Hindustan Unilever Limited

RESULTS FOR QUARTER AND FINANCIAL YEAR ENDING 31st MARCH 2014

9% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 11% IN MARCH QUARTER 2014

Mumbai, April 28th, 2014: Hindustan Unilever Limited announced its results for the quarter and financial year ending 31st March 2014.

March Quarter 2014

During the quarter, the Domestic Consumer business grew at 9%, ahead of market, with 3% underlying volume growth.

Soaps and Detergents: Healthy performance

Skin Cleansing delivered double digit growth, aided by a step up in price growth as judicious pricing actions were taken to manage input cost inflation. Growth was broad based across brands with the liquids portfolio seeing accelerated growth.

In Laundry, growth was led by the premium segment with Surf maintaining its double digit growth momentum and Rin delivering good growth on the bars portfolio. Wheel growth stepped up on the back of its re-launch in the last quarter. Comfort Fabric Conditioners continue to lead market development with sustained high growth. Vim led the performance in Household Care.

Personal Products: Growth in a challenging environment

Skin Care grew well in a soft market. The re-launch of Fair & Lovely, with the new 'Best Ever Formula' and supported by a focused activation plan, is yielding positive results. Ponds had a good quarter at the premium end while Lakme and Dove sustained their robust performance. The Facial Cleansing portfolio registered broad based growth driven by innovations launched in previous quarters.

Hair Care sustained volume led double digit growth with Dove delivering another strong performance and Clinic Plus doing well. TRESemmé, which saw the addition of a new Split Remedy variant, continued to make very good progress.

In Oral Care, significant investments were made to sustain our competitiveness in the category. While Close Up grew in the quarter, Pepsodent was impacted by the high promotional intensity in the market. Actions are underway to step up performance.

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.

Beverages: Growth led by Tea

Tea sustained double digit growth on the back of stepped up volumes. Taj Mahal, Red Label and 3 Roses grew in double digits, driven by a strengthened mix and focused in-market activities. The thrust on leading market development for tea bags saw flavoured and green tea bags more than double sales in the quarter. In Coffee, Bru Gold continued to perform well.

Packaged Foods: Strong performance by Kissan, Kwality Walls and Magnum

Kissan registered another robust quarter with growth accelerating on both Ketchups and Jams, driven by impactful activation while Knorr growth continued to be led by Instant Soups which more than doubled volumes. Ice Creams saw strong growth arising from the selling in of Magnum which was extended to 4 other cities, and sharper in-market execution on Kwality Walls, ahead of the season.

Profitable growth sustained

The operating context during the quarter remained challenging with slowing market growth and high competitive intensity. Firm input costs were managed through a mix of judicious pricing and cost savings. Brand investments were sustained at competitive levels with higher advertising spend being offset by lower promotional activities. Profit before interest and tax (PBIT) grew by 11% and PBIT margin improved by 30 bps. Profit after tax before exceptional items, PAT (bei), grew by 7% to Rs. 832 Crores while Net Profit at Rs.872 Crores was up 11%.

Financial Year 2013-14: Competitive and profitable growth

The Domestic Consumer business grew by 9% with 4% underlying volume growth, ahead of market. Profit before interest and tax (PBIT) grew by 12% with PBIT margin improving 40 bps. Profit after tax but before exceptional items, PAT (bei), grew by 7% to Rs. 3555 Crores with Net Profit at Rs. 3867 Crores growing 2%. Net Profit growth was impacted by the significant property sale in the previous year. Cash generated from operations at over Rs. 5000 Crores for the year, was up Rs 462 Crores over the previous year.

The Board of Directors has proposed a final dividend of Rs. 7.5 per share for the financial year ending 31st March, 2014, subject to the approval of the shareholders at the Annual General Meeting. Together with interim dividend of Rs 5.5 per share, the total dividend for the financial year ending 31st March, 2014 amounts to Rs. 13.0 per share.

Harish Manwani, Chairman commented: "Against the backdrop of a challenging environment, we have delivered another year of competitive and profitable growth. We stepped up investment behind our brands and innovations, whilst driving cost savings and operational efficiencies with even greater rigor. Looking ahead, we are confident that our strategy is on track to deliver sustainable long term growth and margin improvement."