Hindustan Unilever Limited

Hindustan Unilever Limited
Unilever House
B D Sawant Marg
Chakala, Andheri East
Mumbai 400 099

Tel: +91 (22) 3983 0000
Web: www.hul.co.in
CIN: L15140MH1933PLC002030

3rd December, 2018

Stock Code: 500696 /HINDUNILVR
ISIN: INE030A01027

BSE Limited,
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 3rd December, 2018 - Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. CIR/CF/CMD/4/2015 dated September 9, 2015

This is to inform that, the Board of Directors of the Company, at its meeting held today, after considering the report of the Audit Committee of the Company, have considered and approved a Scheme of Amalgamation between the Company and GlaxoSmithKline Consumer Healthcare Limited ("**GSK CH**"), and their respective shareholders and creditors ("**Scheme**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**2013 Act**").

The Scheme is subject to the receipt of requisite approval from the statutory authorities including SEBI, Stock Exchanges, Competition Commission of India, the National Company Law Tribunal, and the respective shareholders and creditors of the Company and GSK CH.

The information required to be furnished pursuant to Regulation 30 of the Listing Regulations read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is set out hereinbelow:

(a)	Name of the entities forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.	(1) Hindustan Unilever Limited ("**Company**"), having Total Assets of INR 17,677 crores and Net Worth of INR 7,004 crores as on September 30, 2018. It is listed on BSE and NSE. (2) GlaxoSmithKline Consumer Healthcare Limited ("**GSK CH**"), having Total Assets of INR 5583 crores and Net Worth of INR 3591 crores as on September 30, 2018. It is listed on BSE and NSE.

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(b)	Details of the Scheme of Amalgamation	The Scheme contemplates the amalgamation of GSK CH with the Company and the dissolution without winding up of GSK CH pursuant thereto. The Appointed Date for the Scheme shall be date from which the Scheme will get effective.
(c)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms' length"	Since the Company and GSK CH are not related parties, the amalgamation of Company and GSK CH would not fall within related party transactions.
(d)	Area of business of the entities	(1) The Company is *inter alia* engaged in the business of manufacturing, marketing, distribution and/or sales of soaps, detergents, personal care products, beverages, processed foods etc. in domestic and export markets. (2) GSK CH is *inter alia* engaged in the business manufacturing, marketing, distribution and/or sales of consumer health products, such as malt based foods, protein rich foods, cereal based beverages and nutritional food powders.
(e)	Rationale for amalgamation/ merger	1. GSKCH is the one of the key players in the Foods and Refreshment (F&R) category with iconic brands such as Horlicks and Boost and comprises a wide product portfolio. Pursuant to the strategic review undertaken by GSK Group of Horlicks and other consumer healthcare nutrition products business in India, GSKCH has decided to undertake amalgamation of the business of GSKCH with the Company. 2. The proposed amalgamation of GSKCH business with the Company is in line with the strategy to build a sustainable and profitable Foods and Refreshments (F&R) business in India. The parties expect significant synergies through supply chain opportunities and operational improvements, go-to-market and distribution network optimisation, scale efficiencies in cost areas such as marketing, and optimisation of overlapping infrastructure. 3. The Amalgamation will result in consolidation of the businesses of the parties resulting in expansion of

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		the consolidated business and creation of greater value for shareholders and all other stakeholders. 4. The Amalgamation would be in the best interest of the shareholders of both the Companies, as they would continue to play a part in the Indian consumer growth through one of India's leading fast moving consumer goods companies i.e. the Company.
(f)	In case of cash consideration – amount or otherwise share exchange ratio	The share exchange ratio for the amalgamation of GSK CH with the Company shall be 4.39 equity shares of face value Re. 1/- each of the Company for every 1 equity share of face value Rs. 10/- each held by the shareholders of GSK CH.
(g)	Brief details of change in shareholding pattern (if any) of the listed entity	Upon the Scheme becoming effective, the Company will issue equity shares as mentioned in (f) above.

A press release issued in this regard is also attached.

You are requested to take the above information on record.

Thanking You,

Yours faithfully,
For Hindustan Unilever Limited

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Dev Bajpai
Executive Director (Legal & Corporate Affairs)
and Company Secretary
DIN: 00050516 / FCS : F3354

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HUL Board approves merger of HUL and GSK CH India subject to regulatory and shareholder approvals

Mumbai, 3rd December 2018: The Board of Directors of Hindustan Unilever Limited (HUL) today approved a scheme of amalgamation between the Company and GlaxoSmithKline Consumer Healthcare Limited (GSK CH India) subject to obtaining requisite approvals from statutory authorities and shareholders. HUL has reached a definite agreement with GSK CH India in this regard. The transaction is an all equity merger with 4.39 shares of HUL being allotted for every share in GSK CH India. This transaction values the total business at INR 317 bln.

A unique opportunity to acquire the No. 1 Health Food Drinks (HFD) portfolio in the largest HFD market globally

The acquisition is in line with the Hindustan Unilever strategy to build a sustainable and profitable Foods and Refreshment (F&R) business in India by leveraging the mega trend of health and wellness. GSK CH India is the market leader in the HFD category, with iconic brands such as Horlicks and Boost, and a product portfolio supported by strong nutritional claims. This portfolio has a long history in India with Horlicks having originally been introduced in the 1930s. Horlicks products have been an everyday staple in households across generations.

HUL can unlock significant synergies both from revenue and costs

The average growth rate has been double digit over the last decade, and the category still remains under-penetrated in India. HUL is well positioned to further develop the market given the extent of its reach and capabilities. We will increase penetration with special focus on rural markets and emerging channels and expand our offerings to the fast-growing premium segment. Customer development, we believe, will be a growth multiplier given our direct coverage and technology led capabilities. We will drive significant cost synergies from a combination of supply chain efficiencies and operational improvements, go-to-market and distribution network optimisation, scale in a number of cost areas such as marketing and streamlining of overlapping infrastructure. We expect the business to grow in double-digits in the medium-term and margins to be accretive to HUL post realisation of synergy benefits.

HUL an FCMG powerhouse with proven track record

HUL is the number 1 FMCG business in the country with a demonstrated track record of delivering growth which is competitive, profitable, sustainable and responsible. Business has delivered growth of 10% CAGR in the last 10 years with EBIT improvement of 530bps.

Sanjiv Mehta, Chairman and Managing Director, HUL said, "With this proposed strategic merger with GSK CH India, we will be expanding our portfolio with great brands into a new category catering to the nutritional needs of our consumers. I am confident that this merger will create significant shareholder value through both revenue growth and cost synergies. The turnover of our F&R business will exceed Rs.100 bn and we will become one of the largest F&R businesses in the country. We look forward to welcoming new brands and great talent into the Unilever and HUL family, once the transaction is complete."

About the deal

The GSK CH India business delivered total turnover of around INR 42 billion in the year ended March 2018, primarily through its Horlicks and Boost brands.

The merger of GSK CH India with HUL will be on a basis of an exchange ratio of 4.39 HUL shares for each GSK CH India Share, implying a total equity value of INR 317 bln for 100% of GSK CH India. Following the issue of new HUL shares, Unilever's holding in HUL will be diluted from 67.2% to 61.9%.

The merger includes the totality of operations within GSK CH India, including a consignment selling contract to distribute GSK CH India's Over-the-Counter and Oral Health products in India.

The transaction is expected to be completed in one year subject to regulatory and shareholder approvals.