



RESULTS FOR JUNE QUARTER 2013

7% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 12% IN JUNE QUARTER 2013

Mumbai, July 26th, 2013: Hindustan Unilever Limited announced its results for the quarter ending 30th June 2013.

During the quarter, the Domestic Consumer business grew competitively at 7% with 4% underlying volume growth ahead of market.

Soaps and Detergents grew 8%; profitable broad based growth

Skin Cleansing sustained its strong performance, registering another quarter of double digit volume growth. Lifebuoy, Breeze, Dove and Lux delivered robust volumes. The quarter witnessed price deflation as the benefit of lower commodity costs were passed on to consumers.

In Laundry, Surf and Rin maintained double digit growth as they continue to drive category upgradation. The liquids portfolio was expanded with the launch of Surf Excel Detergent Liquid. Household Care grew in double digit and Vim Anti Germ Dishwash and Domex acid based toilet cleaners were introduced.

Personal Products grew 2% in a slowing market; double digit growth sustained in Hair, Oral and Colour Cosmetics

In Skin Care, Ponds, Lakmé and Dove delivered a good performance with double digit underlying volume growth. Fair & Lovely maintained its strong position in the mass skin lightening segment. However, it was impacted by a challenging market context and a strong base effect. Plans are underway to step up the growth momentum.

Hair Care had another good quarter with volume led double digit growth. Sunsilk and Clinic Plus sustained robust growth momentum and Dove growth was led by bottles. TRESemmé continues to make very good progress.

Oral Care registered double digit growth driven by the exciting activation on Close Up and a step up on Pepsodent Expert Protection.

Colour Cosmetics did particularly well, delivering stepped up double digit growth across both Lakmé and Elle 18. Lakmé continues to strengthen its position in Premium Make Up driven by the growing momentum on Absolute and 9 to 5 which nearly doubled sales this quarter.

In keeping with the thrust on building Beauty expertise, a number of differentiated innovations were launched. In Skin, Ponds BB Cream and Lakmé CC Cream were introduced and the facial cleansing portfolio was further strengthened with a new Lakmé Fresh Fairness Clean up range. Hair Care saw the launch of Sunsilk Radiant Shine, Dove Cellular Repair with keratin actives and TRESemmé Keratin Smooth. In addition, the global portfolio was leveraged to launch the TIGI range of premium hair care and styling offerings in select top end salons.

Beverages grew 16%; tea growth accelerated

Tea delivered one of its strongest quarters with double digit growth across all key brands. Actions taken to strengthen the core, extend distribution and impactful activation has enabled a step up in the growth momentum in this category. Taaza in particular had one of its best performances this quarter, on the back of a reinforced marketing mix. The continued thrust on market development for tea bags has enabled flavored and green teabags to nearly double in the quarter. In a slowing Coffee market, Bru grew well led by the core.

Packaged Foods grew 5%; driven by Kissan and Knorr Soups

Kissan and Knorr soups sustained double digit growth. The Knorr portfolio was expanded with the launch of the 'Easy to Cook' range of meal makers. Kwality Walls grew modestly, impacted by a slowdown in the Ice Cream market. An exciting range of innovations have been launched this season, including the test market launch of premium Magnum bars in Chennai, which has met with a positive initial response.

PBIT up 12%, margins expand +70bps

While commodity costs were relatively benign, PFAD prices started to move up and the Rupee sharply depreciated towards the end of the quarter. Competitive intensity remained at high levels and we continued to invest behind our brands - A&P was up Rs.70 Crores (+20 bps) in the quarter. Profit before interest and tax (PBIT) grew by 12% and PBIT margin improved by 70 bps. Profit after tax but before exceptional items, PAT (bei), grew by 4% to Rs.885 Crores during the quarter. Net Profit stood at Rs.1019 Crores, lower than the corresponding quarter of the previous year in view of a significant exceptional income generated in that quarter from the sale of properties.

Harish Manwani, Chairman commented: "In a difficult market environment, we have again delivered competitive growth and strong margin expansion through a sustained focus on innovation, in-market execution and robust cost management. While there are near term concerns particularly around slowing market growth, we are confident of the medium to long term growth prospects of the FMCG sector and our strategy of driving growth and profitability through innovation and operational excellence."

