

RESULTS FOR SEPTEMBER QUARTER 2015

5% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 7% IN SEPTEMBER QUARTER 2015

Mumbai, October 14th, 2015: Hindustan Unilever Limited announced its results for the quarter ending 30th September 2015.

During the quarter, the Domestic Consumer business grew at 5%, with 7% underlying volume growth. The growth in the quarter continued to be impacted by the phasing out of Excise Duty incentives and price de-growth, as the benefit of lower commodity costs was passed on to consumers.

Soaps and Detergents: Robust volume growth partially offset by price deflation

Skin Cleansing was driven by double digit volume growth on Dove, Pears, Hamam and Lifebuoy. The liquids portfolio registered another robust quarter.

In Laundry, growth was led by the premium segment, with Surf maintaining its strong momentum and Rin accelerating post relaunch. Comfort Fabric Conditioner delivered another strong performance on the back of sustained market development.

Household Care growth was driven by Vim, with the tubs and liquids portfolio doing well.

The segment witnessed further price deflation in the quarter due to soft commodity costs.

Personal Products: Healthy double digit growth

Skin Care delivered broad based growth across Fair and Lovely, Pond's, Lakme and Vaseline. Fair and Lovely continued to do well, while the performance of Pond's was led by premium skin lightening and Lakme by Perfect Radiance and CC Cream. The facial cleansing portfolio sustained high growth.

Hair Care maintained its momentum with another strong quarter of volume led double digit growth, as Dove growth accelerated and TRESemmé gained further ground.

In Oral Care, Close Up registered double digit growth on the back of impactful activation.

In Colour Cosmetics, Lakme delivered another quarter of innovation led double digit growth across the core, Absolute and 9 to 5 ranges.

Beverages: Steady performance

Tea growth was led by Red Label and another quarter of high growth on Lipton Green Tea, driven through impactful market activation. In Coffee, Bru Gold continued to lead category premiumisation and performed well.

Packaged Foods: Eighth successive quarter of double digit growth

Packaged Foods saw double digit growth across all key brands, driven by the continued focus on market development. Kissan sustained robust activation led growth across both Ketchups and Jams while Knorr growth was led by the strong performance on Instant Soups. In Ice Creams, Kwality Walls had a good quarter on sharper in-market execution and Magnum continues to perform well and delight its consumers.

Water: Leadership sustained in a challenging market context

In a soft market, Pureit continued to drive the performance of premium devices with a focus on Modern Trade and in-store execution. The business benefited from a strong performance in the ecommerce channel.

Margin improvement sustained

Lower input costs resulted in a 320 bps reduction in cost of goods sold. Brand investments were sustained at competitive levels across segments and overall A&P was up 220 Crores (+230bps). Profit before interest and tax (PBIT) grew by 7% and PBIT margin improved by +40 bps. Profit after tax before exceptional items, PAT (bei), grew by 1% to Rs.970 Crores while Net Profit was at Rs.962 Crores, the growth rate impacted by the exceptional income from the sale of properties in the base quarter and a higher effective tax rate.

The Board of Directors have declared an interim dividend of Rs 6.5 per equity share of face value Re. 1 each, for the year ending 31st March 2016.

Harish Manwani, Chairman commented: "The business delivered another quarter of profitable volume-led growth. We continue to invest behind our brands and in-market executional capabilities to drive the competitiveness of our portfolio. The deflationary commodity cost environment is likely to continue in the near term and our strategy of delivering consistent and competitive growth with sustainable improvement in operating margin remains unchanged."

