

## RESULTS FOR SEPTEMBER QUARTER 2015

### 5% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 7% IN SEPTEMBER QUARTER 2015

**Mumbai, October 14<sup>th</sup>, 2015:** Hindustan Unilever Limited announced its results for the quarter ending 30<sup>th</sup> September 2015.

During the quarter, the Domestic Consumer business grew at 5%, with 7% underlying volume growth. The growth in the quarter continued to be impacted by the phasing out of Excise Duty incentives and price de-growth, as the benefit of lower commodity costs was passed on to consumers.

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

Skin Cleansing was driven by double digit volume growth on Dove, Pears, Hamam and Lifebuoy. The liquids portfolio registered another robust quarter.

In Laundry, growth was led by the premium segment, with Surf maintaining its strong momentum and Rin accelerating post relaunch. Comfort Fabric Conditioner delivered another strong performance on the back of sustained market development.

Household Care growth was driven by Vim, with the tubs and liquids portfolio doing well.

The segment witnessed further price deflation in the quarter due to soft commodity costs.

#### **Personal Products: Healthy double digit growth**

Skin Care delivered broad based growth across Fair and Lovely, Pond's, Lakme and Vaseline. Fair and Lovely continued to do well, while the performance of Pond's was led by premium skin lightening and Lakme by Perfect Radiance and CC Cream. The facial cleansing portfolio sustained high growth.

Hair Care maintained its momentum with another strong quarter of volume led double digit growth, as Dove growth accelerated and TRESemmé gained further ground.

In Oral Care, Close Up registered double digit growth on the back of impactful activation.

In Colour Cosmetics, Lakme delivered another quarter of innovation led double digit growth across the core, Absolute and 9 to 5 ranges.

#### **Beverages: Steady performance**

Tea growth was led by Red Label and another quarter of high growth on Lipton Green Tea, driven through impactful market activation. In Coffee, Bru Gold continued to lead category premiumisation and performed well.

#### **Packaged Foods: Eighth successive quarter of double digit growth**

Packaged Foods saw double digit growth across all key brands, driven by the continued focus on market development. Kissan sustained robust activation led growth across both Ketchups and Jams while Knorr growth was led by the strong performance on Instant Soups. In Ice Creams, Kwality Walls had a good quarter on sharper in-market execution and Magnum continues to perform well and delight its consumers.

#### **Water: Leadership sustained in a challenging market context**

In a soft market, Pureit continued to drive the performance of premium devices with a focus on Modern Trade and in-store execution. The business benefited from a strong performance in the ecommerce channel.

#### **Margin improvement sustained**

Lower input costs resulted in a 320 bps reduction in cost of goods sold. Brand investments were sustained at competitive levels across segments and overall A&P was up 220 Crores (+230bps). Profit before interest and tax (PBIT) grew by 7% and PBIT margin improved by +40 bps. Profit after tax before exceptional items, PAT (bei), grew by 1% to Rs.970 Crores while Net Profit was at Rs.962 Crores, the growth rate impacted by the exceptional income from the sale of properties in the base quarter and a higher effective tax rate.

The Board of Directors have declared an interim dividend of Rs 6.5 per equity share of face value Re. 1 each, for the year ending 31<sup>st</sup> March 2016.

Harish Manwani, Chairman commented: "The business delivered another quarter of profitable volume-led growth. We continue to invest behind our brands and in-market executional capabilities to drive the competitiveness of our portfolio. The deflationary commodity cost environment is likely to continue in the near term and our strategy of delivering consistent and competitive growth with sustainable improvement in operating margin remains unchanged."





**HINDUSTAN UNILEVER LIMITED**  
**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2015**

(Rs. in lakhs)

Unaudited Results for the Quarter ended 30th September		Unaudited Results for the Quarter ended 30th June	Particulars	Unaudited Results for the Six Months ended 30th September		Audited Results for the year ended 31st March
2015	2014	2015		2015	2014	2015
781,964	746,554	797,337	1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)]	1,579,301	1,503,632	3,017,050
13,575	17,379	13,176	1.b. Other Operating Income	26,751	31,935	63,512
795,539	763,933	810,513	1. Total Income from operations (net) [1.a. + 1.b.]	1,606,052	1,535,567	3,080,562
670,567	647,368	667,363	2. Expenses [sum of (a) to (g)]	1,337,930	1,294,020	2,588,407
290,283	297,468	283,778	a) Cost of materials consumed	574,061	607,750	1,186,731
97,597	93,339	102,224	b) Purchases of stock-in-trade	199,821	183,485	369,796
2,068	5,091	4,197	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	6,265	3,626	5,828
38,082	41,301	36,350	d) Employee benefits expense	74,432	74,868	157,889
7,614	7,637	7,493	e) Depreciation and amortisation expense	15,107	14,309	28,669
114,504	92,505	115,339	f) Advertising & Promotions	229,843	186,993	387,494
120,419	110,027	117,982	g) Other expenses	238,401	222,989	452,000
124,972	116,565	143,150	3. Profit from operations before other income, finance costs and exceptional items (1-2)	268,122	241,547	492,155
17,016	19,780	10,861	4. Other income	27,877	39,991	61,839
141,988	136,345	154,011	5. Profit from ordinary activities before finance costs and exceptional items (3+4)	295,999	281,538	553,994
3	633	7	6. Finance costs	10	1,258	1,682
141,985	135,712	154,004	7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	295,989	280,280	552,312
(1,214)	4,868	976	8. Exceptional Items - net credit/ (charge)	(238)	8,832	66,430
140,771	140,580	154,980	9. Profit from Ordinary Activities Before Tax (7+8)	295,751	289,112	618,742
44,547	41,764	49,066	10. Tax expense	93,613	84,611	187,216
96,224	98,816	105,914	11. Net Profit from Ordinary Activities After Tax (9-10)	202,138	204,501	431,526
-	-	-	12. Extraordinary Items	-	-	-
96,224	98,816	105,914	13. Net Profit for the period (11+12)	202,138	204,501	431,526
21,639	21,632	21,638	14. Paid up Equity Share Capital (face value Re. 1 per share)	21,639	21,632	21,635
			15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year			350,776
4.45	4.57	4.90	16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):	9.34	9.45	19.95
4.45	4.57	4.89	(a) Basic - Rs.	9.34	9.45	19.94
			(b) Diluted - Rs.			
4.45	4.57	4.90	16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):	9.34	9.45	19.95
4.45	4.57	4.89	(a) Basic - Rs.	9.34	9.45	19.94
			(b) Diluted - Rs.			
<b>A. PARTICULARS OF SHAREHOLDING</b>						
<b>1. Public Shareholding</b>						
709,455,789	708,737,237	709,399,722	- Number of Shares	709,455,789	708,737,237	709,051,993
32.79%	32.76%	32.78%	- Percentage of Shareholding	32.79%	32.76%	32.77%
<b>2. Promoters and Promoter Group Shareholding</b>						
a) Pledged/Encumbered						
Nil	Nil	Nil	- Number of shares	Nil	Nil	Nil
NA	NA	NA	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA
NA	NA	NA	- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA
b) Non-Encumbered						
1,454,412,858	1,454,412,858	1,454,412,858	- Number of shares	1,454,412,858	1,454,412,858	1,454,412,858
100.00%	100.00%	100.00%	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%	100.00%
67.21%	67.24%	67.22%	- Percentage of shares (as a % of the total share capital of the company)	67.21%	67.24%	67.23%
<b>B. INVESTOR COMPLAINTS</b>				<b>Quarter ended 30th September, 2015</b>		
Pending at the beginning of the quarter				Nil		
Received during the quarter				29		
Disposed of during the quarter				29		
Remaining unresolved at the end of the quarter				Nil		

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

(Rs. in lakhs)

Unaudited Results for the Quarter ended 30th September		Unaudited Results for the Quarter ended 30th June	Particulars	Unaudited Results for the Six months ended 30th September		Audited Results for the year ended 31st March
2015	2014	2015		2015	2014	2015
381,657	375,510	385,441	<b>Segment Revenue (Sales and Other operating income)</b>			
234,557	214,274	240,557	- Soaps and Detergents	767,098	760,268	1,487,661
95,255	89,913	91,490	- Personal Products	475,114	430,230	900,653
50,709	45,131	60,794	- Beverages	186,745	173,569	363,149
32,427	36,180	31,246	- Packaged Foods	111,503	99,509	189,180
			- Others (includes Exports, Water, Infant Care Products, etc)	63,673	66,471	131,291
794,605	761,008	809,527	<b>Total Segment Revenue</b>	<b>1,604,133</b>	<b>1,530,047</b>	<b>3,071,934</b>
-	-	-	Less: Inter Segment Revenue	-	-	-
794,605	761,008	809,527	<b>Net Segment Revenue</b>	<b>1,604,133</b>	<b>1,530,047</b>	<b>3,071,934</b>
			<b>Segment Results (Profit before tax and interest from ordinary activities)</b>			
49,030	51,119	59,796	- Soaps and Detergents	108,826	104,299	203,365
61,185	52,226	71,299	- Personal Products	132,484	111,891	242,435
13,780	15,570	14,353	- Beverages	28,133	29,195	61,456
2,687	1,998	5,438	- Packaged Foods	8,125	7,903	8,317
1,043	1,157	(456)	- Others (includes Exports, Water, Infant Care Products, etc)	587	(388)	(1,548)
127,725	122,070	150,430	<b>Total Segment Results</b>	<b>278,155</b>	<b>252,900</b>	<b>514,025</b>
(3)	(633)	(7)	Less: Finance Costs	(10)	(1,258)	(1,682)
13,049	19,143	4,557	Add/(Less): Other unallocable income net of unallocable expenditure	17,606	37,470	106,399
140,771	140,580	154,980	<b>Total Profit Before Tax from ordinary activities</b>	<b>295,751</b>	<b>289,112</b>	<b>618,742</b>
			<b>Capital Employed (Segment assets less Segment liabilities)</b>			
(35,559)	(37,767)	(33,500)	- Soaps and Detergents	(35,559)	(37,767)	(12,333)
(35,277)	(61,192)	(39,544)	- Personal Products	(35,277)	(61,192)	(42,760)
27,581	9,461	36,442	- Beverages	27,581	9,461	37,720
27,736	15,423	22,810	- Packaged Foods	27,736	15,423	21,592
(2,031)	(5)	(1,802)	- Others (includes Exports, Water, Infant Care Products, etc)	(2,031)	(5)	(2,457)
(17,550)	(74,080)	(15,593)	<b>Total Capital Employed in segments</b>	<b>(17,550)</b>	<b>(74,080)</b>	<b>1,762</b>
592,989	605,640	494,415	Add: Unallocable corporate assets less corporate liabilities	592,989	605,640	370,716
575,439	531,560	478,821	<b>Total Capital Employed</b>	<b>575,439</b>	<b>531,560</b>	<b>372,478</b>

**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 30th September, 2015, 30th June, 2015, 30th September, 2014 and 31st March, 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.

**HINDUSTAN UNILEVER LIMITED**

(Rs. in lakhs)

Standalone Statement of Assets and Liabilities		As at 30th September, 2015	As at 31st March, 2015
Particulars		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	21,639	21,635
	(b) Reserves and surplus	553,800	350,843
	<b>Sub-total - Shareholders' funds</b>	<b>575,439</b>	<b>372,478</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Other long-term liabilities	13,204	17,011
	(b) Long-term provisions	128,371	95,635
	<b>Sub-total - Non-current liabilities</b>	<b>141,575</b>	<b>112,646</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Trade payables	557,108	528,890
	(b) Other current liabilities	117,298	90,805
	(c) Short-term provisions	24,393	258,587
	<b>Sub-total - Current liabilities</b>	<b>698,799</b>	<b>878,282</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,415,813</b>	<b>1,363,406</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	304,939	293,654
	(b) Non-current investments	65,411	65,411
	(c) Deferred tax assets (net)	22,507	19,596
	(d) Long-term loans and advances	54,488	58,346
	(e) Other non-current assets	77	44
	<b>Sub-total - Non-current assets</b>	<b>447,422</b>	<b>437,051</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	207,550	262,382
	(b) Inventories	235,206	260,268
	(c) Trade receivables	110,094	78,294
	(d) Cash and bank balances	341,519	253,756
	(e) Short-term loans and advances	62,847	65,727
	(f) Other current assets	11,175	5,928
	<b>Sub-total - Current assets</b>	<b>968,391</b>	<b>926,355</b>
	<b>TOTAL - ASSETS</b>	<b>1,415,813</b>	<b>1,363,406</b>

**Notes:**

1. Net Sales grew by 4.7% during the quarter with Domestic Consumer Business (FMCG + Water) growing by 5.1%.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 124,972 lakhs (SQ'14: Rs. 116,565 lakhs) grew by 7.2%.
3. Profit after tax before Exceptional Items (refer note 6 below) for the quarter is at Rs.97,031 lakhs (SQ'14: Rs. 95,697 lakhs) grew by 1.4%.
4. Employee benefit expense for the quarter includes a one-time credit of an amount of Rs 1,746 lakhs on account of adjustments for un-utilized pension corpus relating to earlier years. (SQ '14: Nil).
5. Other income includes interest income, dividend income and net gain on sale of other non-trade current investments aggregating to Rs. 8,016 lakhs (SQ'14: Rs. 9,825 lakhs) and dividend income from trade non-current investments Rs 9,000 lakhs (SQ'14: Rs. 9,955 lakhs).
6. Exceptional items, net debit in SQ'15 include profit on sale of surplus properties Rs. 962 lakhs (SQ'14: Rs. 4,925 lakhs) and restructuring expenses Rs. 2,176 lakhs (SQ'14: Rs. 57 lakhs).
7. The Board of Directors at their meeting held on 14<sup>th</sup> October, 2015 have resolved to pay Interim Dividend of Rs. 6.50 per share of nominal value of Re.1/- for the financial year. The interim dividend will be payable on or after 2<sup>nd</sup> November, 2015 and the record date for determining entitlement has been fixed as 20<sup>th</sup> October, 2015.
8. During the quarter, the Company has entered into an agreement for sale and transfer of its bread and bakery business on a going concern basis under the brand "Modern" to Nimman Foods Private Limited, an investee company of the Everstone Group. The transaction is subject to statutory approvals and requisite clearances. HUL's decision to divest is in line with its strategy to exit non-core businesses, while continuing to drive its growth agenda in the core packaged foods business. The business continues to be operated by HUL till closure and there is no impact of this transaction on financial results for the quarter.
9. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to this period's classification.
10. The text of the above statement was approved by the Board of Directors at their meeting held on 14<sup>th</sup> October, 2015.

**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: 14<sup>th</sup> October, 2015

Sanjiv Mehta  
Managing Director & CEO  
[DIN: 06699923]