



Hindustan Unilever Limited

Winning Today and Tomorrow

Analyst Meet

May 26, 2010

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Agenda

Context

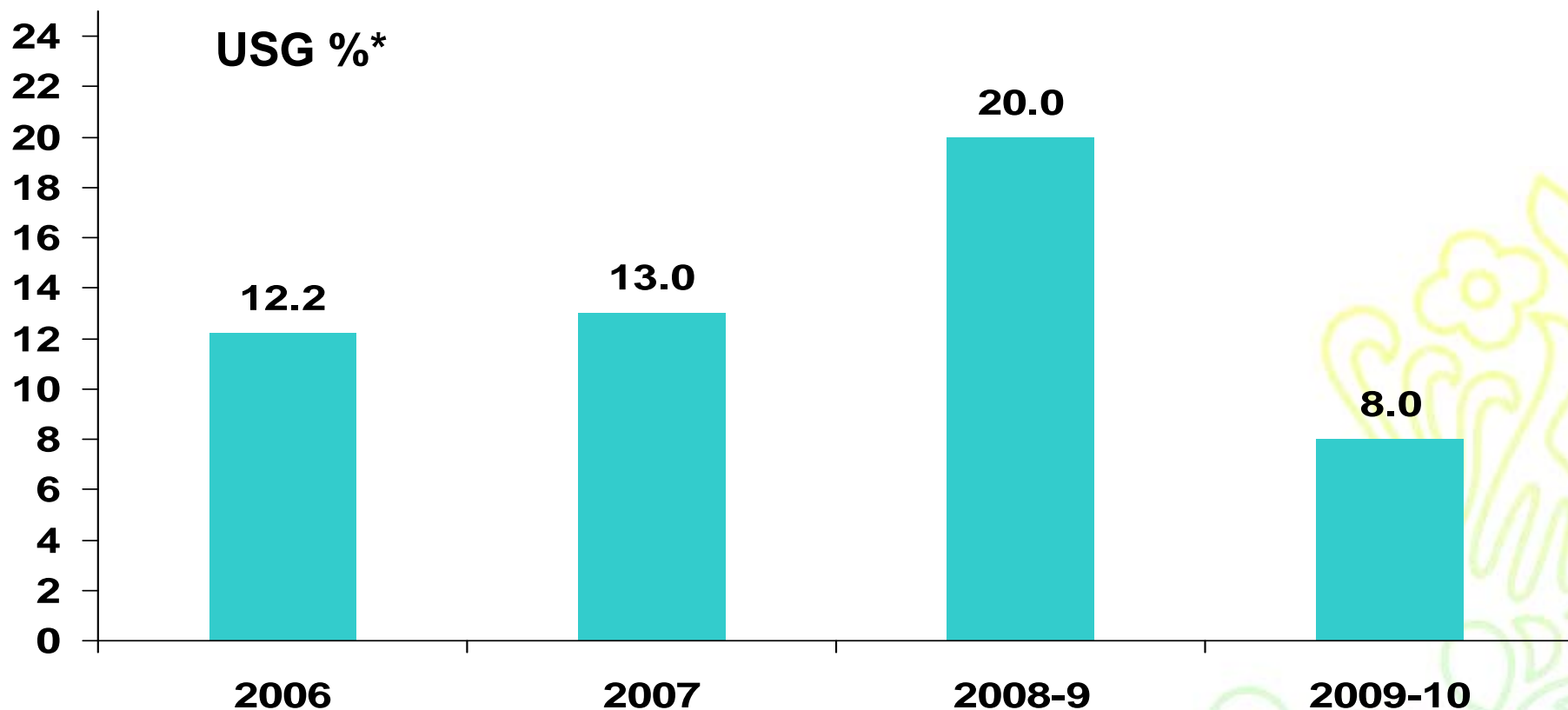
Winning Today

Emerging Trends

Winning Tomorrow



Context : Recent Performance



Domestic FMCG
08-09 Annualised

CAGR: 13% over the last 4 years
130 bps increase in operating margin

Agenda

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Winning Today

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Winning Today : Principles

- **Leverage brand portfolio and consumer understanding to develop winning mixes by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
- **Step up execution focus**
 - Costs, Cash and Service
 - Speed

SUPERIOR PRODUCTS

Winning through brands and innovation : HPC

Fabric Wash

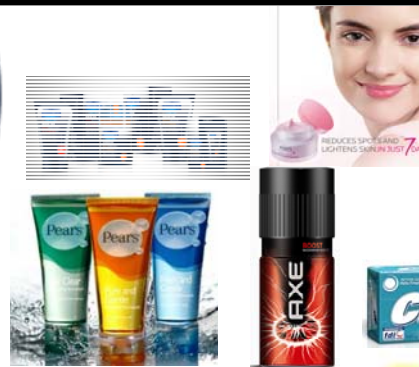
Personal Wash

Hair

Skin/Deo

Tooth Paste

Premium



Popular



Mass



Innovation intensity stepped up

Winning through brands and innovation : Foods

Tea	Coffee	Processed Foods	Ice Creams
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Premium



Popular

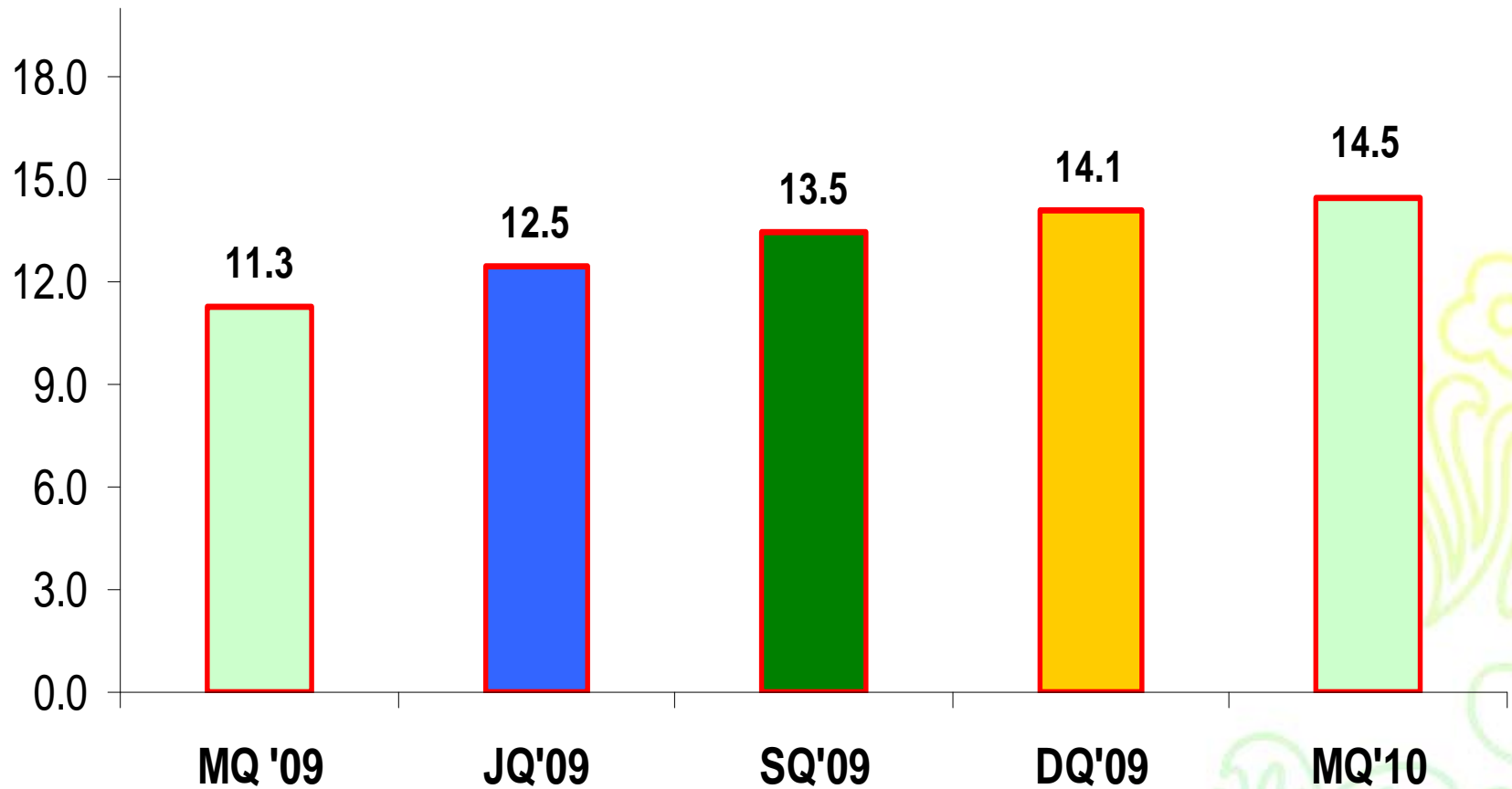


Mass



Innovation intensity stepped up

With a step up in A&P

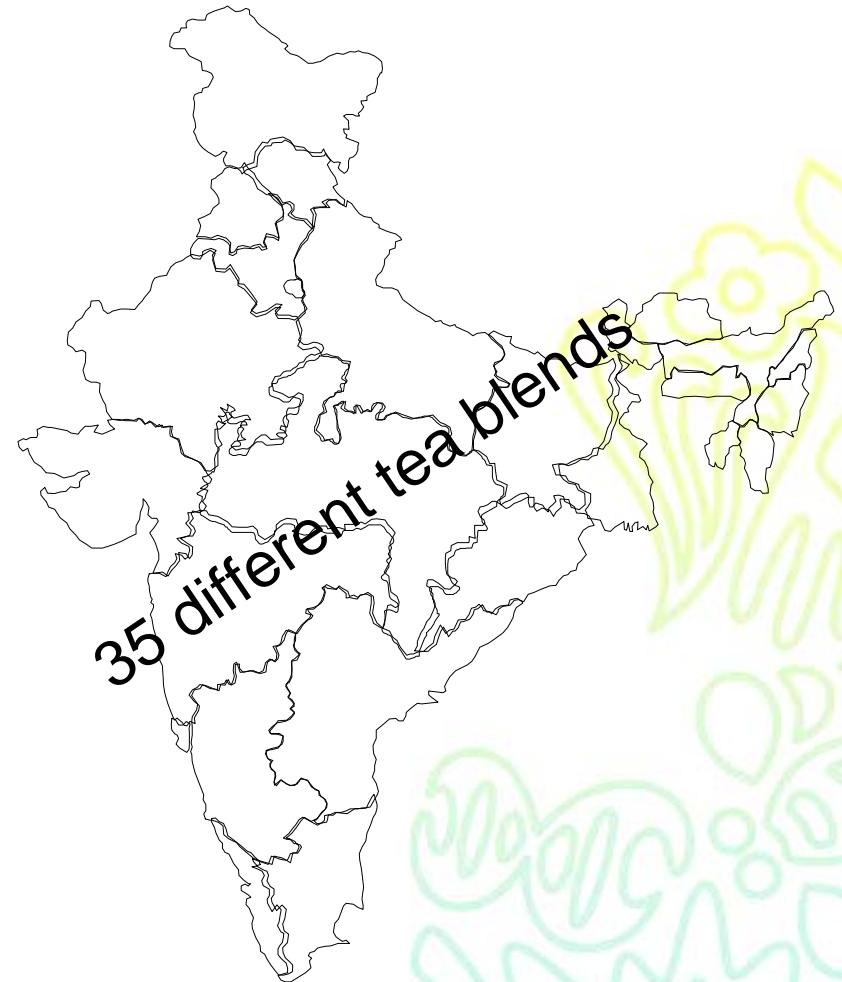


Winning in the marketplace : Micro Marketing

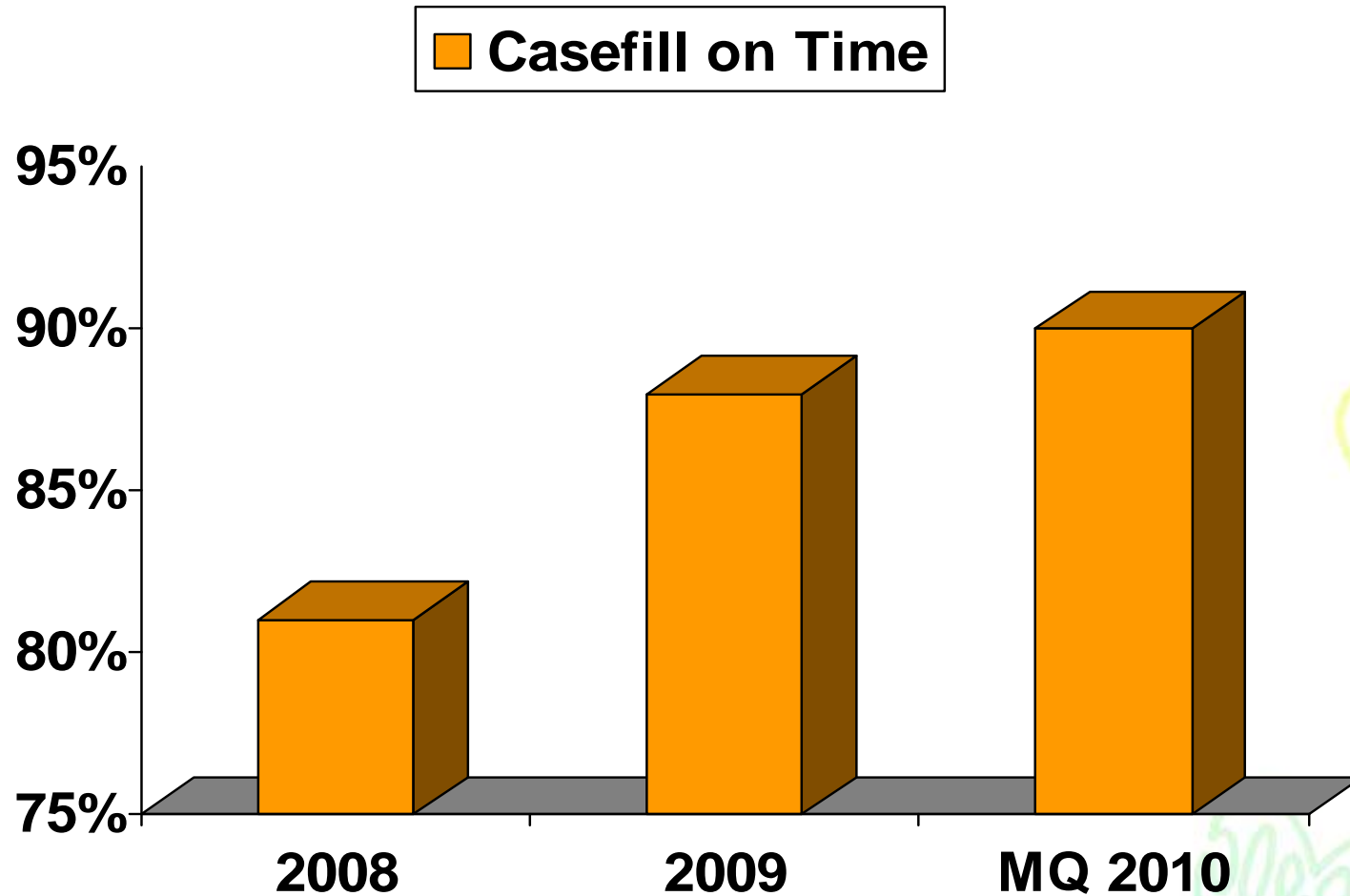
Micro Marketing

- **Why ? The “Many Indias”**
 - Varied Consumer preference
 - Nature of competition different
 - Triggers & barriers different
- **How ? Tailoring the Mix**
 - Right pricing by geography
 - Product customisation
 - Locally relevant activation

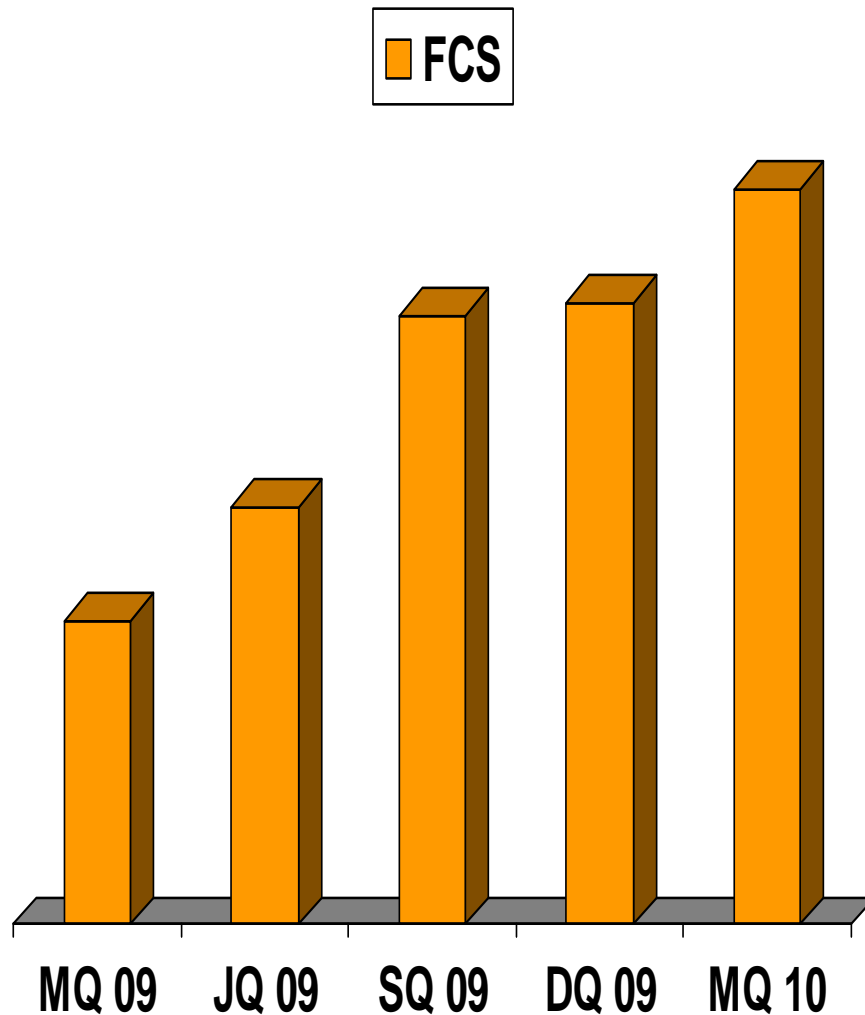
Tea : Differentiated blends



Execution : Customer Service > 90%



Execution in the field

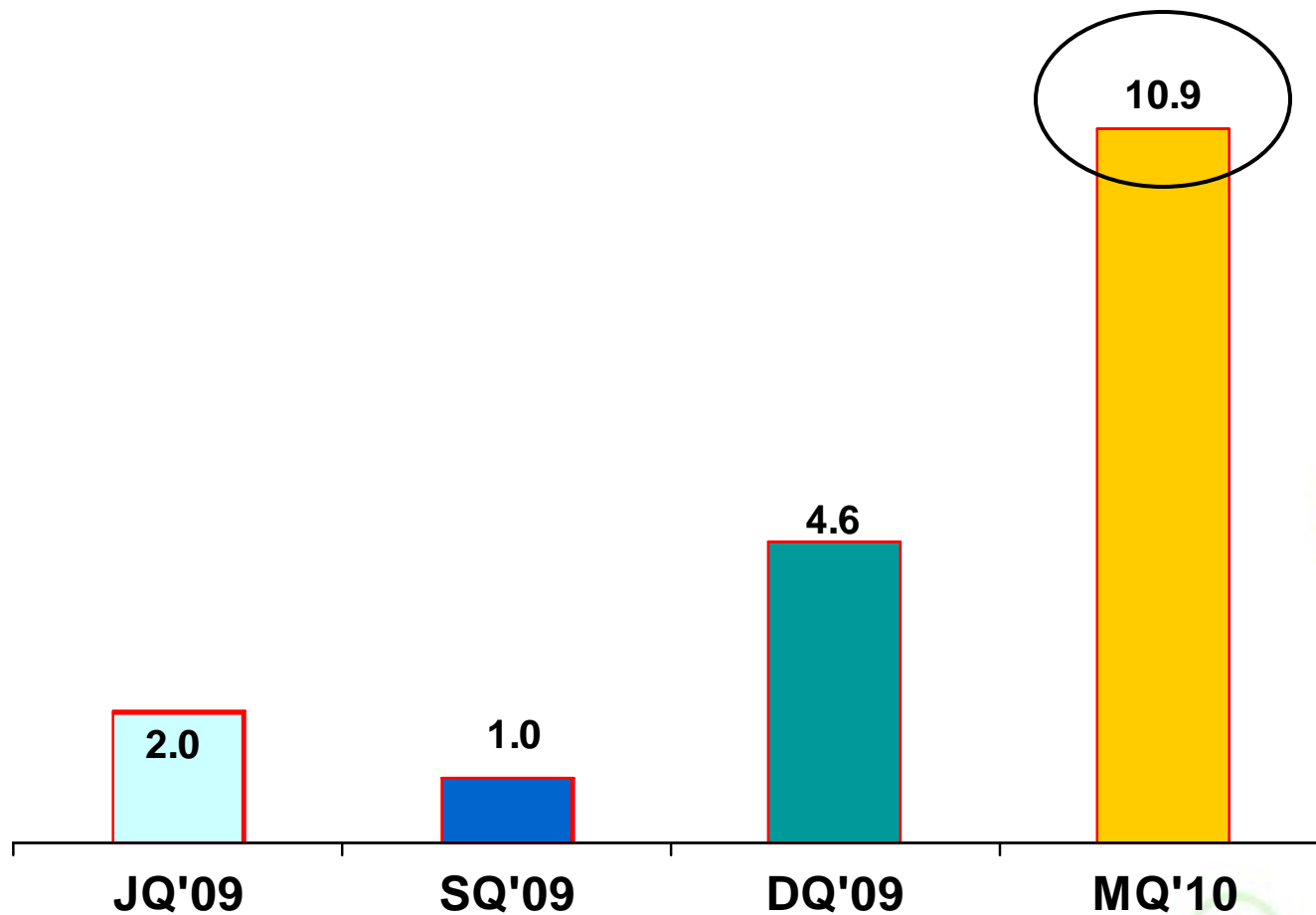


- **Billing More Stores**
- **More Frequently**
- **With Better Assortment**

Execution : Greater Speed

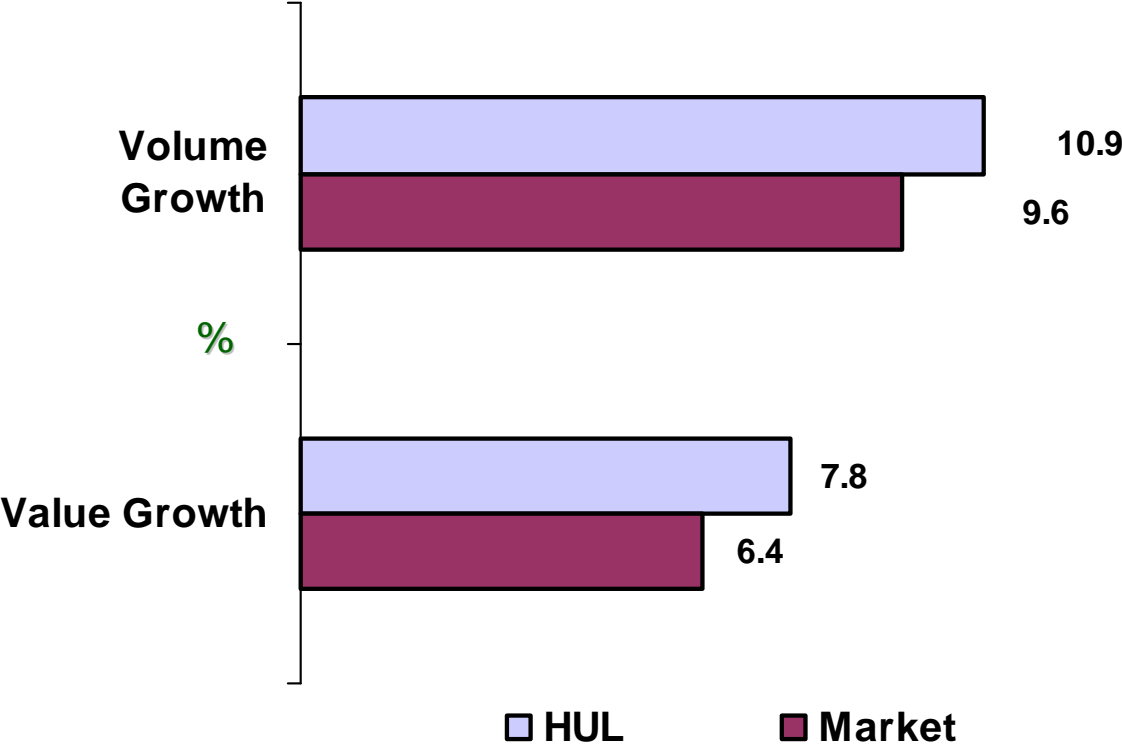
- **We live in an era of volatility**
 - Demands greater flexibility and agility
 - Speed is a key competitive advantage
 - **Through 2009, several actions taken**
 - Execution cycle times analysed by element
 - Actions to deliver 50% reduction in cycle times agreed
 - **March Quarter 2010 :**
 - 45% of networks already on “crashed” timelines
 - All actions to deliver faster execution to be landed by JQ 2010
- 
- A decorative graphic on the right side of the slide, featuring stylized floral and leaf patterns in shades of yellow and green.

Results : Strong pick up in volume growth



Step up in volume growth

Growth ahead of market



Competitive growth delivered

Winning Today : Summary

- **Several actions taken through 2009 and MQ 2010**
 - Strengthening portfolio
 - Stepping up execution
- **Results positive**
 - Substantial step up in volume growth
 - Growth ahead of market
- **Need to sustain and build on momentum**



Agenda

Context

Winning Today

Emerging Trends

Winning Tomorrow



Emerging Trends

WHO
CONSUMERS
CUSTOMERS
COMPETITION
SOCIETY / ENVIRONMENT



TRENDS
<ul style="list-style-type: none">• More Affluence• Changing Attitudes
<ul style="list-style-type: none">• Hybrid Trade
<ul style="list-style-type: none">• Intense
<ul style="list-style-type: none">• More Conscious• Only sustainable business models will survive

Agenda

Context

Winning Today

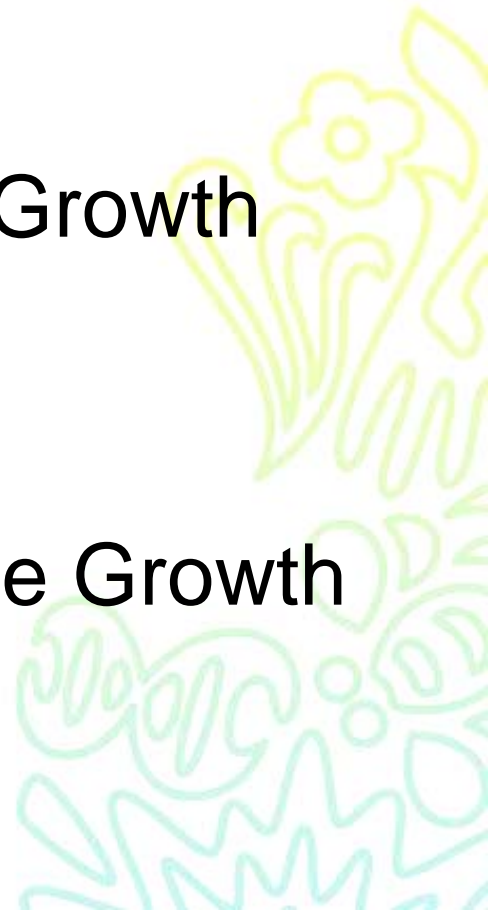
Emerging Megatrends

Winning Tomorrow



Business Goals

- Competitive Growth
- Profitable Growth
- Sustainable Growth



Winning Tomorrow : Our Approach

Winning with Brands and Innovations

- Winning in the Market Place
- Winning through Continuous Improvement
- Winning with People



Brands & Innovations : Principles

- Straddle the pyramid and drive consumption on the core
- Lead market development in emerging categories



Straddling the pyramid -Laundry Example

Powders

Segment % Contribution

19

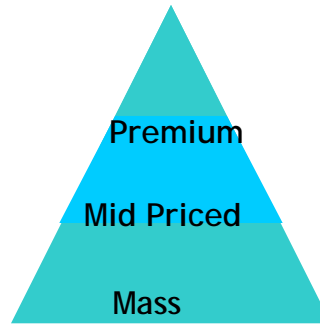
Premium

18

Mid Priced

63

Mass



Price per KG

> Rs.110/kg

Rs.50/kg

Rs.30/kg



Bars

Segment % Contribution

16

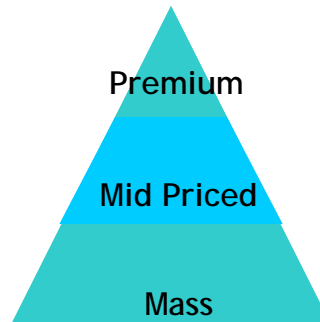
Premium

13

Mid Priced

71

Mass



Price per KG

Rs.100/kg

Rs.50/kg

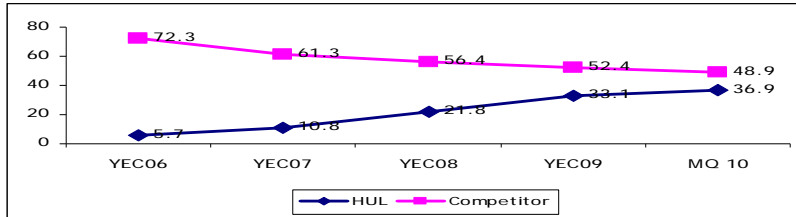
Rs.28/kg



Principle : Cover all price and benefit segments

Leveraging global know-how to build Beauty : across Brands, Categories & Formats

Hair Conditioners



Hand & Body



Male Grooming



Premium Skin Lightening



Processed Foods : Model based on conversion

Unhealthy fried snacks
Rs. 17,000 crs *



Healthy Soups/Noodles



Traditional Indian
Sweets



Ice cream



Scratch Cooking
Rs. 11,500 crs*



Meal Makers



Pkt tea
Rs. 5,700 crs



Tea bags – no boiling



Different eating habit

Different preparation method

Leveraging global R&D capability to create locally relevant mixes

* McKinsey estimates

Winning Tomorrow : Our Approach

- Winning with Brands and Innovations
- Winning in the Market Place
- Winning through Continuous Improvement
- Winning with People

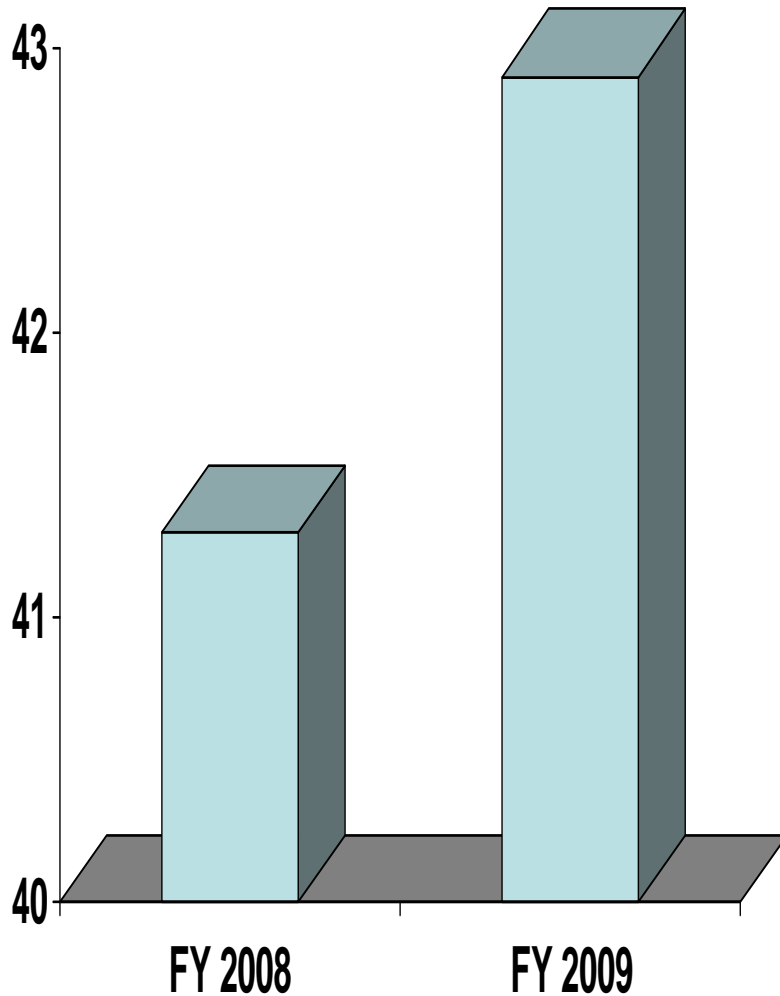
Winning in the marketplace : Principles

- Win with : Winning customers
- Win in : Winning geographies
- Win with : Technology

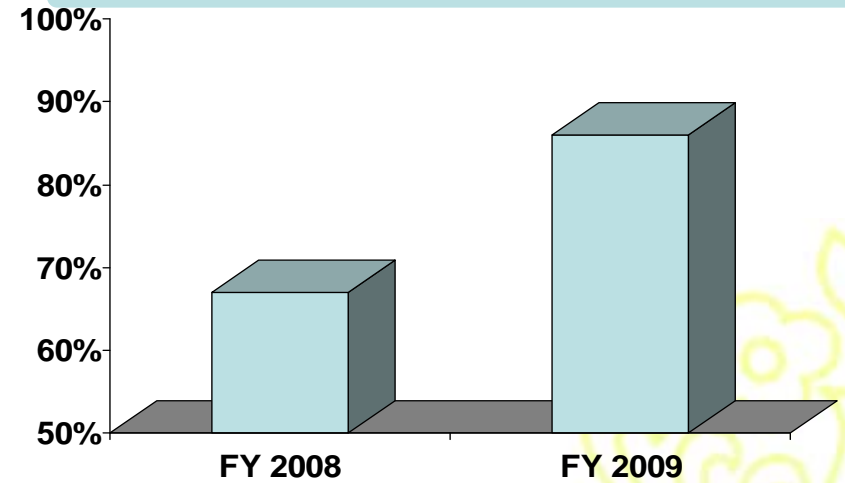


Winning with winning customers : Modern Trade

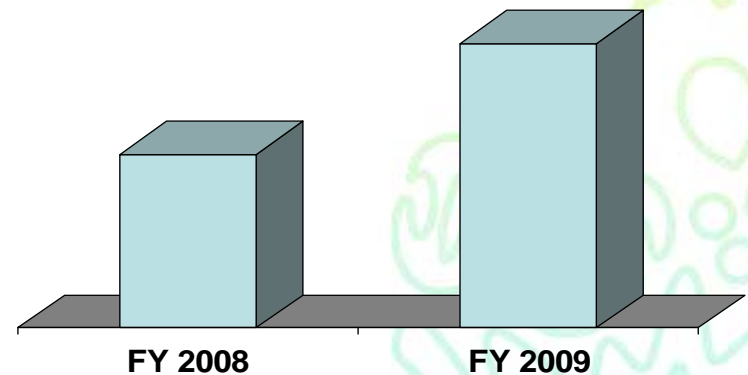
Market Shares up by 160 bps



Customer Service scores up



Profitability improved



Winning in winning geographies : Rural

New Markets

**New outlets
(current villages)**

**Shakti/
Shaktiman**

**+500,000
stores**

Winning with technology : iQ

ORDER BOOKING						
LINES	FIND	TOTVAL				
← Select Category →		Must Sell Packs				
SKU	SO	OR				
LUX ORCHID 100 GMS	2	0				
LUX ORCHID 100 GMS	2	0				
ALA BLEACH 500ML	3	0				
LUX ORCHID 45 GMS	4	0				
LUX ORCHID 75 GMS	1	0				
LUX STWBY 125G	2	0				
SFXL BAR 125 GM	4	0				

STK	TUR	MRP	ITMVAL	GAP	RR		
169	12.04	13.00	0	97	16		
0	1	3	5	6	12	UNIT	
G	R	O	W	T	H	Exit	

Deliver Assortment

Reduce Out Of Stock

Build Assortment

Identify Opportunities



Sophisticated analytics for outlet level interventions

Simple front-end for better execution by salesmen

Winning Tomorrow : Our Approach

- Winning with Brands and Innovations
- Winning in the Market Place
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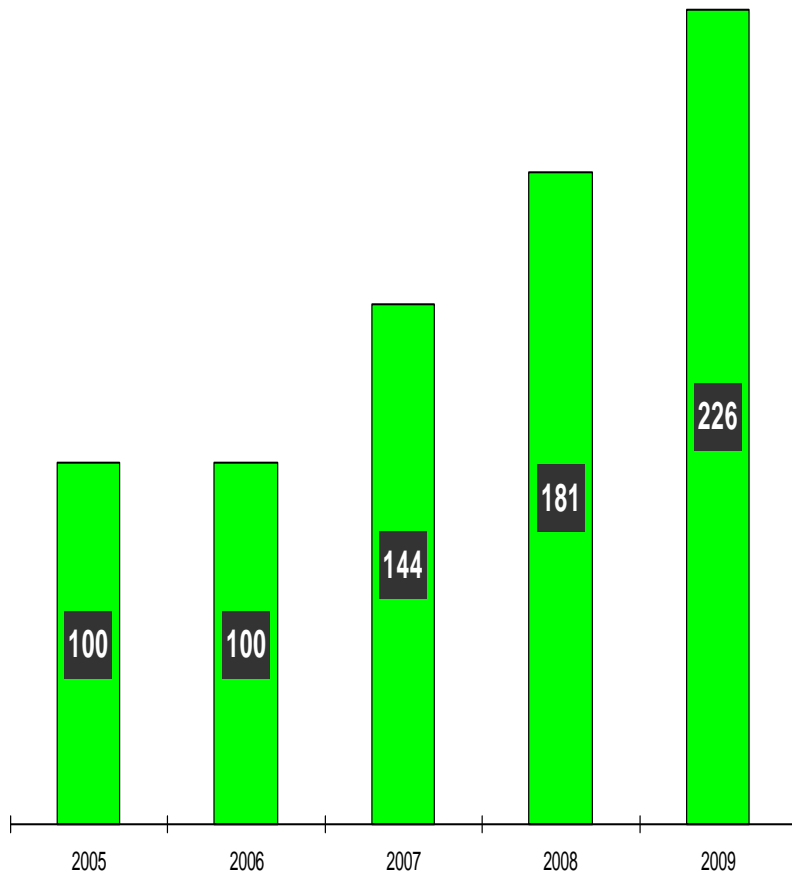
Delivering Continuous Improvement : Approach

- **Continuous improvements in**
 - **Customer Service**
 - **Cash**
 - **System Costs**
- **Delivered through**
 - **Leading edge IT solutions**
 - **Cross functional teams**

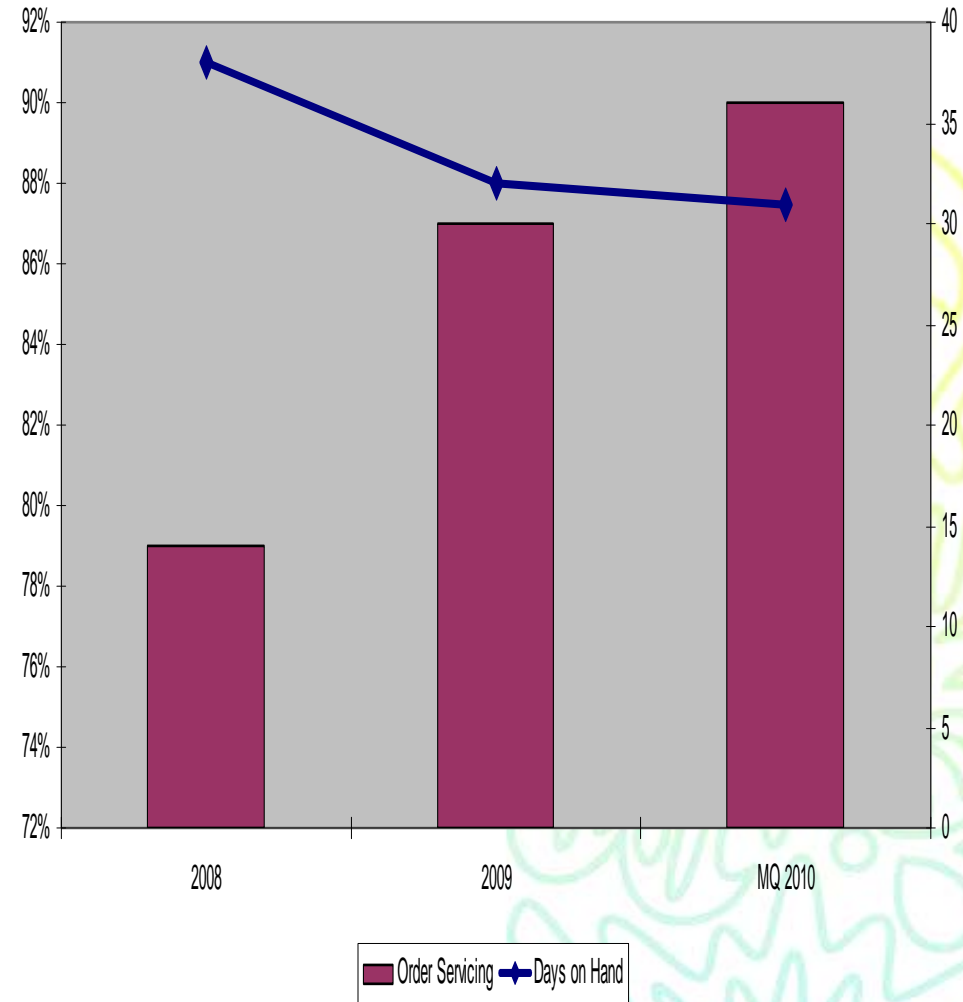


Continuous Improvement : Cash, Costs, Service

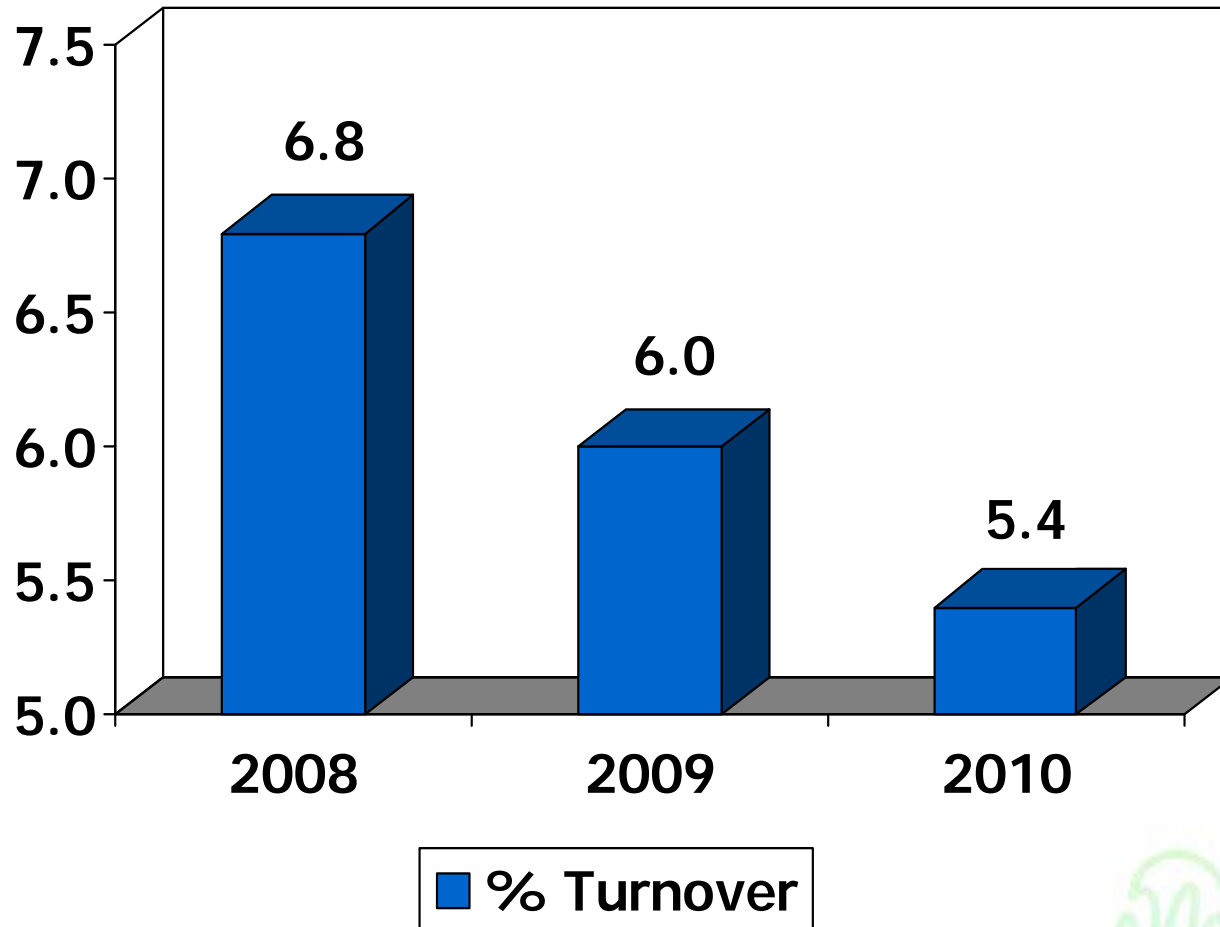
Indexed Cost Savings



Inventory & Customer Service



Continuous Improvement : Indirects



Reducing costs structurally

Winning Tomorrow : Our Approach

- Winning with Brands and Innovations
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Winning with People : Approach

- Talent
- Culture
- Capabilities



Talent : Our Edge

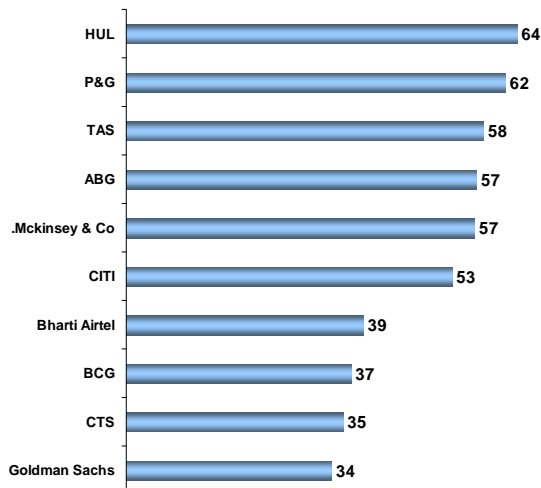
100% PPO acceptance



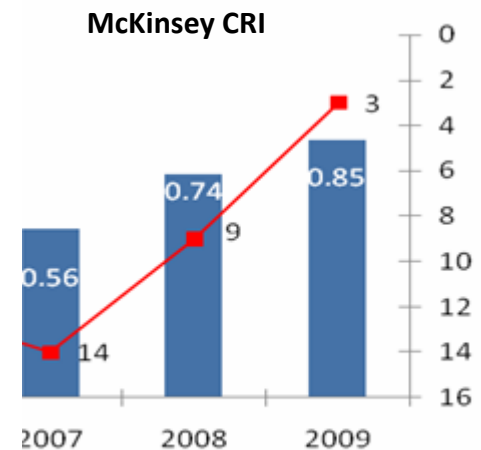
Dream Employer

**HUL voted as the overall
“Dream Employer” in B-school
survey**

No.1 among companies considered



In top 3 on campus



Culture : Embedding Consumer Centricity

Levercare

Feel it ☺ Say it ☺
call us for complaints, queries
and feedback

Contact Levercare executive
call toll free no: 1800-22-8080
sms 'Levercare' to 54555 (BSNL 4555)
PO box no. 14760, Mumbai 400 099
email: Lever.care@unilever.com

Objective:

Set up a world-class consumer and customer connect system to reach the company, and equally to help brands reach out to them.

Features:

- Multiple channels to connect - National toll free number
- 12 Hrs a day - 6 days a week
- All calls recorded and archived for three months
- End to End IT
- Strong internal governance processes
- Company appointed Ombudsman

SCOPE

- CONSUMER
- DISTRIBUTOR
- RETAILER

Services Offered

- Quality
- Brand
- Promotions
- Service
- Trade
- General Information

Culture : Embedding Customer Centricity

B, Raja	Ahmed, Mohd.	Singh, Deepak	Sharma, Ashish	Hussain, Shaikh	V, Kosal Raman
Dey, Raju	Gaur, Pankaj	Suman, Manish	Sharma, Vishnu	Panchal, Nilesh	T N, Sethupathy
R, Rajesh	A T K, Kiran	Sharma, Mukul	Sharma, Arvind	Banerjee, Arijit	Y, Krishna Prasad
Lad, Amit	P V, Mohan	Sharma, Kunal	G, Suresh Babu	Dholey, Supantha	Brahmbhatt, Kirti
Roy, Dilip	P, Rajagopal	Gupta, Mukesh	V, Shankar Jee	Tripathi, Srujit	Kargathia, Mahesh
Khan, Mohd	S S, Puranik	Sinha, Nikhil	V, Kosal Raman	Dasgupta, Sugata	Pandey, Ripusudan
C, Ramdass	S, Manjunath	K N, Nagaraja	R, Jagannathan	Banerjee, Sanjoy	Tijare, Jeetendra
K G, Mohan	T, Rajendran	J C, Rajmohan	Kapale, Madhav	Prasad, Dayanand	Choudhuri, Anirban
Das, Hitesh	V, Kapil Dev	P, Sivanandam	Khanina, Yogesh	Rizvi, Syedqamar	Choudhury, Susanta
Dutta, Amal	V, Sivakumar	S, Udai Kumar	Sharma, Hemant	Singh, Charanjit	Srivastava, Manish
Nandi, Raju	G R, Inbaraj	V G, Mananraj	Hinge, Sanjeev	K N, Raghavendra	N, Vishala Krishna
Roy, Partho	Budhe, Rajul	V R, Sikanth	Singh, Anshu	V M, Fayas Ahammed	Kumar V M, Fayas Ahammed
Ghai, Rohit	Singh, Manoj	Ghyar, Rajesh	Osman, Mohammad	Sharma, Hitender	Chawcharia, Harish
Goel, Rajiv	Jain, Shikhar	P, Akshay	Thakur, Hemendra	Thakur, Hemendra	Chouragade, Sanjay
Khan, Imran	Raman, Manoj	Singh, Dhiraaj	Singh, Tejinder	Vevanya, Ashfaq	Das, Shuddha Sattwa
Batra, Anil	Kant, Kaushal	Usman, Shaikh	M, Ramesh	Wadhawan, Suneet	A, Padmanaba Pillai
P K, Murali	Kumar, Mukund	Varghese, Aju	R, Ramachandran	Kargathia, Lalit	G, Babu Subramanyam

6

Days

120

Towns

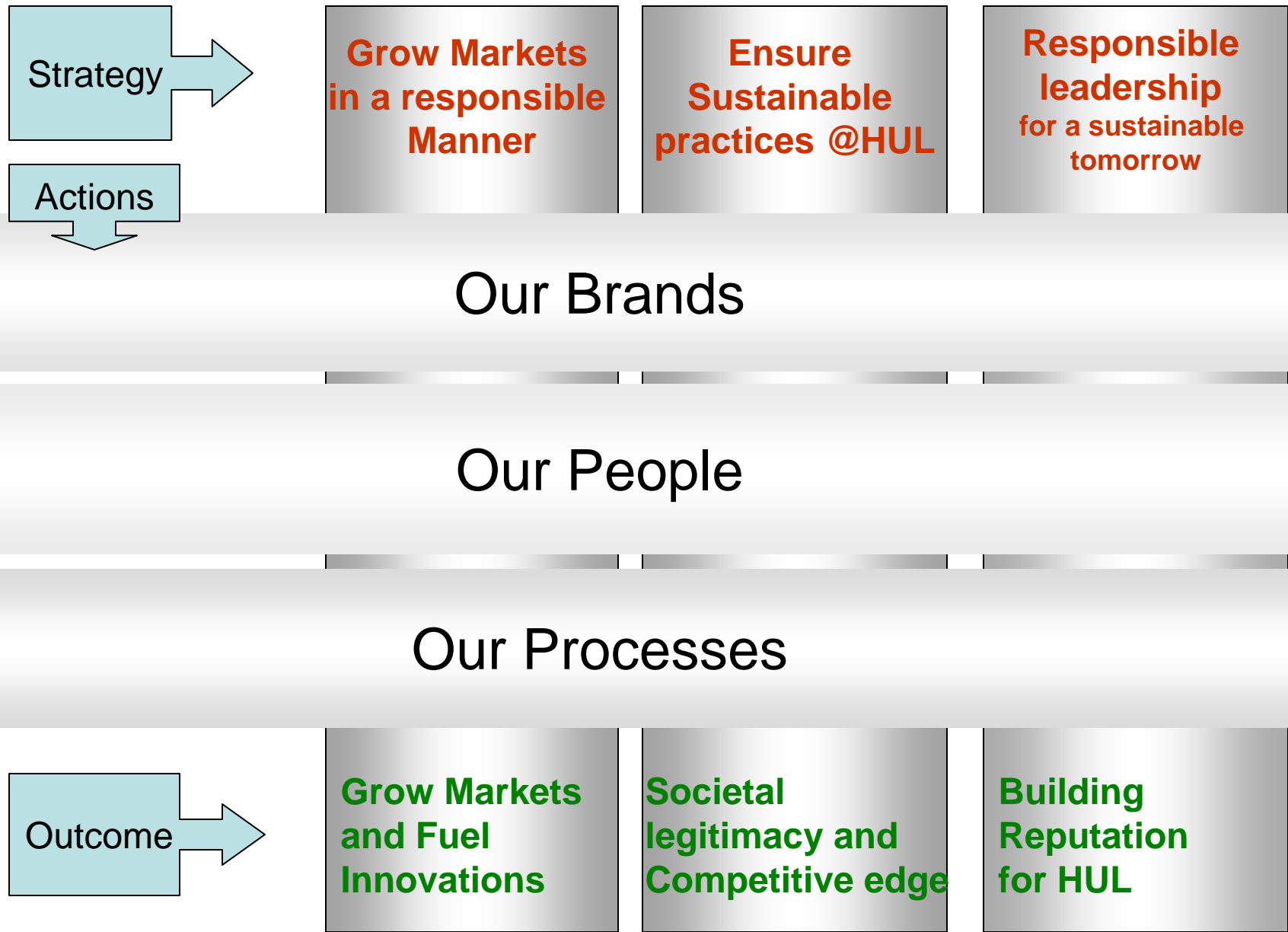
4000

Feet on Street

14,600

Perfect Stores

Capability : Building sustainable business models



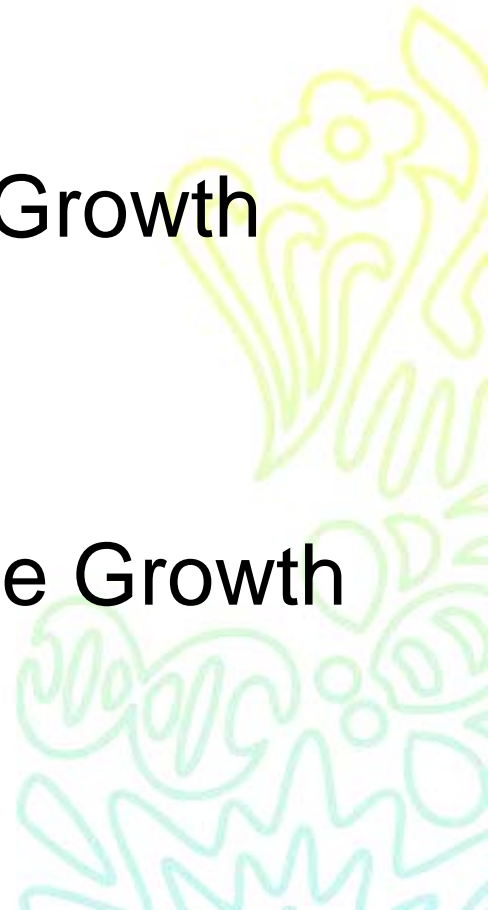
In Summary

- **In time, India will be amongst the largest consumer markets**
- **Winning Today : Early results positive**
 - Strengthening portfolio
 - Stepping up execution
- **Winning Tomorrow**
 - Winning with brands and innovation
 - Winning in the marketplace
 - Winning with continuous improvement
 - Winning with People



Business Goals

- Competitive Growth
- Profitable Growth
- Sustainable Growth



Thank You

