

RESULTS FOR SEPTEMBER QUARTER 2013

10% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 11% IN SEPTEMBER QUARTER 2013

Mumbai, October 26th, 2013: Hindustan Unilever Limited announced its results for the quarter ending 30th September 2013.

During the quarter, the Domestic Consumer business grew at 10%, ahead of market, driven by 5% underlying volume growth.

Soaps and Detergents grew 6%; healthy volume growth

Skin Cleansing sustained its strong performance, registering its fourth successive quarter of double digit volume growth with Lifebuoy, Breeze and Lux leading category growth. The quarter saw price deflation arising from actions taken earlier in the year to pass on the benefit of lower commodity costs to consumers.

In Laundry, growth continued to be led by Surf and Rin while Wheel sales showed signs of stabilizing. Comfort fabric conditioners delivered robust growth on the back of sustained market development. Household Care continues to do very well with both Vim and Domex growing in double digit.

Personal Products grew 12% in a slowing market; double digit growth across categories

In Skin Care, growth stepped up to double digit, aided by a favorable comparator and good sales in advance of winter. Fair & Lovely was re-launched towards the end of the quarter with the new 'Best Ever Formula' and a focused activation plan. Vaseline and Dove lotions did particularly well, Lakme registered one of its strongest quarters of innovation led growth while Ponds saw good growth on talc. The portfolio was expanded with the Lakme Youth Infinity range and differentiated offerings in facial cleansing under Lakme, Ponds and Dove.

Hair Care had another very good quarter with broad based double digit volume growth and TRESemmé gaining further ground. Hair conditioners continued to lead market development with sustained high growth. The global portfolio was further leveraged to launch the Toni & Guy range of premium hair care and styling offerings.

In Oral Care, both brands delivered double digit growth in the context of a sharp increase in competitive intensity and in media spends. Pepsodent was re-launched with a superior product and proposition while Close Up continued to be driven by exciting activation. A&P investments were significantly stepped up to sustain our competitive position in this category.

Colour Cosmetics maintained its strong innovation led growth momentum across the Lakme portfolio. Growth was driven by premium make-up with Absolute and 9 to 5 and a further acceleration in the growth of Elle 18.

Beverages grew 16%; another strong performance by tea

Tea delivered one of its strongest quarters, sustaining broad based price-led growth and healthy volumes. All key brands grew in double digits led by mix improvements and strong in-market activities. The continued thrust on market development for tea bags enabled flavored and green teabags sales to nearly double in the quarter. In a slowing coffee market, Bru growth was led by the robust performance of Bru Gold.

Packaged Foods grew 9%; Kissan accelerates, Kwality Walls steps up

Kissan maintained its double digit growth with a very good quarter for Ketchups while Knorr sales was driven by Instant Soups. Despite challenging market conditions, Kwality Walls stepped up to double digit growth through sharper in-market execution and the rollout of the 'Perfect Stores' program for the category.

Volatile cost environment; competitive intensity heightens

The operating context during the quarter was challenging given the volatile cost environment, led by the Rupee depreciation, and heightened competitive intensity. Overall industry media spend was up to its highest levels in over 18 quarters, with a particularly sharp increase in Oral Care. We invested at competitive levels across segments with a significant step up in Personal Products – overall A&P spend was up by Rs.185 Crores (+165 bps) in the quarter.

PBIT up 11%, margins expand +20bps

Despite a sharp increase in A&P spends, Profit before Interest and Tax (PBIT) grew by 11% with PBIT margin improving +20 bps. Profit after tax before exceptional items, PAT (bei), grew by 10% to Rs.883 Crores while Net Profit at Rs.914 Crores was up 13%.

The Board of Directors have declared an interim dividend of Rs 5.5 per equity share of face value Re. 1 each, for the year ending 31st March 2014.

Harish Manwani, Chairman commented: "We have delivered another quarter of competitive and profitable growth. The consistency and resilience of our performance, in what has been a challenging market environment for some quarters now, is a reflection of the discipline with which we are managing our business and executing our strategy. We continue to strengthen our business for the long term by driving innovation, investing behind our brands and further building organizational capabilities."

