Hindustan Unilever Limited

Results SQ'11 – Investor Presentation

November 1, 2011

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Agenda

- Strategy
- Business Environment
- Current Quarter Performance
- Looking ahead

Consistent Strategy

THE COMPASS

WE ARE UNILEVER...

VISION	We are a successful, growing, sustainable business	**WE WORK TO CREATE A BETTER FUTURE EVERY DAY** We help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
BEHAVIOURS	We focus on consumers and customers with a bias for action	Our first priority is to our consumers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

PRIORITIES	Win share and grow volume in every category and country

HOW WE WILL WIN...

NON-NEGOTIABLES	Winning with brands and innovation	1	Deliver superior products, design, branding and marketing
		2	Bigger, better, faster innovations
		3	Appeal to more consumers across needs and price points
	Winning in the marketplace	4	Lead market development
		5	Win with winning customers
		6	Be an execution powerhouse
	Winning through continuous improvement	7	Lean, responsive and consumer led value chain
		8	Drive return on brand support
		9	Agile, cost competitive organisation
	Winning with people	10	Organisation and diverse talent pipeline ready to match our growth ambitions
		11	Performance culture which respects our values
		12	Leverage our operating framework for competitive advantage

- **Competitive Growth**
- **Profitable Growth**
- **Sustainable Growth**

Business Environment – SQ’11

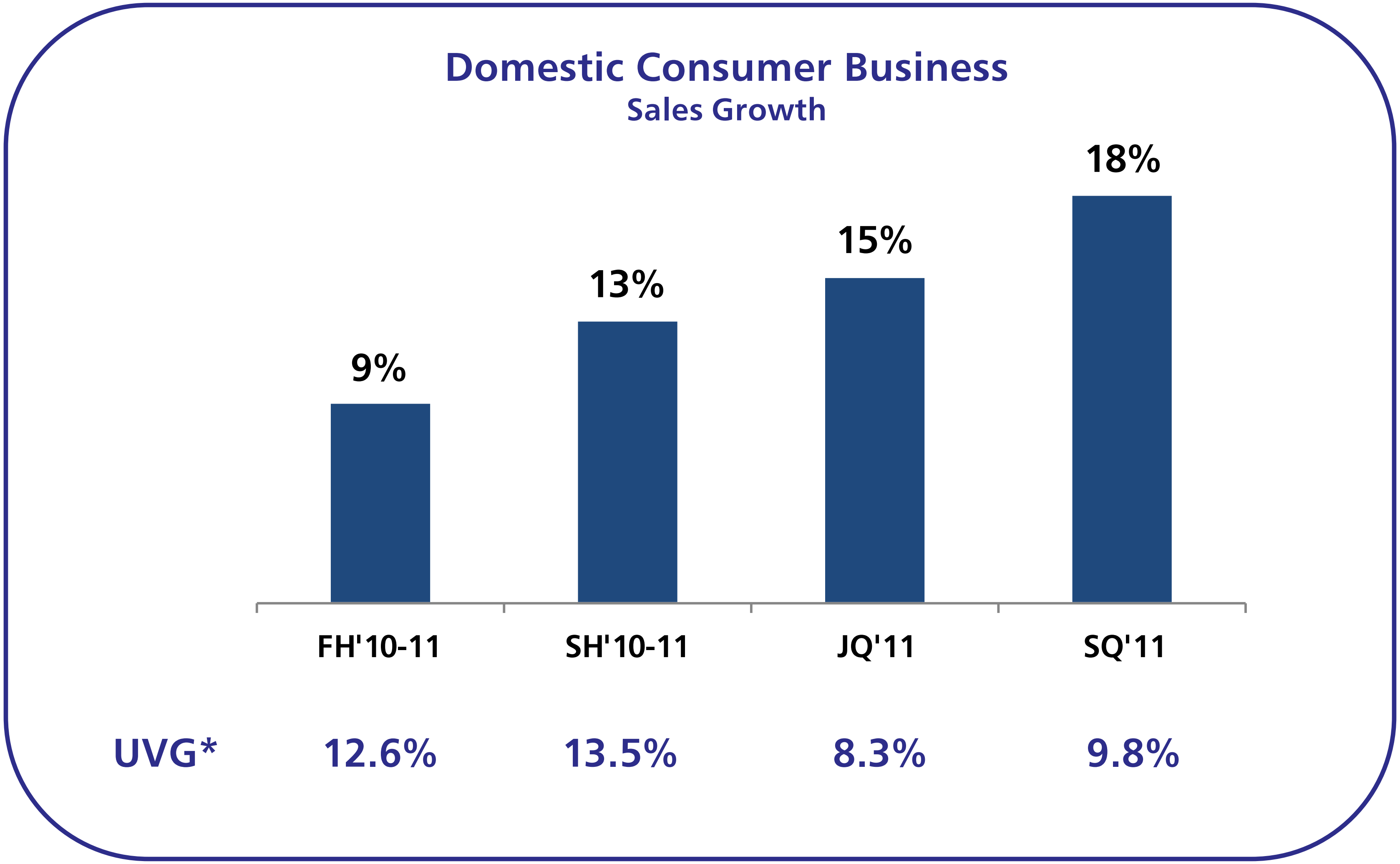
- FMCG market grows in double digits
    - Growth in Soaps & Detergents led by pricing
- High competitive intensity
- Inflationary pressures continue

Competitive & profitable growth in a challenging environment

- **Domestic Consumer business grows 18.5%**
  - Strong 9.8% UVG* with good price growth
  - Double digit growth across all FMCG segments
  - Strong performance in Modern Trade and Rural
- **Operating profit grows by 30.1%; up 130 bps**
  - Growth driving leverage benefits across the value chain
  - Inflation managed through judicious pricing and focus on buying efficiencies & CEPs
  - COGS^ up by 340 bps; high input costs in Soaps & Detergents
  - Competitive brand investment maintained across segments
- **PAT (bei) at Rs.652 crore, grows by 22.3%; Net Profit Rs.689 crore, up by 21.7%**
- **Interim dividend of Rs.3.50 per share**

*UVG: Underlying Volume Growth; ^COGS: Cost of Goods Sold; CEP: Cost effectiveness programmes

Accelerated growth momentum; sustained volume growth



*UVG: Underlying Volume Growth;

All segments grow in double digits

	Growth% SQ'11
Soaps & Detergents	22%
Personal Products	18%
Beverages	15%
Packaged Foods	21%
Domestic FMCG	20%^
Domestic Consumer	18.5%*

^ Excludes Other Operational Income * Including water

Winning with Brands:
Continued focus on innovations

Lux relaunch with silk protein extract

Comfort: New variant with anti bacterial action

Vim relaunched with "100 Nimbuon ki Shakti"

Fair & Lovely Future Tube: Aspirational & affordable

Relaunch of Lakme Fruit Moisture Range

Vaseline relaunched: Multi layer moisture

Face Wash: Range expansion across brands

Pond's White Beauty Naturals

Vaseline Lip Therapy with 4 new variants

Dove: Nourishing Oil Care range with Vita Oils

Now more accessible with Re.1 sachet

Deo range expanded with Axe Provoke

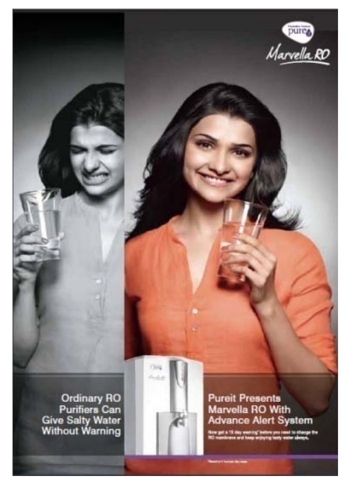
Winning with Brands: Continued focus on innovations

Kissan range relaunched: Helping moms in providing goodness and nutritive value to their kids

Knorr Soupy Noodles: Accessible Rs.5 pack

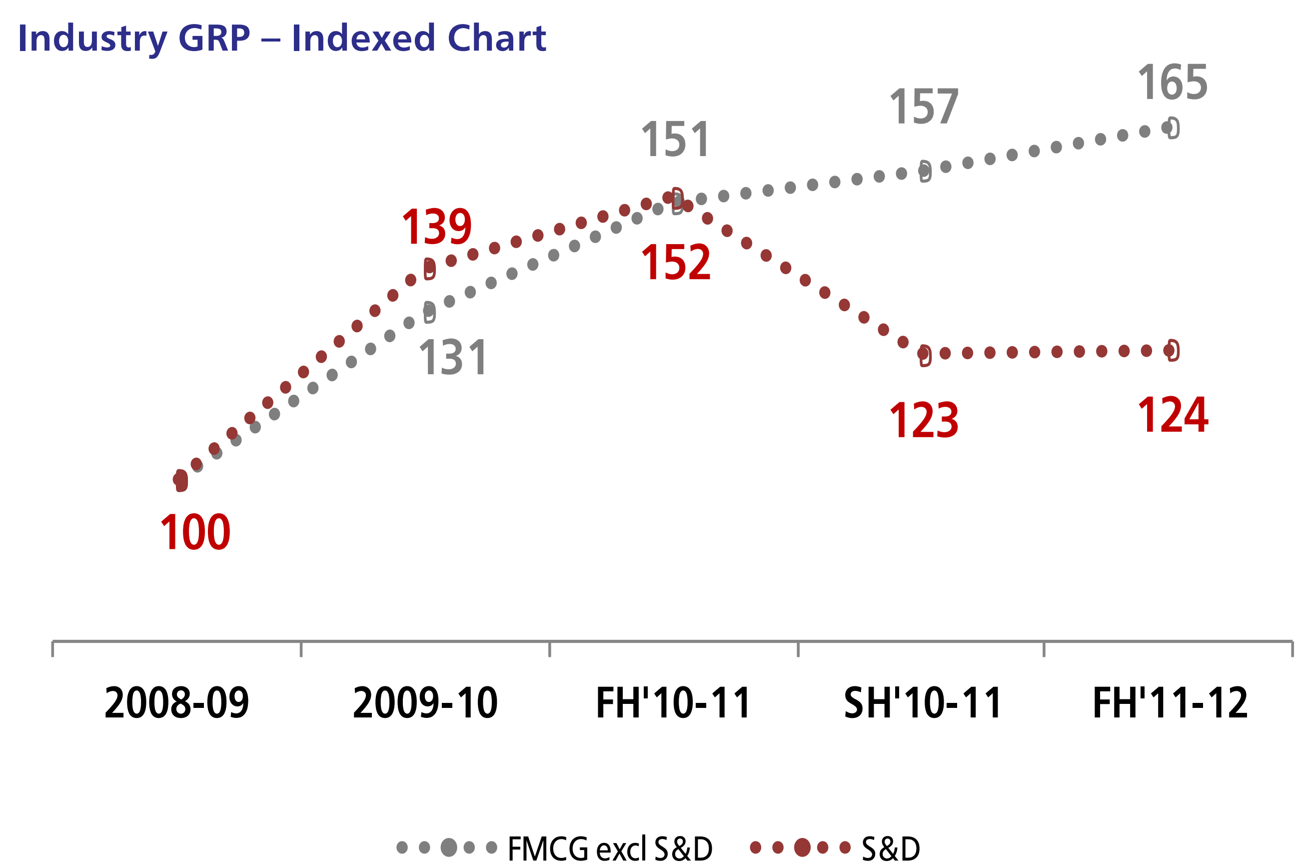
Unique green tea experience with 3 flavours

Taj Mahal Tea Bags: 7 flavours for 7 days



Pureit Marvella: Entry into "RO"segment

High media intensity continues



S&D: Soaps and Detergents

Source: Mindshare & HUL internal estimates

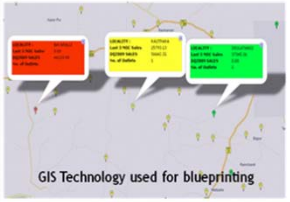
A&P remains competitive across segments

Category	Competitive SOV/ SOM*	Brand investment
Personal Products	✓	↑
Packaged Foods	✓	↑
Beverages	✓	↑
Soaps & Detergents	✓	↓

- **A&P spends maintained at Rs.651 crore; lower by 200 bps**
  - **Spends increased in Personal Products, Beverages and Packaged Foods**
  - **Recalibrated in Soaps & Detergents in line with industry**
  - **Focus on ROMI continues**

**SOV/ SOM : Share of voice/Share of market by HUL sub category*

Winning in the Market:
Rural delivers strong growth

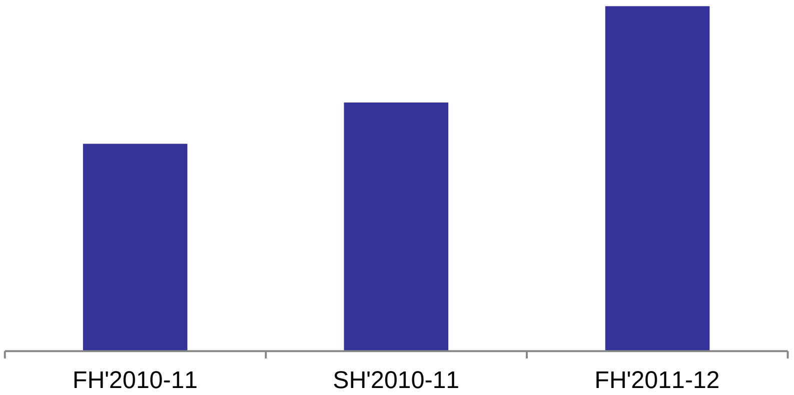


Coverage expansion

Shakti & Shaktiman

Rural activation: Khushiyon ki Doli

Indexed Business Size



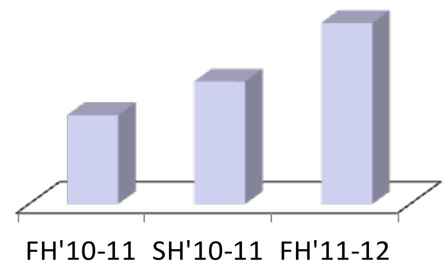
Winning in the Market: Modern Trade accelerates

Focus on Customer Service

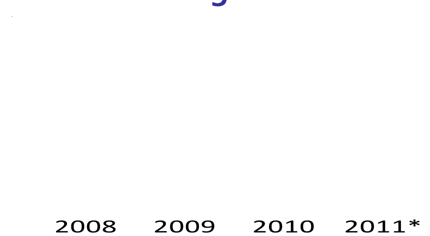
HUL

No.1 Supplier of Choice
eQ^ scores highest in industry

Indexed Business Size

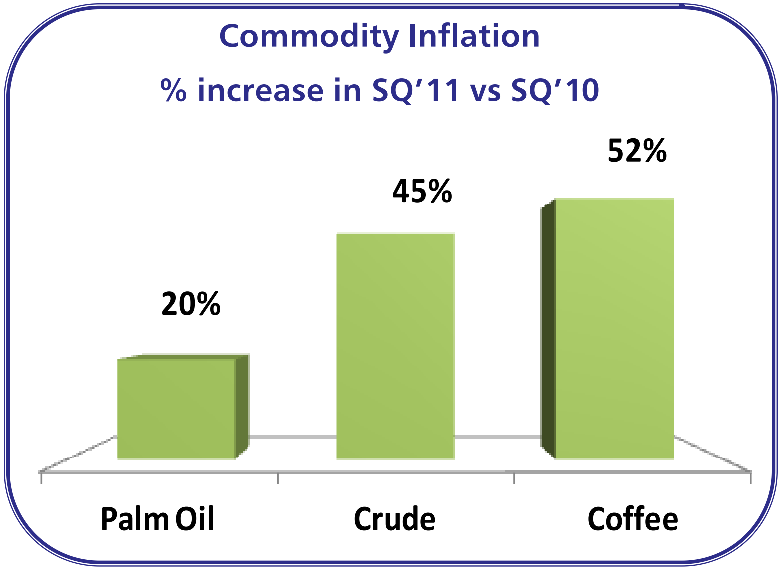


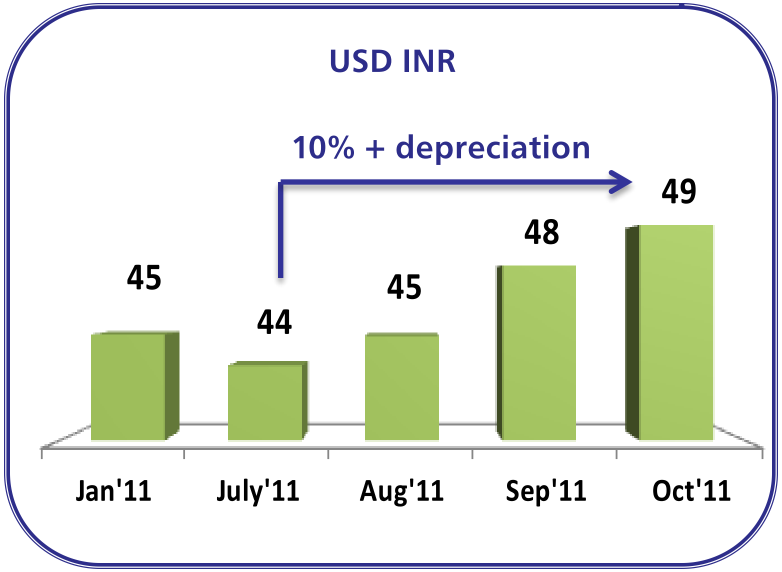
Increasing Market Share



*YTD September 2011; ^Nielsen Equity Management Program Score

Inflationary pressures remain high

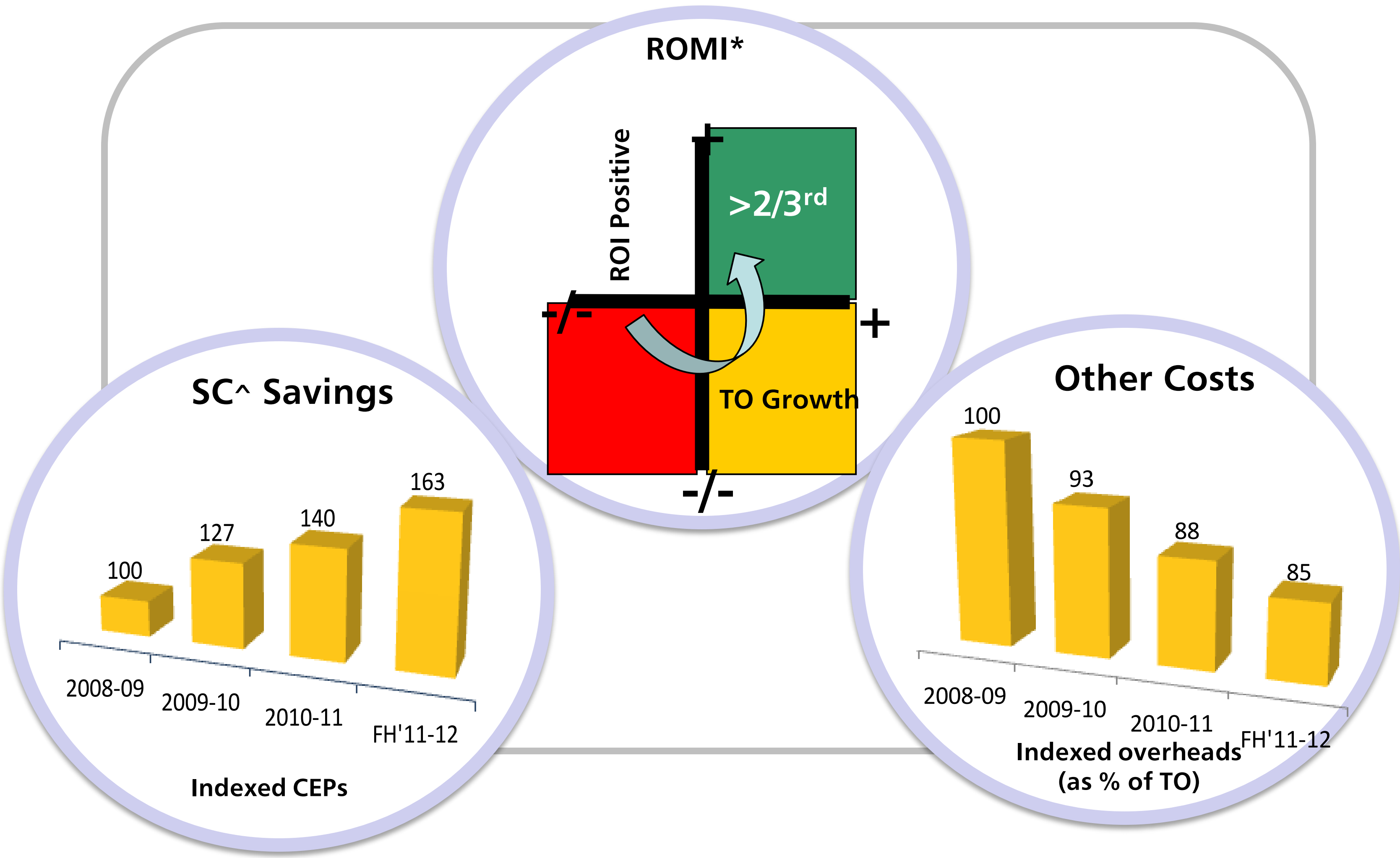




- Prices moderate from recent highs
- Currency depreciation to have an adverse impact going forward

Average market prices (Source: Market Rate), HUL rates may be different

Winning through continuous improvement: Stepping up savings



*ROMI: Return on Marketing Investment; ^SC: Supply Chain

Category Highlights

Home Care : Broad based competitive growth

- **Laundry: Growth ahead of market**
  - **All brands grow in double digits; fair mix of volume and price**
  - **Rin growth momentum continues**
  - **Strong traction in premium portfolio; Comfort range expanded with the launch of anti bacterial variant**

- **Household Care: Vim delivers strong double digit growth**
  - **Vim relaunched with superior product and stronger proposition "100 nimbuon ki shakti ke saath"**

Market Growth Source: AC Nielsen

Skin Cleansing:
Strong performance in core & emerging segments

- **Double digit growth, ahead of the market**
- **Lux and Lifebuoy grow in double digits; featured in top 5 most trusted brands***
- **Lux relaunched during the quarter with superior product**
- **Premium portfolio sustains growth momentum**
  - **10th consecutive quarter of double digit growth**
  - **Market development delivers strong growth in liquids portfolio**

* Brand Equity survey 2011

Superior products with salient advertising & activation

Lux relaunch with silk protein extract: Silky skin like never before

Dove 7 days no make up: activated across different media

Skin Care: Growth momentum accelerates

- Growth ahead of market
- Strong double digit growth in Fair & Lovely, Pond’s and Vaseline
- Focus on leading market development continues
  - Face Wash: New range launched under Dove; business doubles
  - Pond’s White Beauty Naturals range introduced
  - Vaseline: Building Hand & Body Care; delivers 8th consecutive quarter of strong double digit growth

Skin Lightening

Face Wash

Premium Skin Lightening

Hand & Body Care

Innovations in SQ'11

Fair & Lovely unique tube innovation:
Aspirational & affordable

Vaseline moisturiser relaunched:
Multi layer moisture

Pond's White Beauty Naturals with
Camellia leaf extracts for spotless, fair skin

Face Wash: Range expansion
across brands & benefits

Vaseline Lip Therapy
with 4 new variants

Lakme Fruit Moisture Range: Nutritive
moisture technology with deep cell action

Hair & Oral Care:
Good growth amidst heightened competitive intensity

- **Hair delivers double digit growth led by volumes**
  - **Dove: growth momentum accelerates**
    - **Nourishing Oil Care range launched with Vita Oils**
    - **Increased accessibility with Re.1 sachet**

- **Oral care: growth stepped up, both brands grow in double digit**

Beverages: Sustained growth

- **Tea delivers broad based growth**
  - Strong performance in premium and popular segments; all brands grow in double digits
  - Leading market development with Tea bags; new range of flavored tea bags launched under Taj

- **Coffee performs well amidst high commodity prices**
  - Both instant and conventional coffee grow in double digits
  - Continues to drive premiumization with modern & contemporary portfolio

Unique green tea experience with 3 flavours

7 flavours for 7 days

Packaged Foods: Leading market development

- **Double digit growth in Kissan and Knorr**
  - Kissan range relaunched with "100% Real" proposition
  - Knorr Soupy Noodles driving penetration with Rs. 5 pack

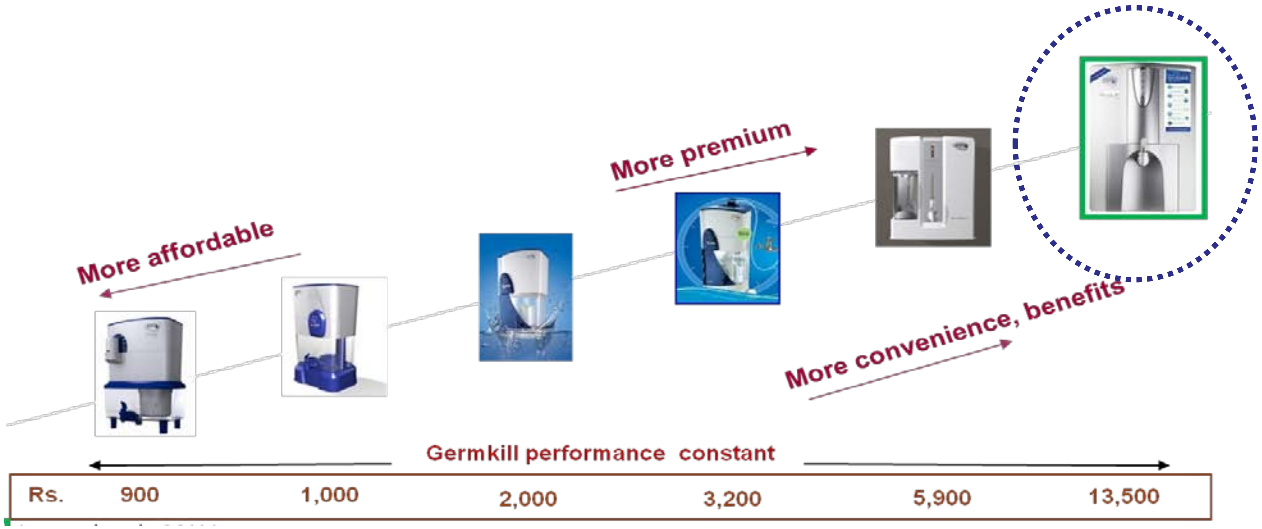
- **Kwality Walls continues strong growth momentum**
  - Led by innovations and distribution
  - "Cornetto Luv Reels" driving engagement through digital media

Pureit: Business strategy on track

- **Pureit now straddles the entire consumer pyramid**
  - **Entry into large "RO Water Purifier" segment with Pureit Marvella RO**

- **GTM* progressing as per schedule, to be completed by year end**
  - **Distribution across modern electronic retail chains scaled up**

- **Pureit wins Golden Peacock Innovation Management Award - 2011**



* GTM: Go to Market Model

Innovation during SQ'11

SQ'11 – Results

Rs Cr

Particulars	SQ'11	SQ'10	Growth%
Net Sales	**5522**	**4681**	**18.0**
PBITDA	**827**	**647**	**27.8**
PBIT	770	592	30.1
PBIT margin (%age)	13.9	12.6	
PBT bei	**847**	**668**	**26.7**
Exceptional Items	44	40	-
PBT	**891**	**709**	**25.7**
PAT bei	**652**	**534**	**22.3**
Extraordinary Items (net of Tax)	-	-	
Net Profit	**689**	**566**	**21.7**

SQ'11 – Exceptional Items

Rs Cr

Particulars	SQ'11	SQ'10
Assets Sale	47	26
Sale of long term investment		20
Restructuring Cost	(3)	(3)
Others		(3)
Total	44	40

First Half FY'12 – Results

Rs Cr

Particulars	FH'11-12	FH'10-11	Growth%
Net Sales	**11026**	**9475**	**16.4**
PBITDA	**1581**	**1328**	**19.1**
PBIT	1468	1219	20.4
PBIT margin (%age)	13.3	12.9	
PBT bei	**1595**	**1338**	**19.3**
Exceptional Items	103	59	-
PBT	**1699**	**1397**	**21.6**
PAT bei	**1231**	**1055**	**16.7**
Extraordinary Items (net of Tax)	-	-	
Net Profit	**1316**	**1099**	**19.7**

Interim Dividend

Rs.

Particulars	FY 2012	FY 2011
Interim Dividend Per Share	3.5	3.0
No. of Shares (Cr)	216	218
Total Dividend (Rs Cr)	756	655
Div. Dist. Tax (Rs Cr.)	123	109
Total Div. Outflow (Rs Cr.)	879	763

SQ'11 summary

- Strong 18.5%* growth in a challenging environment
  - Broad based and ahead of market
- Operating margins up by 130 bps; PAT (bei) at Rs. 652 crore grows by 22.3%; Net Profit at Rs.689 crore up by 21.7%
- Sustained focus on continuous improvement
- Brand investments maintained at competitive levels
- Interim dividend of Rs.3.50 per share for FY 2011-12

* Domestic consumer business

Looking ahead

Headwinds

- Uncertain global economic environment
- Inflation and adverse impact of rupee depreciation
- Competitive intensity

Tailwinds

- Strong monsoon augurs well
- Diverse portfolio straddling the pyramid
- Differentiated capabilities for competitive advantage

FMCG Markets will continue to grow

Our strategy remains consistent

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Winning Today Winning Tomorrow