

## **RESULTS FOR QUARTER ENDING 30<sup>th</sup> JUNE 2015**

**5% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 15% IN JUNE QUARTER 2015**

**Mumbai, July 21<sup>st</sup>, 2015:** Hindustan Unilever Limited announced its results for the quarter ending 30<sup>th</sup> June 2015.

During the quarter, the Domestic Consumer business grew at 5%, with 6% underlying volume growth. The growth in the quarter was 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: Healthy volume growth offset by price deflation**

In Skin Cleansing, the performance was driven by the premium segment, with Dove and Lifebuoy Handwash delivering strong growth.

In Laundry, Surf maintained its strong volume led growth momentum with broad based double digit growth. Rin did well on the bars portfolio, while Comfort Fabric Conditioners delivered another quarter of high growth on sustained market development.

In Household Care, Vim delivered double digit volume growth, driven by the tubs and liquids formats.

The quarter witnessed further price deflation across these categories given benign input costs.

### **Personal Products: Strong quarter with double digit growth across Skin, Hair and Colour Cosmetics**

Skin Care delivered broad based volume led growth across Fair and Lovely, Pond's, Lakme and Vaseline. Fair and Lovely saw an encouraging response to the newly launched BB cream. Pond's performance was led by premium skin lightening and facewash while Lakme growth was buoyed by CC Cream, Perfect Radiance and new innovations.

Hair Care maintained its strong volume led growth momentum. Dove growth accelerated further, while Clinic Plus, Sunsilk and TRESemmé continued to deliver robust growth.

In Oral Care, Close Up grew in double digit, supported by impactful market activation. In Pepsodent, the Gum Care and Clove & Salt variants continued to do well, with the latter been extended nationally during the quarter.

In Colour Cosmetics, Lakme sustained its strong innovation led performance across the core, Absolute and 9 to 5 ranges.

### **Beverages: Broad based growth across brands**

Tea delivered double digit growth with healthy volumes, led by Red Label and another strong quarter on Lipton Green Tea. In Coffee, Bru Gold sustained its robust growth momentum.

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

Market development continues to be the key driver of growth in this segment. Kissan delivered one of its strongest quarters as growth accelerated across both Ketchups and Jams. Knorr grew despite a sharp market slowdown in the quarter, led by Instant Soups. Ice Creams registered double digit growth, driven by sharper in-market execution on Kwality Walls and the extension of Magnum to new cities.

### **Water: Strengthening category leadership**

Pureit sustained its growth ahead of a slowing durables market, with premium devices delivering another quarter of double digit growth. The category performance continued to be led by Modern Trade, eCommerce and Perfect Stores channels.

### **Margin improvement sustained**

Input costs were benign resulting in a 380 bps reduction in Cost of Goods Sold. Overall competitive intensity remained high across categories. Investment behind brands was sustained at competitive levels with overall A&P up Rs.209 Crores (+200 bps). Profit before interest and tax (PBIT) grew by 15% and PBIT margin improved by 140 bps. Profit after tax before exceptional items, PAT (bei), grew by 3% to Rs.1053 Crores and Net Profit at Rs.1059 Crores was flat, the growth impacted by the one-time profit on sale of investments in the base quarter and the higher tax rate.

Harish Manwani, Chairman commented: "In a subdued market environment, the business delivered another quarter of healthy volume led growth and strong improvement in operating margin. We are particularly pleased with the stepped up momentum in Personal Products and the sustained double digit performance in Packaged Foods. With the near term outlook largely dependent on pickup in Rural markets and commodity costs expected to remain benign with little or no price growth across select categories, our focus will be to drive market development and simultaneously deliver cost efficiencies to sustain profitable volume led growth."





HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2015

(Rs. in lakhs)

Particulars	Unaudited Results for the Quarter ended 30th June		Unaudited Results for the Quarter ended 31st March	Audited Results for the year ended 31st March
	2015	2014	2015	2015
<b>1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)]</b>	<b>797,337</b>	<b>757,078</b>	<b>755,500</b>	<b>3,017,050</b>
<b>1.b. Other Operating Income</b>	<b>13,176</b>	<b>14,556</b>	<b>12,063</b>	<b>63,512</b>
<b>1. Total Income from operations (net) [1.a. + 1.b.]</b>	<b>810,513</b>	<b>771,634</b>	<b>767,563</b>	<b>3,080,562</b>
<b>2. Expenses [sum of (a) to (g)]</b>	<b>667,363</b>	<b>646,652</b>	<b>642,797</b>	<b>2,588,407</b>
a) Cost of materials consumed	283,778	310,282	292,918	1,186,731
b) Purchases of stock-in-trade	102,224	90,146	91,399	369,796
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,197	(1,465)	(1,622)	5,828
d) Employee benefits expense	36,350	33,567	38,842	157,889
e) Depreciation and amortisation expense	7,493	6,672	7,052	28,669
f) Advertising & Promotions	115,339	94,488	102,789	387,494
g) Other expenses	117,982	112,962	111,419	452,000
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>143,150</b>	<b>124,982</b>	<b>124,766</b>	<b>492,155</b>
4. Other income	10,861	20,211	9,841	61,839
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>154,011</b>	<b>145,193</b>	<b>134,607</b>	<b>553,994</b>
6. Finance costs	7	625	-	1,682
<b>7. Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>154,004</b>	<b>144,568</b>	<b>134,607</b>	<b>552,312</b>
8. Exceptional Items - net credit/ (charge)	976	3,964	17,940	66,430
<b>9. Profit from Ordinary Activities Before Tax (7+8)</b>	<b>154,980</b>	<b>148,532</b>	<b>152,547</b>	<b>618,742</b>
10. Tax expense	49,066	42,847	50,739	187,216
<b>11. Net Profit from Ordinary Activities After Tax (9-10)</b>	<b>105,914</b>	<b>105,685</b>	<b>101,808</b>	<b>431,526</b>
12. Extraordinary Items	-	-	-	-
<b>13. Net Profit for the period (11+12)</b>	<b>105,914</b>	<b>105,685</b>	<b>101,808</b>	<b>431,526</b>
<b>14. Paid up Equity Share Capital (face value Re. 1 per share)</b>	<b>21,638</b>	<b>21,631</b>	<b>21,635</b>	<b>21,635</b>
<b>15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>				<b>350,776</b>
<b>16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.90	4.89	4.71	19.95
(b) Diluted - Rs.	4.89	4.88	4.70	19.94
<b>16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.90	4.89	4.71	19.95
(b) Diluted - Rs.	4.89	4.88	4.70	19.94
<b>A. PARTICULARS OF SHAREHOLDING</b>				
<b>1. Public Shareholding</b>				
- Number of Shares	709,399,722	708,694,942	709,051,993	709,051,993
- Percentage of Shareholding	32.78%	32.76%	32.77%	32.77%
<b>2. Promoters and Promoter Group Shareholding</b>				
a) Pledged/Encumbered				
- Number of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA
b) Non-Encumbered				
- Number of shares	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	67.22%	67.24%	67.23%	67.23%
<b>B. INVESTOR COMPLAINTS</b>	<b>Quarter ended 30th June, 2015</b>			
Pending at the beginning of the quarter	Nil			
Received during the quarter	18			
Disposed of during the quarter	18			
Remaining unresolved at the end of the quarter	Nil			

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lakhs)

Particulars	Unaudited Results for the Quarter ended 30th June		Unaudited Results for the Quarter ended 31st March	Audited Results for the year ended 31st March
	2015	2014	2015	2015
	Segment Revenue (Sales and Other operating income)			
- Soaps and Detergents	385,441	384,758	367,371	1,487,661
- Personal Products	240,557	215,956	224,968	900,653
- Beverages	91,490	83,656	97,615	363,149
- Packaged Foods	60,794	54,378	47,683	189,180
- Others (includes Exports, Water, Infant Care Products, etc)	31,246	30,291	29,470	131,291
<b>Total Segment Revenue</b>	<b>809,528</b>	<b>769,039</b>	<b>767,107</b>	<b>3,071,934</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>809,528</b>	<b>769,039</b>	<b>767,107</b>	<b>3,071,934</b>
Segment Results (Profit before tax and interest from ordinary activities)				
- Soaps and Detergents	59,796	53,180	48,825	203,365
- Personal Products	71,299	59,665	62,452	242,435
- Beverages	14,353	13,625	18,161	61,456
- Packaged Foods	5,438	5,905	2,540	8,317
- Others (includes Exports, Water, Infant Care Products, etc)	(456)	(1,545)	(783)	(1,548)
<b>Total Segment Results</b>	<b>150,430</b>	<b>130,830</b>	<b>131,195</b>	<b>514,025</b>
Less: Finance Costs	(7)	(625)	-	(1,682)
Add/(Less): Other unallocable income net of unallocable expenditure	4,557	18,327	21,352	106,399
<b>Total Profit Before Tax from ordinary activities</b>	<b>154,980</b>	<b>148,532</b>	<b>152,547</b>	<b>618,742</b>
Capital Employed (Segment assets less Segment liabilities)				
- Soaps and Detergents	(33,500)	(43,424)	(12,333)	(12,333)
- Personal Products	(39,544)	(61,603)	(42,760)	(42,760)
- Beverages	36,442	24,359	37,720	37,720
- Packaged Foods	22,810	15,741	21,592	21,592
- Others (includes Exports, Water, Infant Care Products, etc)	(1,802)	(1,052)	(2,457)	(2,457)
<b>Total Capital Employed in segments</b>	<b>(15,594)</b>	<b>(65,979)</b>	<b>1,762</b>	<b>1,762</b>
Add: Unallocable corporate assets less corporate liabilities	494,415	500,383	370,716	370,716
<b>Total Capital Employed</b>	<b>478,821</b>	<b>434,404</b>	<b>372,478</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 June, 2015, 30th June, 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.

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CIN : L15140MH1933PLC002030

**Notes:**

1. Net Sales grew by 5.3% during the quarter with Domestic Consumer Business (FMCG + Water) growing by 5.4%.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 143,150 lakhs (JQ'14: Rs. 124,982 lakhs) grew by 14.5%.
3. Profit after tax before Exceptional Items (refer note 6 and 7 below) for the quarter is at Rs.105,278 lakhs (JQ'14: Rs. 101,968 lakhs) grew by 3.2%.
4. Employee benefit expense for the base quarter JQ'14 included a one-time credit of an amount of Rs 3,244 Lakhs on account of adjustments for un-utilized pension corpus relating to earlier years; JQ'15: Nil.
5. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 10,861 lakhs (JQ'14: Rs. 8,810 lakhs) and net gain on sale of non current investments Rs Nil (JQ'14: Rs. 10,622 lakhs) and interest on income tax refunds of Rs. Nil (JQ'14: Rs. 779 lakhs).
6. Exceptional items, net credit in JQ'15 include profit on sale of surplus properties Rs. 1,077 lakhs (JQ'14: Rs. 4,015 lakhs) and restructuring expenses Rs. 101 lakhs (JQ'14: Rs 51 lakhs).
7. Taxation for the base quarter JQ'14 included net write back of excess tax provisions of earlier years amounting to Rs.1,056 lakhs; JQ'15: Nil.
8. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to this period's classification.
9. The text of the above statement was approved by the Board of Directors at their meeting held on 21st July, 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: 21<sup>st</sup> July, 2015

Sanjiv Mehta  
Managing Director & CEO  
[DIN: 06699923]