



*Hindustan Unilever Limited*

**Winning Today and Tomorrow**

Investor Presentation

November, 2010

# Safe harbour statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

Winning Today

Emerging Trends

Winning Tomorrow



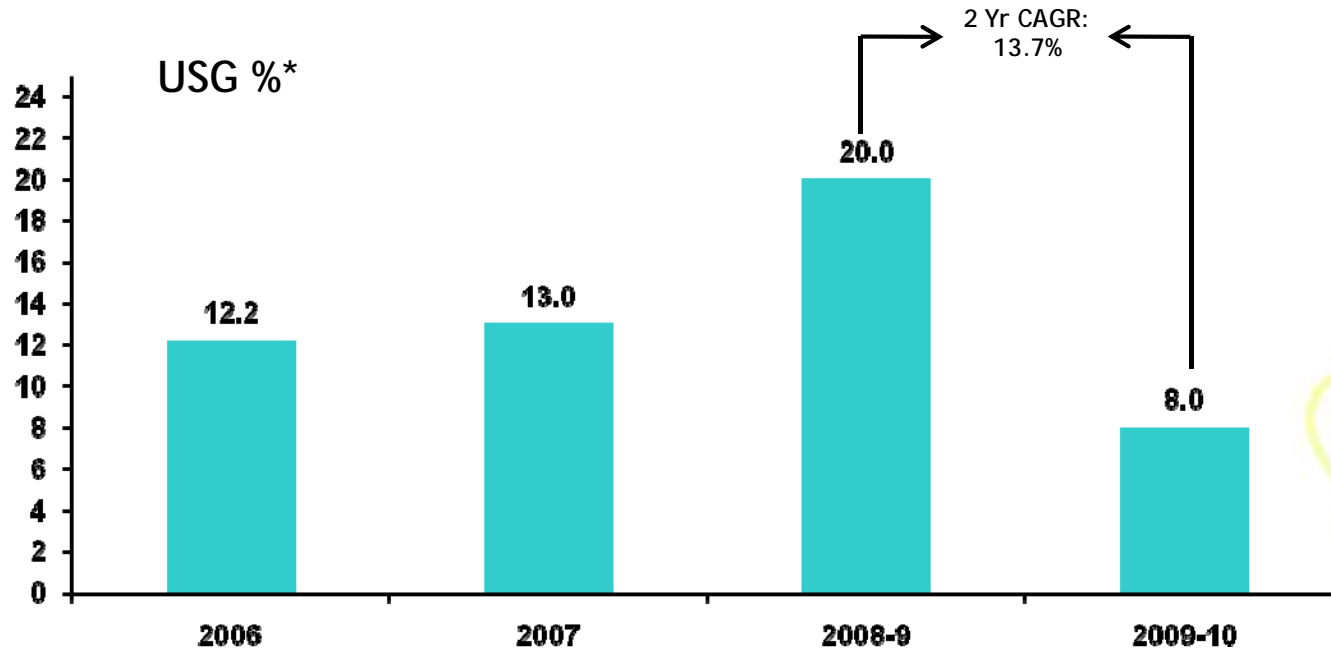
Winning Today

Emerging Trends

Winning Tomorrow



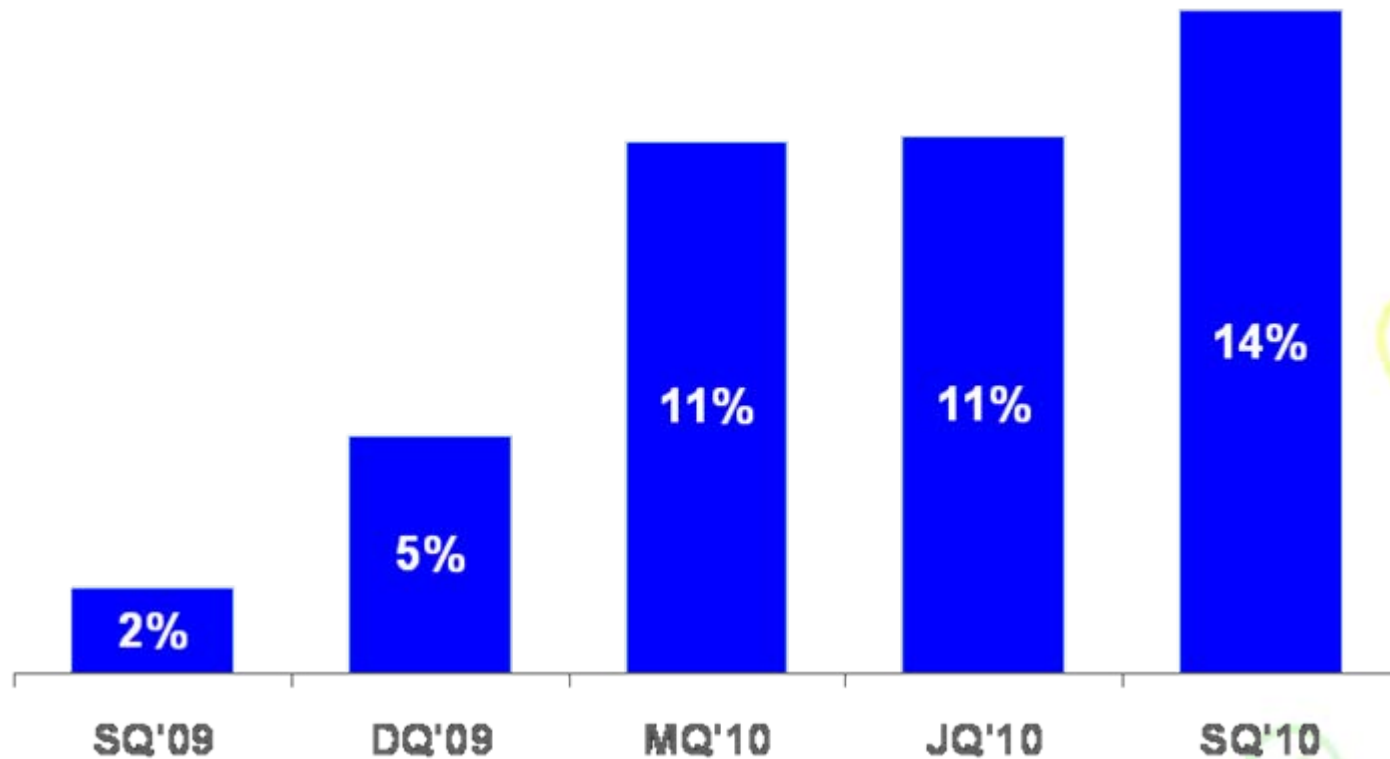
# Sustained topline growth



*\*Domestic FMCG  
08-09 Annualised*

- CAGR: 13% over the last 4 years
- 130 bps increase in operating margin

# Recovery in volume growth



- Accelerated Volume Growth

# Winning Today : Principles

- Leverage brand portfolio and consumer understanding to develop winning mixes by
  - Straddling the pyramid & deploying full portfolio
  - Driving consumption & penetration opportunity
- Step up execution focus
  - Costs, Cash and Service
  - Speed



# Key actions taken

- Focus on consumer value (including competitive pricing) at all times
- Playing the full portfolio across categories; relevant innovations launched
- Competitive Brand support
- Increased execution rigour
- Step-up in cost efficiency programmes





# Focus on consumer value : Laundry



Wheel Relaunch:  
Improved Formulation



Rs 70/kg



Rs 50/kg

Rin: Competitive  
Pricing at Rs.50/ KG

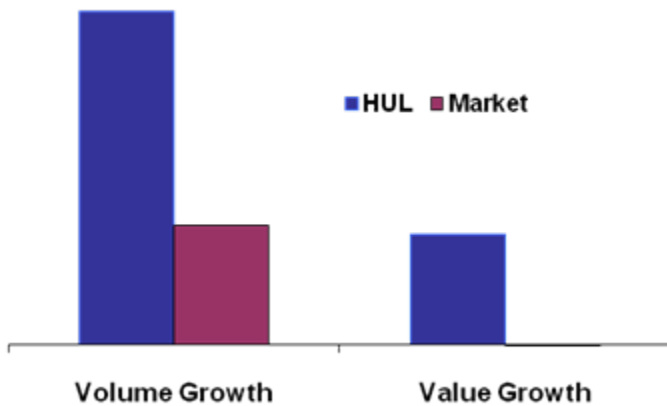


Rin: Product Superiority  
Rs. 1 Crore Safedi  
Challenge



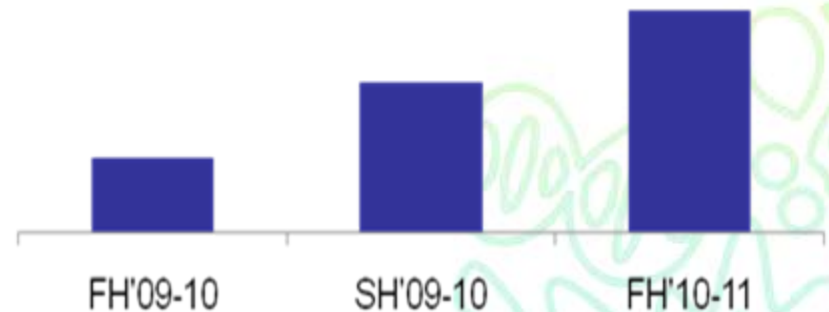
Rin Relaunch:  
Product Superiority  
further strengthened

Growth ahead of market



Market Growth Source: AC Nielsen

Volume growth across Brands



\*FH = JQ+SQ; \*SH=DQ+MQ

Chart depicts indexed volume

# Deploying the full portfolio : Hair



Shampoo: Presence across benefits, across price points

OOH

Internet



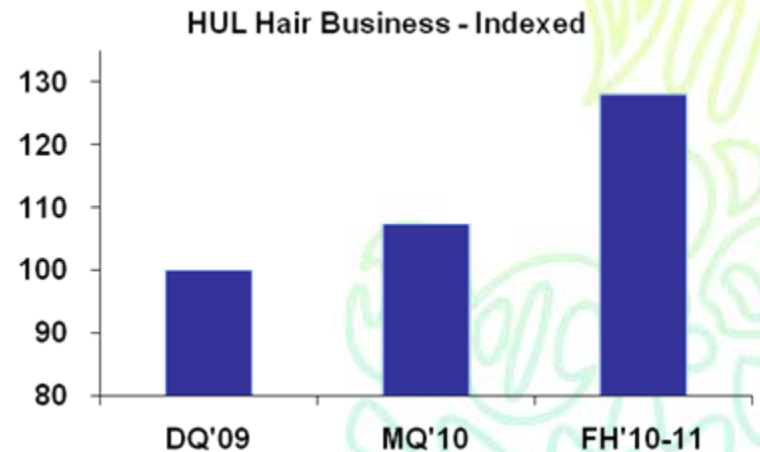
Media

Speed in execution

Print



Growth: ahead of the market



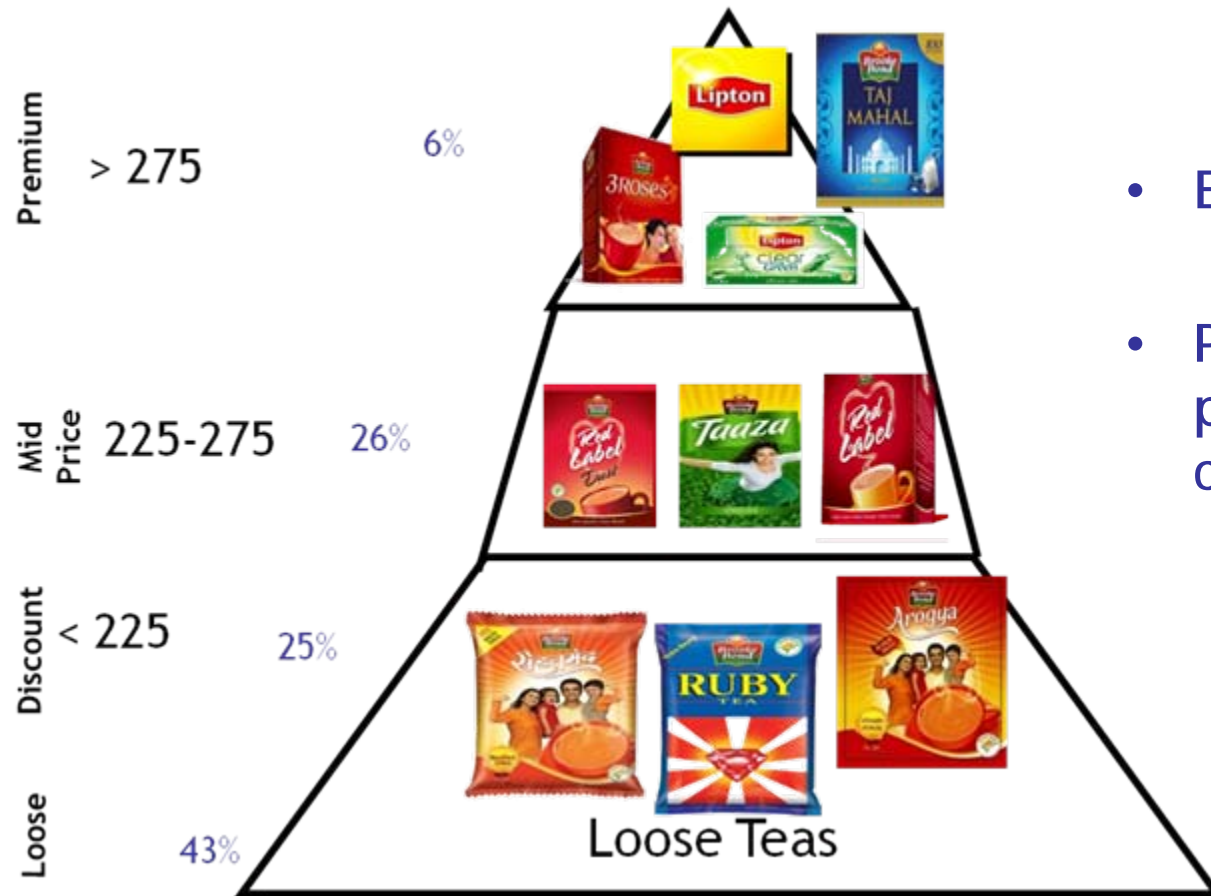
Dove: Tested with Real Women. Real Celebrities.

Market Growth Source: AC Nielsen

# Deploying the full portfolio : Tea

## Volume Contribution

Volume Contribution includes Packet + Loose Tea



- Entry into Mass segment
- Portfolio across the pyramid and specific to consumers

Source: Nielsen Data 2009; Consumer Panel Data 2009

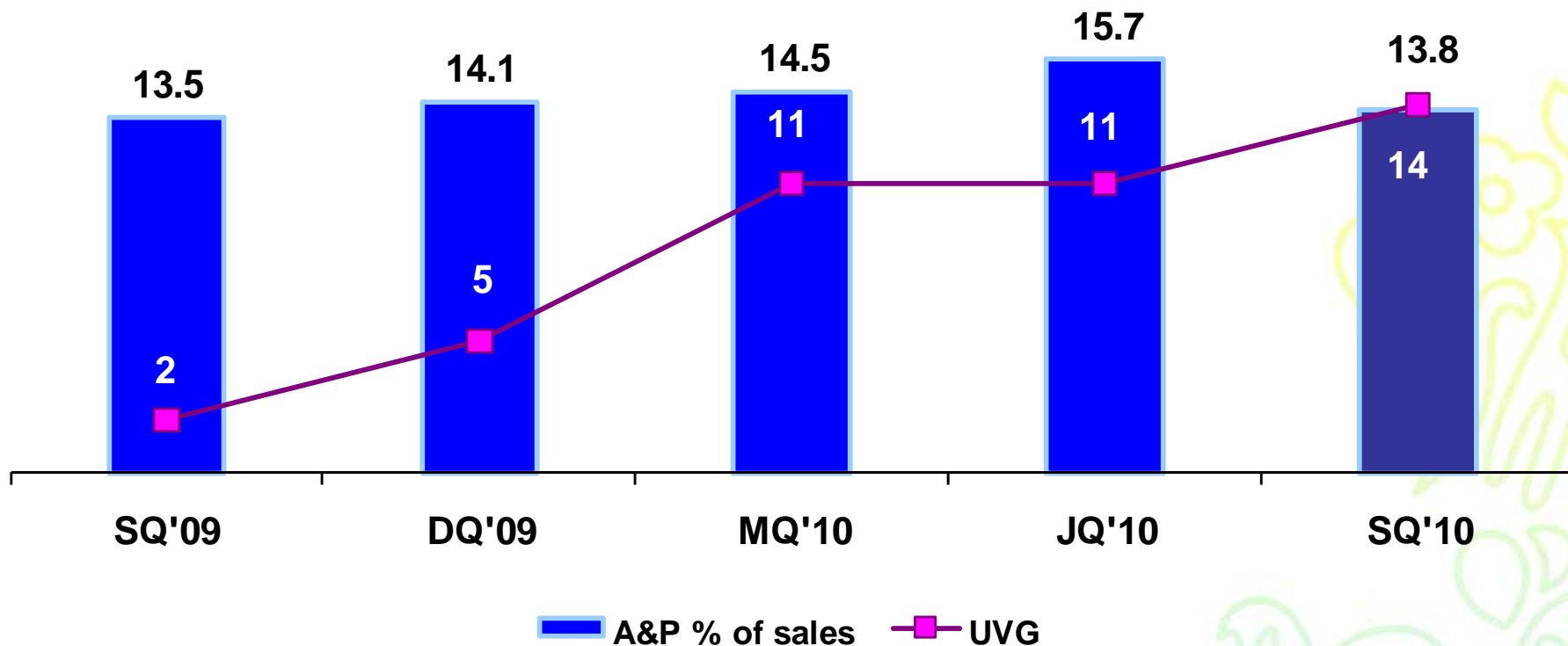
# Strengthening the core: Launches/ relaunches in 2009-10

The image displays a central circular diagram divided into six segments, each representing a product category. Surrounding this central hub are various product images from different brands, illustrating launches and relaunches in 2009-10.

- Foods:** Includes Kissan Squeezeo, Kissan Ketchup, and Modern products.
- Fabric Wash:** Includes Sunlight, Active Wheel (Lemon & Jasmine), and Rin (Jasmine Fresh).
- Personal Wash:** Includes Pears, Dove, Rexona, and Lux.
- Hair Care:** Includes Hamam, Liril 2000, and Breeze.
- Oral Care:** Includes Closeup and Pepsodent.
- Beverages:** Includes Lipton Clear Green and Arogya.

Other notable products shown include Fair & Lovely (multi-vitamin and MAX Fairness for men), Clinic Plus, and various personal care items like soaps and shampoos.

# With competitive Brand support



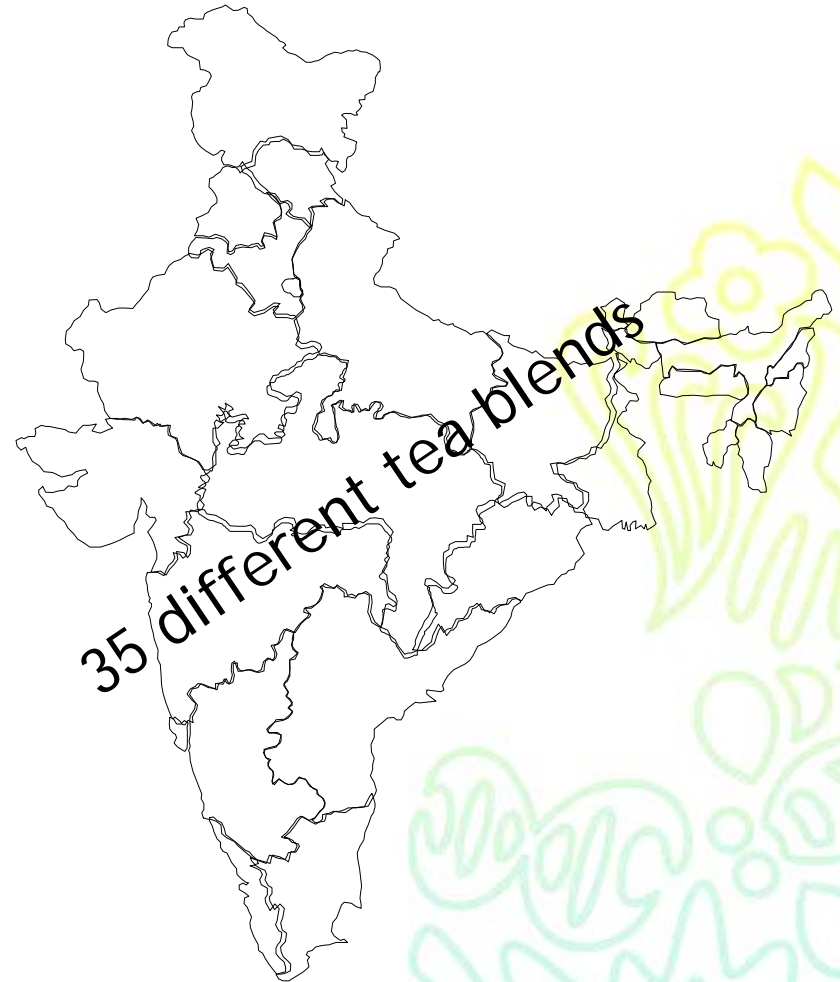
**During SQ'10, advertising spends grew by 21%; up by 90 bps**

# Winning in the marketplace : Micro Marketing

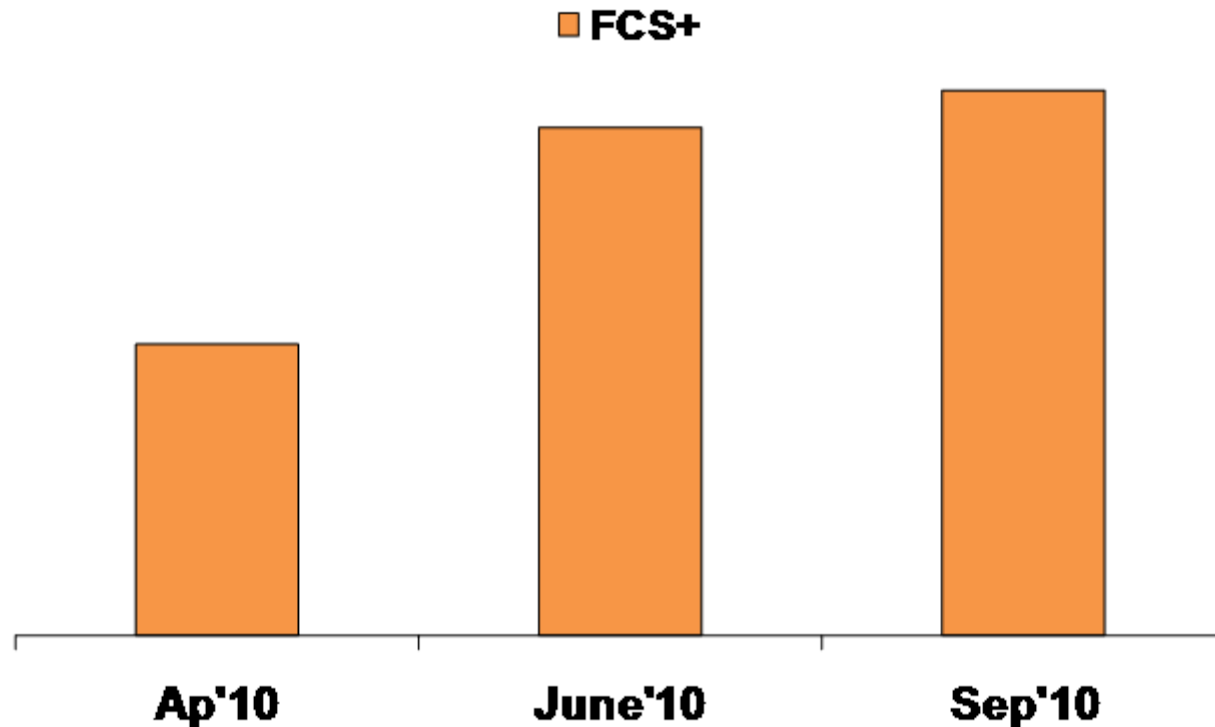
## Micro Marketing

- **Why ? The “Many Indias”**
  - Varied Consumer preference
  - Nature of competition different
  - Triggers & barriers different
- **How ? Tailoring the Mix**
  - Right pricing by geography
  - Product customisation
  - Locally relevant activation

## Tea : Differentiated blends



# Significant improvement in field execution



- Measuring Eco, Bill productivity & Assortment
- Continuous improvement

# Greater speed & reducing time to market

- **We live in an era of volatility**
  - Demands greater flexibility and agility
  - Speed is a key competitive advantage
- **Through 2009, several actions taken**
  - Execution cycle times analysed by element
  - Actions to deliver 50% reduction in cycle times agreed
- **Progress: ~50% networks are now on “crashed” timelines**

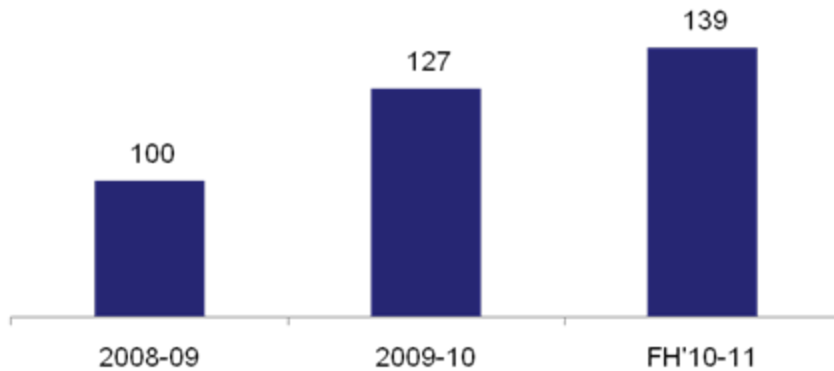




# Strong savings delivery & operating leverage

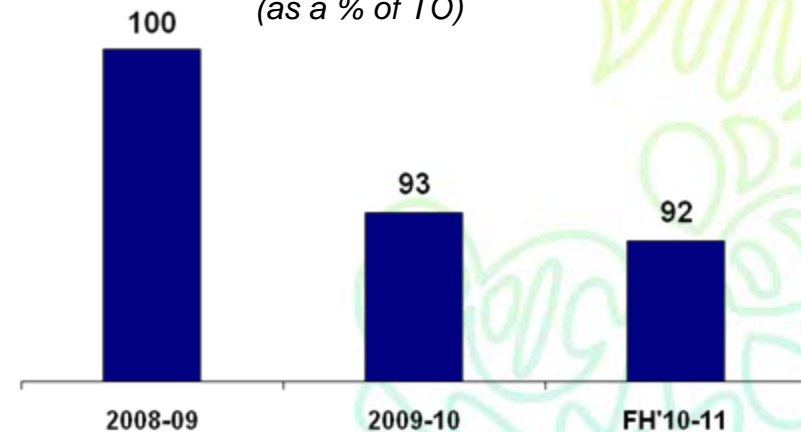
## CEP & Indirects Productivity help mitigate cost inflation

### Indexed CEPs



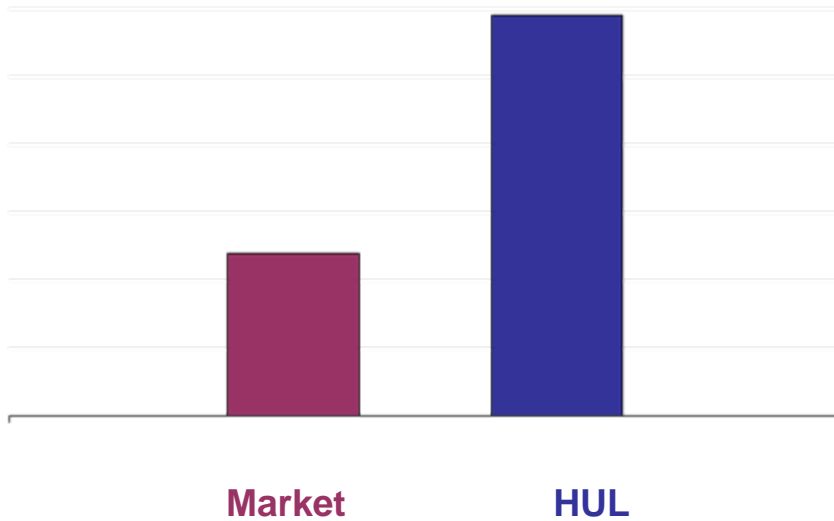
*FH'10-11 CEP : annualised for Full Year*

### Indexed Overheads (as a % of TO)

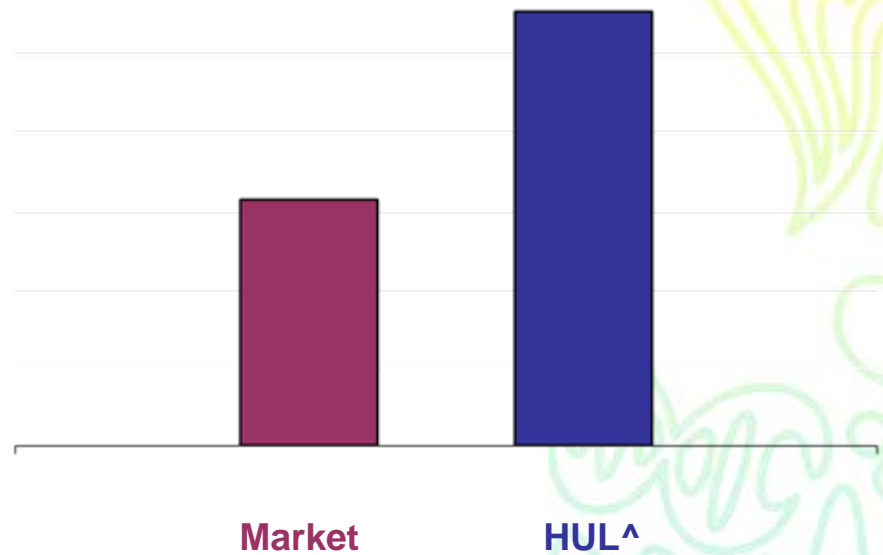


# Growth ahead of Market

September Quarter Volume Growth\*



September Quarter Value Growth



\*Volume growth is tonnage growth value weighted

<sup>^</sup> HUL value growth is GSV growth

# Winning Today : Summary

- Several actions taken through 2009 and FH 2010
  - Strengthening portfolio
  - Stepping up execution
- Results positive
  - Substantial step up in volume growth
  - Growth ahead of market
- Need to sustain and build momentum



**Winning Today**

**Emerging Trends**

**Winning Tomorrow**



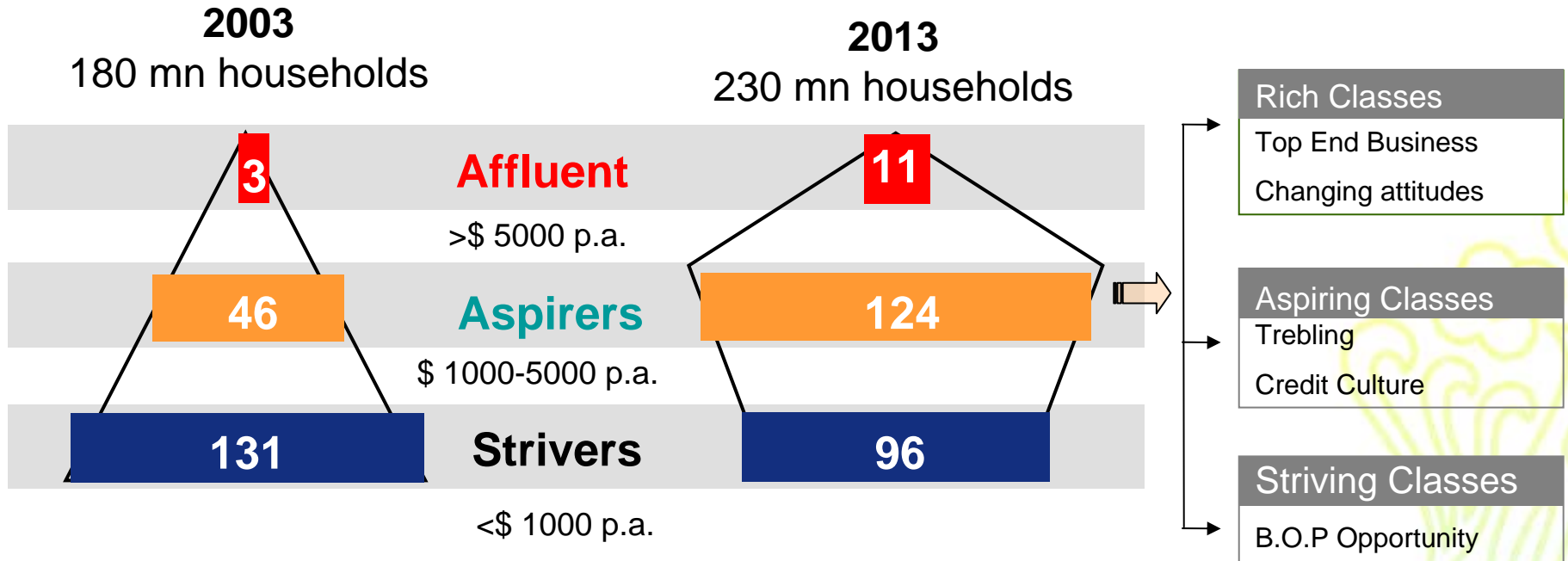
# Emerging Trends

WHO
CONSUMERS
CUSTOMERS
COMPETITION
SOCIETY / ENVIRONMENT



TRENDS
<ul style="list-style-type: none"><li>• More Affluence</li><li>• Changing Attitudes</li></ul>
<ul style="list-style-type: none"><li>• Hybrid Trade</li></ul>
<ul style="list-style-type: none"><li>• Intense</li></ul>
<ul style="list-style-type: none"><li>• More Conscious</li><li>• Only sustainable business models will survive</li></ul>

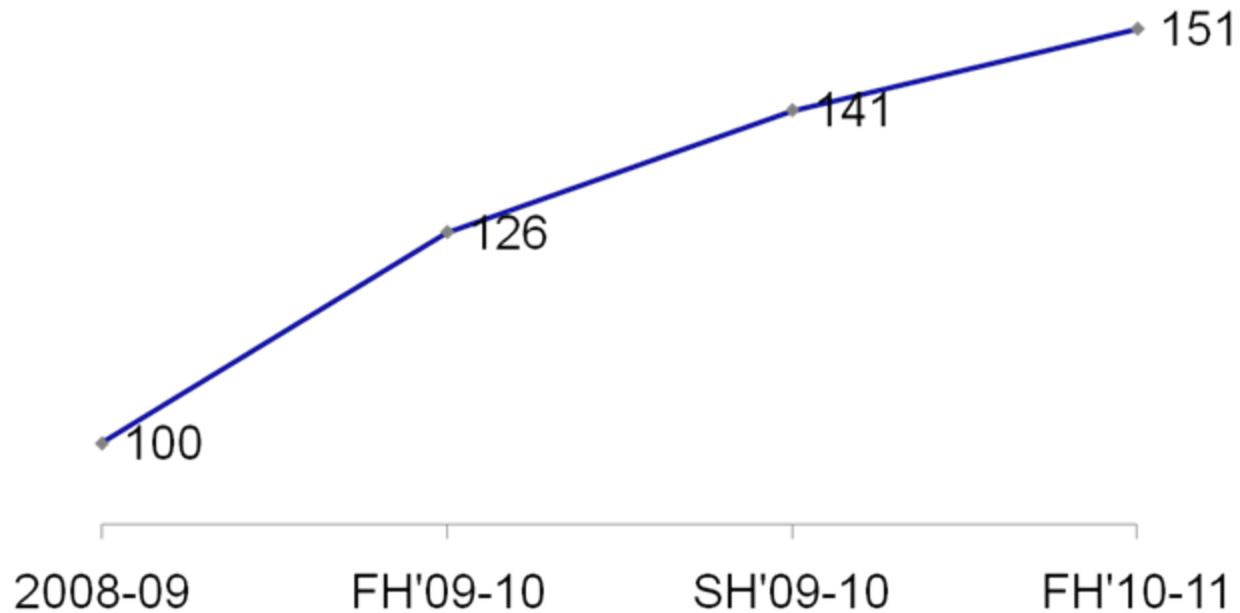
# Consumers : More affluence with changing attitude



**The shape of India ... from a pyramid to a diamond**

# Competitive environment continues to be intense

## Indexed GRP Trend - FMCG



Increased competitive intensity reflected in GRP trends

\*FH = JQ+SQ; SH = DQ+MQ

Winning Today

Emerging Trends

Winning Tomorrow





# Winning Tomorrow : Principles

- Win Today
- Have point of view about the future
  - Consumers & Customers
  - New Markets & Geographies
  - Channels & Segments
- Build Portfolio & Capabilities to win tomorrow
- Brilliant Execution
- Sustainable business model



# Building Blocks

Winning with Brands and Innovations

Winning in the Market Place

Winning through continuous improvement

Winning with People

# Building Blocks

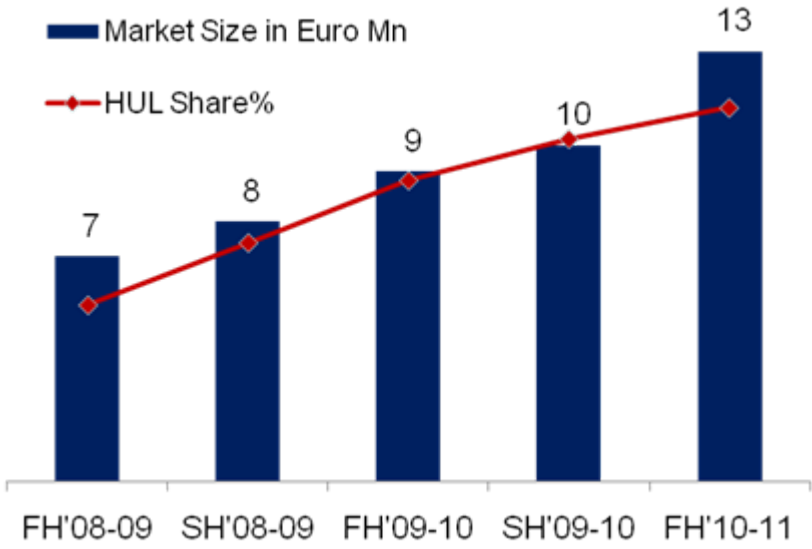
Winning with Brands and Innovations

Winning in the Market Place

Winning through continuous improvement

Winning with People

# Building segments of tomorrow: Hair Conditioners

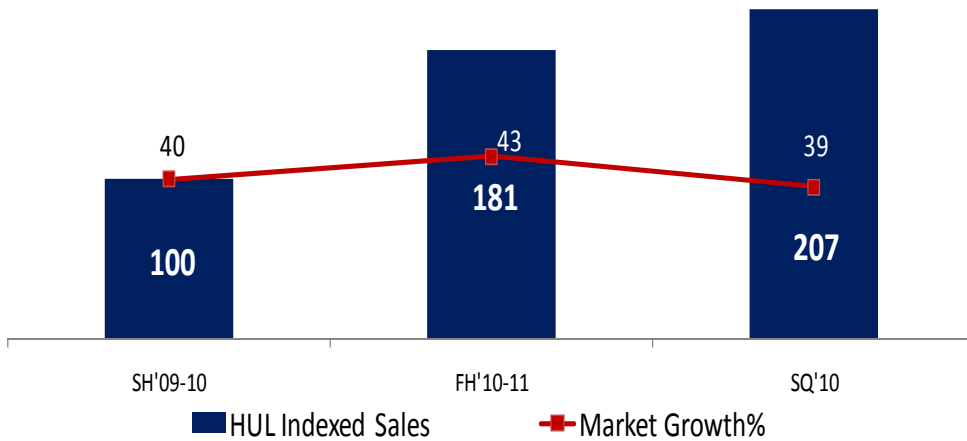


\*FH = JQ+SQ; \*SH=DQ+MQ

- Conditioners: Market growing ~40%
- HUL Conditioner: Rapidly growing share in fast growing market



# Building segments of tomorrow: Facial Cleansing



\*FH = JQ+SQ; \*SH=DQ+MQ

- Facial Cleansing: Market growing ~40%
- Deployed full portfolio
- Business size doubled in MQ, JQ & SQ10



Gentle Care



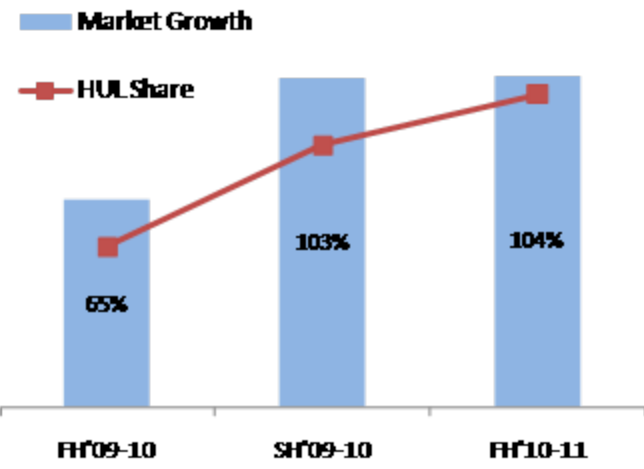
Oil Control Skin Lightening



Lakme Fruit Blast: Moisturizing

# Building segments of tomorrow : Premium Skin Care

## Premium Skin Lightening

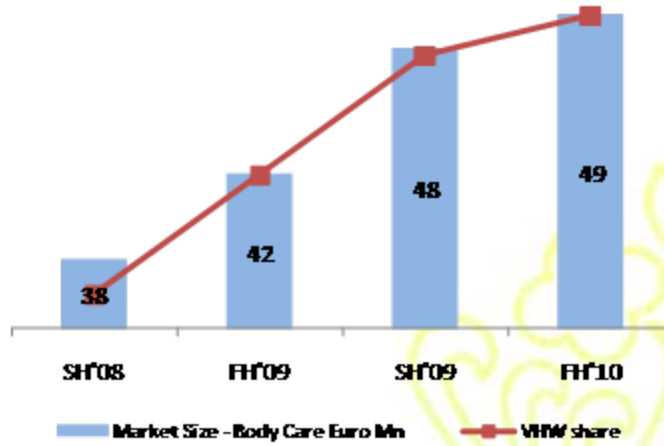


\*FH = JQ+SQ; \*SH=DQ+MQ

## Male Grooming



## Hand & Body



\*FH = MQ+JQ; \*SH=SQ+DQ

## Anti Aging



# Building Savoury - Three Pillars of Growth



Build a soup drinking habit



Gain share in afternoon snacks



Drive Dish Penetration

# Entry into afternoon snacking

## Healthy Knorr Soupy Noodles - Entry into afternoon snacking

### Noodles

- Filling snack
- Convenient
- Tasty (loved by kids)



### Soups

- Healthy
- Does not interfere with main meal
- Loved by Moms

A healthy and exciting snack for kids



Excellent initial response

RS. 10



RS. 15



RS. 15



Healthy Soup + Noodles = Knorr Soupy Noodles





# Markets of tomorrow : Soups

Great Product - Healthy Snack @ 7 pm (100% Real Veg.)

12 Exciting Recipes

Substantial Investment behind Category Creation

With a New Brand Ambassador - Kajol



# Building market for future: Deos, Fabric Conditioners, Surface Cleaner



## Deodorants

- Market growth >40%
- Playing full portfolio
- Sure: World's No.1 antiperspirant launched



## Hard Surface Cleaners

- Market growth c.20%
- Cif: cream based cleaner

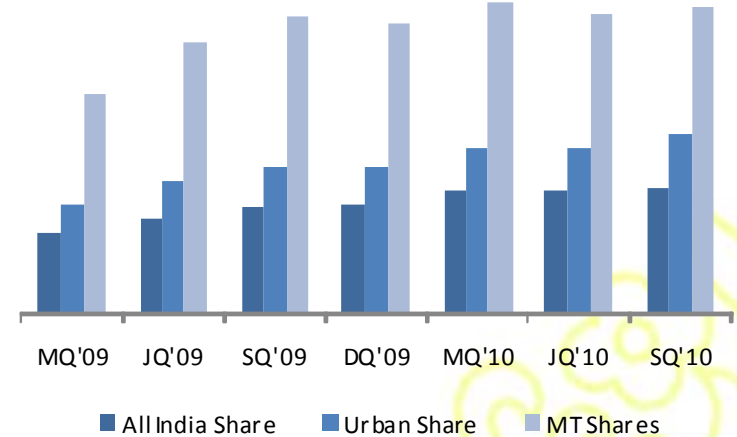
## Pre-Post Wash

- Market growth c.40%
- Comfort Fabric Conditioner: launched nationally



# Consumers of tomorrow: Dove

## Dove Hair Growth > 3 X Market Growth

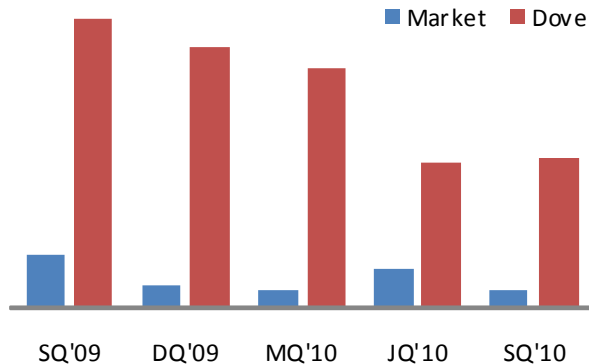


Dove Hair Range: No.1 in MT

> €60 MN Brand

Dove Hair Market Share: growing rapidly

Dove Soap: Growth ahead of market



Dove Deos: gaining shares



# Expanding footprint : Out of Home



Portfolio across segments & price points; Global market leadership

OOH: Swirl's Parlours, now 120+

- FRESH : Fresh Ingredients
- CHOICE : Create Your Own
- THEATER & FUN : The drama of ice cream



Shop-in-Shop

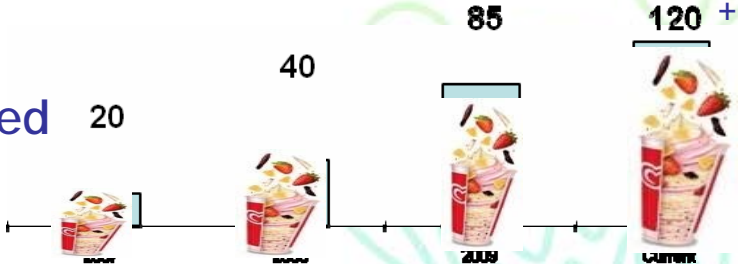


Full Shop



Kiosk

3 million consumer experience moments created



# Markets of tomorrow : Water



Pureit: straddles the Pyramid



- Rs.1 crore safety challenge: unchallenged
- Portfolio now “straddles the pyramid” at four price points
  - Entry at top end, “Pureit Marvella” - fully automatic water purifier
- Extending retail footprints: >20,000 retail outlets; 6000 PWE on ground

# Winning with Brands & Innovations: Launches in 2009-10



Gentle Care Oil Control Skin Lightening



Moisturizing



# Building Blocks

Winning with Brands and Innovations

Winning in the Market Place

Winning through continuous improvement

Winning with People

# Winning in the marketplace : Principles

Win with : Winning customers/ channels

Win in : Winning geographies

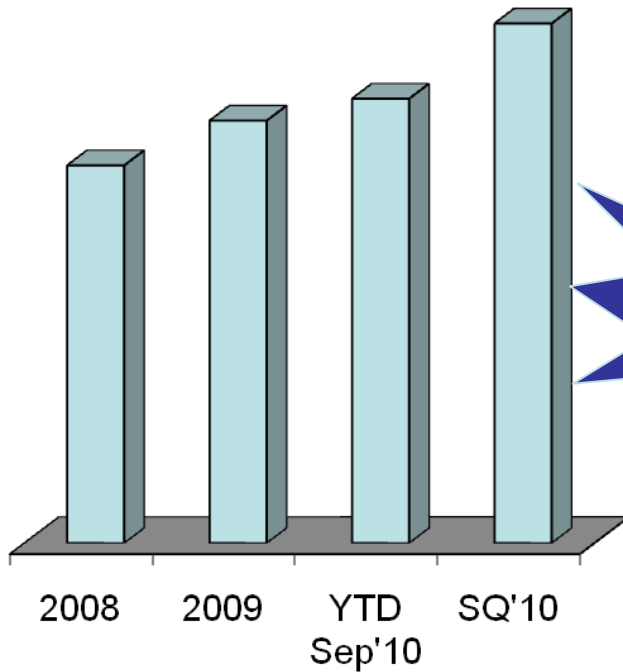
Win with : Technology





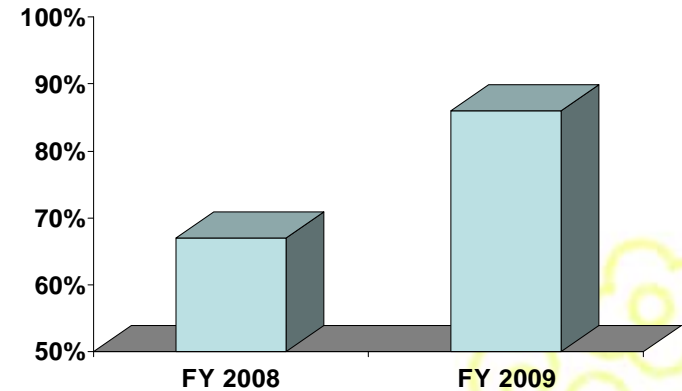
# Winning with winning customers : Modern Trade

## Increasing Market Shares

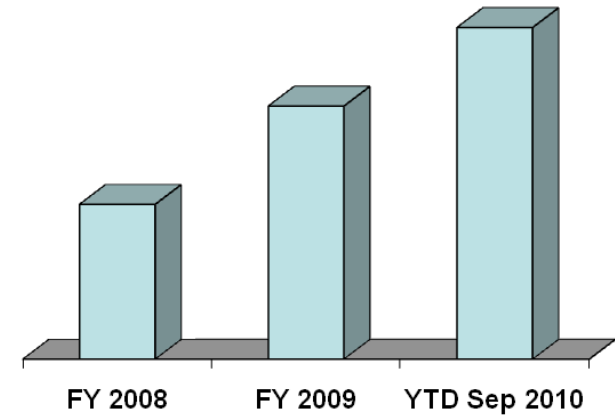


MT  
Contribution  
to sales > 8%

## Customer Service scores up



## Profitability improved



FY stands for Full Calendar Year

# Winning in winning geographies : Rural

## Tripling the Rural Footprints



# Winning with technology : iQ

ORDER BOOKING			
LINES	FIND	TOTAL	
Select Category -->		Must Sell Packs	
SKU	SO	OR	
LUX ORCHID 100 GMS	2	0	
LUX ORCHID 100 GMS	2	0	
ALA BLEACH 500ML	3	0	
LUX ORCHID 45 GMS	4	0	
LUX ORCHID 75 GMS	1	0	
LUX STWBY 125G	2	0	
SFXL BAR 125 GM	4	0	
STK	TUR	MRP	ITMVAL
169	12.04	13.00	0
GAP	RR	UNIT	
97	16	0 1 3 5 6 12	
G R O W T H Exit			



- Rolled out Nationally in Urban GT;
- Rural roll out by 2011

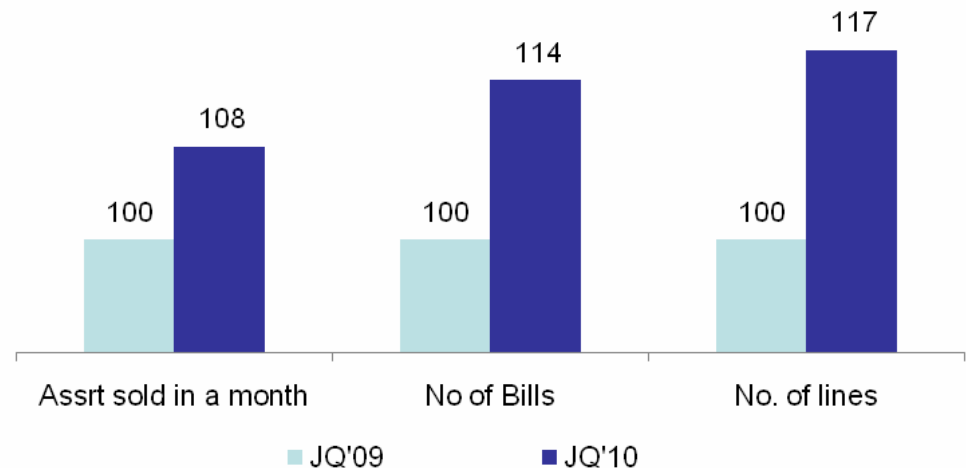
**S**ophisticated analytics for outlet level interventions

**S**imple front-end for better execution by salesmen

## Better business performance

- Improved assortment
- Increased number of bills
- Increased number of lines

Indexed business performance



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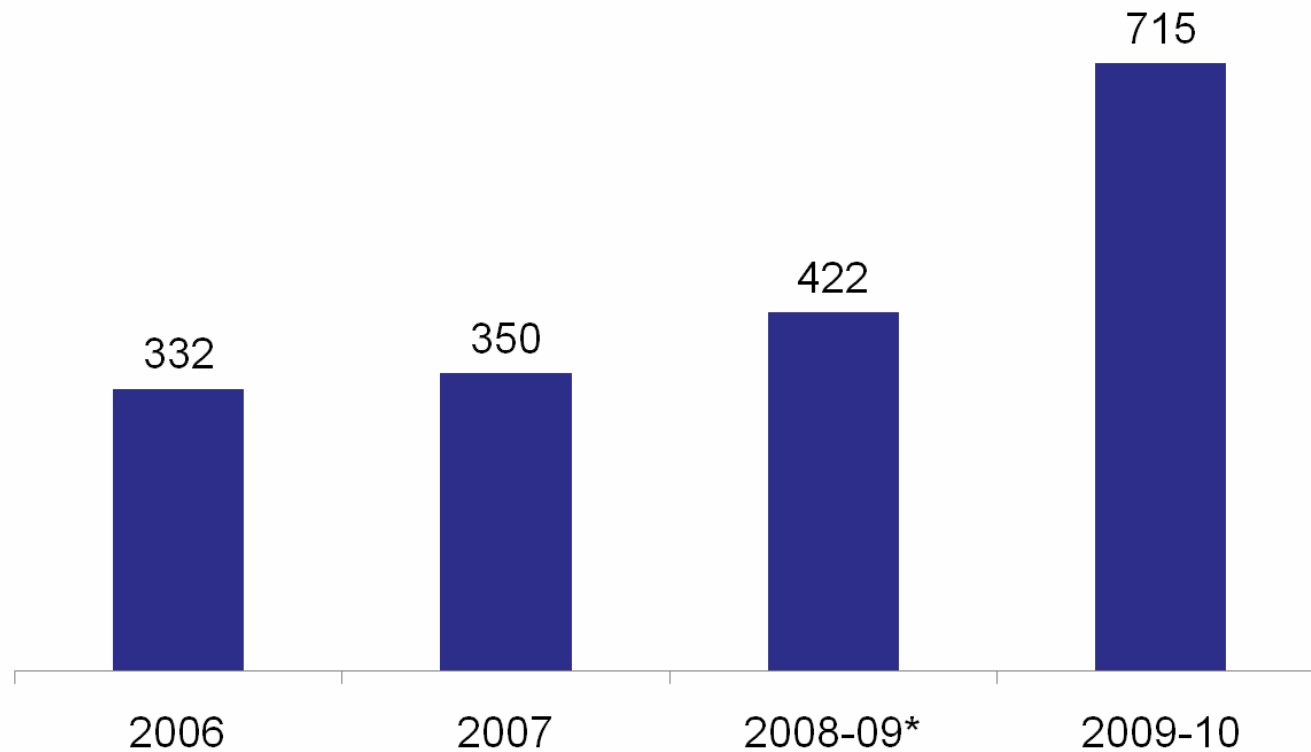
# Delivering Continuous Improvement : Approach

- Continuous improvements in
  - Customer Service
  - Cash
  - System Costs
- Delivered through
  - Leading edge IT solutions
  - Cross functional teams



# Accelerated cash delivery

## Operating Cash Delivery \$ Mn



*\*2008-09 cash flow is for 15 months period*

# Building Blocks

Winning with Brands and Innovations

Winning in the Market Place

Winning through continuous improvement

Winning with People

# Winning with People : Approach

- Talent
- Culture
- Capabilities





# Talent : Our Edge

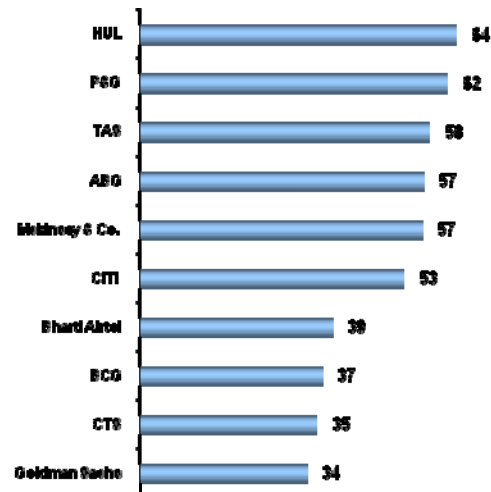
## 100% PPO acceptance



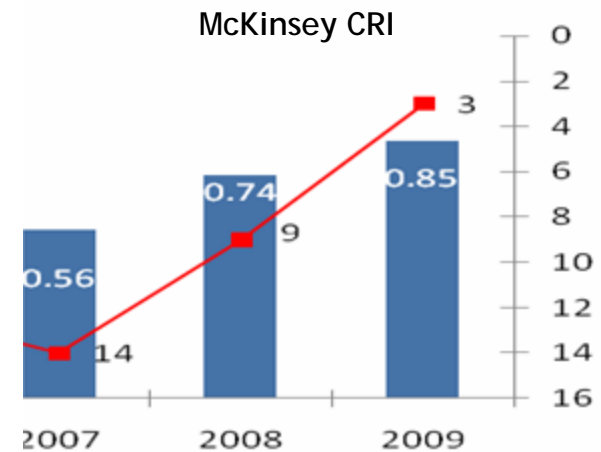
## Dream Employer

HUL voted as the overall "Dream Employer" in B-school survey

## No.1 among companies considered



## In top 3 on campus



# Culture : Embedding Customer Centricity

B, Raja	Ahmed, Mohd.	Singh, Deepak	Sharma, Ashish	Hussain, Shaikh	V, Kosal Raman
Dey, Raju	Gaur, Pankaj	Suman, Manish	Sharma, Vishnu	Panchal, Nilesh	T N, Sethupathy
R, Rajesh	A T K, Kiran	Sharma, Mukul	Sharma, Arvind	Banerjee, Arijit	Y, Krishna Prasad
Lad, Amit	P V, Mohan	Sharma, Kunal	G, Suresh Babu	Dholey, Supantha	Brahmbhatt, Kirti
Roy, Dilip	P, Rajagopal	Gupta, Mukesh	V, Shankar Jee	Tripathi, Srujit	Kargathia, Mahesh
Khan, Mohd	S S, Puranik	Sinha, Nikhil	V, Kosal Raman	Dasgupta, Sugata	Pandey, Ripusudan
C, Ramdass	S, Manjunath	K N, Nagaraja	R, Jagannathan	Banerjee, Sanjoy	Tijare, Jeetendra
K G, Mohan	T, Rajendran	J C, Rajmohan	Kapale, Madhav	Prasad, Dayanand	Choudhuri, Anirban
Das, Hitesh	V, Kapil Dev	P, Sivanandam	Khanina, Yogesh	Rizvi, Syedqamar	Choudhury, Susanta
Dutta, Amal	V, Sivakumar	S, Udai Kumar	Sharma, Hemant	Singh, Charanjit	Srivastava, Manish
Nandi, Raju	G R, Inbaraj	V G, Mananraj	Hinge, Sanjeev	K N, Raghavendra	N, Vishala Krishna
Roy, Partho	Budhe, Rajanil	V R, Sikanth	Sharma, Saikat	Sharma, Umav	V M, Fayas Ahammed
Ghai, Rohit	Singh, Manoj	Ghyar, Rajesh	Osman, Mohammad	Sharma, Hitender	Chawcharia, Harish
Goel, Rajiv	Jain, Shikhar	P, Rajakumar	Sharma, Himanshu	Thakur, Himanshu	Chouragade, Sanjay
Khan, Imran	Raman, Manoj	Singh, Dhiraaj	Singh, Tejinder	Vevaryya, Ashfaq	Das, Shuddha Sattwa
Batra, Anil	Kant, Kaushal	Usman, Shaikh	M, Ramesh	Wadhawan, Suneet	A, Padmanaba Pillai
P K, Murali	Kumar, Mukund	Varghese, Aju	R, Ramachandran	Kargathia, Lalit	G, Babu
					Subramanyam

6

Days

120

Towns

4000

Feet on Street

14,600

Perfect Stores

# Capability : Consumer & Customer connect system

## Levercare

Feel it ☺ Say it ☺  
call us for complaints, queries  
and feedback

Contact Levercare executive  
call toll free no: 1800-22-8080  
sms 'Levercare' to 54555 (BSNL 4555)  
PO box no. 14760, Mumbai 400 099  
email: Lever.care@unilever.com

### Objective:

Set up a world-class consumer and customer connect system to reach the company, and equally to help brands reach out to them.

### Features:

- Multiple channels to connect - National toll free number
- 12 Hrs a day - 6 days a week
- All calls recorded and archived for three months
- End to End IT
- Strong internal governance processes
- Company appointed Ombudsman

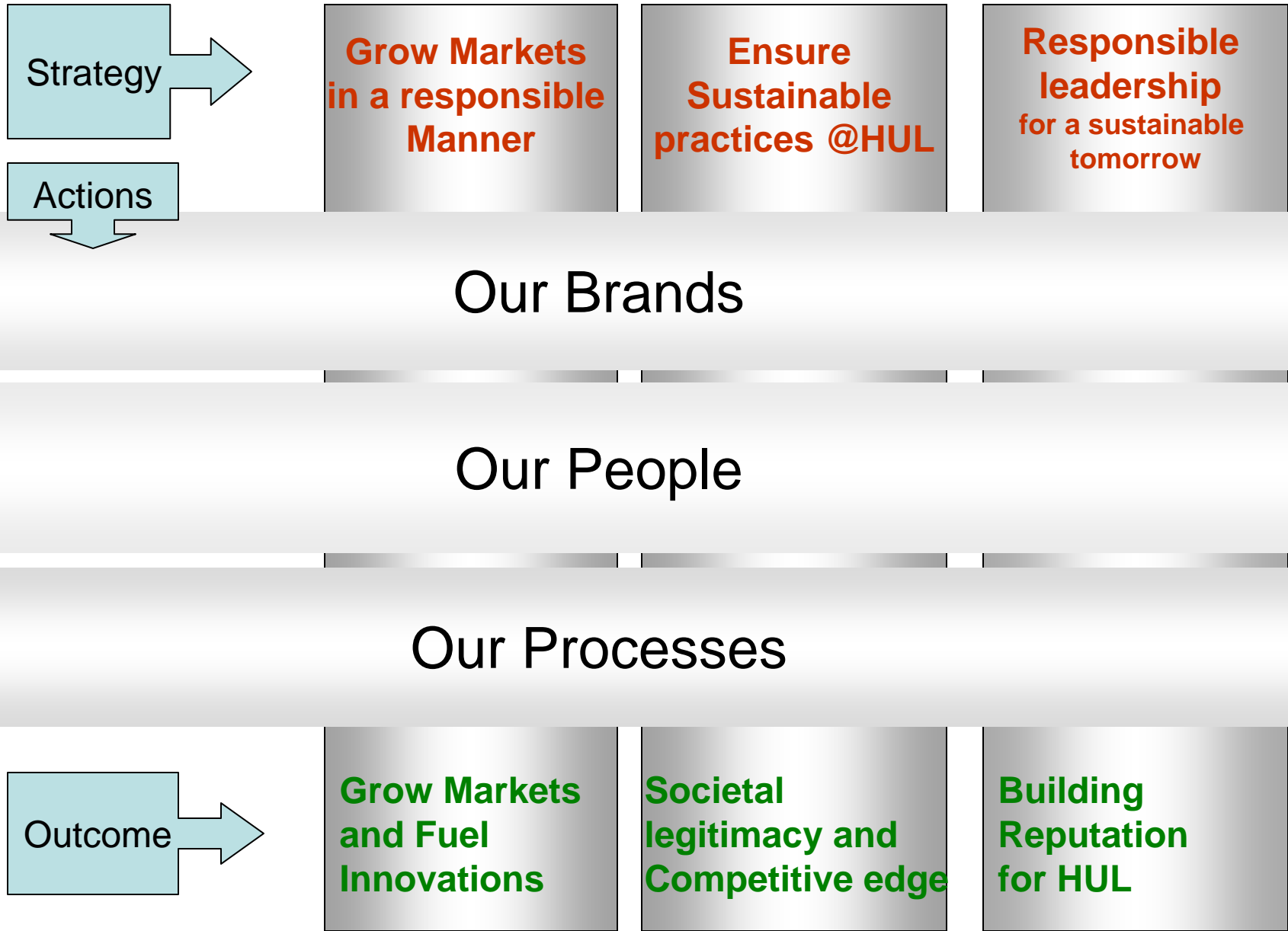
### SCOPE

- CONSUMER
- DISTRIBUTOR
- RETAILER

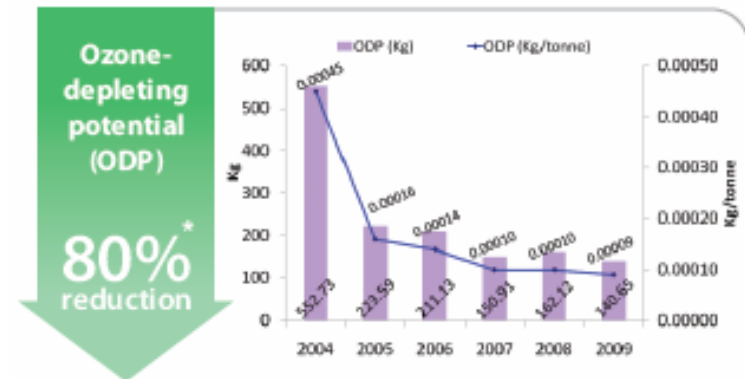
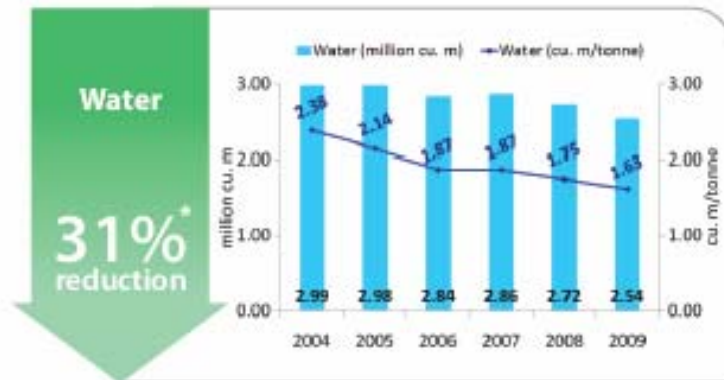
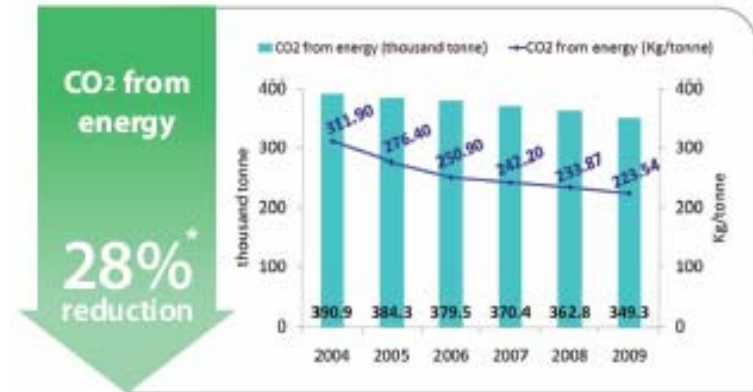
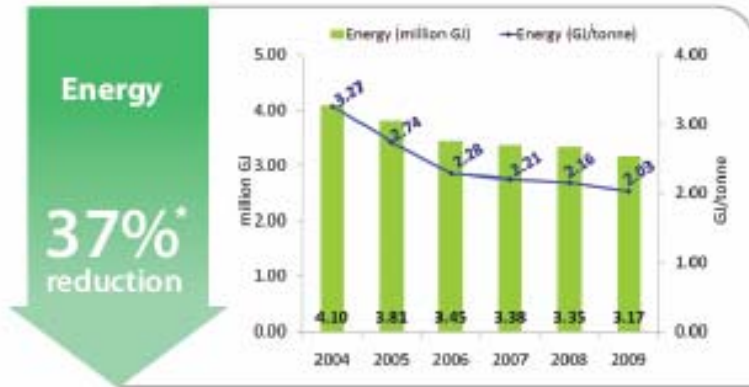
### Services Offered

- Quality
- Brand
- Promotions
- Service
- Trade
- General Information

# Capability : Building sustainable business models



# Reducing environmental footprints



The data shows our Ozone-Depleting Potential (ODP), expressed as kg of CFC R-11 equivalent

\*2004 baseline

1<sup>st</sup> Sustainability Report is available at

[http://www.hul.co.in/Images/HULSustainableDevelopmentReport2009\\_tcm114-226531.pdf](http://www.hul.co.in/Images/HULSustainableDevelopmentReport2009_tcm114-226531.pdf)

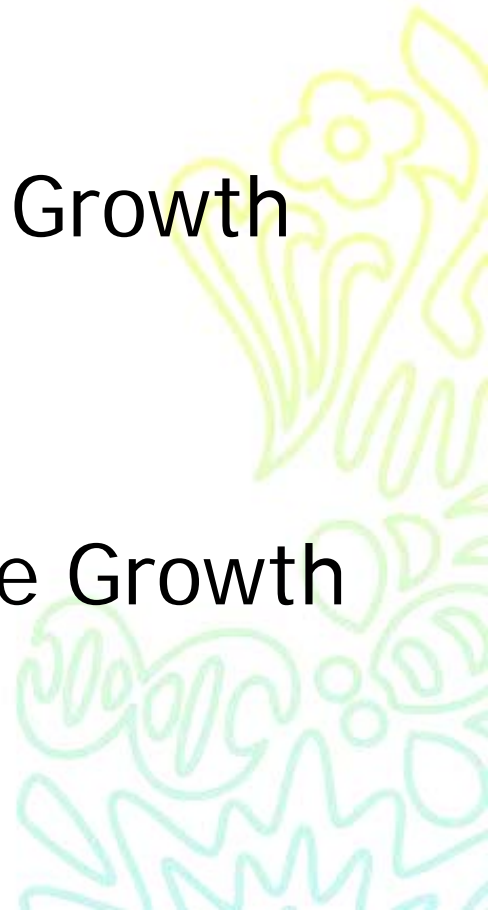
# In Summary

- In time, India will be amongst the largest consumer markets
- **Winning Today : Early results positive**
  - Strengthening portfolio
  - Stepping up execution
- **Winning Tomorrow**
  - Winning with brands and innovation
  - Winning in the marketplace
  - Winning with continuous improvement
  - Winning with People



# Business Goals

- Competitive Growth
- Profitable Growth
- Sustainable Growth



**Thank You**

