



Hindustan Unilever Limited

RESULTS FOR DECEMBER QUARTER 2014

8% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 8% IN DECEMBER QUARTER 2014

Mumbai, January 19th, 2015: Hindustan Unilever Limited announced its results for the quarter ending 31st December 2014.

During the quarter, the Domestic Consumer business grew at 8%, ahead of market, with 3% underlying volume growth.

Soaps and Detergents: Competitive growth sustained

In Skin Cleansing, growth was driven by Lifebuoy and Lux. The liquids portfolio delivered another strong quarter led by Lifebuoy Handwash.

In Laundry, growth was led by the premium segment with Surf maintaining its double digit growth momentum and Rin growth led by bars. Comfort Fabric Conditioner continues to lead market development with sustained high growth.

Household Care growth was led by Vim, driven by a strong performance on liquids.

Personal Products: Double digit growth in Skin and Hair

In Skin Care, Fair and Lovely, Pond's and Lakme delivered double digit growth. Fair and Lovely sustained momentum with another quarter of double digit volume growth. The performance of Pond's was led by premium skin lightening and talc while Lakme growth was buoyed by lotions and CC cream. The face cleansing portfolio continued to register robust growth.

Hair Care delivered another quarter of volume led double digit growth driven by Dove, with Clinic Plus doing well and TRESemmé continuing to make good progress.

Oral Care had a subdued quarter as growth was impacted by the phase out of Excise Duty benefits and by a strong comparator in the base quarter. The performance of Close Up was led by the small pack portfolio while on Pepsodent, the new Salt and Clove and Gum Care variants did well. *Actions planned* step up growth in 2015.

In Color Cosmetics, Lakme saw double digit growth on the core and 'g to 5' ranges. The focus on innovation led growth continues as the portfolio was further strengthened with additions across lip and nail.

Beverages: Continued healthy performance

In Tea, Red Label, Taj Mahal and 3 Roses grew well, driven by a strengthened mix and focused in-market activities. Green Tea registered another quarter of high growth on sustained market development. In Coffee, Bru delivered double digit growth.

Packaged Foods: Fifth successive quarter of double digit growth

Market development continues to be the focus, resulting in double digit growth across all key brands. Kissan sustained its strong activation-led growth momentum across both Ketchups and Jams while Knorr performed well with Instant Soups more than doubling sales. Ice Creams delivered another strong quarter, led by Magnum and through sharper in-market execution on Kwality Walls.

Water: Strengthening category leadership

Pureit delivered another quarter of double digit growth, led by the premium segment. Pureit Ultima (RO+UV), launched earlier in the year with superior functionality and aesthetics continued to deliver strongly.

Sustained margin improvement

Input costs were benign, led by Crude and this has started to reflect in the lower Cost of Goods Sold. Brand investments were sustained at competitive levels across all segments even as competitive intensity stepped up in the commodity linked categories. Profit before interest and tax (PBIT) grew by 8% and PBT margin improved by +10 bps. This was after absorbing the impact of a one-time provision in employee costs for select contested matters, additional depreciation charge and phasing out of Excise Duty benefits. Profit after tax before exceptional items, PAT (bei), stood at Rs. 955 Crores while Net Profit Rs.1252 Crores, was up 18%, despite the higher tax rate, aided by the exceptional income arising from the sale/transfer of properties.

Harish Manwani, Chairman commented: "We have delivered another quarter of competitive growth and margin improvement. We continue to strengthen the core of our business and drive the competitiveness of our brands in the market. At the same time, we are leading market development in relatively nascent categories such as packaged foods and premium personal care with strong results. Given the fast changing external environment, we are managing our business dynamically for sustained volume led growth and margin improvement".

