

# B S R & Co. LLP

Chartered Accountants

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## Review report

### To the Board of Directors of Hindustan Unilever Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Hindustan Unilever Limited ('the Company') for the quarter and nine months ended 31 December 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 19 January 2015. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of un-audited financial results prepared in accordance with applicable accounting standards notified pursuant to Companies (Accounting Standards) Rules, 2006 which continue to apply under the section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**  
*Chartered Accountants*

Firm's Registration No: 101248W/ W - 100022



**Akeel Master**  
*Partner*

Membership No: 046768

19 January 2015



Hindustan Unilever Limited

**HINDUSTAN UNILEVER LIMITED**

**UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2014**

Particulars	Unaudited Results for the Quarter ended		Unaudited Results for the Quarter ended		Unaudited Results for the Nine Months ended		Audited Results for the Year ended	
	30th September, 2014	2013	31st December, 2014	2013	31st December, 2014	31st December, 2013	31st March, 2014	2014
1.a. Net Sales from Operations (Net of excise duty)	746,554	703,778	767,918	703,778	2,261,549	2,047,247	2,047,247	2,740,829
1.b. Other Operating Income	17,379	18,557	19,514	18,557	51,449	45,256	45,256	61,054
2. Total Income from operations (net) [1.a. + 1.b.]	763,933	722,335	777,432	722,335	2,312,998	2,092,503	2,092,503	2,801,913
2. Expenses (sum of (a) to (g))	297,468	270,151	286,063	270,151	1,945,610	1,772,210	1,772,210	2,380,442
a) Cost of materials consumed	93,339	83,744	94,912	83,744	893,813	824,977	824,977	1,115,961
b) Purchases of stock-in-trade	5,091	3,824	3,824	3,824	278,397	239,953	239,953	335,019
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	41,301	34,772	44,179	34,772	119,047	105,770	105,770	(16,638)
d) Employee benefits expense	7,637	6,442	7,308	6,442	21,617	19,478	19,478	143,595
e) Depreciation and amortisation expense	92,505	92,946	97,712	92,946	284,705	277,326	277,326	26,055
f) Advertising & Promotions	110,027	105,930	117,592	105,930	340,581	306,357	306,357	361,360
g) Other expenses	116,565	116,238	117,592	116,238	367,388	320,293	320,293	415,070
3. Profit from operations before other income, finance costs and exceptional items (1-2)	19,790	14,266	125,842	14,266	367,388	320,293	320,293	421,471
4. Other income	136,345	130,504	137,849	130,504	51,988	47,040	47,040	62,103
5. Profit from ordinary activities before finance costs and exceptional items (3+4)	633	1,820	1,374	1,820	419,376	367,333	367,333	483,574
6. Finance costs	135,712	128,684	137,425	128,684	1,082	3,070	3,070	3,603
7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	4,968	2,936	39,658	2,936	417,704	364,263	364,263	479,971
8. Exceptional items - net credit/ (charge)	140,580	130,981	177,083	130,981	48,490	16,265	16,265	22,868
9. Profit from Ordinary Activities Before Tax (7+8)	98,816	41,764	51,866	41,764	136,477	80,992	80,992	502,839
10. Tax expense	-	106,231	-	106,231	329,717	299,536	299,536	386,749
11. Net Profit from Ordinary Activities After Tax (9-10)	98,816	-	-	-	329,717	299,536	299,536	386,749
12. Extraordinary items	-	106,231	-	106,231	329,717	299,536	299,536	386,749
13. Net Profit for the period (11+12)	21,632	21,626	21,632	21,626	21,632	21,626	21,626	386,749
14. Paid up Equity Share Capital (face value Re. 1 per share)	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):								
(a) Basic - Rs.	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
(b) Diluted - Rs.	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):								
(a) Basic - Rs.	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
(b) Diluted - Rs.	4.57	4.91	4.57	4.91	15.24	13.85	13.85	17.88
<b>A. PARTICULARS OF SHAREHOLDING</b>								
1. Public Shareholding	708,737,237	708,217,669	708,737,237	708,217,669	708,737,237	708,217,669	708,217,669	708,217,669
- Number of Shares	32.76%	32.75%	32.76%	32.75%	32.77%	32.75%	32.75%	32.75%
2. Promoters and Promoter Group Shareholding								
a) Pledged/Encumbered	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
- Number of shares	NA	NA	NA	NA	NA	NA	NA	NA
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA	NA	NA	NA	NA	NA
b) Non-Encumbered	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858	1,454,412,858
- Number of shares	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	67.24%	67.25%	67.24%	67.25%	67.23%	67.25%	67.25%	67.25%
<b>B. INVESTOR COMPLAINTS</b>								
Pending at the beginning of the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Received during the quarter	22	22	22	22	22	22	22	22
Disposed of during the quarter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Remaining unresolved at the end of the quarter								

*(Handwritten signature and stamp)*



**Notes:**

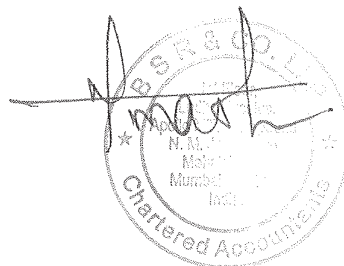
1. Net Sales grew by 7.7% during the quarter with Domestic Consumer Business (FMCG + Water) growing by 7.6%
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 125,842 lakhs (DQ'13: Rs. 116,238 lakhs) grew by 8.3%.
3. Profit after tax from ordinary activities before Exceptional Items net of tax and prior period tax adjustments (refer note 7) for the quarter at Rs. 95,532 lakhs (DQ'13: Rs. 95,474 lakhs).
4. During the year, the Company has adopted estimated useful life of fixed assets as stipulated by Schedule II to the Companies Act 2013, applicable for accounting periods commencing 1<sup>st</sup> April 2014 or re-assessed useful life based on technical evaluation. Depreciation for the quarter includes an amount of Rs. 476 lakhs consequent to the revision in useful life effective 1<sup>st</sup> April 2014.
5. Employee benefits expense for the quarter Rs. 44,179 lakhs (DQ' 13: Rs. 34,772 lakhs) includes a one-time provision of Rs. 3,853 lakhs towards select contested matters.
6. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 12,007 lakhs (DQ'13: Rs. 13,103 lakhs) and interest on income tax refund Rs. Nil ( DQ '13 : Rs 1,163).
7. Exceptional items, net credit in DQ'14 include profit on sale of surplus properties Rs. 40,729 lakhs (DQ'13: 2,810 lakhs) and restructuring expenses Rs. 1,071 lakhs (DQ'13: Rs 513 lakhs).
8. Previous period figures have been re-grouped/reclassified wherever necessary, to conform to this period's classification.
9. The text of the above statement was approved by the Board of Directors at their meeting held on 19<sup>th</sup> January, 2015.

**Limited Review:** The Limited Review by the Statutory Auditors for the quarter as required under clause 41 of the Listing Agreement has been completed and the related Report is being forwarded to the Stock Exchanges. This Report does not have any impact on the above Results and Notes which need to be explained.

Place: Mumbai  
Date: 19<sup>th</sup> January 2015

By order of the Board

  
Sanjiv Mehta  
Managing Director & CEO





Hindustan Unilever Limited

**RESULTS FOR DECEMBER QUARTER 2014**

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

Mumbai, January 19<sup>th</sup>, 2015: Hindustan Unilever Limited announced its results for the quarter ending 31<sup>st</sup> 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 Fabri 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 facial 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. TI 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 '9 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 Kwaliti 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 PBIT 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".

