

# B S R & Co. LLP

Chartered Accountants

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## Review report

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

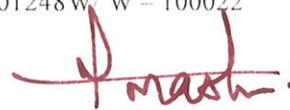
We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Hindustan Unilever Limited ('the Company') for the quarter and three months ended 30 June 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which 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 28 July 2014. 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 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

28 July 2014



Hindustan Unilever Limited

## HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

Particulars	Unaudited Results for the Quarter ended		Unaudited Results for the Quarter ended 31st March 2014	Audited Results for the year ended 31st March 2014
	2014	2013		
<b>1.a. Net Sales from Operations (Net of excise duty) [sum of (i) to (iii)]</b>	<b>757,078</b>	<b>668,749</b>	<b>668,749</b>	<b>2,740,829</b>
(i) Domestic FMCG - HPC	591,300	521,674	540,716	2,144,079
(ii) Domestic FMCG - Foods	136,523	120,371	127,507	489,587
Domestic FMCG - Total (i+ii)	727,823	642,045	668,223	2,633,666
iii) Others	29,255	26,704	25,359	107,163
1.b. Other Operating Income	14,556	12,155	15,828	61,084
<b>1. Total Income from operations (net) [1.a. + 1.b.]</b>	<b>771,634</b>	<b>680,904</b>	<b>709,410</b>	<b>2,801,913</b>
<b>2. Expenses [sum of (a) to (g)]</b>	<b>646,652</b>	<b>578,988</b>	<b>608,232</b>	<b>2,380,442</b>
a) Cost of materials consumed	310,282	262,523	291,004	1,115,981
b) Purchases of stock-in-trade	90,146	74,982	95,066	335,019
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,465)	10,775	(12,987)	(16,638)
d) Employee benefits expense	33,567	34,168	37,825	143,595
e) Depreciation and amortisation expense	6,672	6,644	6,577	26,055
f) Advertising & Promotions	94,488	88,978	84,034	361,360
g) Other expenses	112,962	100,918	106,713	415,070
<b>3. Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>124,982</b>	<b>101,916</b>	<b>101,178</b>	<b>421,471</b>
4. Other income	20,211	17,675	15,063	62,103
<b>5. Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>145,193</b>	<b>119,591</b>	<b>116,241</b>	<b>483,574</b>
6. Finance costs	625	622	533	3,603
<b>7. Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>144,568</b>	<b>118,969</b>	<b>115,708</b>	<b>479,971</b>
8. Exceptional items - net credit/ (charge)	3,964	10,625	6,603	22,868
<b>9. Profit from Ordinary Activities Before Tax (7+8)</b>	<b>148,532</b>	<b>129,594</b>	<b>122,311</b>	<b>502,839</b>
10. Tax expense	42,847	27,669	35,098	116,090
<b>11. Net Profit from Ordinary Activities After Tax (9-10)</b>	<b>105,685</b>	<b>101,925</b>	<b>87,213</b>	<b>386,749</b>
12. Extraordinary items	-	-	-	-
<b>13. Net Profit for the period (11+12)</b>	<b>105,685</b>	<b>101,925</b>	<b>87,213</b>	<b>386,749</b>
<b>14. Paid up Equity Share Capital (face value Re. 1 per share)</b>	<b>21,631</b>	<b>21,625</b>	<b>21,627</b>	<b>21,627</b>
<b>15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b>				<b>306,011</b>
<b>16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.89	4.71	4.03	17.88
(b) Diluted - Rs.	4.88	4.71	4.03	17.87
<b>16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):</b>				
(a) Basic - Rs.	4.89	4.71	4.03	17.88
(b) Diluted - Rs.	4.88	4.71	4.03	17.87
<b>A. PARTICULARS OF SHAREHOLDING</b>				
<b>1. Public Shareholding</b>				
- Number of Shares	708,694,942	1,027,622,850	708,283,434	708,283,434
- Percentage of Shareholding	32.76%	47.52%	32.75%	32.75%
<b>2. Promoters and Promoter Group Shareholding</b>				
- Number of shares	Nil	Nil	Nil	Nil
- Pledged/Encumbered	NA	NA	NA	NA
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	NA	NA	NA	NA
- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA
- Non-Encumbered	1,454,412,858	1,134,849,460	1,454,412,858	1,454,412,858
- Number of shares	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	67.24%	52.48%	67.25%	67.25%
- Percentage of shares (as a % of the total share capital of the company)				
<b>B. INVESTOR COMPLAINTS</b>				
Quarter ended 30th June 2014				
Pending at the beginning of the quarter	Nil			
Received during the quarter	22			
Disposed of during the quarter	22			
Remaining unresolved at the end of the quarter	Nil			



*[Signature]*

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

Particulars	(Rs. in Lakhs)			
	2014		2013	
	Unaudited Results for the Quarter ended 30th June	Unaudited Results for the Quarter ended 31st March	Unaudited Results for the Quarter ended 31st March	Audited Results for the year ended 31st March
<b>Segment Revenue (Sales and Other operating income)</b>				
- Soaps and Detergents	384,758	340,766	349,712	1,368,341
- Personal Products	215,956	188,338	198,329	812,091
- Beverages	83,656	75,737	86,904	331,186
- Packaged Foods	54,378	45,788	41,968	164,830
- Others (includes Exports, Water, Infant Care Products, etc)	30,291	27,908	29,579	115,630
<b>Total Segment Revenue</b>	<b>769,039</b>	<b>678,537</b>	<b>706,492</b>	<b>2,792,078</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>769,039</b>	<b>678,537</b>	<b>706,492</b>	<b>2,792,078</b>
<b>Segment Results (Profit before tax and interest from ordinary activities)</b>				
- Soaps and Detergents	53,180	43,932	42,171	178,581
- Personal Products	59,665	46,816	49,581	206,806
- Beverages	13,625	13,868	16,304	58,069
- Packaged Foods	5,905	3,839	2,296	6,126
- Others (includes Exports, Water, Infant Care Products, etc)	(1,545)	(308)	(2,505)	(3,700)
<b>Total Segment Results</b>	<b>130,830</b>	<b>108,147</b>	<b>107,847</b>	<b>445,882</b>
Less: Finance Costs	(625)	(622)	(533)	(3,603)
<b>Add/(Less): Other unallocable income net of unallocable expenditure</b>	<b>18,327</b>	<b>22,069</b>	<b>14,997</b>	<b>60,560</b>
<b>Total Profit Before Tax from ordinary activities</b>	<b>148,532</b>	<b>129,594</b>	<b>122,311</b>	<b>502,839</b>
<b>Capital Employed (Segment assets less Segment liabilities)</b>				
- Soaps and Detergents	(43,424)	(60,714)	(23,091)	(23,091)
- Personal Products	(61,603)	(45,352)	(47,509)	(47,509)
- Beverages	24,359	16,243	34,735	34,735
- Packaged Foods	15,741	16,424	17,428	17,428
- Others (includes Exports, Water, Infant Care Products, etc)	(1,052)	(6,146)	(2,160)	(2,160)
<b>Total Capital Employed in segments</b>	<b>(65,979)</b>	<b>(79,545)</b>	<b>(20,597)</b>	<b>(20,597)</b>
<b>Add: Unallocable corporate assets less corporate liabilities</b>	<b>500,383</b>	<b>448,872</b>	<b>348,302</b>	<b>348,302</b>
<b>Total Capital Employed</b>	<b>434,404</b>	<b>369,327</b>	<b>327,705</b>	<b>327,705</b>

**Notes on Segment Information:**

1. Segment Revenue, Results and Capital Employed figures represent amounts identifiable to each of the segments. Other "unallocable income net of unallocable expenditure" mainly includes interest, dividend, gain on sale of investments (net), expenses on common services not directly identifiable to individual segments, corporate expenses and exceptional items.

Capital Employed figures are as at 30th June, 2014, 30th June, 2013 and 31st March, 2014. Unallocable corporate assets less corporate liabilities mainly represent investment of surplus funds and cash and bank.

2. Previous period figures have been re-grouped/reclassified wherever necessary to conform to this period's classification.

Registered Office : Unilever House, B.D. Sawant Marg, Chakala Andheri East, Mumbai 400 099. CIN : L15140MH1933PLC002030. Tel : +91 (22) 3983 0000.



**Notes:**

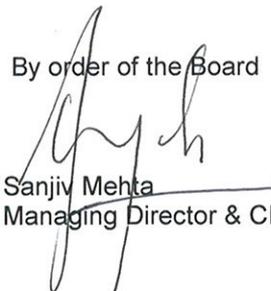
1. Net Sales grew by 13.2% during the quarter. Domestic Consumer Business (FMCG + Water) grew by 13.3% with a 13.3% growth in HPC and 13.4% growth in Foods businesses.
2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 124,982 lakhs (JQ'13: Rs. 101,916 lakhs) grew by 22.6%.
3. Profit after tax from ordinary activities before Exceptional Items net of tax and prior period tax adjustments (refer note 6 and 7 below) for the quarter at Rs. 101,968 lakhs (JQ'13: Rs. 88,513 lakhs) grew by 15.2%.
4. Employee benefit expense for the quarter includes a one-time credit of an amount of Rs 3,244 lakhs on account of adjustments for un-utilized pension corpus relating to earlier years. (JQ '13 : Nil )
5. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 8,810 lakhs (JQ'13: Rs. 7,974 lakhs) and net gain on sale of non current investments Rs 10,622 lakhs (JQ'13 : Rs. 7,275 lakhs) and interest on income tax refunds of Rs. 779 lakhs (JQ'13: Rs. 2,426 lakhs).
6. Exceptional items, net credit in JQ'14 include profit on sale of surplus properties Rs. 4,015 lakhs (JQ'13: 10,625 lakhs) and restructuring expenses Rs. 51 lakhs (JQ'13: Rs Nil).
7. Taxation for the quarter includes net write back of excess tax provisions of earlier years amounting to Rs. 1,056 lakhs (JQ'13: Rs. 6,421 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 28th July, 2014.

**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.

For more details, visit our website at <http://www.hul.co.in>

Place: Mumbai  
Date: 28<sup>th</sup> July, 2014

By order of the Board

  
Sanjiv Mehta  
Managing Director & CEO



## RESULTS FOR JUNE QUARTER 2014

### 13% DOMESTIC CONSUMER SALES GROWTH, OPERATING PROFIT (PBIT) UP 23% IN JUNE QUARTER 2014

**Mumbai, July 28<sup>th</sup>, 2014:** Hindustan Unilever Limited announced its results for the quarter ending 30<sup>th</sup> June 2014.

During the quarter, the Domestic Consumer business grew at 13%, ahead of market, with 6% underlying volume growth. All segments registered double digit growth.

#### **Soaps and Detergents: Broad based double digit growth**

In Skin Cleansing, Dove, Pears, Lux, Lifebuoy, Liril and Hamam grew well. There was a step up in price growth as judicious pricing actions were taken to manage input cost inflation. Lux was re-launched during the quarter with improved product sensorials and aesthetics.

In Laundry, growth was led by the premium segment with Surf sustaining its strong growth momentum and Rin accelerating across both powders and bars. Wheel continued to show improved growth post its re-launch at the end of last year. Comfort Fabric Conditioner continued to lead market development and deliver robust growth. Vim led the performance in Household Care.

#### **Personal Products: Strong growth in a challenging environment**

In Skin Care, growth stepped up with Fair and Lovely, Pond's and Lakme delivering double digit growth. Fair and Lovely continued to build momentum post its re-launch in SQ 2013. Pond's growth was led by premium skin lightening and talc and a new Pond's Men range was launched during the quarter. Both Lakme and the overall facial cleansing portfolio sustained 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.

In Oral Care, investments were continued to sustain our competitiveness in the category. Close Up delivered double digit growth with the re-launch of the core and the introduction of the new 'Diamond Attraction' variant. The recovery of Pepsodent is making progress.

Colour Cosmetics maintained its high growth momentum across both Lakme and Elle 18. Lakme continues to strengthen its position in premium make up driven by exciting and contemporary innovations.

#### **Beverages: Double digit growth in Tea and Coffee**

Tea delivered a strong volume led performance, driven by strengthened brand equities and focused in-market activities. A new premium offering, 'Taj Mahal – A Flavour of Darjeeling' was added to the portfolio. Green Tea registered another quarter of high growth on sustained market development. In Coffee, growth stepped up on the core and Bru Gold continued to do well.

#### **Packaged Foods: Kissan, Knorr, Kwality Walls and Magnum grow in double digit**

Market development activities continue to be the key driver of growth in this segment. The quarter saw a step up in the growth rate as Kissan delivered another robust performance, driven by impactful activation while Knorr growth was led by Instant Soups which more than doubled sales. Ice Creams registered one of its strongest quarters driven by Magnum which continued to perform very well and through sharper in-market execution on Kwality Walls during an extended summer season.

#### **Water: Strengthening category leadership**

In a challenging durables market, Pureit delivered double digit growth, led by the solid performance of premium devices. The initial response to Pureit Ultima, which was launched in the last quarter with superior functionality and aesthetics, has been very encouraging.

#### **Profitable growth sustained**

The operating environment remained challenging with market growth further slowing down. Overall competitive activity remained high despite the lower media intensity in the quarter. Given this context, investments were sustained at competitive levels across segments with absolute A&P spends increasing by Rs 55 Crores. Cost inflation continued to be managed through a mix of judicious pricing and cost savings. Profit before interest and tax (PBIT) grew by 23% and PBIT margin improved by +130 bps. The results of the quarter include a one time credit of about Rs. 32 Crores (~45 bps) on account of adjustments for unutilized pension corpus relating to earlier periods. Profit after tax before exceptional items, PAT (bei), grew by 15% to Rs. 1020 Crores while Net Profit at Rs.1057 Crores, was up 4%, impacted by the higher exceptional income arising from the sale of properties and tax credits in the base quarter.

Harish Manwani, Chairman commented: "We continue to grow ahead of our markets and have delivered another quarter of strong top and bottom-line performance. While we are seeing headwinds on market growth, consumer spending and inflation, we remain focused on managing the business for long term competitive and profitable growth and implementing our strategy with even greater rigor."

