



Hindustan Unilever Limited

CLSA Conference
Investor Presentation

24th Sept 2008



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Agenda

Overview

India Opportunity

HUL - Uniquely Placed

Financials & Summary

75 year history & Strong leadership



*Touches 2 out of every
3 Indians everyday**

15000 employees

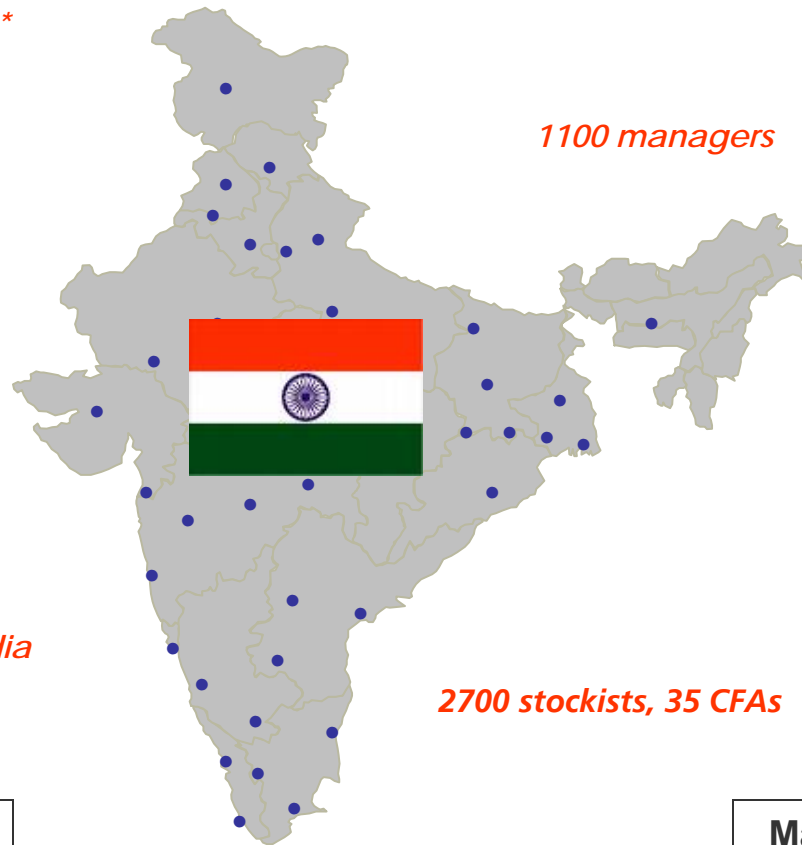


*Reach 80%
Households**

1100 managers

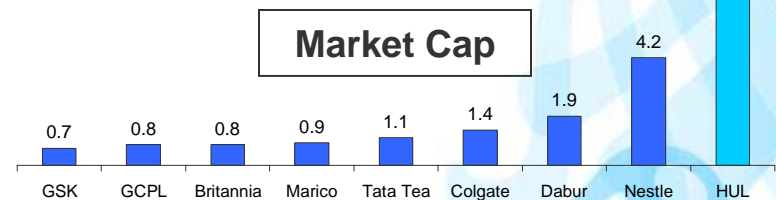
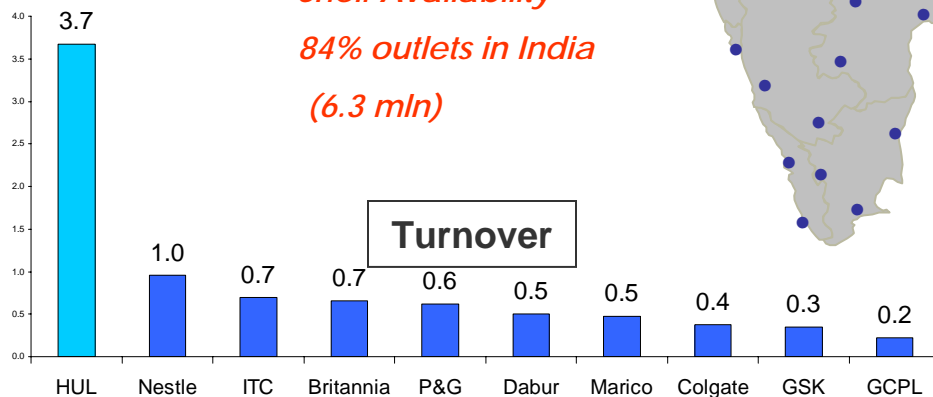
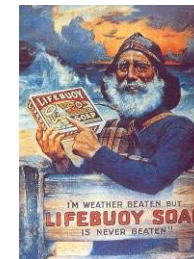
*Direct Coverage
1mln Outlets***

*71 manufacturing locations
2000 suppliers & associates*



*Shelf Availability
84% outlets in India
(6.3 mln)*

2700 stockists, 35 CFAs



*Based on Hansa Research, Guide to Indian Markets, 2006

Turnover of companies - SQ'07 to JQ'08

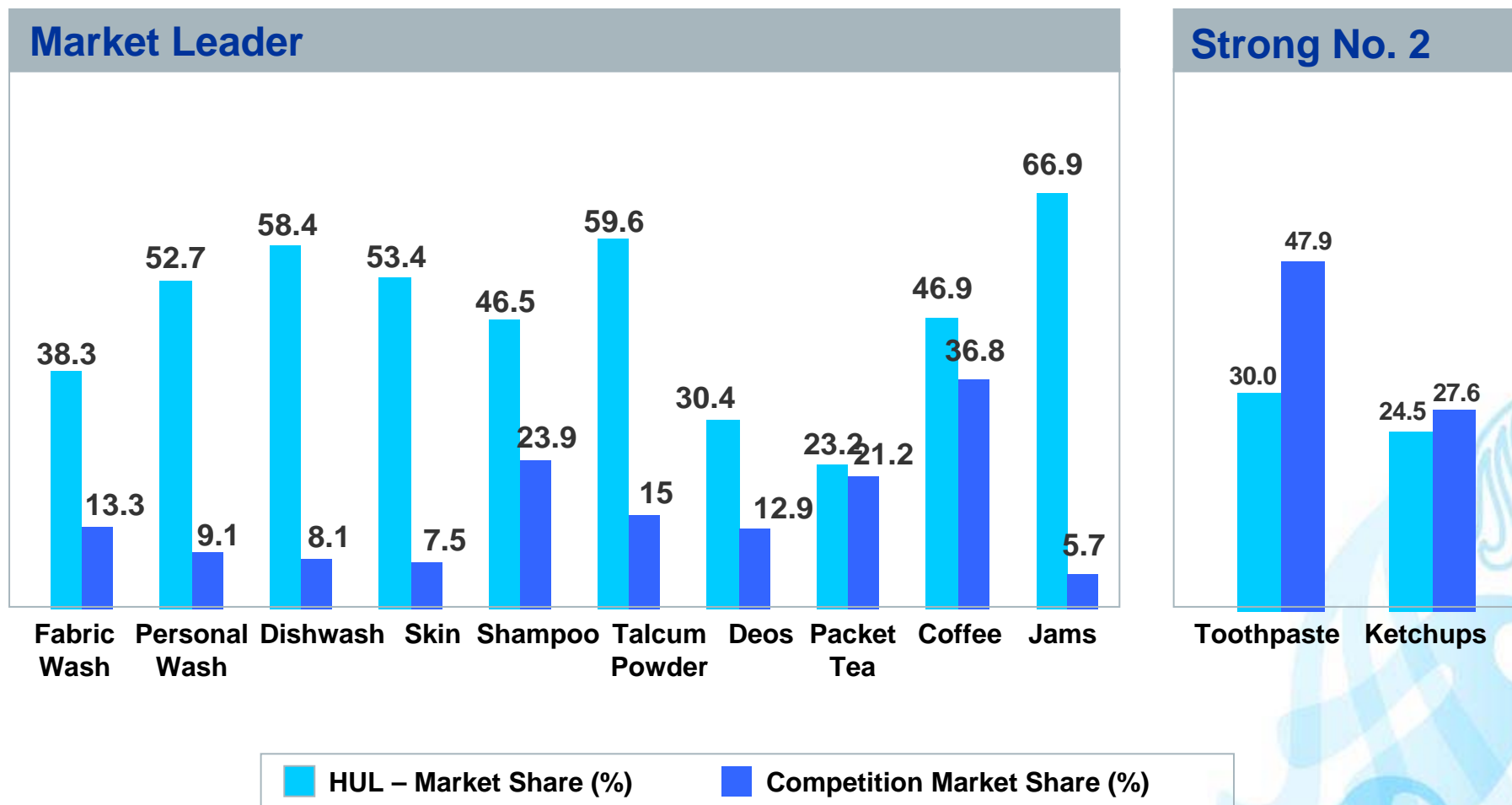
ITC Turnover: FMCG others segment

** Based on AC Nielsen Market Research

Market Cap BSE as on 11th September, 2008

P&G Turnover= sum of P&G Home Products (estimated), P&G Health & Hygiene and Gillette

Market Leaders across Categories



Source : A.C Nielsen - Quarter Ended Jun 2008 Value shares

An unmatched brand portfolio

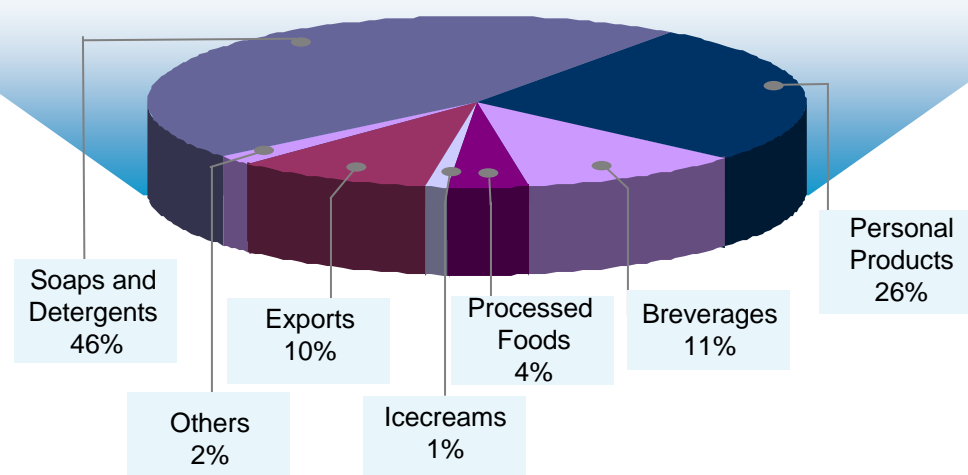
6 MEGA BRANDS ~ more than \$ 200 mn each, 52% FMCG portfolio



Financial Overview 2007

Mn \$

| | |
|------------------------------|--------------|
| Turnover | 3473 |
| EBIT | 499 |
| EBIT % | 14.4% |
| PAT (bei) | 448 |
| Reported Profit | 487 |
| EPS | 21c |
| Market Capitalisation | 13117 |



* Figures based on FY 2007 Audited Results ++ Market Capitalization as per BSE as on 11th Sep 2008

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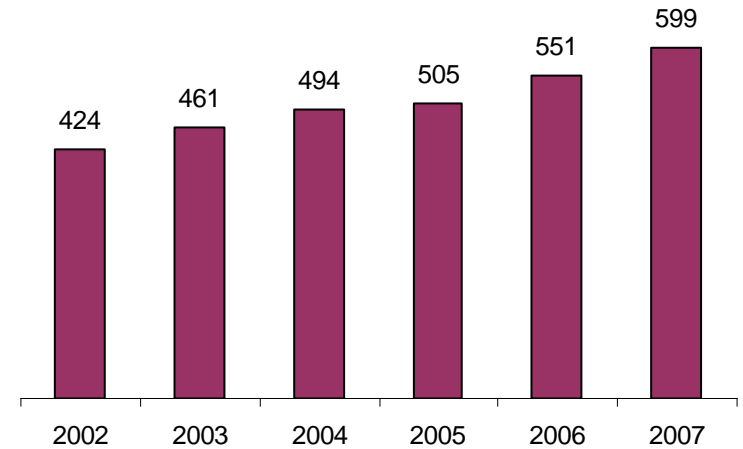
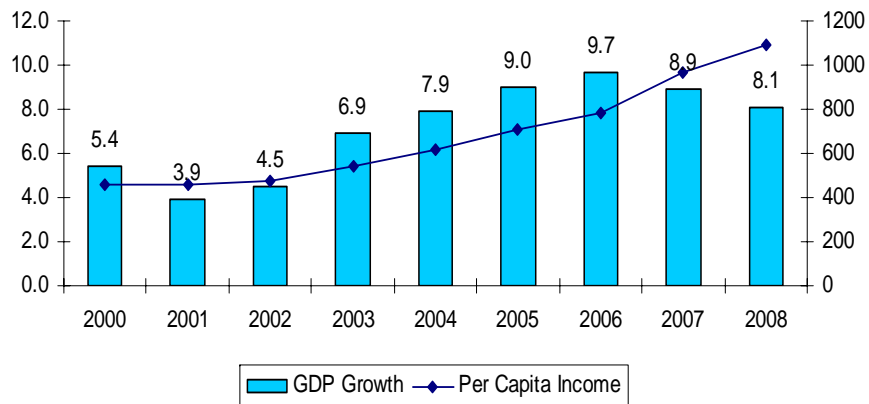
Opportunities & Challenges



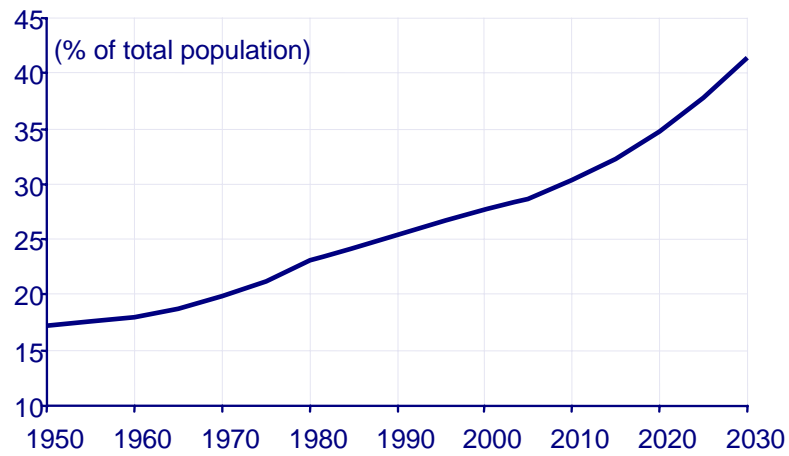
- Increasing per capita income drives FMCG growth
- India and its consuming class
- Changing consumption patterns
- Evolving trade structure



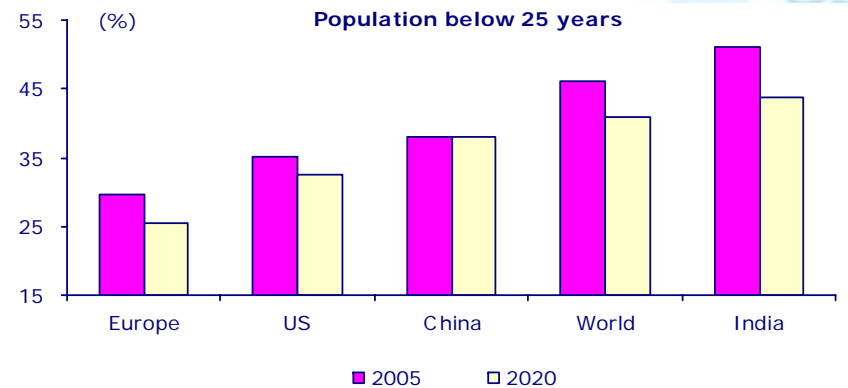
Favourable Economics & Demographics



Per capita Disposable Income (\$)*

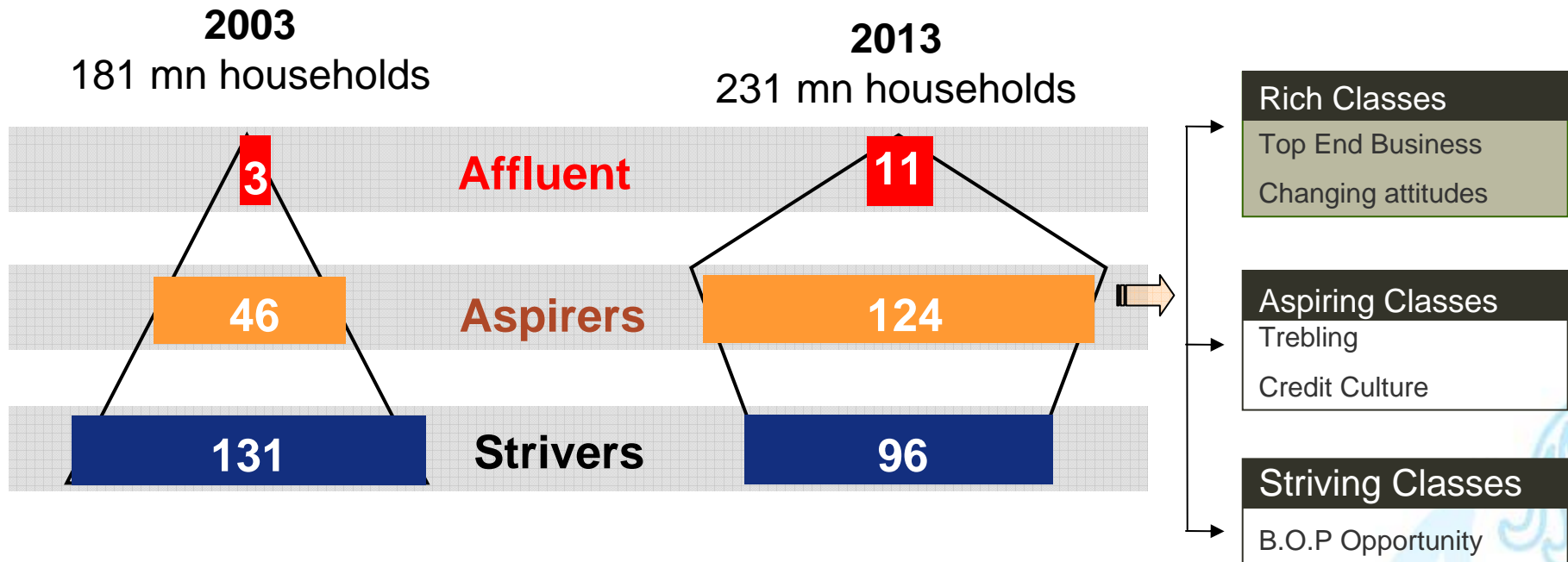


Urbanisation Source: CRISIL (S&P)



2008 estimates Source: CRISIL (S&P)

Changing Income Pattern



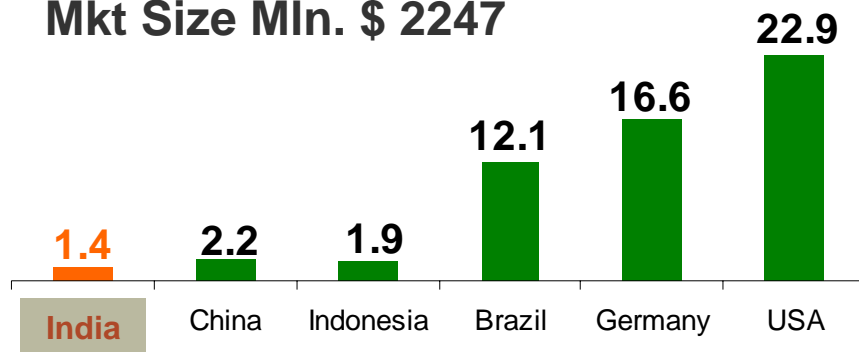
The shape of India is going to change... from a pyramid to a diamond

Opportunity to grow consumption

Per Capita Consumption (US \$)

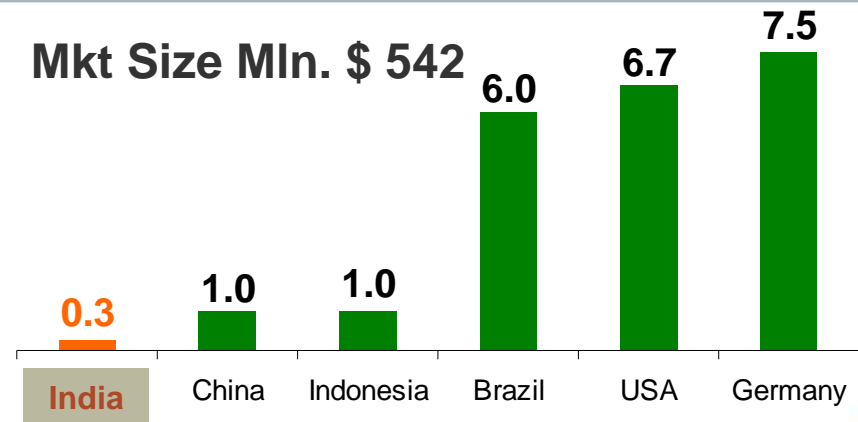
Detergents

Mkt Size Mln. \$ 2247



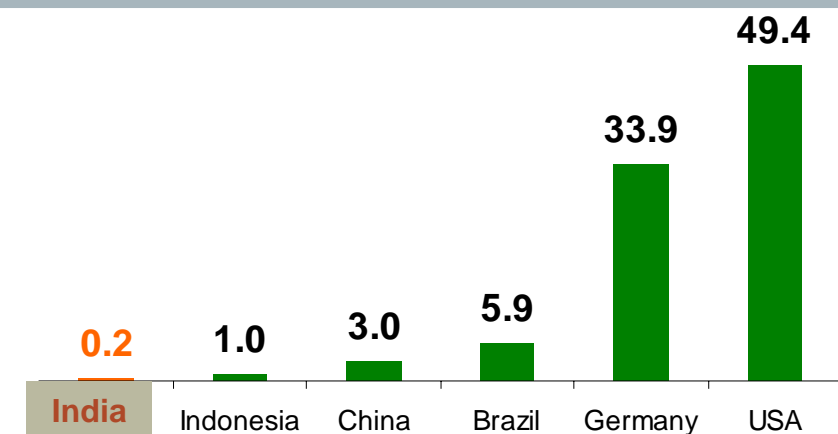
Shampoo

Mkt Size Mln. \$ 542



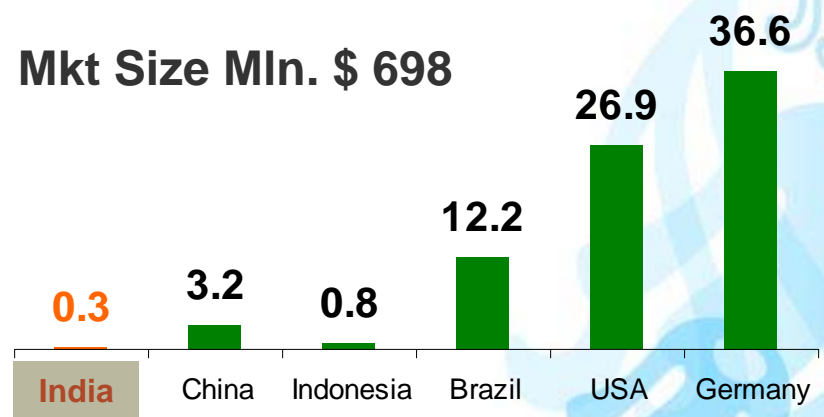
Ice Creams

49.4



Skin care

Mkt Size Mln. \$ 698



Source : Euromonitor, 2006

Evolving trade structure...

Modern Trade



General Trade



| Year | Modern Trade | General Trade |
|------|--------------|---------------|
| 2007 | 5% | 95% |
| 2010 | 10% | 90% |
| 2025 | 25% | 75% |

Agenda

Overview

India Opportunity

HUL - Uniquely Placed

Financials & Summary

HUL – Uniquely Positioned to Create Value

- Our Strategy
- Competitive Strengths
- Innovation and R&D capabilities to straddle the pyramid
- Versatile distribution network
- Strong Corporate Responsibility and Governance
- Strong Local talent base



Our vision



**To earn the love and respect
of India, by making a real
difference to every Indian.**



Our Goal & Strategy

GOAL

Achieve sustainable, competitive and profitable growth across our portfolio

STRATEGY

- **Leverage brand portfolio** and consumer understanding by
 - **Straddling** the pyramid
 - **Driving consumption and penetration** opportunity
- **Build segments & markets for the future** where
 - Unilever has strong expertise such as, Foods, Top End and Deodorants
 - Leverage positive impact of growing Indian economy on consumer spending
- **Actively drive Portfolio Mix** improvement through Innovation, Technology and R&D leading to better margins
- **Leverage Unilever** scale to generate buying efficiencies and cost savings
- **Integrate our economic, environment and social objectives with strong commitment to sustainable development**

Portfolio straddling the pyramid across categories

| Particulars | Laundry | Soaps | Shampoo | Skin | Tooth Paste | Tea | Coffee |
|----------------------|---------|-------|---------|-------|-------------|-------|--------|
| Market Size - \$ mln | 2247 | 1658 | 542 | 698 | 691 | 1113 | 177 |
| HUL Share | 38.3% | 52.7% | 46.5% | 53.4% | 30.0% | 23.2% | 46.9% |
| Nearest Competitor | 13.3% | 9.1% | 23.9% | 7.5% | 47.9% | 21.2% | 36.8% |



Source : A.C Nielsen - Quarter Ended Jun 2008 Value shares

Category Leadership: Laundry

Stains are good



Get stains.
Add colour to someone's life.

Every time your kids go out and get stains, they don't just get stains. They experience life and sometimes, they can even change someone's life. Exactly what they would be doing at the Ananda Mela Surf Excel Children's Festival. A carnival where your kids will dabble with colours and have fun. But all for a cause! Their paintings would be made into greeting cards to help a deserving child. So while they gather all kinds of stains, be it ink, food, mud or paint, they also gather new experiences and memories to cherish. Stains make learning fun. **Stains are good.**

Venue: Parish Hall, St. Paul's Cathedral
Date: 10th May 2008 **Time:** 11am - 7pm
For further details, visit us at www.surfexcel.in
or contact 033-40052595

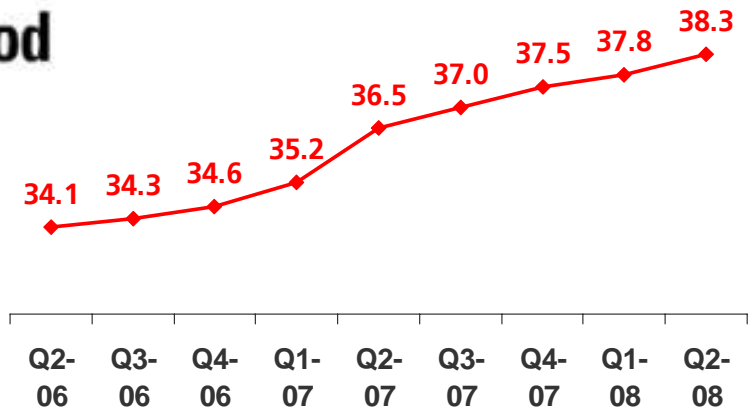
जैसे भी दाग हो
दाग अच्छे हैं

Surf excel CHILDREN'S FESTIVAL 10th & 11th May 2008

LOWE SURF XL 73 284



Laundry Market Shares



-Surf Excel Children Festival- Bring alive "Dirt is good" campaign

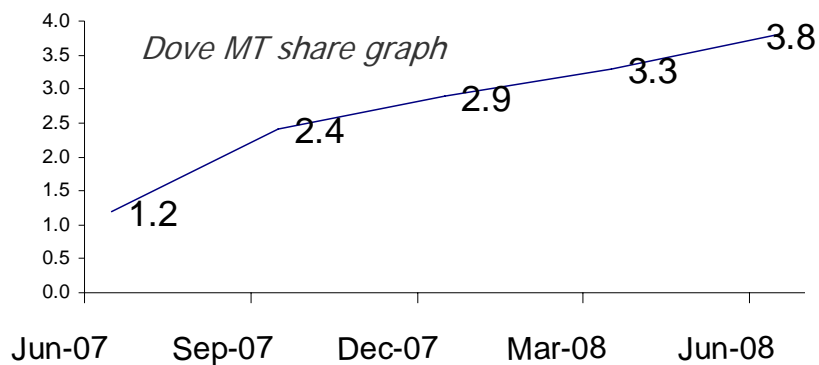
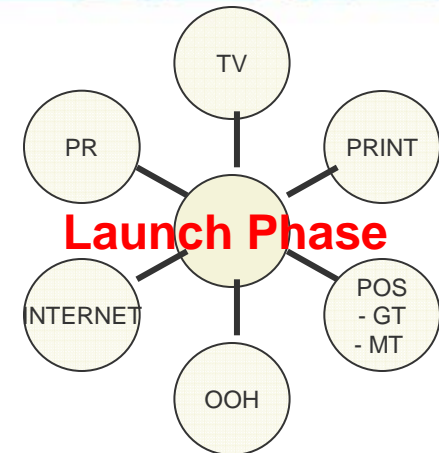
-More than 40,000 children participated

Wheel Smart Shrimati Season 3 higher TRP ratings than Season2

Launch of Wheel Active Gold – upgrading the consumer



Creating successful brands: Dove Hair



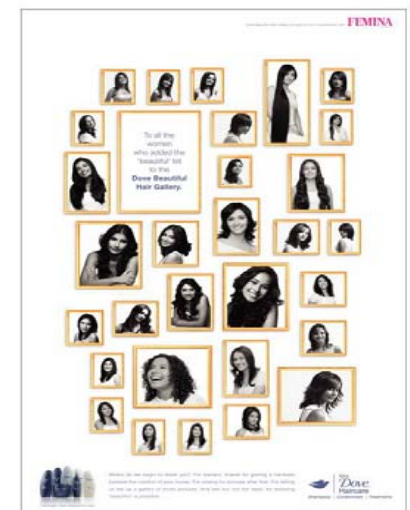
Activation to Create Relevance, Provide Experience, Amplification

Survey for 1 week via Internet and SMS

Dove Beautiful Hair Gallery

5000 hair washes in malls

Market Leader in MT in premium shampoos within 1 year of launch



Building Category: Ponds Top End



Top End Counters

Global trainers
943 advisors across 13 cities
700 counters in 60 days
One global look for counters

Superior Quality Products

More than 50 SKUs backed by Knock Out Claims

Market Leader in Anti Ageing Segment



Direct Marketing Model

3 million consumer contacts in 9 months
Consumer Satisfaction Ratio : 89%
Reaching LSM 8+ through Alliances
(Citibank, Readers' Digest, etc)



Building Category: Processed Foods



Launch of Jam in Tubes. Easy to use format

Activation through Disney cartoon characters



Knorr enters the centre of the plate with the launch of Meal Makers

Knorr Indian soups-moves soup from 'alien/ foreign' to 'familiar/ for me'

Will gain share from the 400 crore dish specific spice mealmaker market in India growing at 25%

Pureit' ... a breakthrough innovation



Complete protection ... 'as safe as boiled water'.

Meets US EPA standards.

No harmful viruses, bacteria, parasites.

Works without electricity, pressurised piped water.

Great tasting , clear water

- Affordable: Purifier INR 1800 ; Germkill Battery INR 300

Progress

364 towns, 20 states covered

Lives protected so far: **more than 1m homes**

Pureit Zones > 400

10,000 jobs generated



Tapping 'Out of Home' Opportunity

Growing incidence of Out of Home consumption Creating a Large & Growing Market

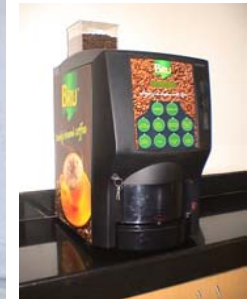
- 58% LSM 8+ consumers work between 9 a.m. to 6 p.m.
- Market in Premium channel estimated at 1500 cr. Growing at 23% p.a.

HUL uniquely poised to unlock the opportunity

- Brands:
 - Lipton Tea-World's Largest,
 - Brookebond Tea, Bru Coffee, Knorr Soups-India's Largest
- Dominant presence in all ; tea, coffee & soup
- Currently serve 1.7 bill cups per annum

Appropriate customer/ consumer solutions to unlock value

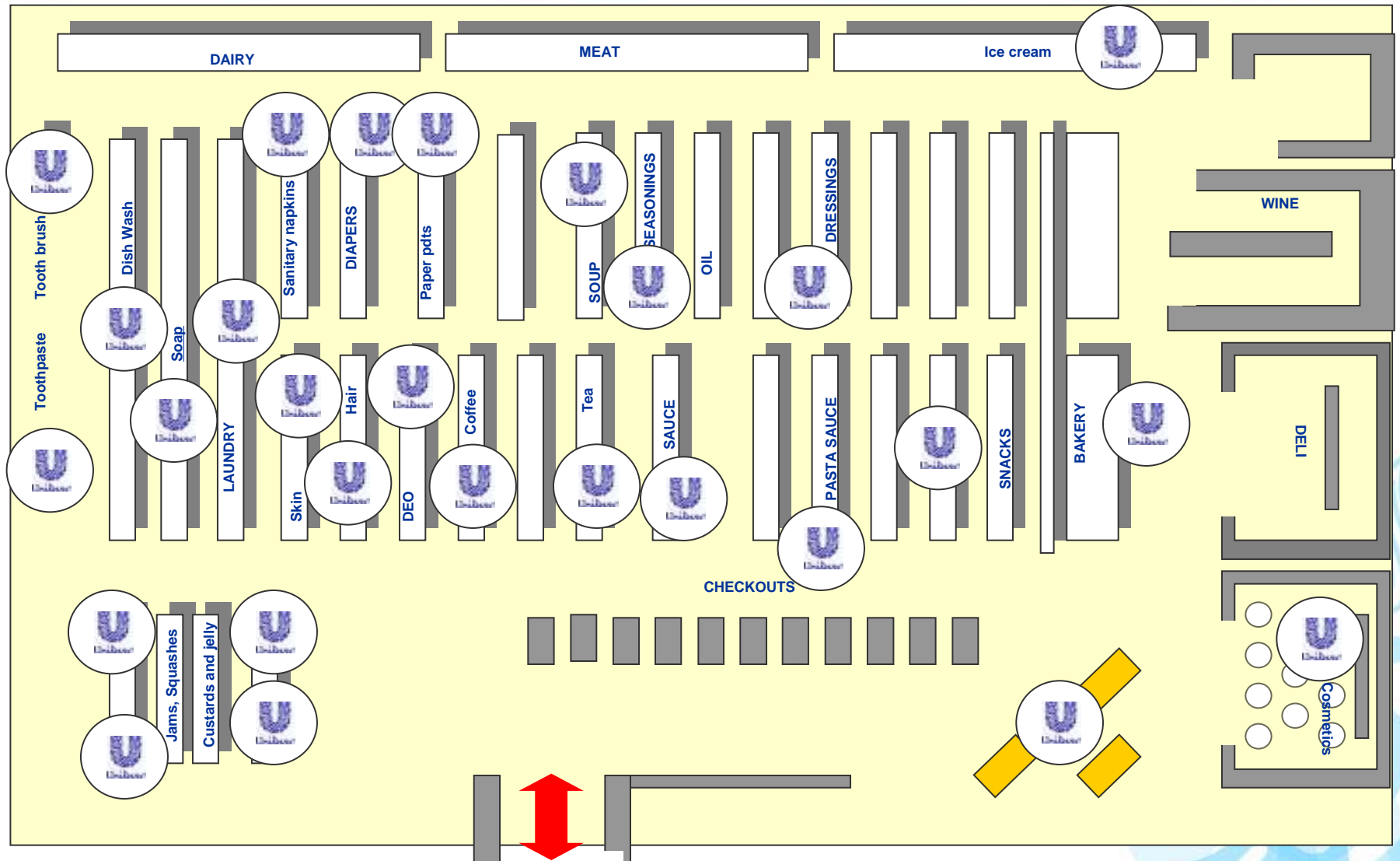
| Segment | Solution | Products |
|-------------|---|--|
| Topend |  | Connoisseur Tea Bags, Turbo Tea |
| Masstige |   | Freshly brewed coffee, Ice Tea & Cold coffee |
| Penetration |   | Cardamom Tea, Bru Coffee, Tea Bag Tea |



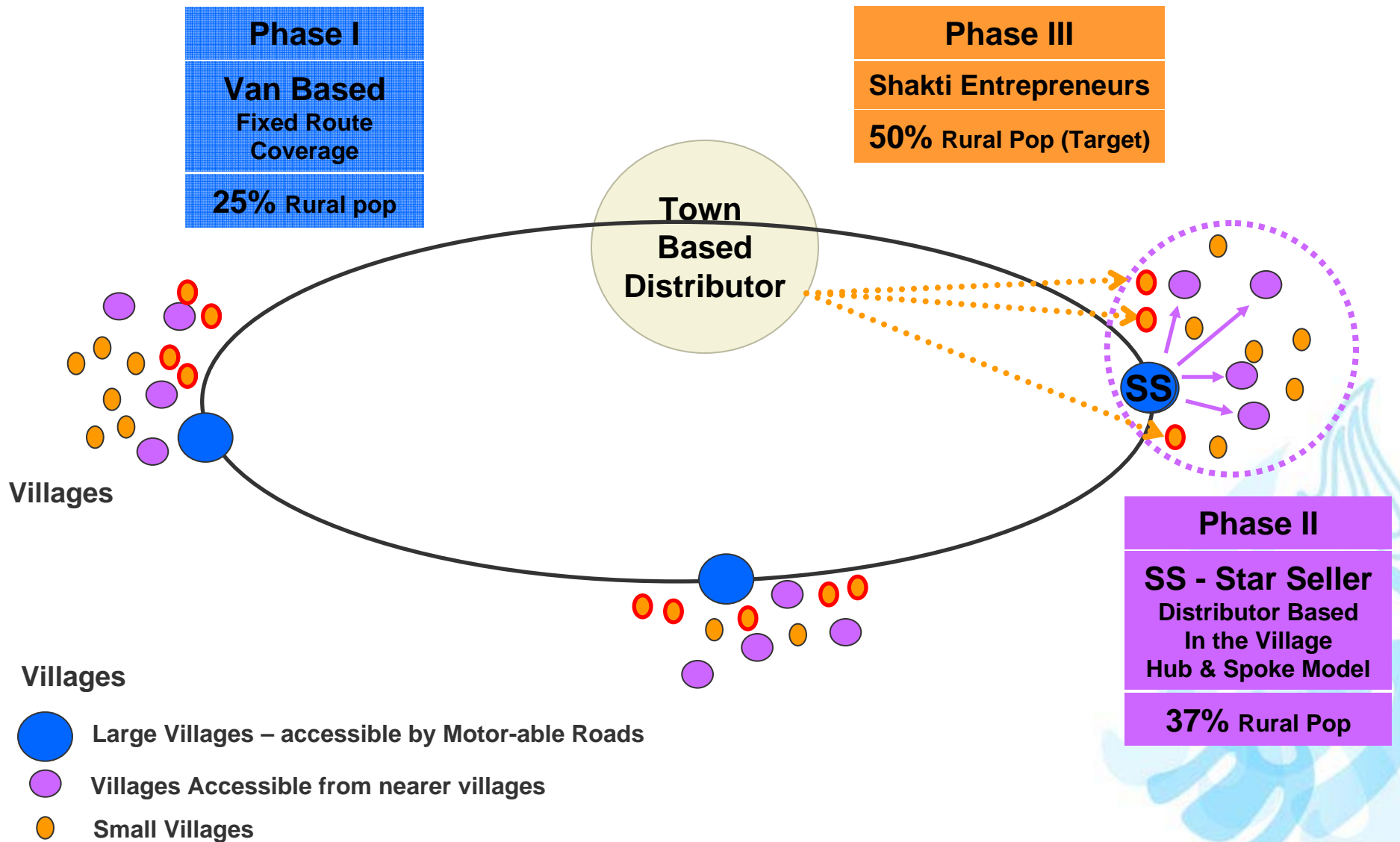
Leverage key relationships for accelerated growth



Modern Trade - Reaching Shoppers



Rural distribution Model



Project Shakti- Enabling direct rural reach

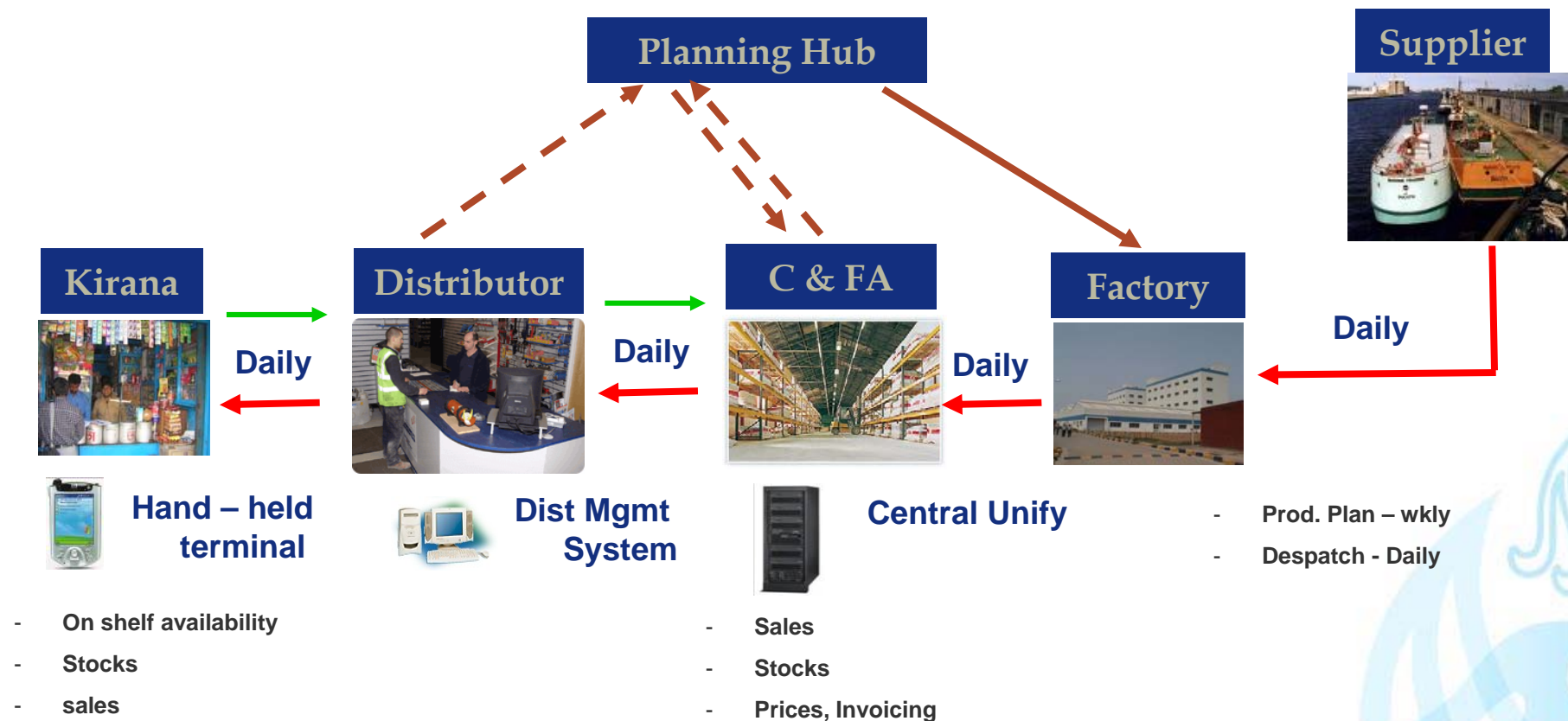
- **To Reach:**
 - Small, scattered settlements and poor infrastructure make distribution difficult
 - Over 500,000 villages not reached directly by HUL
- **To Communicate:**
 - Low literacy hampers effectiveness of print media
 - Poor media-reach: 500 million Indians lack TV and radio
- **To Influence:**
 - Low category penetration, consumption, brand awareness
 - Per capita consumption in Unilever categories is 33% of urban levels



Turnover per market



Capabilities :Leveraging IT for Growth



35 Brands, 1500 skus 35 Depots, 2700 stockists

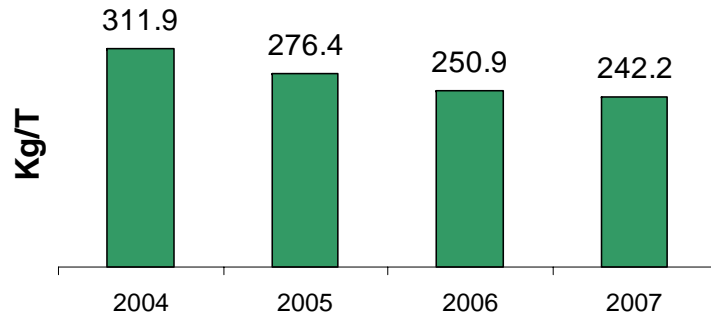
Innovation and R&D capabilities

- HUL leads global research in Oral, Skin and Laundry
- Some achievements:
 - Single Shot Soap making process
 - Skin Lightening Cream
 - Non Soap Detergent Bars
 - Poly coated Dish Wash Bar
 - Drinking water purifier (Pure-It)
 - Amaze



Continued focus on Safety and Environment

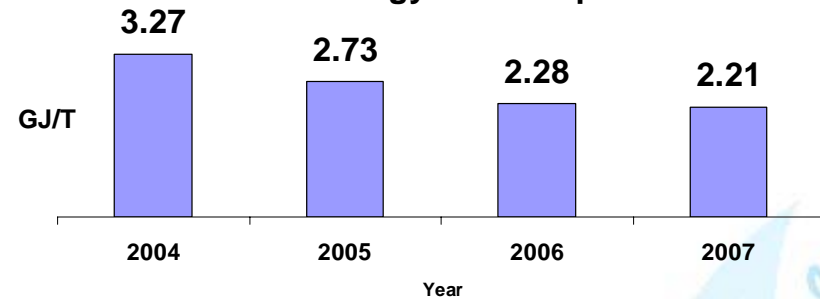
CO2 reduction 2004-2007



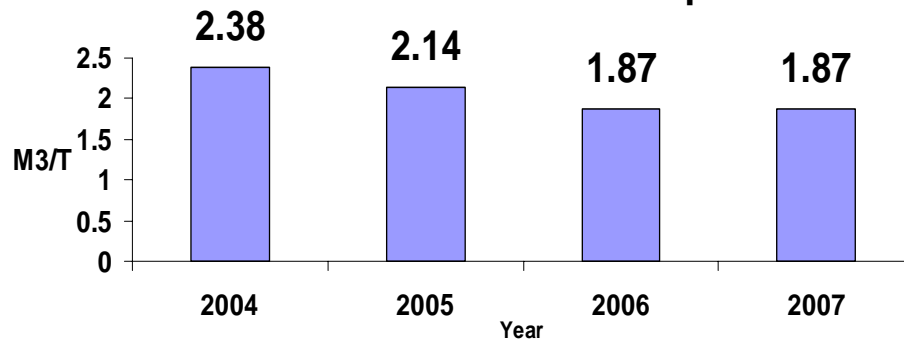
Received carbon credits for innovative soap manufacturing process.

*Reducing Oil Dependency through
Bio Mass Based Boilers*

Energy Consumption



Total Water Consumption



Reducing water consumption

Corporate Responsibility – Aiding in the Development of the Country

- **Lifebouy Swasthya Chetana** - Health & Hygiene
- **Shakti** – Empowerment of women through micro-enterprise Opportunity
- **Yashodadham** - Relief and Reconstruction in Gujarat's Kutch district
- **Asha Daan** - Happy Home actively supported by Unilever

**Combining corporate responsibility and
business strategies to aid development of rural India**



Agenda

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India Opportunity

HUL - Uniquely Placed

Financials & Summary



Key Financials

| | 2007 | 2006 | 2005 |
|--------------------------|--------|----------|----------|
| Reported Growth | 13.3% | 9.4% | 11.4% |
| Continuing sales growth* | 13.5% | 10.0% | 11.5% |
| EBIT/ Sales % | 14.4% | 14.1% | 13.3% |
| EBIT Growth | 15.4% | 16.2% | 1.1% |
| Operating cash flow* | 420 Mn | \$365 Mn | \$489 Mn |

* Before restructuring, disposal

As per audited financial statements of the company; accounting as per Indian GAAP

Summary

- 3rd consecutive year of accelerated growth in FMCG portfolio.
Growth broad based and across all categories
- Consumer spending in FMCG continues
- Successfully implement the top end skin & processed Foods strategy.
- Build momentum to the Water Business
- Build on competitive capabilities across business system
- Manage Cost inflation effectively, through pricing, cost savings and better mix
- Strong commitment to governance and CSR

Thank you

