Hindustan Unilever Limited

RESULTS FOR DECEMBER QUARTER 2013

10% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 13% IN DECEMBER QUARTER 2013

Mumbai, January 27th, 2014: Hindustan Unilever Limited announced its results for the quarter ending 31st December 2013.

During the quarter, the Domestic Consumer business grew at 10%, ahead of market, with 4% underlying volume growth.

Soaps and Detergents deliver a healthy performance

Skin Cleansing delivered another quarter of volume led growth. The category performance was driven by Dove, Pears, Lifebuoy and Breeze. Pears was relaunched during the quarter with a new proposition around younger looking skin. The liquids portfolio saw accelerated growth led by Lifebuoy Handwash.

In Laundry, growth was led by the premium segment. Surf growth was buoyed by the robust performance in Surf Excel Easy Wash and Excel Matic while Rin saw good growth on the bars portfolio. Wheel was re-launched with a superior formulation at the end of the quarter. Comfort fabric conditioners continued to lead market development with sustained high growth. Household Care delivered another strong quarter with both Vim and Domex growing in double digits.

Personal Products growth steps up

Skin Care grew well in a slowing market. The re-launch of Fair & Lovely, with the new 'Best Ever Formula' and a focused activation plan in the last quarter, is on track. Lakme and Dove grew well and the facial cleansing portfolio registered strong growth, driven by a range of differentiated innovations launched earlier in the year.

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

In Oral Care, both Pepsodent and Close Up delivered stepped up double digit growth in a competitive market. Pepsodent GermiCheck which was relaunched in the last quarter with a superior product and proposition did particularly well. A&P investments were significantly stepped up to sustain our competitive position in this category.

Colour Cosmetics maintained its strong innovation led growth momentum across both Lakme and Elle 18. Lakme continues to strengthen its position in premium make up driven by a range of exciting and contemporary offerings from Absolute and 9 to 5.

Beverages led by double digit growth in tea

Tea delivered another quarter of broad based growth with Taj Mahal, Red Label, 3 Roses and Taaza growing in double digits, driven by a strengthened mix and focused in-market activities. The sustained thrust on leading market development for tea bags, enabled flavoured and green tea bags more than double sales in the quarter. The Lipton Clear Green Tea portfolio was expanded with the launch of new packs. In a slowing Coffee market, Bru continued to drive category premiumization, led by Bru Gold.

Packaged Foods growth steps up; Kissan, Knorr and Kwality Walls grow in double digits

Kissan further accelerated with both Ketchups and Jams delivering strong growth on the back of impactful activation. Knorr had a good quarter particularly on Instant Soups which more than doubled volumes while the growth in Kwality Walls was driven by sharper in-market execution and the robust performance of Cornetto and Creamy Delights. Magnum continues to do well.

PBIT margins expand 50bps

The operating context during the quarter remained challenging with market growth under pressure, firm input costs given the Rupee depreciation, an uncertain media environment and the high competitive intensity. Cost Inflation was managed through a combination of judicious pricing action, unwinding of promotions and substantial cost savings. Investment behind brands was sustained at competitive levels; overall A&P was up by Rs.107 Crores (+40 bps) in the quarter. Despite this step up, Profit before interest and tax (PBIT) grew by 13% and PBIT margin improved by 50 bps. Profit after tax before exceptional items, PAT (bei), grew by 9% to Rs.995 Crores while Net Profit at Rs.1062 Crores was up 22%, aided by exceptional items.

Harish Manwani, Chairman commented: "Our growth has been competitive and profitable and the results are a reflection of how we dynamically managed the business despite the headwinds in the environment. Looking forward, we are conscious of the uncertain macro context but remain positive on the mid to long term opportunities in our sector. We are determined to stay the course on our strategy and will continue to invest in the business for the long term."

