

## **Hindustan Unilever Limited – Results for September Quarter 2011**

### **Strong 18.5% growth in Domestic Consumer Business; Net Profit up 22%**

**Mumbai, Oct 31<sup>st</sup> 2011:** Hindustan Unilever Limited (HUL) announced results for the September Quarter 2011.

During the quarter, Domestic Consumer business grew at 18.5% with strong underlying volume growth of 9.8%. Growth has been broad based, and ahead of market. All segments have delivered double digit growth for the third consecutive quarter.

Soaps and Detergents grew by 21.8%. Growth in Laundry was ahead of market, underpinned by double digit growth in Rin, Surf and Wheel. Vim was relaunched during the quarter with “100 Nimbuon Ki Shakti”. Skin Cleansing had one of its strongest quarters with all segments of the portfolio performing well. Lux and Lifebuoy grew in double digits while the premium portfolio registered its 10<sup>th</sup> consecutive quarter of double digit growth. Lux was relaunched during the quarter with superior product and salient advertising.

Personal Products grew by 18.2%. Growth in Skin Care accelerated with Fair & Lovely, Vaseline and Pond's growing in strong double digits. Fair & Lovely has been modernized and is yielding good results. Vaseline and Pond's continue to build segments of future with differentiated benefits and aspirational offerings - Vaseline Total Moisture was relaunched with 3 variants and Pond's White Beauty was extended with Naturals range during the quarter. The face washes range was expanded with introduction of Dove Face Wash. Hair and Oral delivered double digit growth amidst heightened competitive intensity. Nourishing Oil care range and Re. 1 sachets were introduced under Dove during the quarter to expand the consumer franchise.

Beverages grew by 14.6%, with all brands delivering double digit growth. New range of flavored and green tea bags was launched under Taj Mahal. Packaged Foods growth at 20.9% was broad based. Kissan range was relaunched with a new brand visual and “100% Real” proposition. Knorr Soupy Noodles range was extended with an accessible Rs.5 pack. Kwality Walls continued its strong growth momentum led by innovations and distribution expansion.

Pureit continues to expand its portfolio with the latest entry into fast growing “RO water purifier” segment with “Marvella RO”. Distribution across modern electronic retail chains is being scaled up and “Go to Market” integration is expected to be completed by the year end.

Inflation and commodity costs continued to be high. Cost pressures were managed dynamically through aggressive savings programmes coupled with judicious pricing. Cost of Goods Sold is up by 340 bps due to high input costs, especially in Soaps & Detergents. The overall competitive intensity remained high and A&P spends at 11.8% of sales was maintained at competitive levels. Brand investment was stepped up in Personal Products, Beverages and Packaged Foods while spends in Soaps and Detergents were recalibrated in line with industry trends. The business continues to focus on driving buying efficiencies, cost saving programmes and return on marketing investments, with good results.

Profit before interest and tax (PBIT) grew by 30.1% with PBIT margin being up by 130 bps. Profit after tax but before exceptional items, PAT (bei), grew by 22.3% to Rs. 652 crore during the quarter. Net Profit at Rs.689 crore grew by 21.7%.

The Board of Directors have declared an interim dividend of Rs.3.50 per share for the accounting year ending 31<sup>st</sup> March 2012.

Harish Manwani, Chairman commented: “Against the backdrop of a challenging environment, we have delivered one of our strongest quarters with topline growth well ahead of the market and improved operating margins. We will continue to leverage consumer insights to deliver winning innovations and maintain relentless focus on execution, cost management and building organizational capabilities for competitive advantage.”