

## **Hindustan Unilever Limited – June Quarter 2007 Results**

- Total sales growth 12.9%; FMCG Sales grow by 13.4%;
- PBIT grows 20.4%; PAT grows by 24.4%; Net Profit grows by 29.6%

**Mumbai, June 29<sup>th</sup> 2007:** Hindustan Unilever Limited (HUL) announced its results for June Quarter 2007. Total Sales grew by 12.9% with the FMCG business growing by 13.4%.

Home & Personal Care (HPC) Business grew 11.1%. All brands in Laundry and Shampoo continued to perform well. Personal Wash growth was driven by a strong performance in Lux and Breeze. Skin category was impacted by a planned reduction of stocks in the distribution pipeline in preparation for Fair & Lovely relaunch in July 2007. Oral Category growth was led by Close Up. The key innovations during the quarter were the launches of Dove Hair Care, Clinic All Clear variants for men, Lifebuoy Skin-guard, Lakme Sun Expert and Pepsodent Centre Fresh.

Foods business had another quarter of impressive performance registering a sales growth of 25%. The Beverages business grew by 21% with all Tea brands, Taj, 3 Roses, Red Label and Taaza, performing well. Bru Coffee continued its excellent performance this quarter. Knorr and Kissan brands were the drivers of a 38% growth in the Processed Foods category. Icecream business had a robust 24% growth. The key innovations during the quarter were the launches of Knorr Chinese mixes, Bru Iced Cappuccino and the Moo Icecream range.

National rollout of the Water business is progressing well and now covers all Southern states, Maharashtra and West Bengal. Consumer acquisition and brand building has met all action standards and production capacity is being enhanced for further roll-out.

Judicious price increases together with buying efficiencies and aggressive cost saving initiatives helped sustain gross margins despite the impact of escalating costs. Advertising and Promotion spends continued to be competitive and the lower expenditure for the quarter reflects the planned phasing of activities and the lower spend in a channel pending conclusion of negotiations. The Profit before Interest and Tax (PBIT) has increased by 20.4%, and PBIT margin for the quarter at 14.5% of Sales was 90bps above prior year. Profit after Tax (PAT) grew by 24.4% and Net Profit was higher by 29.6%.

Mr. Harish Manwani, Chairman commented: "We have sustained our strong growth momentum across HPC and Foods businesses. The corner stone of our strategy is to continuously strengthen our portfolio and deliver consistent and profitable growth. I am pleased with the progress we are making. The challenge of inflationary pressure continues and will be met through a combination of selective price increases and cost leadership across the extended supply chain".