

Hindustan Unilever Limited – Results for Quarter and Financial Year ending 31st March 2011

Double digit sales growth across all business segments

Mumbai, May 9th 2011: Hindustan Unilever Limited (HUL) announced results for the quarter and financial year ending 31st March 2011.

March Quarter 2011:

During the quarter, Domestic Consumer and FMCG business grew 14%, with strong performance across Home and Personal Care (HPC) and Foods segments.

Home and Personal Care business grew by 13.6%. Soaps and Detergents grew strongly at 11.4%. In Laundry, Surf, Rin and Wheel delivered double digit volume growth. During the financial year, Rin turnover crossed Rs.1000 crores. Comfort continued to build the fabric conditioner market with strong momentum. In Skin Cleansing, Dove, Pears and Liril grew strongly, driving category premiumization. Hand and Body Wash liquid volumes doubled during the quarter.

Personal Products continued its strong momentum with 16.2% growth during the quarter. Skin care growth was driven by innovations - launch of FAL Anti Marks Eraser Pen, Lifebuoy Health Talc, relaunch of Ponds Talc and Lakme Sun Expert. Hair and Oral grew in double digits. Dove hair care range continued to outperform in an intensely competitive environment.

Foods business grew 15.4% across categories. Beverages grew by 11.2%, with both Tea and Coffee performing well. 3 Roses was relaunched, promoting the health benefits of tea. Taj Tea Bags continued to develop the market with strong double digit growth. Coffee portfolio was expanded with launch of Bru Lite – a premium offering in instant coffee. In Packaged Foods, Kissan and Knorr continued to grow strongly. Consistent with the Company's strategy to expand the packaged foods business, Kissan introduced offerings in three new segments – Juices, Spreads and Malted Food Drinks. Ice Creams category delivered strong growth, driven by the launch of new variants and formats and the continued expansion of Swirl Parlours, which now exceed 150 outlets. Progress on Pureit water business is in line with plans and a new integrated 'Direct to Home' and 'Retail' distribution model was rolled out.

Input cost inflation continued to remain high and volatile driven by crude and palm oil. Cost of goods sold went up by 290 bps. Buying efficiencies and cost saving programs remain a priority and are being further scaled up. A&P spends, at Rs.623 crores, remained competitive at 12.7% of sales, with increased brand investment in Personal Products and Foods. Profit before interest and tax (PBIT) grew by 8.4% with PBIT margin lower by 60 bps on account of input cost inflation. Financial income increased by Rs. 28 crore through sound treasury management. Profit after tax but before exceptional items, PAT (bei), grew by 22% to Rs. 515 crore during the quarter. Net Profit at Rs.569 crore was lower by 2%, due to extraordinary income in the previous year. Share buyback was successfully completed during the quarter.

Financial Year 2010-11:

Domestic Consumer business grew 11% driven by a strong 13% volume growth. PBIT margins declined by 190 bps on account of higher input cost inflation and 60 bps increase in brand investment. Both PAT (bei) and Net Profit increased by 4.7% with Net Profit rising to Rs 2306 crores for the full year.

The Board of Directors have proposed a final dividend of Rs.3.50 per share for the financial year ending 31st March, 2011, subject to approval of the shareholders at the Annual General Meeting. Together with interim dividend of Rs 3.00 per share, the total dividend for the financial year ending 31st March, 2011 amounts to Rs.6.50 per share.

Harish Manwani, Chairman commented: "Our performance has been strong and consistent through the year, driven by our strategy of growing the core and leading market development of the segments and categories of the future. Input costs remain high with the added challenge of volatility, while the competitive environment has further intensified. In this context, we will continue to focus on the best value for our consumers and customers through innovations and strong cost efficiency programmes. The business is being managed even more dynamically to deliver long-term competitive, profitable and sustainable growth."