

## RESULTS FOR JUNE QUARTER 2013

### **7% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 12% IN JUNE QUARTER 2013**

**Mumbai, July 26<sup>th</sup>, 2013:** Hindustan Unilever Limited announced its results for the quarter ending 30<sup>th</sup> June 2013.

During the quarter, the Domestic Consumer business grew competitively at 7% with 4% underlying volume growth ahead of market.

#### **Soaps and Detergents grew 8%; profitable broad based growth**

Skin Cleansing sustained its strong performance, registering another quarter of double digit volume growth. Lifebuoy, Breeze, Dove and Lux delivered robust volumes. The quarter witnessed price deflation as the benefit of lower commodity costs were passed on to consumers.

In Laundry, Surf and Rin maintained double digit growth as they continue to drive category upgradation. The liquids portfolio was expanded with the launch of Surf Excel Detergent Liquid. Household Care grew in double digit and Vim Anti Germ Dishwash and Domex acid based toilet cleaners were introduced.

#### **Personal Products grew 2% in a slowing market; double digit growth sustained in Hair, Oral and Colour Cosmetics**

In Skin Care, Ponds, Lakmé and Dove delivered a good performance with double digit underlying volume growth. Fair & Lovely maintained its strong position in the mass skin lightening segment. However, it was impacted by a challenging market context and a strong base effect. Plans are underway to step up the growth momentum.

Hair Care had another good quarter with volume led double digit growth. Sunsilk and Clinic Plus sustained robust growth momentum and Dove growth was led by bottles. TRESemmé continues to make very good progress.

Oral Care registered double digit growth driven by the exciting activation on Close Up and a step up on Pepsodent Expert Protection.

Colour Cosmetics did particularly well, delivering stepped up double digit growth across both Lakmé and Elle 18. Lakmé continues to strengthen its position in Premium Make Up driven by the growing momentum on Absolute and 9 to 5 which nearly doubled sales this quarter.

In keeping with the thrust on building Beauty expertise, a number of differentiated innovations were launched. In Skin, Ponds BB Cream and Lakmé CC Cream were introduced and the facial cleansing portfolio was further strengthened with a new Lakmé Fresh Fairness Clean up range. Hair Care saw the launch of Sunsilk Radiant Shine, Dove Cellular Repair with keratin actives and TRESemmé Keratin Smooth. In addition, the global portfolio was leveraged to launch the TIGI range of premium hair care and styling offerings in select top end salons.

#### **Beverages grew 16%; tea growth accelerated**

Tea delivered one of its strongest quarters with double digit growth across all key brands. Actions taken to strengthen the core, extend distribution and impactful activation has enabled a step up in the growth momentum in this category. Taaza in particular had one of its best performances this quarter, on the back of a reinforced marketing mix. The continued thrust on market development for tea bags has enabled flavored and green teabags to nearly double in the quarter. In a slowing Coffee market, Bru grew well led by the core.

#### **Packaged Foods grew 5%; driven by Kissan and Knorr Soups**

Kissan and Knorr soups sustained double digit growth. The Knorr portfolio was expanded with the launch of the 'Easy to Cook' range of meal makers. Kwality Walls grew modestly, impacted by a slowdown in the Ice Cream market. An exciting range of innovations have been launched this season, including the test market launch of premium Magnum bars in Chennai, which has met with a positive initial response.

#### **PBIT up 12%, margins expand +70bps**

While commodity costs were relatively benign, PFAD prices started to move up and the Rupee sharply depreciated towards the end of the quarter. Competitive intensity remained at high levels and we continued to invest behind our brands - A&P was up Rs.70 Crores (+20 bps) in the quarter. Profit before interest and tax (PBIT) grew by 12% and PBIT margin improved by 70 bps. Profit after tax but before exceptional items, PAT (bei), grew by 4% to Rs.885 Crores during the quarter. Net Profit stood at Rs.1019 Crores, lower than the corresponding quarter of the previous year in view of a significant exceptional income generated in that quarter from the sale of properties.

Harish Manwani, Chairman commented: "In a difficult market environment, we have again delivered competitive growth and strong margin expansion through a sustained focus on innovation, in-market execution and robust cost management. While there are near term concerns particularly around slowing market growth, we are confident of the medium to long term growth prospects of the FMCG sector and our strategy of driving growth and profitability through innovation and operational excellence."





## Hindustan Unilever Limited

HINDUSTAN UNILEVER LIMITED

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2013**

(Rs. in lakhs)

Particulars	Unaudited Results for the Quarter ended 30th June		Unaudited Results for the Quarter ended 31st March	Audited Results for the year ended 31st March
	2013	2012	2013	2013
<b>1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)]</b>	<b>668,749</b>	<b>625,015</b>	<b>636,714</b>	<b>2,520,638</b>
i) Domestic FMCG - HPC	521,674	492,564	496,046	1,977,006
ii) Domestic FMCG - Foods	120,371	106,997	116,727	438,753
Domestic FMCG - Total (i+ii)	642,045	599,561	612,773	2,415,759
iii) Others	26,704	25,454	23,941	104,879
1.b. Other Operating Income	12,155	12,862	9,867	60,383
<b>1. Total Income from operations (net) [1.a. + 1.b.]</b>	<b>680,904</b>	<b>637,877</b>	<b>646,581</b>	<b>2,581,021</b>
<b>2. Expenses [sum of (a) to (g)]</b>	<b>578,988</b>	<b>546,995</b>	<b>555,546</b>	<b>2,204,248</b>
a) Cost of materials consumed	262,523	250,286	252,906	1,028,466
b) Purchases of stock-in-trade	74,982	79,713	82,836	323,531
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	10,775	6,775	7,514	(3,113)
d) Employee benefits expense	34,168	33,286	31,228	131,834
e) Depreciation and amortisation expense	6,644	5,763	6,142	23,602
f) Advertising & Promotions	88,978	81,961	82,113	323,188
g) Other expenses	100,918	89,211	92,807	376,740
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>101,916</b>	<b>90,882</b>	<b>91,035</b>	<b>376,773</b>
4. Other Income	17,675	21,861	10,583	60,690
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>119,591</b>	<b>112,743</b>	<b>101,618</b>	<b>437,463</b>
6. Finance costs	622	528	601	2,515
<b>7. Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>118,969</b>	<b>112,215</b>	<b>101,017</b>	<b>434,948</b>
8. Exceptional Items - net credit/ (charge)	10,625	60,469	941	60,840
<b>9. Profit from Ordinary Activities Before Tax (7+8)</b>	<b>129,594</b>	<b>172,684</b>	<b>101,958</b>	<b>495,788</b>
10. Tax expense	27,669	39,565	23,238	116,121
<b>11. Net Profit from Ordinary Activities After Tax [9-10]</b>	<b>101,925</b>	<b>133,119</b>	<b>78,720</b>	<b>379,667</b>
12. Extraordinary Items	-	-	-	-
<b>13. Net Profit for the period (11+12)</b>	<b>101,925</b>	<b>133,119</b>	<b>78,720</b>	<b>379,667</b>
14. Paid up Equity Share Capital (face value Re. 1 per share)	21,625	21,618	21,625	21,625
15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				245,710
<b>16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.71	6.16	3.64	17.56
(b) Diluted - Rs.	4.71	6.16	3.64	17.55
<b>16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.71	6.16	3.64	17.56
(b) Diluted - Rs.	4.71	6.16	3.64	17.55
<b>A. PARTICULARS OF SHAREHOLDING</b>				
<b>1. Public Shareholding</b>				
- Number of Shares	1,027,622,850	1,026,944,674	1,027,622,850	1,027,622,850
- Percentage of Shareholding	47.52%	47.50%	47.52%	47.52%
<b>2. Promoters and Promoter Group Shareholding</b>				
a) Pledged/Encumbered				
- Number of shares	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA
b) Non-Encumbered				
- Number of shares	1,134,849,460	1,134,849,460	1,134,849,460	1,134,849,460
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	52.48%	52.50%	52.48%	52.48%
<b>B. INVESTOR COMPLAINTS</b>	<b>Quarter ended 30th June, 2013</b>			
Pending at the beginning of the quarter	Nil			
Received during the quarter	16			
Disposed of during the quarter	16			
Remaining unresolved at the end of the quarter	Nil			

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Rs. in lakhs)

Particulars	Unaudited Results for the Quarter ended 30th June		Unaudited Results for the Quarter ended 31st March	Audited Results for the year ended 31st March
	2013	2012	2013	2013
	<b>Segment Revenue (Sales and Other operating income)</b>			
- Soaps and Detergents	340,766	316,305	319,139	1,270,182
- Personal Products	188,338	184,708	183,112	747,166
- Beverages	75,737	65,407	80,810	297,466
- Packaged Foods	45,788	43,698	37,233	150,574
- Others (includes Exports, Water, Infant Care Products, etc)	27,908	26,396	25,024	109,278
<b>Total Segment Revenue</b>	<b>678,537</b>	<b>636,514</b>	<b>645,318</b>	<b>2,574,666</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>678,537</b>	<b>636,514</b>	<b>645,318</b>	<b>2,574,666</b>
<b>Segment Results (Profit before tax and interest from ordinary activities)</b>				
- Soaps and Detergents	43,932	38,523	38,303	161,553
- Personal Products	46,816	47,567	47,173	194,886
- Beverages	13,868	9,495	13,619	47,457
- Packaged Foods	3,839	2,478	1,397	3,702
- Others (includes Exports, Water, Infant Care Products, etc)	(308)	(433)	(1,808)	(3,900)
<b>Total Segment Results</b>	<b>108,147</b>	<b>97,630</b>	<b>98,684</b>	<b>403,698</b>
Less: Finance Costs	(622)	(528)	(601)	(2,515)
Add/(Less): Other unallocable income net of unallocable expenditure	22,069	75,582	3,875	94,605
<b>Total Profit Before Tax from ordinary activities</b>	<b>129,594</b>	<b>172,684</b>	<b>101,958</b>	<b>495,788</b>
<b>Capital Employed (Segment assets less Segment liabilities)</b>				
- Soaps and Detergents	(60,714)	(43,391)	4,027	4,027
- Personal Products	(45,352)	(26,705)	(29,549)	(29,549)
- Beverages	16,243	14,369	25,892	25,892
- Packaged Foods	16,424	15,527	17,510	17,510
- Others (includes Exports, Water, Infant Care Products, etc)	(6,146)	(1,378)	(3,899)	(3,899)
<b>Total Capital Employed in segments</b>	<b>(79,545)</b>	<b>(41,578)</b>	<b>13,981</b>	<b>13,981</b>
Add: Unallocable corporate assets less corporate liabilities	448,872	526,585	253,421	253,421
<b>Total Capital Employed</b>	<b>369,327</b>	<b>485,007</b>	<b>267,402</b>	<b>267,402</b>

**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" 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 June, 2013, 30th June, 2012, 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.

**Notes:**

1. Domestic Consumer Business (FMCG + Water) grew by 7.1% with a 5.9% growth in HPC and 12.5% growth in Foods businesses. Net Sales grew by 7% during the quarter.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 101,916 lakhs (JQ'12: Rs. 90,882 lakhs) grew by 12.1%.
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. 88,513 lakhs (JQ'12: Rs. 85,458 lakhs) grew by 3.6%.
4. Other income includes recurring items such as interest income, dividend income and net short term gain on sale of other non trade current investments aggregating to Rs. 7,974 lakhs (JQ'12: Rs. 11,241 lakhs), and net long term gain on sale of other non trade investments of Rs. 7,275 lakhs (JQ'12: Rs. 7,171 lakhs) and interest on income tax refunds of Rs. 2,426 lakhs (JQ'12: Rs. 3,449 lakhs).
5. Exceptional items, net credit in JQ'13 include profit on sale of surplus properties Rs. 10,625 lakhs (JQ'12: Rs. 60,724 lakhs) and restructuring costs of Rs. Nil (JQ'12: Rs. 255 lakhs)
6. Taxation for the quarter includes net write back of excess tax provisions of earlier years amounting to Rs. 6,421 lakhs (JQ'12: Rs. 1,583 lakhs).
7. Unilever PLC ("the Acquirer") along with Unilever NV in its capacity as person acting in concert with the Acquirer (jointly "the Acquirers") announced Voluntary Open Offer on 30<sup>th</sup> April, 2013 under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for acquisition of 48,70,04,772 equity shares of Re.1 each of the Company, representing 22.52% of the total share capital from the public shareholders. As per the Post Offer advertisement issued by HSBC Securities and Capital Markets (India) Private Limited, Manager to the Open Offer and published on 11th July 2013, pursuant to closing of the tendering period on 4th July 2013, 31,95,63,398 shares representing 14.78% shares were acquired in the offer which pending registration in the Register of Members will increase the share holding of the Acquirers to 67.26%
8. Previous period figures have been re-grouped/restated 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 26th July, 2013.

**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: 26th July, 2013

Nitin Paranjpe  
Managing Director & CEO