividend for the financial year ended 31<sup>st</sup> March, 2016 works out to Rs. 16.00 per share of Re. 1/- each. Final dividend, subject to approval of shareholders, will be paid on or after Tuesday, 5<sup>th</sup> July 2016.
12. The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
13. Previous period figures have been re-grouped/reclassified 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 9<sup>th</sup> May, 2016.

For more details on Results, visit Investor Relations section of our website at <http://www.hul.co.in> and Financial Results under Corporates section of [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com).

Place: Mumbai  
Date: 9<sup>th</sup> May, 2016



By order of the Board



Sanjiv Mehta  
Managing Director & CEO  
[DIN: 06699923]