

RESULTS FOR SEPTEMBER QUARTER 2014

10% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 14% IN SEPTEMBER QUARTER 2014

Mumbai, October 27th, 2014: Hindustan Unilever Limited announced its results for the quarter ending 30th September 2014.

During the quarter, the Domestic Consumer business grew at 10%, ahead of market, with 5% underlying volume growth.

Soaps and Detergents: Double digit broad based growth

In Skin Cleansing, growth was driven by Lifebuoy, Lux and Dove. The liquids portfolio delivered another strong quarter led by Lifebuoy Handwash.

In Laundry, the performance was led by the premium segment as Surf sustained its strong momentum and Rin growth further accelerated. Wheel growth continued to step-up since its re-launch at the end of last year.

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

Personal Products: Healthy growth in a challenging context

In Skin Care, Fair and Lovely and Pond's delivered volume led double digit growth. Fair and Lovely continued to build momentum post its re-launch in SQ'13 while Pond's growth was led by premium skin lightening and talc. The facial cleansing portfolio sustained high growth.

Hair Care registered another quarter of volume led double digit growth, driven by the robust performance of Dove and Clinic Plus. TRESemmé added a new Spa Rejuvenation variant and continued to make very good progress.

Oral Care had a subdued quarter largely due to a strong comparator arising from the re-launch of Pepsodent in the base quarter. Close Up growth was driven by impactful activation and a good initial response on Diamond Attraction. Pepsodent saw the introduction of a new 'Salt and Clove' variant and the re-launch of Gum Care under the Expert Protection range.

Colour Cosmetics delivered its tenth successive quarter of innovation led double digit growth with Lakme continuing to strengthen its position in premium make up through exciting and contemporary innovations.

Beverages: Volume led growth in Tea and Coffee

Tea delivered another quarter of healthy volume growth, driven by strengthened brand equities across the portfolio and focused in-market activities. Lipton Green Tea sustained its market development thrust and growth momentum. Bru Coffee also registered double digit growth.

Packaged Foods: Fourth successive quarter of double digit growth

Market development continues to be the focus, resulting in double digit growth across all key brands. Kissan registered strong growth on both Ketchups and Jams, driven by impactful activation and Knorr growth was led by Instant Soups and Soupy Noodles. Ice Creams delivered another strong quarter, led by Magnum and through sharper in-market execution on Kwaliti Walls.

Water: Double digit growth

Pureit continued its growth momentum led by the premium segment. The response to Pureit Ultima (RO+UV), launched earlier in the year with superior functionality and aesthetics, has been very encouraging.

Profitable growth sustained

The operating environment remained challenging with low market growth across categories. Brand investments were sustained at competitive levels across segments, albeit lower than an exceptionally high base quarter. The impact of input cost inflation continued to be felt this quarter through higher consumption costs although commodities softened towards the end of the quarter. Profit before interest and tax (PBIT) grew by 14% and PBIT margin improved by +50 bps, despite the higher consumption costs, additional depreciation charge and phasing out of Excise Duty benefits. Profit after tax before exceptional items, PAT (bei), grew by 8% to Rs. 957 Crores while Net Profit at Rs.988 Crores, was up 8%, impacted by the increase in the effective tax rate.

The Board of Directors have declared an interim dividend of Rs 6.0 per equity share of face value Re. 1 each, for the year ending 31st March 2015.

Harish Manwani, Chairman commented: "In a low growth environment, our emphasis on market development and innovations have helped deliver another quarter of double digit growth and a healthy improvement in operating margins. The consistency of our performance is a reflection of the discipline and rigor with which we are executing our strategy. We will continue to manage our business dynamically for sustained competitive and profitable growth."





HINDUSTAN UNILEVER LIMITED
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2014

(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 |
|--|----------------|---|--|--|---|------------------|---|
| 2014 | 2013 | 2014 | | | 2014 | 2013 | 2014 |
| 746,554 | 674,720 | 757,078 | | 1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)] | 1,503,632 | 1,343,469 | 2,740,829 |
| 580,046 | 524,201 | 591,300 | | i) Domestic FMCG - HPC | 1,171,346 | 1,045,875 | 2,144,079 |
| 133,223 | 121,746 | 136,523 | | ii) Domestic FMCG - Foods | 269,746 | 242,117 | 489,587 |
| 713,269 | 645,947 | 727,823 | | Domestic FMCG - Total (i+ii) | 1,441,092 | 1,287,992 | 2,633,666 |
| 33,285 | 28,773 | 29,255 | | iii) Others | 62,540 | 55,477 | 107,163 |
| 17,379 | 14,544 | 14,556 | | 1.b. Other Operating Income | 31,935 | 26,659 | 61,084 |
| 763,933 | 689,264 | 771,634 | | 1. Total Income from operations (net) [1.a. + 1.b.] | 1,535,567 | 1,370,168 | 2,801,913 |
| 647,368 | 587,125 | 646,652 | | 2. Expenses [sum of (a) to (g)] | 1,294,020 | 1,166,113 | 2,380,442 |
| 297,468 | 292,303 | 310,282 | | a) Cost of materials consumed | 607,750 | 554,826 | 1,115,981 |
| 93,339 | 81,227 | 90,146 | | b) Purchases of stock-in-trade | 183,485 | 156,209 | 335,019 |
| 5,091 | (26,538) | (1,465) | | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 3,626 | (15,763) | (16,638) |
| 41,301 | 36,830 | 33,567 | | d) Employee benefits expense | 74,868 | 70,998 | 143,595 |
| 7,637 | 6,392 | 6,672 | | e) Depreciation and amortisation expense | 14,309 | 13,036 | 26,055 |
| 92,505 | 95,402 | 94,488 | | f) Advertising & Promotions | 186,993 | 184,380 | 361,360 |
| 110,027 | 101,509 | 112,962 | | g) Other expenses | 222,989 | 202,427 | 415,070 |
| 116,565 | 102,139 | 124,982 | | 3. Profit from operations before other income, finance costs and exceptional items (1-2) | 241,547 | 204,055 | 421,471 |
| 19,780 | 15,099 | 20,211 | | 4. Other income | 39,991 | 32,774 | 62,103 |
| 136,345 | 117,238 | 145,193 | | 5. Profit from ordinary activities before finance costs and exceptional items (3+4) | 281,538 | 236,829 | 483,574 |
| 633 | 628 | 625 | | 6. Finance costs | 1,258 | 1,250 | 3,603 |
| 135,712 | 116,610 | 144,568 | | 7. Profit from ordinary activities after finance costs but before exceptional items (5-6) | 280,280 | 235,579 | 479,971 |
| 4,866 | 3,343 | 3,964 | | 8. Exceptional items - net credit/ (charge) | 8,832 | 13,968 | 22,868 |
| 140,580 | 119,953 | 148,532 | | 9. Profit from Ordinary Activities Before Tax (7+8) | 289,112 | 249,547 | 502,839 |
| 41,764 | 28,573 | 42,847 | | 10. Tax expense | 84,611 | 56,242 | 116,090 |
| 98,816 | 91,380 | 105,685 | | 11. Net Profit from Ordinary Activities After Tax (9-10) | 204,501 | 193,305 | 386,749 |
| - | - | - | | 12. Extraordinary Items | - | - | - |
| 98,816 | 91,380 | 105,685 | | 13. Net Profit for the period (11+12) | 204,501 | 193,305 | 386,749 |
| 21,632 | 21,626 | 21,631 | | 14. Paid up Equity Share Capital (face value Re. 1 per share) | 21,632 | 21,626 | 21,627 |
| | | | | 15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year | | | 306,011 |
| | | | | 16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised): | | | |
| 4.57 | 4.23 | 4.89 | | (a) Basic - Rs. | 9.45 | 8.94 | 17.88 |
| 4.57 | 4.22 | 4.88 | | (b) Diluted - Rs. | 9.45 | 8.93 | 17.87 |
| | | | | 16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised): | | | |
| 4.57 | 4.23 | 4.89 | | (a) Basic - Rs. | 9.45 | 8.94 | 17.88 |
| 4.57 | 4.22 | 4.88 | | (b) Diluted - Rs. | 9.45 | 8.93 | 17.87 |
| | | | | A. PARTICULARS OF SHAREHOLDING | | | |
| | | | | 1. Public Shareholding | | | |
| 708,737,237 | 708,156,159 | 708,694,942 | | - Number of Shares | 708,737,237 | 708,156,159 | 708,283,434 |
| 32.76% | 32.75% | 32.76% | | - Percentage of Shareholding | 32.76% | 32.75% | 32.75% |
| | | | | 2. Promoters and Promoter Group Shareholding | | | |
| | | | | 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% |
| 67.24% | 67.25% | 67.24% | | - Percentage of shares (as a % of the total share capital of the company) | 67.24% | 67.25% | 67.25% |
| | | | | B. INVESTOR COMPLAINTS | Quarter ended 30th September, 2014 | | |
| | | | | Pending at the beginning of the quarter | Nil | | |
| | | | | Received during the quarter | 27 | | |
| | | | | Disposed of during the quarter | 27 | | |
| | | | | 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 |
|--|----------|---|---|---|-----------|---|
| 2014 | 2013 | 2014 | | 2014 | 2013 | 2014 |
| 375,510 | 338,077 | 384,758 | Segment Revenue (Sales and Other operating income) | | | |
| 214,274 | 195,034 | 215,956 | - Soaps and Detergents | 760,268 | 678,843 | 1,368,341 |
| 89,913 | 83,542 | 83,656 | - Personal Products | 430,230 | 383,372 | 812,091 |
| 45,131 | 39,798 | 54,378 | - Beverages | 173,569 | 159,279 | 331,186 |
| 36,180 | 30,485 | 30,291 | - Packaged Foods | 99,509 | 85,586 | 164,830 |
| | | | - Others (includes Exports, Water, Infant Care Products, etc) | 66,471 | 58,393 | 115,630 |
| 761,008 | 686,936 | 769,039 | Total Segment Revenue | 1,530,047 | 1,365,473 | 2,792,078 |
| - | - | - | Less: Inter Segment Revenue | - | - | - |
| 761,008 | 686,936 | 769,039 | Net Segment Revenue | 1,530,047 | 1,365,473 | 2,792,078 |
| | | | Segment Results (Profit before tax and interest from ordinary activities) | | | |
| 51,119 | 47,389 | 53,180 | - Soaps and Detergents | 104,299 | 91,321 | 178,581 |
| 52,226 | 44,491 | 59,665 | - Personal Products | 111,891 | 91,307 | 206,806 |
| 15,570 | 14,167 | 13,625 | - Beverages | 29,195 | 26,035 | 58,069 |
| 1,998 | 1,331 | 5,905 | - Packaged Foods | 7,903 | 5,170 | 6,126 |
| 1,157 | 462 | (1,545) | - Others (includes Exports, Water, Infant Care Products, etc) | (388) | 154 | (3,700) |
| 122,070 | 107,840 | 130,830 | Total Segment Results | 252,900 | 215,987 | 445,882 |
| (633) | (628) | (625) | Less: Finance Costs | (1,258) | (1,250) | (3,603) |
| 19,143 | 12,741 | 18,327 | Add/(Less): Other unallocable income net of unallocable expenditure | 37,470 | 34,810 | 60,560 |
| 140,580 | 119,953 | 148,532 | Total Profit Before Tax from ordinary activities | 289,112 | 249,547 | 502,839 |
| | | | Capital Employed (Segment assets less Segment liabilities) | | | |
| (37,767) | (45,445) | (43,424) | - Soaps and Detergents | (37,767) | (45,445) | (23,091) |
| (61,192) | (44,995) | (61,603) | - Personal Products | (61,192) | (44,995) | (47,509) |
| 9,461 | 8,093 | 24,359 | - Beverages | 9,461 | 8,093 | 34,735 |
| 15,423 | 14,469 | 15,741 | - Packaged Foods | 15,423 | 14,469 | 17,428 |
| (5) | (8,706) | (1,052) | - Others (includes Exports, Water, Infant Care Products, etc) | (5) | (8,706) | (2,160) |
| (74,080) | (76,584) | (65,979) | Total Capital Employed in segments | (74,080) | (76,584) | (20,597) |
| 605,640 | 538,863 | 500,383 | Add: Unallocable corporate assets less corporate liabilities | 605,640 | 538,863 | 348,302 |
| 531,560 | 462,279 | 434,404 | Total Capital Employed | 531,560 | 462,279 | 327,705 |

Notes on Segment Information

1. Segment Revenue. 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, 2014, 30th September, 2013, 30th June, 2014 and 31st March, 2014. 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

HINDUSTAN UNILEVER LIMITED

(Rs. in lakhs)

| Standalone Statement of Assets and Liabilities | | As at 30th September, 2014 | As at 31st March, 2014 |
|--|--|----------------------------|------------------------|
| Particulars | | Unaudited | Audited |
| A | EQUITY AND LIABILITIES | | |
| 1 | Shareholders' funds | | |
| | (a) Share capital | 21,632 | 21,627 |
| | (b) Reserves and surplus | 509,928 | 306,078 |
| | Sub-total - Shareholders' funds | 531,560 | 327,705 |
| 2 | Non-current liabilities | | |
| | (a) Other long-term liabilities | 31,333 | 27,882 |
| | (b) Long-term provisions | 103,963 | 83,869 |
| | Sub-total - Non-current liabilities | 135,296 | 111,751 |
| 3 | Current liabilities | | |
| | (a) Short-term borrowings | 2,307 | - |
| | (b) Trade payables | 584,413 | 579,389 |
| | (c) Other current liabilities | 98,562 | 85,294 |
| | (d) Short-term provisions | 8,180 | 195,701 |
| | Sub-total - Current liabilities | 693,462 | 860,384 |
| | TOTAL - EQUITY AND LIABILITIES | 1,360,318 | 1,299,840 |
| B | ASSETS | | |
| 1 | Non-current assets | | |
| | (a) Fixed assets | 277,348 | 274,184 |
| | (b) Non-current investments | 64,650 | 63,617 |
| | (c) Deferred tax assets (net) | 17,404 | 16,173 |
| | (d) Long-term loans and advances | 62,855 | 60,551 |
| | (e) Other non-current assets | - | 68 |
| | Sub-total - Non-current assets | 422,257 | 414,593 |
| 2 | Current assets | | |
| | (a) Current investments | 273,081 | 245,795 |
| | (b) Inventories | 253,282 | 274,753 |
| | (c) Trade receivables | 77,088 | 81,643 |
| | (d) Cash and bank balances | 269,367 | 222,097 |
| | (e) Short-term loans and advances | 60,308 | 53,768 |
| | (f) Other current assets | 4,935 | 7,191 |
| | Sub-total - Current assets | 938,061 | 885,247 |
| | TOTAL - ASSETS | 1,360,318 | 1,299,840 |

Notes:

1. Net Sales grew by 10.6% during the quarter. Domestic Consumer Business (FMCG + Water) grew by 10.4% with a 10.7% growth in Home and Personal Care and 9.4% growth in Foods businesses.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 116,565 lakhs (SQ'13: Rs. 102,139 lakhs) grew by 14.1%.
3. Profit after tax from ordinary activities before Exceptional Items net of tax and prior period tax adjustments (refer note 6) for the quarter at Rs. 95,697 lakhs (SQ'13: Rs. 88,300 lakhs) grew by 8.4%.
4. During the quarter, the Company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013, applicable for accounting periods commencing 1st April 2014 or re-assessed useful life based on technical evaluation. Accordingly, depreciation of Rs 790 lakhs (net of deferred tax of Rs 407 lakhs) on account of assets whose useful life is already exhausted as on 1st April 2014 has been adjusted against Retained earnings. Depreciation for the quarter includes an amount of Rs 963 lakhs (including JQ'14: Rs 480 lakhs) consequent to the revision in useful life effective 1st April 2014.
5. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 9,825 lakhs (SQ'13: Rs. 9,636 lakhs) and dividend income from trade non-current investments Rs 9,955 lakhs (SQ'13: Rs. 5,463 lakhs).
6. Exceptional items, net credit in SQ'14 include profit on sale of surplus properties Rs. 4,925 lakhs (SQ'13: 3,837 lakhs) and restructuring expenses Rs. 57 lakhs (SQ'13: Rs 494 lakhs)
7. The Board of Directors at their meeting held on 27th October, 2014 have resolved to pay Interim Dividend of Rs. 6.0 per share of nominal value of Re.1/- for the financial year. The interim dividend will be payable on or after 14th November, 2014 and the record date for determining entitlement has been fixed as 3rd November, 2014
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 27th October ,2014

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.

By order of the Board

Place: Mumbai
Date: 27th October 2014

Sanjiv Mehta
Managing Director & CEO