Hindustan Unilever Limited

HINDUSTAN UNILEVER LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2012

(Rs. in lakhs)

Unaudited Results for the Quarter ended 31st December 2012	Unaudited Results for the Quarter ended 31st December 2011	Unaudited Results for the Quarter ended 30th September 2012	Particulars	Unaudited Results for the Nine months ended 31st December 2012	Unaudited Results for the Nine months ended 31st December 2011	Audited Results for the Year ended 31st March 2012
643,369	584,431	615,541	1.a. Net Sales from Operations(Net of excise duty) [sum of (i) to (iii)]	1,883,925	1,685,622	2,173,560
507,084	439,635	481,313	i) Domestic FMCG - HPC	1,480,961	1,257,223	1,697,483
108,765	96,401	106,264	ii) Domestic FMCG - Foods	322,026	290,461	391,897
615,849	536,036	587,577	Domestic FMCG - Total (i+ii)	1,802,987	1,547,684	2,089,380
27,520	48,395	27,964	iii) Others	80,938	137,938	84,180
22,114	11,122	15,540	1.b. Other Operating Income	50,516	29,829	38,077
665,483	595,553	631,081	1. Total Income from operations (net) [1.a. + 1.b.]	1,934,441	1,715,451	2,211,637
562,532	504,186	539,176	2. Expenses [sum of (a) to (g)]	1,648,703	1,477,319	1,904,328
255,190	234,602	270,084	a) Cost of materials consumed	775,560	676,403	858,489
78,379	76,128	82,603	b) Purchases of stock-in-trade	240,695	229,418	302,414
8,340	(2,738)	(25,742)	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(10,627)	11,025	12,873
34,271	27,412	33,049	d) Employee benefits expense	100,606	84,766	110,728
5,928	5,682	5,769	e) Depreciation and amortisation expense	17,460	17,012	21,825
82,216	69,018	76,898	f) Advertising & Promotions	241,075	197,450	263,478
98,208	94,082	96,515	g) Other expenses	283,934	261,245	334,521
102,951	91,367	91,905	3. Profit from operations before other income, finance costs and exceptional items (1-2)	285,738	238,132	307,309
13,371	8,008	14,875	4. Other Income	50,107	21,179	27,831
116,322	99,375	106,780	5. Profit from ordinary activities before finance costs and exceptional items (3+4)	335,845	259,311	335,140
753	45	633	6. Finance costs	1,914	101	124
115,569	99,330	106,147	7. Profit from ordinary activities after finance costs but before exceptional items (5-6)	333,931	259,210	335,016
(728)	(1,238)	158	8. Exceptional Items - net credit/ (charge)	59,899	9,079	11,887
114,841	98,092	106,305	9. Profit from Ordinary Activities Before Tax (7+8)	393,830	268,289	346,903
(27,705)	(22,711)	(25,613)	10. Tax expense	(92,883)	(61,300)	(77,763)
87,136	75,381	80,692	11. Net Profit from Ordinary Activities After Tax [9+10]	300,947	206,989	269,140
-	-	-	12. Extraordinary Items	-	-	-
87,136	75,381	80,692	13. Net Profit for the period (11+12)	300,947	206,989	269,140
21,620	21,610	21,619	14. Paid up Equity Share Capital (face value Re. 1 per share)	21,620	21,610	21,615
			15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year			329,611
			16.i Earnings Per Share (EPS) before extraordinary items (of Re. 1/- each) (not annualised):			
4.03	3.49	3.73	(a) Basic - Rs.	13.92	9.58	12.46
4.03	3.49	3.73	(b) Diluted - Rs.	13.92	9.57	12.45
			16.ii Earnings Per Share (EPS) after extraordinary items (of Re. 1/- each) (not annualised):			
4.03	3.49	3.73	(a) Basic - Rs.	13.92	9.58	12.46
4.03	3.49	3.73	(b) Diluted - Rs.	13.92	9.57	12.45
			A. PARTICULARS OF SHAREHOLDING			
			1. Public Shareholding			
1,027,111,958	1,026,195,165	1,027,068,638	- Number of Shares	1,027,111,958	1,026,195,165	1,026,663,032
47.51%	47.49%	47.51%	- Percentage of Shareholding	47.51%	47.49%	47.50%
			2. Promoters and Promoter Group Shareholding			
			a) Pledged/Encumbered			
Nil	Nil	Nil	- Number of shares	Nil	Nil	Nil
NA	NA	NA	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA
NA	NA	NA	- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA
			b) Non-Encumbered			
1,134,849,460	1,134,849,460	1,134,849,460	- Number of shares	1,134,849,460	1,134,849,460	1,134,849,460
100.00%	100.00%	100.00%	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%
52.49%	52.51%	52.49%	- Percentage of shares (as a % of the total share capital of the company)	52.49%	52.51%	52.50%

B. INVESTOR COMPLAINTS	Quarter ended 31st December 2012
Pending at the beginning of the quarter	Nil
Received during the quarter	25
Disposed of during the quarter	25
Remaining unresolved at the end of the quarter	Nil

Lovelock & Lewes
Chartered Accountants
FRN 301056E
Mumbai

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lakhs)

Unaudited Results for the Quarter ended 31st December		Unaudited Results for the Quarter ended 30th September	Particulars	Unaudited Results for the Nine months ended 31st December		Audited Results for the Year ended 31st March
2012	2011	2012		2012	2011	2012
			Segment Revenue (Sales and Other operating income)			
317,123	264,813	317,615	- Soaps and Detergents	951,043	780,190	1,063,628
204,892	181,340	174,454	- Personal Products	564,054	495,188	658,536
79,293	67,093	71,956	- Beverages	216,656	193,426	261,743
33,014	30,665	36,629	- Packaged Foods	113,341	101,141	135,946
29,021	51,037	28,837	- Others (includes Exports, Chemicals, Water, etc)	84,254	143,998	89,686
663,343	594,948	629,491	Total Segment Revenue	1,929,348	1,713,943	2,209,539
-	-	-	Less: Inter Segment Revenue	-	-	-
663,343	594,948	629,491	Net Segment Revenue	1,929,348	1,713,943	2,209,539
			Segment Results (Profit before tax and interest from ordinary activities)			
39,372	35,589	45,355	- Soaps and Detergents	123,250	91,318	123,327
57,885	48,653	42,261	- Personal Products	147,713	129,373	174,925
14,038	10,518	10,305	- Beverages	33,838	26,831	36,668
(263)	(597)	90	- Packaged Foods	2,305	2,788	2,417
(1,864)	3,594	205	- Others (includes Exports, Chemicals, Water, etc)	(2,092)	7,337	(2,957)
109,168	97,757	98,216	Total Segment Results	305,014	257,647	334,380
(753)	(45)	(633)	Less: Finance Costs	(1,914)	(101)	(124)
6,426	380	8,722	Add/(Less): Other unallocable income net of unallocable expenditure	90,730	10,743	12,647
114,841	98,092	106,305	Total Profit Before Tax from ordinary activities	393,830	268,289	346,903
			Capital Employed (Segment assets less Segment liabilities)			
(39,171)	(48,307)	(50,521)	- Soaps and Detergents	(39,171)	(48,307)	(4,078)
(25,598)	6,098	(23,664)	- Personal Products	(25,598)	6,098	2,545
10,894	22,824	(1,595)	- Beverages	10,894	22,824	29,993
20,110	18,500	15,971	- Packaged Foods	20,110	18,500	21,487
(2,935)	9,606	(1,264)	- Others (includes Exports Chemicals, Water, etc)	(2,935)	9,606	(7,507)
(36,700)	8,721	(61,073)	Total Capital Employed in segments	(36,700)	8,721	42,440
375,969	376,562	626,871	Add: Unallocable corporate assets less corporate liabilities	375,969	376,562	308,853
339,269	385,283	565,798	Total Capital Employed	339,269	385,283	351,293

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" includes interest/ dividend/ other financial income (net), expenses on common services not directly identifiable to individual segments, corporate expenses and exceptional items.

   Capital Employed figures are as at 31st December, 2012, 31st December, 2011, 30th September, 2012 and 31st March 2012. Unallocable corporate assets less corporate liabilities mainly represent investment of surplus funds and cash and bank.

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

Registered Office : Unilever House, B.D Sawant Marg, Chakala Andheri (E), Mumbai 400 099

Lovelock & Lewes
Chartered Accountants
FRN 301056E
Mumbai

Notes:

1. Domestic Consumer Business (FMCG + Water) grew by 14.8% with a 15.3% growth in HPC and 12.8% growth in Foods businesses. Net Sales grew by 10.1% during the quarter.

2. Operating Profit (Profit from Operations before Other Income, Finance costs and Exceptional Items) for the quarter at Rs. 102,951 lakhs (DQ'11: Rs. 91,367 lakhs) grew by 12.7%.

3. Profit after tax from ordinary activities before Exceptional Items net of tax (refer note 5 below) for the quarter at Rs. 87,309 lakhs (DQ'11: Rs. 76,217 lakhs) grew by 14.6%.

4. Other income includes interest income, dividend income and net gain on sale of other non trade current investments aggregating to Rs. 13,086 lakhs (DQ'11: Rs. 8,008 lakhs) and interest on income tax refunds of Rs. 285 lakhs (DQ'11: Rs. Nil).

5. Exceptional items, net debit in DQ'12 include profit on sale of properties of Rs. 2,465 lakhs (DQ'11: Rs. Nil) and restructuring costs of Rs. 3,193 lakhs (DQ'11: Rs. 1,238 lakhs)

6. In the last quarter of the previous financial year, the Company completed the transfer of its FMCG Exports business division into its wholly owned subsidiary Unilever India Exports Limited, through a court approved Scheme of Arrangement, with the appointed date of 1st April 2011. The table below shows the results of the current quarter and nine months ended 31st December 2012, as reported without the demerged business, and the results of the corresponding quarter of previous year and nine months ended 31st December 2011, as adjusted for the results of the demerged business, so as to facilitate a meaningful comparison. The results for SQ 2012 and for the previous year ended 31st March 2012, are as reported without the demerged business.

Rs. In Lakhs

	Unaudited results for the quarter ended 31st December		**Unaudited results for the nine months ended 31st December**	
	2012	**2011**	**2012**	**2011**
	As reported	**Comparable, adjusted for above**	**As reported**	**Comparable, adjusted for above**
Total Income	665,483	567,150	1,934,441	1,635,963
Total Net Expenses	550,642	472,754	1,540,611	1,376,132
Profit Before Tax	114,841	94,396	393,830	259,831
Tax Expense	(27,705)	(21,851)	(92,883)	(59,352)
Profit After Tax	87,136	72,545	300,947	200,479

7. The current period figures in this statement have been reported in the format recommended as per the SEBI circular dated 16th April 2012. The comparative figures have also been accordingly restated to conform to the current period presentation.

8. The text of the above statement was approved by the Board of Directors at their meeting held on 22nd January, 2013.

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

By order of the Board

Lovelock & Lewes
Chartered Accountants
FRN 301056E
Mumbai

Place: Mumbai
Date: 22nd January, 2013

Nitin Paranjpe
Managing Director & CEO

The Board of Directors
Hindustan Unilever Limited
Unilever House
B.D.Sawant Marg, Chakala
Andheri (East)
Mumbai – 400 099

1. We have reviewed the results of Hindustan Unilever Limited (the "Company") for the quarter ended December 31, 2012 which are included in the accompanying 'Unaudited standalone financial results for the quarter and nine months ended 31st December, 2012' (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges in India, which has been initialled by us for identification purposes. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. 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.

3. 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.

4. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised accounting practices and policies, and 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 Lovelock & Lewes
Firm Registration Number: 301056E
Chartered Accountants

Pradip Kanakia
Partner
Membership Number: 39985

Mumbai
January 22, 2013

RESULTS FOR DECEMBER QUARTER 2012

15% DOMESTIC CONSUMER SALES GROWTH; PAT (bei) UP 15% IN DECEMBER QUARTER 2012

Mumbai, January 22nd, 2013: Hindustan Unilever Limited announced its results for the quarter ending 31st December 2012.

During the quarter, the Domestic Consumer business grew at 15% with underlying volume growth of 5%. Both Home and Personal Care (HPC) and Foods & Beverages (F&B) registered double digit growth.

Soaps and Detergents grew 20%; broad based growth
Laundry delivered a strong performance across formats. Surf and Rin continue to drive category upgradation, clocking in another quarter of double digit volume growth. Surf growth was buoyed by the Easy Wash launch of the previous quarter while on Rin, growth in bars stepped up. Household Care saw accelerated growth led by Vim.

Skin Cleansing sustained its momentum with all segments growing well. Dove, Lux and Lifebuoy continue to register robust growth. The liquids portfolio was extended with the introduction of the Lifebuoy Colour Changing Handwash

Personal Products grew 13%; double digit growth in Skin, Hair and Oral
Skin Care growth was broad based across brands. Ponds Age Miracle continued to deliver strongly while lotions led by Vaseline and Dove have had a very good quarter. Fair & Lovely (FAL) has strengthened its position in the skin lightening segment post its re-launch.

It has been another quarter of good growth for the Hair Care business, led by premium formats. The initial results on TRESemmé have been very positive with gains in the first 3 months of its launch across all channels. The portfolio was extended with the launch of the Dove Elixir range of premium hair oils and a new styling range for men under Brylcreem.

Oral Care registered volume led double digit growth driven by a further step up in both Close Up and Pepsodent.

Beverages grew 18%; robust growth across portfolio
Tea delivered one of its strongest quarters with double digit growth across all brands at the premium and popular end. Actions taken to strengthen the core, extend distribution, impactful activation and continued market development for tea bags delivered high growth. In Coffee, Bru sustained its growth momentum with the premium offerings continuing to perform well.

Packaged Foods grew 8%
Kissan Ketchups maintained its double digit growth trajectory while growth accelerated on the Knorr soups portfolio. Actions were taken to manage the pipeline to prepare for the relaunch of Soupy Noodles with a superior mix at the end of the quarter.

Profit After Tax (bei) up 15%
The operating context remained challenging during the quarter with input costs holding firm and high competitive intensity. A&P was stepped up and maintained at competitive levels, higher by 132 Crores (+100 bps) in the quarter. Despite that, Profit before interest and tax (PBIT) grew by 13% and PBIT margin improved by 40 bps. Profit after tax but before exceptional items, PAT (bei), grew by 15% to Rs. 873 Crores during the quarter. Net Profit at Rs.871 Crores grew 16%.

Harish Manwani, Chairman commented: "In an environment that continued to be challenging, we have delivered another quarter of broad based growth and margin expansion. The business is consistently winning in the marketplace by remaining sharply focused on the needs of our large consumer base and successfully leveraging Unilever's strong global innovation pipeline and best practices."

PRESS RELEASE

The Board of Directors of Hindustan Unilever Limited (HUL) have, at the Board Meeting on 22nd January, 2013, approved a proposal to enter into a new agreement with Unilever Plc (and entities of the Unilever Group) for the provision of technology, trademark licenses and other services to HUL.

Context

HUL currently has a Technical Collaboration Agreement (TCA) and a Trade Mark License Agreeement (TMLA) with Unilever. The TCA provides for payment of 1% royalty on net sales of specific products manufactured with technical inputs developed by Unilever. The TMLA provides for the payment of trademark royalty at the rate of 1% of net sales on specific brands, where Unilever owns the trade mark and HUL is the licensed user. The total impact of both these agreements is a royalty cost of c. 1.4% of turnover.

Benefits to HUL

In recent years, Unilever has been increasingly globalising their resources to provide greater expertise, superior innovations and scale advantage for all Unilever entities, with an increased emphasis on Developing & Emerging Markets, including India. The pace of innovations and the scope of services have expanded over the years, and as a consequence, HUL is enjoying the benefits of an increasing stream of new products and innovations, backed by technology and knowhow from Unilever. HUL is also receiving support and guidance to drive functional excellence e.g. in marketing, supply management, media buying etc. This is helping HUL to remain competitive and further step-up its overall business performance.

New Agreement

In the context of the huge growth opportunity in India, as well as increasing intensity of competition, particularly from global players, Unilever is committed to ensuring that the support in terms of new products, innovations, technologies and services is commensurate with the needs of HUL to win in the market place and continue to generate significant value for all shareholders of HUL.

Given the need for increased levels of service and the consequent additional costs, Unilever asked for a review of the royalty arrangements in order to ensure a fair recovery of costs. The HUL Board has deliberated on the proposal and has approved the following new arrangements :

- HUL will enter into a new agreement, effective 1st February 2013, with Unilever for the provision of technology, trade mark license and other services.
- The new agreement envisages that the existing royalty cost of c. 1.4% of turnover will increase, in a phased manner, to a royalty cost of c. 3.15% of turnover no later than the financial year ending 31st March 2018, i.e. a total estimated increase of 1.75% of turnover.
- The increase in royalty cost, in the period from 1st February 2013 to 31st March 2014 is estimated to be 0.5% of turnover, and thereafter in a range of 0.3% to 0.7% of turnover in each financial year, leading up to a total estimated royalty cost increase of 1.75% of turnover compared to existing arrangements, no later than the financial year ending 31st March 2018.

The Board is satisfied that appropriate due diligence has been done and that the new arrangements reflect fair payment for the services and benefits that HUL will continue to receive. The new arrangements are consistent with the Government of India policy related to the payment of royalty.

22nd January 2013