

RESULTS FOR DECEMBER QUARTER 2013

10% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 13% IN DECEMBER QUARTER 2013

Mumbai, January 27th, 2014: Hindustan Unilever Limited announced its results for the quarter ending 31st December 2013.

During the quarter, the Domestic Consumer business grew at 10%, ahead of market, with 4% underlying volume growth.

Soaps and Detergents deliver a healthy performance

Skin Cleansing delivered another quarter of volume led growth. The category performance was driven by Dove, Pears, Lifebuoy and Breeze. Pears was relaunched during the quarter with a new proposition around younger looking skin. The liquids portfolio saw accelerated growth led by Lifebuoy Handwash.

In Laundry, growth was led by the premium segment. Surf growth was buoyed by the robust performance in Surf Excel Easy Wash and Excel Matic while Rin saw good growth on the bars portfolio. Wheel was re-launched with a superior formulation at the end of the quarter. Comfort fabric conditioners continued to lead market development with sustained high growth. Household Care delivered another strong quarter with both Vim and Domex growing in double digits.

Personal Products growth steps up

Skin Care grew well in a slowing market. The re-launch of Fair & Lovely, with the new 'Best Ever Formula' and a focused activation plan in the last quarter, is on track. Lakme and Dove grew well and the facial cleansing portfolio registered strong growth, driven by a range of differentiated innovations launched earlier in the year.

Hair Care sustained its strong growth momentum with broad based double digit volume growth. Dove led the category performance with accelerated growth while Sunsilk, Clinic Plus and TRESemmé continued to make very good progress.

In Oral Care, both Pepsodent and Close Up delivered stepped up double digit growth in a competitive market. Pepsodent GermiCheck which was relaunched in the last quarter with a superior product and proposition did particularly well. A&P investments were significantly stepped up to sustain our competitive position in this category.

Colour Cosmetics maintained its strong innovation led growth momentum across both Lakme and Elle 18. Lakme continues to strengthen its position in premium make up driven by a range of exciting and contemporary offerings from Absolute and 9 to 5.

Beverages led by double digit growth in tea

Tea delivered another quarter of broad based growth with Taj Mahal, Red Label, 3 Roses and Taaza growing in double digits, driven by a strengthened mix and focused in-market activities. The sustained thrust on leading market development for tea bags, enabled flavoured and green tea bags more than double sales in the quarter. The Lipton Clear Green Tea portfolio was expanded with the launch of new packs. In a slowing Coffee market, Bru continued to drive category premiumization, led by Bru Gold.

Packaged Foods growth steps up; Kissan, Knorr and Kwality Walls grow in double digits

Kissan further accelerated with both Ketchups and Jams delivering strong growth on the back of impactful activation. Knorr had a good quarter particularly on Instant Soups which more than doubled volumes while the growth in Kwality Walls was driven by sharper in-market execution and the robust performance of Cornetto and Creamy Delights. Magnum continues to do well.

PBIT margins expand 50bps

The operating context during the quarter remained challenging with market growth under pressure, firm input costs given the Rupee depreciation, an uncertain media environment and the high competitive intensity. Cost Inflation was managed through a combination of judicious pricing action, unwinding of promotions and substantial cost savings. Investment behind brands was sustained at competitive levels; overall A&P was up by Rs.107 Crores (+40 bps) in the quarter. Despite this step up, Profit before interest and tax (PBIT) grew by 13% and PBIT margin improved by 50 bps. Profit after tax before exceptional items, PAT (bei), grew by 9% to Rs.955 Crores while Net Profit at Rs.1062 Crores was up 22%, aided by exceptional items.

Harish Manwani, Chairman commented: "Our growth has been competitive and profitable and the results are a reflection of how we dynamically managed the business despite the headwinds in the environment. Looking forward, we are conscious of the uncertain macro context but remain positive on the mid to long term opportunities in our sector. We are determined to stay the course on our strategy and will continue to invest in the business for the long term."





HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013

(Rs. in lakhs)

Unaudited Results for the Quarter ended 31st December		Unaudited Results for the Quarter ended 30th September		Particulars	Unaudited Results for the Nine Months ended 31st December		Audited Results for the year ended 31st March
2013	2012	2013			2013	2012	2013
703,778	643,369	674,720		1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)]	2,047,247	1,883,925	2,520,638
557,488	507,084	524,201		i) Domestic FMCG - HPC	1,603,363	1,480,961	1,977,006
119,962	108,765	121,746		ii) Domestic FMCG - Foods	362,079	322,026	438,753
677,451	615,849	645,947		Domestic FMCG - Total (i+ii)	1,965,443	1,802,987	2,415,759
26,327	27,520	28,773		iii) Others	81,804	80,938	104,879
18,557	22,114	14,544		1.b. Other Operating Income	45,256	59,516	80,383
722,335	665,483	689,264		1. Total Income from operations (net) [1.a. + 1.b.]	2,092,503	1,934,441	2,581,021
606,097	582,532	587,125		2. Expenses [sum of (a) to (g)]	1,772,210	1,648,703	2,204,248
270,151	255,190	292,303		a) Cost of materials consumed	824,977	775,560	1,028,466
83,744	78,379	81,227		b) Purchases of stock-in-trade	239,953	240,695	323,531
12,112	8,340	(26,538)		c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,651)	(10,627)	(3,113)
34,772	34,271	36,830		d) Employee benefits expense	105,770	100,606	131,834
6,442	5,928	6,392		e) Depreciation and amortisation expense	19,478	17,460	23,602
92,946	82,216	95,402		f) Advertising & Promotions	277,326	241,075	323,188
105,930	98,208	101,509		g) Other expenses	308,357	283,934	376,740
116,238	102,951	102,139		3. Profit from operations before other income, finance costs and exceptional items (1-2)	320,293	285,738	376,773
14,266	13,371	15,099		4. Other Income	47,040	59,107	60,690
130,504	116,322	117,238		5. Profit from ordinary activities before finance costs and exceptional items (3+4)	367,333	335,845	437,463
1,820	753	628		6. Finance costs	(3,070)	(1,914)	2,515
128,684	115,569	116,610		7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	364,263	333,931	434,948
2,297	(728)	3,343		8. Exceptional Items - net credit/ (charge)	16,265	59,899	60,840
130,981	114,841	119,953		9. Profit from Ordinary Activities Before Tax (7+8)	380,528	393,830	495,788
24,750	27,705	28,573		10. Tax expense	(80,992)	(92,883)	(116,121)
106,231	87,136	91,380		11. Net Profit from Ordinary Activities After Tax (9-10)	299,536	300,947	379,667
-	-	-		12. Extraordinary Items	-	-	-
106,231	87,136	91,380		13. Net Profit for the period (11+12)	299,536	300,947	379,667
21,626	21,620	21,626		14. Paid up Equity Share Capital (face value Re. 1 per share)	21,626	21,620	21,625
				15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year			245,710
4.91	4.03	4.23		16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):			
4.91	4.03	4.22		(a) Basic - Rs.	13.85	13.92	17.56
				(b) Diluted - Rs.	13.84	13.92	17.55
4.91	4.03	4.23		16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):			
4.91	4.03	4.22		(a) Basic - Rs.	13.85	13.92	17.56
				(b) Diluted - Rs.	13.84	13.92	17.55
A. PARTICULARS OF SHAREHOLDING							
1. Public Shareholding							
708,217,669	1,027,111,958	708,156,159		- Number of Shares	708,217,669	1,027,111,958	1,027,622,850
32.75%	47.51%	32.75%		- Percentage of Shareholding	32.75%	47.51%	47.52%
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	1,134,849,460	154,412,858		- Number of shares	1,454,412,858	1,134,849,460	1,134,849,460
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%
67.25%	52.49%	67.25%		- Percentage of shares (as a % of the total share capital of the company)	67.25%	52.49%	52.48%
B. INVESTOR COMPLAINTS							
Pending at the beginning of the quarter					Nil		
Received during the quarter					12		
Disposed of during the quarter					12		
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 31st December		Unaudited Results for the Quarter ended 30th September	Particulars	Unaudited Results for the Nine Months ended 31st December		Audited Results for the year ended 31st March
2013	2012	2013		2013	2012	2013
339,786	317,123	338,077	Segment Revenue (Sales and Other operating income)			
230,390	204,892	195,034	- Soaps and Detergents	1,018,629	951,043	319,139
85,003	79,293	83,542	- Personal Products	613,762	564,054	183,112
37,276	33,014	39,798	- Beverages	244,282	216,656	80,810
27,658	29,021	30,485	- Packaged Foods	122,862	113,341	37,233
			- Others (includes Exports, Chemicals, Water, etc)	86,051	84,254	25,024
720,113	663,343	686,936	Total Segment Revenue	2,085,586	1,929,348	645,318
			Less: Inter Segment Revenue	-	-	-
720,113	663,343	686,936	Net Segment Revenue	2,085,586	1,929,348	645,318
			Segment Results (Profit before tax and interest from ordinary activities)			
45,089	39,372	47,389	- Soaps and Detergents	136,410	123,250	38,303
65,918	57,885	44,491	- Personal Products	157,225	147,713	47,173
13,730	14,038	14,167	- Beverages	41,765	33,838	13,619
(1,340)	(263)	1,331	- Packaged Foods	3,830	2,305	1,397
(1,349)	(1,864)	462	- Others (includes Exports, Chemicals, Water, etc)	(1,195)	(2,092)	(1,808)
122,048	109,168	107,840	Total Segment Results	338,035	305,014	98,684
(1,820)	(753)	(628)	Less: Finance Costs	(3,070)	(1,914)	(601)
10,753	6,426	12,741	Add/(Less): Other unallocable income net of unallocable expenditure	45,563	90,730	3,875
130,981	114,841	119,953	Total Profit Before Tax from ordinary activities	380,528	393,830	101,958
			Capital Employed (Segment assets less Segment liabilities)			
(35,129)	(39,171)	(45,445)	- Soaps and Detergents	(35,129)	(39,171)	4,027
(55,513)	(25,598)	(44,995)	- Personal Products	(55,513)	(25,598)	(29,549)
12,245	10,894	8,093	- Beverages	12,245	10,894	25,892
14,805	20,110	14,469	- Packaged Foods	14,805	20,110	17,510
(7,032)	(2,935)	(8,706)	- Others (includes Exports Chemicals, Water, etc)	(7,032)	(2,935)	(3,899)
(70,624)	(36,700)	(76,584)	Total Capital Employed in segments	(70,624)	(36,700)	13,981
501,291	375,969	538,863	Add: Unallocable corporate assets less corporate liabilities	501,291	375,969	253,421
430,667	339,269	462,279	Total Capital Employed	430,667	339,269	267,402

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" includes interest/ dividend/ other financial income (net), expenses on common services not directly identifiable to individual segments, corporate expenses and exceptional items.

Capital Employed figures are as at 31st December, 2013, 31st December, 2012, 30th September, 2013 and 31st March, 2013. Unallocable corporate assets less corporate liabilities mainly represent investment of surplus funds and cash and bank.

2. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.

Registered Office : Unilever House, B.D Sawant Marg, Chakala Andheri (E), Mumbai 400 099

Notes:

1. Net Sales grew by 9.4% during the quarter. Domestic Consumer Business (FMCG + Water) grew by 9.9% with a 9.9% growth in HPC and 10.3% growth in Foods businesses.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 116,238 lakhs (DQ'12: Rs. 102,951 lakhs) grew by 12.9%.
3. Profit after tax from ordinary activities before Exceptional Items net of tax and prior period tax adjustments (refer note 5 and note 6 below) for the quarter at Rs. 95,474 lakhs (DQ'12: Rs. 87,309 lakhs) grew by 9.4%.
4. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 13,103 lakhs (DQ'12: Rs. 13,086 lakhs) and interest on income tax refund of Rs. 1,163 lakhs (DQ'12: Rs. 285 lakhs)
5. Exceptional items, net credit in DQ'13 include profit on sale of surplus properties Rs. 2,810 lakhs (DQ'12: Rs. 2,465 lakhs) and restructuring costs of Rs. 513 lakhs (DQ'12: Rs. 3,193 lakhs).
6. Taxation for the quarter includes net write back of excess tax provisions of earlier years amounting to Rs 9,288 lakhs (DQ '12: Rs. Nil)
7. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to this period's classification.
8. The text of the above statement was approved by the Board of Directors at their meeting held on 27th January, 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.

For more details, visit our website at <http://www.hul.co.in>

By order of the Board

Place: Mumbai
Date: 27th January, 2014

Sanjiv Mehta
Managing Director & CEO