

## Hindustan Unilever Limited - March Quarter 2010 Results

- Double-digit volume growth drives 8% turnover growth in MQ'2010
- MQ'2010 Net Profit grows 47 % due to exceptional gains; PBT (bei) maintained
- Full Year Domestic Consumer business grows 9%; Operating Margin up 10 bps; Net Profit up 4%  
Final Dividend recommended Rs 3.50 per share; full year dividend Rs 6.50, up from Rs 6.00 per share for previous 12 months.

**Mumbai, May 25<sup>th</sup> 2010:** Hindustan Unilever Limited (HUL) announced its results for March Quarter 2010 and financial year ending on 31<sup>st</sup> March 2010. In the quarter, Domestic Consumer and FMCG business grew 8%, driven by strong 11% volume growth. Growth was broad based across Home and Personal Care (HPC) and Foods and in aggregate, ahead of reported market growth.

HPC business grew 5.5% during the quarter, with strong volume growth in Soaps, Laundry Powders and Personal Products. Amidst heightened competitive intensity in the Laundry category, proactive and decisive actions were implemented and these helped deliver double digit volume growth in both Rin and Wheel powder. Portfolio rejuvenation in Personal Wash category has yielded positive results with robust volume growth in the premium and popular segment.

Personal Products grew 19%, delivering strong volume growth for the fourth successive quarter. All segments including Hair, Oral and Skin care registered robust volume growth. Leadership in Shampoo segment was further strengthened, driven by innovations behind Dove and Clinic Plus; Dove Dandruff therapy was launched. In Oral, toothpaste growth was ahead of market, with both Pepsodent and Close-up growing double digit. In Skin care, sales growth was well ahead of market with continued focus on market development and expansion into new segments of the future. A significant entry into the male grooming segment was made through the launch of Vaseline Menz. The Facial cleansing portfolio was expanded, driven by multiple variants under Dove, Ponds, Pears and Lakme. Market share improved in the fast growing premium fairness and anti ageing segment.

Foods business grew at 18% largely driven by volume. All segments in Foods viz Tea, Coffee, Processed Foods and Ice creams have grown in double digit. The Tea portfolio now straddles the consumer pyramid with the launch of nutritional tea – Brooke Bond Sehatmand in the mass segment. Knorr soupy noodles heralded our entry into the attractive noodles market, with a unique offering combining the taste of noodles with the health of soup. Kissan and Annapurna brands continued their strong growth. Ice-cream grew 22% led by strong innovations for the summer season. Swirl's parlours continue to offer a unique Ice Cream consumption experience with 100 parlours now in operation nationally.

Pure-it continued its strong growth momentum. During the quarter, Pure-it Compact was launched at an attractive price of Rs 1000. This innovation makes Pure-it accessible to a larger group of consumers without any compromise to the standard of water purity.

Superior cost management reduced cost of goods sold by 80 bps, driven by cost savings and buying efficiencies. New innovations, entry into new segments and competitive brand support led to A&P expenditure increasing by 320 bps to 14.5% of sales. PBIT was broadly maintained while PBIT margin was lower. PAT (bei) declined by 7.6% due to higher tax. Net Profits improved by 47.1% due to exceptional gains during the quarter.

In FY 2010, Domestic Consumer business grew 8.6%. PBIT margins have improved by 10 bps, despite A&P investment increasing by 330 bps to 13.6%. Underlying PAT (bei) was up by 3% and Net Profit up by 4.1%.

The Board proposed a final dividend of Rs 3.50 per share for the financial year ending March 31, 2010, subject to approval of the shareholders at the Annual General Meeting. Together with interim dividend of Rs 3.00 per share the total dividend for the financial year ending March 31, 2010 amounts to Rs 6.50 per share compared to Rs 6.00 per share in the previous year, for corresponding 12 months.

Harish Manwani, Chairman commented: "In an environment of heightened competitive intensity we have accelerated volume growth, ahead of market. Broad based actions have been taken to enhance competitiveness of our brands, build new segments, expand offerings in Foods and improve the overall quality of our innovations and speed to market. These initiatives have started to yield positive results.

We remain committed to further strengthen our brands through bigger and better innovations and unblinking defense of our strong market leadership positions."



Hindustan Unilever Limited  
HINDUSTAN UNILEVER LIMITED

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2010

Rs. Lakhs

STANDALONE			STANDALONE			CONSOLIDATED	
Unaudited Results for the Quarter ended 31st March			Audited Results for the Twelve Months & Accounting Year ended	Unaudited Results for the Twelve Months ended	Audited Results for the Fifteen Months & Accounting Year ended	Audited Results for the Twelve Months & Accounting Year ended	Audited Results for the Fifteen Months & Accounting Year ended
2010	2009		31st March 2010	31st March 2009	31st March 2009	31st March 2010	31st March 2009
431,575	398,833	<b>1.a. Net Sales [sum of (i) to (iv)]</b>	<b>1,752,380</b>	<b>1,647,675</b>	<b>2,023,933</b>	<b>1,776,427</b>	<b>2,050,110</b>
319,035	302,384	i) Domestic FMCG - HPC	1,314,964	1,233,085	1,504,257	1,314,327	1,502,760
81,551	69,197	ii) Domestic FMCG - Foods	306,236	268,175	329,299	306,236	329,299
400,586	371,581	Domestic FMCG - Total ( i+ii)	1,621,200	1,501,260	1,833,556	1,620,563	1,832,059
25,467	21,856	iii) Exports	100,017	116,997	156,729	106,561	165,663
5,522	5,396	iv) Others	31,163	29,418	33,648	49,303	52,388
6,449	6,898	1.b. Other Operational Income	20,153	30,687	38,417	21,491	39,041
438,024	405,731	1. Total Income [1.a. + 1.b.]	1,772,533	1,678,362	2,062,350	1,797,918	2,089,151
383,505	350,224	2. Expenditure [sum of (a) to (g)]	1,515,939	1,438,755	1,777,861	1,538,030	1,802,010
(22,905)	(4,369)	a) (Increase)/decrease in stock in trade and work in progress	(2,272)	(18,649)	(42,156)	(1,628)	(42,918)
177,345	159,944	b) Consumption of raw/packing materials	660,887	670,037	838,654	680,505	861,366
67,312	52,477	c) Purchase of goods	229,174	225,669	284,507	217,499	273,566
23,810	23,435	d) Employees Cost	93,630	93,859	115,212	97,801	119,636
5,029	4,125	e) Depreciation/Amortisation	18,403	15,901	19,530	19,194	19,997
62,652	45,055	f) Advertising & Promotions	239,143	169,179	213,092	244,902	217,386
70,262	69,557	g) Other expenditure	276,974	282,759	349,022	279,757	352,977
54,519	55,507	<b>3. Profit from Operations Before Interest and Exceptional Items (1-2)</b>	<b>256,594</b>	<b>239,607</b>	<b>284,489</b>	<b>259,888</b>	<b>287,141</b>
2,841	2,026	4. Other Income	14,811	18,197	20,555	12,906	18,965
57,360	57,533	5. Profit before Interest & Exceptional Items (3+4)	271,405	257,804	305,044	272,794	306,106
14	221	6. Interest expense	698	2,182	2,532	747	2,645
57,346	57,312	7. Profit after Interest but before exceptional Items (5-6)	270,707	255,622	302,512	272,047	303,461
14,339	(10,709)	8. Exceptional Items - (loss)/gain	5,545	(1,881)	(1,630)	5,379	(772)
71,685	46,603	<b>9. Profit Before Tax (7+8)</b>	<b>276,252</b>	<b>253,741</b>	<b>300,882</b>	<b>277,426</b>	<b>302,689</b>
(18,776)	(7,104)	10. Tax expense	(61,637)	(41,308)	(50,355)	(62,824)	(51,794)
52,909	39,499	11. Net Profit After Tax from ordinary activities [9+10]	214,615	212,433	250,527	214,602	250,895
5,211	-	12.a Extraordinary Items (net of tax) - gain/(loss)	5,588	(881)	(881)	1,859	99
		12.b Minority Interest -Profit/ (Loss)				798	543
58,120	39,499	<b>13. Net Profit after Minority Interest (11+12a-12.b)</b>	<b>220,203</b>	<b>211,552</b>	<b>249,646</b>	<b>215,663</b>	<b>250,451</b>
21,817	21,799	<b>14. Paid up Equity Share Capital ( face value Re 1 per share)</b>	<b>21,817</b>	<b>21,799</b>	<b>21,799</b>	<b>21,817</b>	<b>21,799</b>
		<b>15. Reserves excluding Revaluation Reserve</b>	<b>236,468</b>		<b>184,285</b>	<b>245,009</b>	<b>191,882</b>
		<b>16. Earnings Per Share (EPS) -</b>					
2.43	1.81	Basic Earnings per Share of Re 1 (before Extraordinary Items *) - Rs.	9.84	9.75	11.50	9.84	11.49
2.42	1.81	Diluted Earnings per Share of Re 1 (before Extraordinary Items *) - Rs.	9.83	9.73	11.48	9.83	11.47
2.66	1.81	Basic Earnings per Share of Re 1 (after Extraordinary Items *) - Rs.	10.10	9.70	11.46	9.89	11.50
2.66	1.81	Diluted Earnings per Share of Re 1 (after Extraordinary Items *) - Rs.	10.08	9.69	11.44	9.87	11.47
		* and Minority Interest for consolidated results.					
		<b>17. Public Shareholding</b>					
1,046,837,321	1,045,026,617	- Number of Shares	1,046,837,321	1,045,026,617	1,045,026,617	1,046,837,321	1,045,026,617
47.98%	47.94%	- Percentage of Shareholding	47.98%	47.94%	47.94%	47.98%	47.94%
		<b>18. Promoters and Promoter Group Shareholding</b>					
		a) Pledged/Encumbered					
Nil	Nil	- Number of shares	Nil	Nil	Nil	Nil	Nil
NA	NA	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA
NA	NA	- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA	NA
		b) Non-Encumbered					
1,134,849,460	1,134,849,460	- Number of shares	1,134,849,460	1,134,849,460	1,134,849,460	1,134,849,460	1,134,849,460
100.00%	100.00%	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
52.02%	52.06%	- Percentage of shares (as a % of the total share capital of the company)	52.02%	52.06%	52.06%	52.02%	52.06%

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED, UNDER CLAUSE 41 OF THE LISTING AGREEMENT**

Rs. Lakhs

STANDALONE			STANDALONE			CONSOLIDATED	
Unaudited Results for the Quarter ended 31st March			Audited Results for the Twelve Months & Accounting Year ended	Unaudited Results for the Twelve Months ended	Audited Results for the Fifteen Months & Accounting Year ended	Audited Results for the Twelve Months & Accounting Year ended	Audited Results for the Fifteen Months & Accounting Year ended
2010	2009		31st March 2010	31st March 2009	31st March 2009	31st March 2010	31st March 2009
		Segment Revenue (Sales and Income from Services)					
197,848	201,626	- Soaps and Detergents	826,564	814,642	988,463	826,564	988,464
125,521	105,569	- Personal Products	504,790	436,565	538,453	505,507	538,783
57,016	49,434	- Beverages	214,243	186,854	229,951	214,243	229,951
19,757	16,099	- Processed Foods	73,078	65,632	80,830	73,078	80,830
5,530	4,545	- Ice Creams	23,100	19,833	23,531	23,100	23,531
25,551	22,085	- Exports	100,525	117,715	157,608	107,071	168,081
6,443	6,508	- Others (includes Chemicals, Water etc)	34,672	31,443	35,855	53,379	54,986
437,666	405,866	Total Segment Revenue	1,776,972	1,672,684	2,054,691	1,802,942	2,084,626
-	(209)	Less : Inter segment revenue	(385)	(637)	(792)	(385)	(4,157)
437,666	405,657	Net Segment Revenue	1,776,587	1,672,047	2,053,899	1,802,557	2,080,469
		Segment Results ( Profit Before Tax from ordinary activities)					
25,273	33,353	- Soaps and Detergents	118,527	124,922	148,173	118,527	148,232
27,337	23,894	- Personal Products	129,652	118,315	142,896	128,594	142,961
7,896	6,551	- Beverages	31,975	25,466	30,815	31,975	30,830
790	(447)	- Processed Foods	444	(198)	145	444	150
(157)	(186)	- Ice Creams	1,269	1,113	862	1,269	863
1,334	1,436	- Exports	5,858	9,041	10,820	6,164	10,466
(1,929)	(2,422)	- Others (includes Chemicals, Water etc)	(7,202)	(10,395)	(13,447)	(2,644)	(10,151)
60,544	62,179	Total Segment Results	280,523	268,264	320,264	284,329	323,351
(14)	(221)	Less : Interest Expense	(698)	(2,182)	(2,532)	(747)	(2,645)
11,155	(15,355)	Add/(Less) : Other unallocable expenditure net of unallocable income	(3,573)	(12,341)	(16,850)	(6,156)	(18,017)
71,685	46,603	Total Profit Before Tax from ordinary activities	276,252	253,741	300,882	277,426	302,689
		Capital Employed (Segment assets less Segment liabilities)					
(29,472)	59,349	- Soaps and Detergents	(29,472)	59,349	59,349	(29,473)	59,187
15,475	2,294	- Personal Products	15,475	2,294	2,294	16,211	6,297
24,965	32,661	- Beverages	24,965	32,661	32,661	24,967	32,661
(1,530)	4,403	- Processed Foods	(1,530)	4,403	4,403	(1,530)	4,403
4,857	4,610	- Ice Creams	4,857	4,610	4,610	4,857	4,610
18,892	32,099	- Exports	18,892	32,099	32,099	19,220	33,758
(4,997)	(5,063)	- Others	(4,997)	(5,063)	(5,063)	(1,426)	(2,917)
28,190	130,353	Total Capital Employed in segments	28,190	130,353	130,353	32,826	137,999
230,162	75,798	Add : Unallocable corporate assets less corporate liabilities	230,162	75,798	75,798	235,113	76,526
258,352	206,151	Total Capital Employed in company	258,352	206,151	206,151	267,939	214,525

## HINDUSTAN UNILEVER LIMITED

Rs. Lakhs

## BALANCE SHEET AS AT 31st March, 2010

Particulars	STANDALONE		CONSOLIDATED	
	Audited as at 31st March, 2010	Audited as at 31st March, 2009	Audited as at 31st March, 2010	Audited as at 31st March, 2009
<b>SHAREHOLDERS' FUND</b>				
(a) Capital	(21,817)	(21,799)	(21,817)	(21,799)
(b) Reserves and Surplus	(236,535)	(184,352)	(245,076)	(191,948)
<b>MINORITY INTEREST</b>			(1,046)	(778)
<b>LOAN FUNDS</b>	0	(42,194)	(1,084)	(43,413)
<b>FIXED ASSETS (including CWIP)</b>	243,607	207,884	249,434	213,584
<b>INVESTMENTS</b>	126,408	33,262	122,442	28,764
<b>NET DEFERRED TAX ASSET/(LIABILITY)</b>	24,882	25,483	24,820	25,305
<b>CURRENT ASSETS, LOAN AND ADVANCES</b>				
(a) Inventories	217,993	252,886	222,641	258,053
(b) Sundry Debtors	67,844	53,689	69,167	56,057
(c) Cash and Bank Balances	189,221	177,735	201,238	186,411
(d) Other Current Assets	1,662	1,574	1,929	1,970
(e) Loans and Advances	60,056	74,212	58,953	74,529
Less: Current Liabilities and Provisions	(673,321)	(578,380)	(681,601)	(586,735)
<b>MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED)</b>	-	-	-	-
<b>PROFIT AND LOSS ACCOUNT</b>	-	-	-	-
<b>TOTAL</b>	-	-	-	-

## Notes:

1. The Board of Directors had approved a change in the Accounting year of the Company to commence from 1<sup>st</sup> April of every year and to end on 31<sup>st</sup> March of the following year. Consequently, as a transitional arrangement, the previous year Annual Accounts and Report of the Company were for a period of 15 months commencing 1<sup>st</sup> January 2008 and ending 31<sup>st</sup> March 2009. The figures for current year, however, relate to 12 months ended 31<sup>st</sup> March, 2010 and hence are not comparable. To facilitate comparison, unaudited figures for the 12 month ended 31<sup>st</sup> March 2009 have been provided.
2. Net sales grew by 8.2 % during the quarter. FMCG sales grew by 7.8% with a 5.5% growth in HPC and 17.9% growth in Foods businesses.
3. Operating Profit (Profit from Operations before Interest and Exceptional Items) for the quarter at Rs. 54519 lakhs (MQ'09: Rs. 55507 lakhs) declined marginally by 1.8%.
4. Profit after tax from ordinary activities before Exceptional Items (refer note 7 below) and Forex MTM (refer note 5 below) for the quarter at Rs. 42233 lakhs (MQ'09: Rs. 45873 lakhs) declined by 7.9 %.
5. Other Operational Income includes a charge of Rs. 19 lakhs for MQ'10 (MQ'09: charge of Rs. 298 lakhs) and a charge of Rs. 5633 lakhs for year ended MQ' 10 (12 Months ended March, 09 : credit of Rs. 4863 lakhs) on account of mark to market valuation of open forward contracts & monetary items (viz. foreign currency receivables & payables) in line with AS -11.
6. Other income includes interest income, dividend income and net gain on sale of other non trade investments.
7. Exceptional items in MQ'10 include profit on sale of properties Rs. 547 lakhs (MQ'09: Rs. 669 lakhs), profit on sale of long term trade investments Rs.9110 lakhs (MQ' 09: Rs. nil), reduction in provision for retirement benefits of Rs. 5336 lakhs (M09': incremental provision of Rs. 6048 lakhs ) arising out of change in actuarial assumptions(net of impact on account of increase in gratuity limits), restructuring costs of Rs. 653 lakhs (MQ'09: Rs. 2570 lakhs ) and provision for remediation of a site of Rs.nil (MQ 09 : Rs. 2500 lakhs )
8. Pursuant to the Scheme of amalgamation of erstwhile subsidiary, Bon Limited with the Company, as sanctioned by the Honourable High Court of Bombay on 16th April, 2010, the assets and liabilities of Bon Limited were transferred to and vested in the Company with effect from 1st April 2009. The scheme has accordingly been given effect to in the standalone accounts of MQ' 10 .

To the extent of the above amalgamation, the results of the quarter/year are not comparable to that of the previous year. Adjusting for the above, operating profit for the quarter will be at Rs. 54768 lakhs (MQ 09' Rs. 55507 lakhs ) and for the year will be at Rs.256843 lakhs ( 12 months ended March 09: Rs. 239607 lakhs)

Extraordinary item for the quarter represents writeback of provision against advances to and diminution in the value of Investments in Bon Ltd.

9. Taxation for the quarter includes adjustments of previous years amounting to a credit of Rs. 241 lakhs (MQ 09: charge of Rs. 875 lakhs). Taxation adjustments of previous years include, where applicable, interest, penalties, write back of excess tax provisions of earlier years, etc.
10. Investor complaints status  
All 14 complaints received during MQ' 10 have been resolved to the satisfaction of the investors.  
No complaints were pending for resolution either at the beginning or at the end of March Quarter – 2010.

11. The Board of Directors at their meeting held on Tuesday, 25<sup>th</sup> May, 2010 recommended a final dividend of Rs 3.50 per share of Re.1 each, for the financial year ended 31<sup>st</sup> March 2010. Together with the interim dividend of Rs. 3.00 per share paid on 23<sup>rd</sup> November, 2009, the total dividend for the financial year ended 31<sup>st</sup> March, 2010 works out to Rs. 6.50 per share of Re. 1/- each. Final dividend, subject to approval of shareholders, will be paid on or after Friday, 30<sup>th</sup> July, 2010.
12. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
13. The text of the above statement was approved by the Board of Directors at their meeting held on 25<sup>th</sup> May, 2010.

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

By order of the Board

Place: Mumbai  
Date: 25<sup>th</sup> May, 2010

Nitin Paranjpe  
Managing Director & CEO

## **Notes on Segment Information**

1. Segment Revenue, Results and Capital Employed figures represents amount identifiable to each of the segments. Other unallocable expenditure net of unallocable income includes expenses on common services not directly identifiable to individual segments, corporate expenses, interest/dividend/ other financial income (net) and exceptional items.

Capital Employed figures are as at 31st March 2010 and 31st March 2009. Unallocated corporate assets less corporate liabilities mainly represent investments of surplus funds.

2. Previous period figures have been re-grouped/restated wherever necessary to conform to this period's classification.
3. The Board of Directors had approved a change in the Accounting year of the Company to commence from 1<sup>st</sup> April of every year and to end on 31st March of the following year. Consequently, as a transitional arrangement, the previous year Annual Accounts and Report of the Company were for a period of 15 months commencing 1<sup>st</sup> January 2008 and ending 31st March 2009. The figures for current year, however, relate to 12 months ended 31st March, 2010 and hence are not comparable. To facilitate comparison, unaudited figures for the 12 month ended 31<sup>st</sup> March 2009 have been provided.
4. Pursuant to the Scheme of amalgamation of erstwhile subsidiary Bon Limited with the Company, as sanctioned by the Honourable High Court of Bombay on 16th April, 2010, the assets and liabilities of Bon Limited were transferred to and vested in the Company with effect from 1st April 2009. The scheme has accordingly been given effect to in the standalone accounts of MQ' 10. To the extent of the above amalgamation, the results of the quarter/year are not comparable to that of the previous year.

Adjusting for the above, segment results for "Soaps and Detergents" for the quarter will be at Rs. 25522 lakhs (MQ 09' Rs. 33353 lakhs) and for the year will be at Rs.118776 lakhs ( 12 months ended March 09: Rs.124922 lakhs )