

Hindustan Unilever Limited – September Quarter 2009 Results

- **Domestic Consumer business grows 8%; Operating profit grows 16% and PBIT margins improve 140 bps**
 - o Double digit growth in Personal Products and Foods maintained
 - o Brand Investments stepped up by 320 bps
- **PAT before exceptional items (bei) grows 9.5%; PAT (bei) before mark to market charge grows 14.4%**
- **Interim Dividend of Rs 3.00 per share.**

Mumbai, October 31st 2009: Hindustan Unilever Limited (HUL) announced its results for September Quarter 2009. Domestic consumer sales including water grew 8%. FMCG sales grew by 7%, driven by strong growth in Personal Products and Foods. Soaps & Detergents grew modestly due to significant down trading in Detergents. Net Sales grew 5% with planned reduction in exports and underlying volume growth was 1% in the quarter.

HPC business grew 6%, driven by strong volume led growth in Personal Products. Soaps & Detergents grew 1% impacted by low growth in the mass segment. Surf grew well - driving premium laundry growth and competitiveness in the mass portfolio has been strengthened. The Personal wash portfolio has been rejuvenated with improved consumer value across all the brands. The premium soaps segment (Dove, Pears and Liril) grew strongly.

Personal Products grew strongly at 13%. In Hair category all brands grew well – Dove shampoo grew rapidly with the introduction of a new range, the relaunch of Clear and Clinic Plus was well received and Sunsilk continued to grow and develop the conditioner segment. Equally growth was broad based across all brands in the skin category – the premium face care portfolio was strengthened with a successful relaunch of Ponds White Beauty, while FAL equity is being strengthened with the launch of 'winter fairness' variant. In Oral, both Close Up and Pepsodent delivered good volume growth with Pepsodent being relaunched in this quarter.

Foods business grew at 13% driven by Tea, Coffee and Ice Cream. Beverages was up 18% with all brands in Tea growing well- Lipton Green Tea was introduced, Tea Bags were relaunched in the quarter; Instant Coffee growth was driven by low unit packs. In Processed Foods, investment in market and category development continued, with successful relaunch of Knorr soups. Ice-Cream continued its volume led growth.

Pure-It is making excellent progress and rapidly building a strong franchise across the country, with nearly 3 million households now protected. The business has expanded its reach to smaller towns and is focusing on product innovation and channel development.

Operating margin improved by 140bps, through a combination of carry forward impact of pricing, improved mix, step-up in cost saving programmes, and better operating leverage. PBIT grew 16.5% with operating margin improving to 14.3%, after absorbing

320 bps increase in brand investments. A&P expenditure grew by 38%, driven by relaunches, substantial step-up in media support and mix impact of higher Personal Products sales. Excluding the mark to market (MTM) charge on forex exposures, PAT (bei) grew by 14.4%. On a reported basis, PAT bei grew by 9.5%. Net Profit declined by 21.6% due to exceptional gains from property disposal in the prior year and exceptional charge, largely due to a provision related to the settlement signed with erstwhile workers of a closed unit, in the current period.

The Board declared an interim dividend of Rs 3.00 per share for the accounting year ending March 31, 2010.

Mr. Harish Manwani, Chairman commented: "We sustained good growth momentum in the Domestic Consumer business, driven by high quality innovations and sharper in market execution. Personal Products and Foods business continue to deliver strong growth across all our key brands. In Soaps and Detergents, we are actively strengthening our full portfolio and improving our competitiveness in the mass segment. We remain determined to profitably grow volumes and further strengthen our market leadership across categories."

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 30TH SEPTEMBER 2009

Rs. Lakhs

Unaudited Results for the Quarter ended 30th September			Unaudited Results for the Six Months ended 30th September		Audited Results for the Fifteen Months & Accounting Year ended 31st March 2009
2009	2008		2009	2008	
422,811	402,787	1.a. Net Sales [sum of (i) to (iv)]	870,379	818,071	2,023,933
316,434	299,366	i) Domestic FMCG - HPC	657,016	603,819	1,504,257
73,554	65,035	ii) Domestic FMCG - Foods	147,838	128,374	329,299
389,988	364,401	Domestic FMCG - Total (i+ii)	804,854	732,193	1,833,556
22,634	29,492	iii) Exports	48,192	68,643	156,729
10,189	8,894	iv) Others	17,333	17,235	33,648
4,112	8,304	1.b. Other Operational Income	6,807	16,693	38,417
426,923	411,091	1. Total Income [1.a. + 1.b.]	877,186	834,764	2,062,350
366,351	359,082	2. Expenditure [sum of (a) to (g)]	749,360	723,009	1,777,861
409	(26,343)	a) (Increase)/decrease in stock in trade and work in progress	23,125	(25,955)	(42,157)
165,395	181,917	b) Consumption of raw/packing materials	322,344	342,815	841,441
49,311	62,694	c) Purchase of goods	101,629	121,847	284,507
23,579	22,947	d) Employees Cost	48,619	48,338	115,212
4,624	3,927	e) Depreciation/Amortisation	8,873	7,719	19,530
57,092	41,473	f) Advertising & Promotions	113,203	86,093	213,092
65,941	72,467	g) Other expenditure	131,567	142,152	346,236
60,572	52,009	3. Profit from Operations Before Interest and Exceptional Items (1-2)	127,826	111,755	284,489
4,728	4,739	4. Other Income	8,082	12,817	20,555
65,300	56,748	5. Profit before Interest & Exceptional Items (3+4)	135,908	124,572	305,044
148	650	6. Interest expense	665	1,522	2,532
65,152	56,098	7. Profit after Interest but before exceptional Items (5-6)	135,243	123,050	302,512
(13,518)	10,873	8. Exceptional Items - (loss)/gain	(13,242)	12,677	(1,630)
51,634	66,971	9. Profit Before Tax (7+8)	122,001	135,727	300,882
(8,781)	(12,310)	10. Tax expense	(25,206)	(25,248)	(50,356)
42,853	54,661	11. Net Profit After Tax from ordinary activities [9+10]	96,795	110,479	250,526
-	-	12. Extraordinary Items (net of tax) - gain/(loss)	377	-	(881)
42,853	54,661	13. Net Profit (11+12)	97,172	110,479	249,645
21,809	21,792	14. Paid up Equity Share Capital (face value Re 1 per share)	21,809	21,792	21,799
		15. Reserves excluding Revaluation Reserve			184,285
		16. Earnings Per Share (EPS) -			
1.96	2.51	Basic Earnings per Share of Re 1 (before Extraordinary Items) - Rs.	4.44	5.07	11.50
1.96	2.50	Diluted Earnings per Share of Re 1 (before Extraordinary Items) - Rs.	4.43	5.06	11.48
1.96	2.51	Basic Earnings per Share of Re 1 (after Extraordinary Items) - Rs.	4.46	5.07	11.46
1.96	2.50	Diluted Earnings per Share of Re 1 (after Extraordinary Items) - Rs.	4.45	5.06	11.44
		17. Public Shareholding			
1,046,048,640	1,044,307,542	- Number of Shares	1,046,048,640	1,044,307,542	1,045,026,617
47.96%	47.92%	- Percentage of Shareholding	47.96%	47.92%	47.94%
		18. Promoters and Promoter Group Shareholding			
		a) Pledged/Encumbered			
		- Number of shares	Nil		Nil
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA		NA
		- Percentage of shares (as a % of the total share capital of the company)	NA		NA
		b) Non-Encumbered			
		- Number of shares	1,134,849,460		1,134,849,460
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%		100.00%
		- Percentage of shares (as a % of the total share capital of the company)	52.04%		52.06%

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

Unaudited Results for the Quarter ended 30th September			Unaudited Results for the Six Months ended 30th September		Audited Results for the Fifteen Months & Accounting Year ended 31st March 2009
2009	2008		2009	2008	Rs. Lakhs
		Segment Revenue (Sales and Income from Services)			
200,369	198,625	- Soaps and Detergents	421,522	400,674	988,463
119,018	104,962	- Personal Products	241,569	211,762	538,453
52,158	44,217	- Beverages	102,116	86,357	229,951
17,392	17,389	- Processed Foods	34,602	32,388	80,830
5,036	4,661	- Ice Creams	13,895	11,861	23,531
22,700	29,610	- Exports	48,447	68,953	157,608
10,705	9,083	- Others (includes Chemicals, Water etc)	18,646	17,548	35,855
427,378	408,547	Total Segment Revenue	880,797	829,543	2,054,691
-	(165)	Less : Inter segment revenue	(385)	(252)	(792)
427,378	408,382	Net Segment Revenue	880,412	829,291	2,053,899
		Segment Results (Profit Before Tax from ordinary activities)			
27,262	26,845	- Soaps and Detergents	65,409	56,559	148,173
31,337	25,550	- Personal Products	58,323	55,280	142,896
8,873	6,255	- Beverages	15,906	12,403	30,815
(93)	261	- Processed Foods	(221)	639	145
252	212	- Ice Creams	1,800	1,583	862
1,717	3,168	- Exports	3,771	6,050	10,820
(984)	(2,887)	- Others (includes Chemicals, Water etc)	(3,778)	(5,427)	(13,447)
68,364	59,404	Total Segment Results	141,210	127,087	320,264
(148)	(650)	Less : Interest Expense	(665)	(1,522)	(2,532)
(16,582)	8,217	Add/(Less) : Other unallocable expenditure net of unallocable income	(18,544)	10,162	(16,850)
51,634	66,971	Total Profit Before Tax from ordinary activities	122,001	135,727	300,882
		Capital Employed (Segment assets less Segment liabilities)			
(9,556)	46,426	- Soaps and Detergents	(9,556)	46,426	59,349
(15,300)	19,840	- Personal Products	(15,300)	19,840	2,294
(882)	2,981	- Beverages	(882)	2,981	32,661
(740)	2,886	- Processed Foods	(740)	2,886	4,403
3,746	4,526	- Ice Creams	3,746	4,526	4,610
20,283	29,211	- Exports	20,283	29,211	32,099
(13,003)	(4,491)	- Others	(13,003)	(4,491)	(5,063)
(15,452)	101,379	Total Capital Employed in segments	(15,452)	101,379	130,353
243,807	104,566	Add : Unallocable corporate assets less corporate liabilities	243,807	104,566	75,798
228,355	205,945	Total Capital Employed in company	228,355	205,945	206,151

Notes:

1. Net sales grew by 5% during the quarter. FMCG sales grew by 7% with a 5.7% growth in HPC and 13.1% growth in Foods businesses.
2. Operating Profit (Profit from Operations before Interest and Exceptional Items) for the quarter at Rs. 60572 lakhs (SQ'08: Rs. 52009 lakhs) grew by 16.5%.
3. Profit after tax from ordinary activities before Exceptional Items (refer note 6 below) and Forex MTM (refer note 4 below) for the quarter at Rs. 50575 lakhs (SQ'08: Rs. 44205 lakhs) grew by 14.4 %.
4. Other Operational Income includes charge of Rs. 913 lakhs for SQ'09 (SQ'08: credit of Rs. 2162 lakhs) & charge of Rs. 4094 lakhs for Apr – Sept 09 (Apr- Sep 08: credit of Rs. 4641 lakhs) on account of foreign exchange Mark to Market (MTM) valuation of open forward contracts & monetary items (viz. foreign currency receivables & payables) in line with AS -11.
5. Other income includes interest income, dividend income and net gain on sale of other non trade investments.
6. Exceptional items in SQ'09 include profit on sale of properties Rs.3084 lakhs (SQ'08: Rs. 13116 lakhs) and restructuring costs of Rs. 16602 lakhs (SQ'08: Rs. 2243 lakhs). Restructuring costs for the quarter includes provision on account of settlement signed on 7th October 2009, with the Hindustan Lever Employee Union (HLEU), the Union representing erstwhile workers at Sewree factory, a closed unit. This settlement provides for all pending issues and cases to be amicably closed.
7. Taxation for the quarter includes taxation adjustments of previous years amounting to a credit of Rs. 1820 lakhs (SQ' 08: credit of Rs. 486 lakhs). Taxation adjustments of previous years include, where applicable, interest, penalties, write back of excess tax provisions of earlier years, etc.
8. Investor complaints status:
All 20 complaints received during September Quarter 2009 have been resolved.
No complaints were pending for resolution either at the beginning or at the end of quarter ended 30th September 2009.
9. The Board of Directors at their meeting held on 31st October, 2009 have resolved to pay Interim Dividend of Rs. 3.00 per share of Re.1/- for the financial year. The dividend will be payable on or after 23rd November, 2009.

Notice is hereby given, pursuant to Section 154 of the Companies Act, 1956 that the Company has fixed 9th November, 2009 as the RECORD DATE for the purpose of ascertaining the shareholders who would be entitled to receive the interim dividend for the financial year ending on 31st March, 2010.
10. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
11. The text of the above statement was approved by the Board of Directors at their meeting held on 31st October, 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: 31st October, 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 30th September 2009, 30th September 2008 and 31st March 2009. 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.