

RESULTS FOR DECEMBER QUARTER 2015

SUSTAINED VOLUME-LED PROFITABLE GROWTH: 6% UNDERLYING VOLUME GROWTH, OPERATING PROFIT (PBIT) UP 7%

Mumbai, January 15th, 2016: Hindustan Unilever Limited announced its results for the quarter ending 31st December 2015.

During the quarter, turnover grew at 3% with 6% 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 offset by price deflation

The segment witnessed continued price deflation in the quarter given the benign input costs.

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

In Laundry, growth momentum was sustained with both Surf and Rin growing volumes in double digit while Comfort Fabric Conditioners led market development of the category and delivered another quarter of high growth. Household Care performance was driven by Vim.

Personal Products: Healthy underlying performance

The reported growth of this segment was impacted by the delayed winter and the one-time realignment of channel spends undertaken with a view to driving its effectiveness in the marketplace

Skin Care delivered volume led growth driven by Fair and Lovely, Pond's and Lakme. Fair and Lovely continued to do well and saw an encouraging response to the BB cream. The performance of Pond's was led by premium skin lightening while Lakme growth was buoyed by premium innovations and facewash.

Hair Care maintained its strong volume led growth momentum, with Dove and TRESemmé leading the category performance.

In Oral Care, the overall performance was subdued. Close Up growth was driven by impactful activation while Pepsodent Clove and Salt continued to do well.

Lakme Colour Cosmetics sustained its strong innovation led growth across the core, Absolute and 9 to 5 ranges.

Beverages: Steady volume led growth

In Tea, Red Label, Taj Mahal and 3 Roses grew well, driven by focused in-market initiatives. Lipton Green Tea registered another quarter of high growth on sustained market development. In Coffee, Bru delivered double digit growth and achieved market leadership.

Packaged Foods: Ninth successive quarter of double digit growth

Sustained market development and recent innovations resulted in another quarter of double digit growth across all key brands. Kissan maintained its strong growth momentum across both Ketchups and Jams. Knorr growth was led by new variants of Instant Soups and a new range of Knorr Chef's Masalas was introduced at the quarter end. Ice Creams delivered another strong quarter, led by Magnum and sharper in-market execution on Kwality Walls.

Margin improvement sustained

Input costs were benign resulting in a 290 bps reduction in cost of goods sold. Brand investments were sustained at competitive levels and overall A&P was up 160 crores (+165 bps). Profit before interest and tax (PBIT) grew by 7% and PBIT margin improved by +60 bps. Profit after tax before exceptional items, PAT (bei), grew by 7% to Rs.1024 crores, despite the higher effective tax rate. Net Profit at Rs.971 crores was impacted by the exceptional income from the sale of properties in the base quarter and provisions for restructuring & select contested matters.

Harish Manwani, Chairman commented: "We have stepped up investment behind our brands and delivered another quarter of profitable volume led growth, consistent with our strategic intent. In an environment of moderating growth and benign input costs, we remain focused on innovation and market development to drive volumes competitively whilst improving operating margins. As channels and markets evolve, we continue to make strategic interventions to strengthen our portfolio and sharpen our executional capabilities to serve our consumers even better"

