

## Press Release

### **Hindustan Unilever Limited – December Quarter and Full Year 2007 Results**

- Net sales grow by 16.8% in DQ and 13.3% for full year
- FMCG Sales grow by 18% and 13.7% for full year
- PBIT grows 18.3% and 15.4% for full year
- Net profit increases by 23.5 %. Full year higher by 3.8%
- Final Dividend Rs.3.00 per share of Re. 1/- each; Total Dividend (incl. the Platinum Jubilee Dividend) of Rs. 9.00 per share for 2007.

**Mumbai, February 13<sup>th</sup> 2008:** Hindustan Unilever Limited (HUL) announced its results for December Quarter 2007. Net Sales grew by 16.8%, with the FMCG business growing at 18%.

Home and Personal Care (HPC) business grew at 18.4% with strong growth in both Soaps and Detergents and Personal Products segments. Laundry continued its impressive performance with all brands growing well. Soaps grew on the back of notable performances by Lux and Lifebuoy. Personal Products registered its highest growth in the last 5 Quarters with good performance across brands in Skin and Hair categories. Top-end Ponds range and Dove shampoo continue their excellent progress.

Foods business grew by 16.6% In Beverages, Tea growth was driven by the premium brands. Coffee had another good quarter with Bru growing strongly. Processed Foods continues to do well with strong performance by Knorr post its relaunch in 3 new ranges. Foods business results include the impact arising from merger of Modern Foods (India) Ltd.

Water business is being rolled out and Pure-it now protects approximately 4 million consumers in 210 towns across 10 states.

Cost savings mitigated the impact of escalating costs. These savings combined with selective price increases increased gross margin. Profit Before Interest and Tax (PBIT) increased by 18.3% and PBIT margin increased by 20 bps over the corresponding

quarter of 2006, despite a planned increase of 32% in Advertising and Promotion spend. Profit after Tax (PAT) grew by 14.6%. Net Profit was higher by 23.5% with certain exceptional incomes.

**For full year 2007**, net sales were 13.3% higher than in the previous year with broad based growth across categories leading to both the HPC and Foods business growing by 12.3% and 20.2% respectively. Gross margin for the year improved with selective price increases and robust cost saving initiatives. A significant part of this increase was reinvested behind brands, for driving sales growth. PBIT increased by 15.4% and PAT grew by 14.9%. Net Profit growth at 3.8% was not comparable, due to a significant exceptional income from sale of a brand in the base year (2006).

Mr. Harish Manwani, Chairman commented: "Our business has witnessed the third consecutive year of accelerated double digit growth for our FMCG portfolio. Personal Products business registered robust growth in December Quarter and we are encouraged by the response to our premium brands, particularly Ponds top-end range and Dove hair care. We will continue to strengthen our market leadership in key categories by delivering unmatched consumer value backed by relevant innovations, brilliant activation and outstanding customer service. We recognise the challenge of inflationary pressures and, in a competitive context, sustaining cost leadership across the extended supply chain continues to be a key priority."

#### **Dividend:**

The Board of Directors at their meeting held on February 13<sup>th</sup>, 2008 has proposed a Final Dividend of Rs 3.00 per share of Re.1/- each, subject to the approval of shareholders at the annual general meeting. This along with the interim dividend of Rs. 3.00 per share and the Platinum Jubilee dividend of Rs. 3 per share amounts to a total dividend of Rs. 9.00 per share for 2007.

#### **About Hindustan Unilever Limited:**

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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