Hindustan Unilever Limited

RESULTS FOR QUARTER AND FINANCIAL YEAR ENDING 31st MARCH 2015

9% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 23% IN MARCH QUARTER 2015

Mumbai, May 8th, 2015: Hindustan Unilever Limited announced its results for the quarter and financial year ending 31st March 2015.

March Quarter 2015

During the quarter, the Domestic Consumer business grew at 9%, with 6% underlying volume growth, both ahead of market.

Soaps and Detergents: Sustained growth

Skin Cleansing delivered volume-led growth driven by Lifebuoy, Liril and Pears. The liquids portfolio registered another strong quarter led by Lifebuoy Handwash.

In Laundry, growth was led by the premium segment with Surf maintaining its volume led double digit growth momentum and Rin delivering good growth on the bars portfolio. Comfort Fabric Conditioners continued to do well. Vim led the performance in Household Care.

The quarter witnessed price deflation across these categories, as the benefit of lower commodity costs was passed on to consumers.

Personal Products: Growth steps up across all categories

Skin Care delivered double digit growth driven by Fair and Lovely and Pond's. Fair and Lovely continued to perform well while Pond's growth was led by premium skin lightening and talc.

Hair Care sustained its strong volume led growth momentum with broad based double digit growth. Dove led the category performance while Clinic Plus, Sunsilk and TRESemmé continued to make very good progress.

In Oral Care, Close Up registered double digit growth on the back of impactful activation. Pepsodent growth was driven by Gum Care and Clove & Salt variants.

Colour Cosmetics delivered innovation led double digit growth with Lakme continuing to strengthen its position in premium make up, driven by a range of exciting and contemporary offerings from Absolute and 9 to 5.

Beverages: Strong growth in Tea and Coffee

Tea delivered double digit growth led by Taj Mahal, Red Label and 3 Roses. Lipton Green Tea registered another quarter of high growth on sustained market development. In Coffee, the performance was driven by Bru Gold, which continued to lead category premiumisation.

Packaged Foods: Sixth successive quarter of double digit growth

Market development continues to be the focus, resulting in double digit growth across all key brands. Kissan sustained its strong activation-led growth momentum while Knorr registered volume led growth as Instant Soups more than doubled sales and new Chinese flavours were added to the Noodles portfolio. Ice Creams delivered another strong quarter, led by Magnum and sharper in-market execution on Kwality Walls. A new variant, Magnum Choco Cappuccino was introduced during the season.

Water: Strengthening category leadership

Pureit growth was led by the premium segment with Ultima (RO+UV) continuing to deliver strongly. The quarter saw the launch of a new Marvella (RO+UV) device.

Margin improvement sustained

Input costs were benign and this is reflected in the 310 bps reduction in Cost of Goods Sold. Investment behind brands was sustained at competitive levels; overall A&P was up by Rs.188 Crores (+150 bps). Profit before interest and tax (PBIT) grew by 23% and PBIT margin improved by 190 bps. The margin for the quarter includes a one-time credit of Rs 71.5 Crores towards a favourable outcome for a contested matter on Excise Duty. Profit after tax before exceptional items, PAT (bei), grew by 9% to Rs.911 Crores, impacted by the higher tax rate. Net Profit at Rs.1018 Crores, was up 17%, aided by the exceptional income arising from the sale of properties/subsidiary.

Financial Year 2014-15: Competitive and profitable growth delivered

The Domestic Consumer business grew by 10% with 5% underlying volume growth, both ahead of market. Profit before interest and tax (PBIT) grew by 17% with PBIT margin improving +90 bps. Profit after tax but before exceptional items, PAT (bei), grew by 8% to Rs. 3843 Crores, impacted by the higher tax rate. Net Profit at Rs. 4315 Crores was up 12%, aided by the exceptional income arising from property related sales. The strong track record of cash generation was sustained as cash from operations exceeded Rs.5000 Crores for yet another year.

The Board of Directors have proposed a final dividend of Rs. 9 per share, subject to the approval of the shareholders at the AGM. Together with the interim dividend of Rs 6 per share, the total dividend for the financial year ending 31st March, 2015 amounts to Rs. 15 per share.

Harish Manwani, Chairman commented:"We have delivered another year of strong performance with broad based growth ahead of the market and sustained margin improvement. Our strategy remains focused on strengthening the core of our business through innovation, leading market development and continuous improvement of our executional capabilities. Despite market challenges, our strategic agenda remains unchanged as we continue to manage our business even more dynamically for growth that is consistent, competitive, profitable and responsible."