

Hindustan Unilever Limited – September Quarter 2007 Results

- FMCG Sales grow by 10.8%; Continuing sales grow by 9.7%
- PBIT grows 7.8%
- Platinum Jubilee dividend of Rs 3 per share to shareholders

Mumbai, October 31st 2007: Hindustan Unilever Limited (HUL) announced its results for September Quarter 2007. Total Sales grew by 9.7% driven by FMCG business growth of 10.8%.

The Home and Personal Care business grew by 9.5% with Soaps and Detergents business growing higher at 13%. Good growth across all Fabric Wash brands resulted in a strong performance by the category. Personal Wash growth was steady with Lifebuoy and Breeze brands registering good growth. Sales in Personal Products segment were adversely impacted, particularly in Skin and Toothpaste categories, by a seven week lock-out in the Assam factory; the factory has since recommenced operations. Shampoo category has grown in double digits with good growth in Clinic All Clear. Innovations during the quarter include the re-launch of Fair and Lovely, Clinic All Clear, Lux Crystal Shine and the launch of the Lakme 9-5 range.

Foods business continued its strong performance and grew by 17% for the quarter. In Beverages, Tea maintained its steady growth with Red Label, 3 Roses and Lipton Yellow Label performing well. Bru Instant Coffee had another excellent quarter. Knorr and Kissan continue to do well, contributing to a strong growth in Processed Foods segment. The Knorr Soups range was relaunched during the quarter. Icecreams achieved double digit growth in an “off-season” quarter.

Water business continues to meet action standards. “Pure-it” water purifier now protects 3 million consumers in homes across eight States, following launches in Delhi and UP during this quarter. The consumer response across markets has been very good.

On a quarter-on-quarter basis, material cost inflation has been high, necessitating judicious price increases in addition to aggressive cost savings initiatives to mitigate the impact of escalating costs. Lower sales in Skin and Oral categories, on account of the factory closure, had an adverse mix impact during the quarter. The Company continued to support its brands at competitive spend levels. Profit before Interest and Tax (PBIT) increased by 7.8%, Profit after Tax (PAT) grew by 6.9%, while Net Profit was lower by 21.6% due to exceptional income in the base period of September Quarter 2006.

Mr. Harish Manwani, Chairman, commented: “FMCG demand continues to be strong in both urban and rural markets. Soaps and Detergents, Beverages and Processed Foods segments have performed well and we have broadly sustained our market shares across categories. The one-off impact arising from closure of the Assam factory is behind us, and we expect Personal Products to regain its growth momentum. Material cost inflation remains a concern and we manage this through aggressive cost effectiveness and judicious price increases.”

The Board of Directors declared a Platinum Jubilee dividend of Rs 3 per share to commemorate the 75th year of the company.