Hindustan Unilever Limited

Results for the Quarter and Financial year ending 31st March, 2012

20% DOMESTIC CONSUMER SALES GROWTH; PAT (bei) UP 29 % IN MARCH QUARTER

Mumbai, May 1st, 2012: Hindustan Unilever Limited announced results for the Quarter and Financial year ending 31st March 2012.

March Quarter 2012

During the quarter, Domestic Consumer business grew at 20% with strong underlying volume growth of 10%.

Soaps and Detergents grew 28%; broad based and ahead of market

Laundry delivered strong double digit growth across all brands. Momentum was sustained in both bars and powders with Rin benefiting from the bars re-launch in DQ'11. The focus on driving upgradation led to stepped up growth rates in Surf. During the quarter, Rin made a foray into the fabric blues segment with the launch of Rin perfect shine. Household Care delivered robust double digit growth led by Vim and Domex.

Skin Cleansing had broad based double digit growth across all price segments. Lux accelerated its momentum, delivering the third successive quarter of double digit growth post its re-launch. Lifebuoy clini-care 10 was launched with the breakthrough 'Activ Naturol Shield' technology to further strengthen its germ protection superiority in the hygiene segment.

Personal Products grew 17%; strong volume led

In Skin Care, Fair & Lovely (FAL), Ponds and Vaseline continued to grow in double digits. FAL growth was broad based with the FAL Menz variant more than doubling during the quarter. Vaseline grew on the back of a robust performance in lotions and Ponds performed well at the premium end. Innovations in the quarter were led by the re-launch of Ponds Age Miracle, FAL anti-Marks, FAL Under Eye Serum and Vaseline Menz.

In Hair Care, Dove, Sunsilk and Clear delivered double digit growth. Dove sustained its growth momentum and volumes doubled in the quarter. Conditioners continued to lead market development with growth in high double digits.

Oral Care registered modest growth in a competitive environment. Pepsodent GumCare performed well gaining from stepped up investments and distribution expansion.

Beverages grew 8%; double digit growth in Coffee

Tea growth was led by Modern Trade. Brooke Bond Red Label and 3 Roses performed well with a strengthened proposition of health and taste. Coffee continued its double digit growth trajectory with both Instant and Roast & Ground (R&G) doing well. Bru continued to lead premiumization with Bru Gold and Exotica.

Packaged Foods grew 10% buoyed by Kissan and Kwality Walls

Kissan delivered double digit growth. The Knorr franchise was expanded with the introduction of a new Chicken variant and multi-packs in Soupy Noodles. Kwality Walls continues its strong growth momentum led by exciting innovations and distribution expansion.

Strategy on water business is on track

The business has delivered a strong quarter with the Go-to-Market transformation now completed. Pureit Marvella RO (Reverse Osmosis) continues to do well and the portfolio was further expanded with the introduction of a 3000 litres germ-kill kit to enable the convenience of one change per year.

Competitive intensity and inflationary pressures remained high

Cost pressures were managed dynamically through judicious pricing coupled with relentless focus on buying efficiencies and cost savings. As a result, the increase in Cost of Goods Sold was limited to 80bps. Brand investments continued to be maintained at competitive levels with A&P up by 54 Crores.

Profit After Tax (bei) up 29%

Profit before interest and tax (PBIT) grew by 32% with PBIT margin improving 170 bps. Profit after tax but before exceptional items, PAT (bei), grew by 29% to Rs. 664 Crores during the quarter. Net Profit at Rs.687 Crores grew 21%.

Financial Year 2011-12

Domestic Consumer business grew by 18% with 9% underlying volume growth. The growth was broad based and ahead of the market in all quarters. Profit before interest and tax (PBIT) grew by 25% with PBIT margin improving 140 bps. Profit after tax but before exceptional items, PAT (bei), grew by 20% to Rs. 2592 Crores with Net Profit at Rs.2691 Crores growing 17%.

The Board of Directors has proposed a final dividend of Rs. 4 per share for the financial year ending 31st March, 2012, subject to approval of the shareholders at the Annual General Meeting. Together with interim dividend of Rs 3.50 per share, the total dividend for the financial year ending 31st March, 2012 amounts to Rs. 7.50 per share.

Harish Manwani, Chairman commented: "Our performance through the year has been consistent, with broad based growth ahead of the market, driven by a relentless focus on innovation and in-market execution. In a year of competitive intensity and high volatility, a sharp focus on cost management helped the business to continue to invest behind our brands and capabilities while delivering an improvement in margins".

