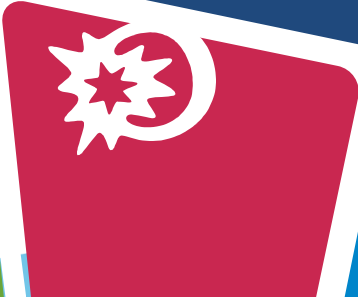


Hindustan Unilever

03 DEC 2018



Hindustan Unilever Limited

SAFE HARBOUR STATEMENT



Hindustan Unilever Limited

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.

Hindustan Unilever Limited : Rs.350bn+ powerhouse

HUL performance



10% CAGR over 10 years*

530 bps EBIT improvement

Among the **top 5** most valuable companies in India with market cap of \$51b**



Our footprint



Nearly **every household** uses one or more of our brands

Our brands are available in **8mn+** stores



Recognition



'Dream Employer' for **9 years** in a row among top Indian universities



#8 Globally and **#1** in India




13 HUL brands in India's Top 50 Most Trusted Brands

*HUL performance as per India local reporting

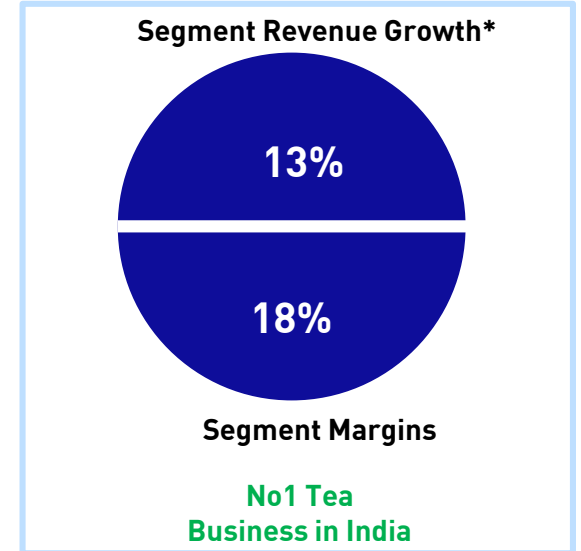
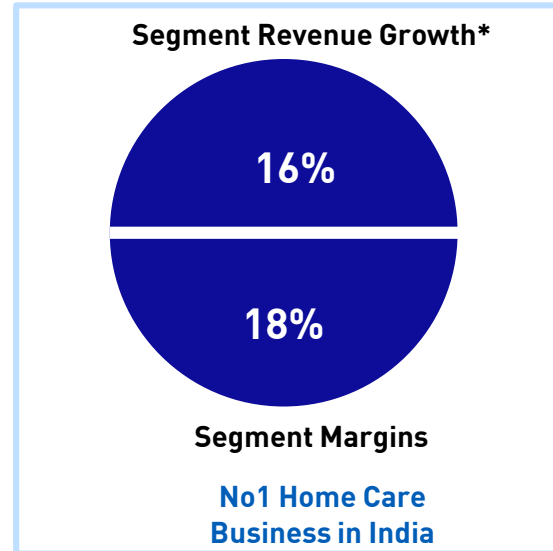
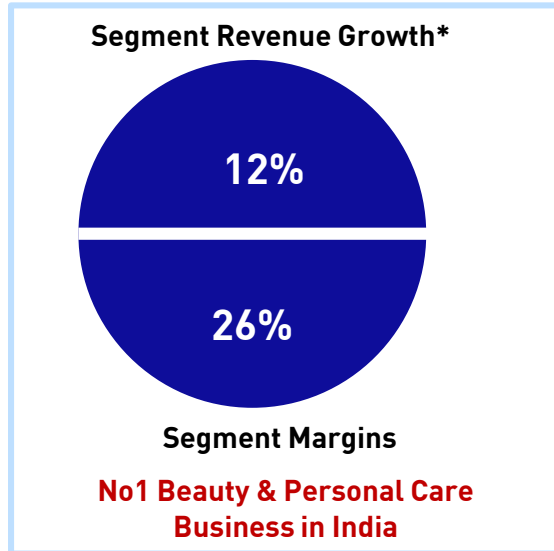
** Market capitalization converted to USD based on rate as of 22nd Nov 2018

Consistent high performance across Divisions

 **Beauty & Personal Care**
47%

 **Home Care**
33%

 **Foods & Refreshment**
19%



F&R India – High growth opportunity with healthy margins

Segment Revenue ~Rs.65 BN

Segmental margin 15%



Strong Market Positions

No.1 Tea Company in India

Last 6 Years

Turnover[^]

Profitability[^]

1.8x

2.0x



Our F&R Strategy

**Grow existing
business faster**



**Building brands through
purpose**



**Relevant and deeper
product insights**



**Invest in Market
Development**

**Pivot business to high
growth categories**



**Accelerate white spaces
organically**



**Build white spaces
through acquisitions**

A Unique Opportunity to Acquire the #1 HFD Portfolio in the Largest HFD Market Globally

**#1 Player in India HFD
by sales ⁽¹⁾**

**~Rs. 42Bn Turnover with
20% EBIT margin ⁽²⁾**



Broad Portfolio of Nourishing Malt-based Drinks

Most Trusted Brands

#1 in hot beverage category
nationwide⁽³⁾
Boost #3 consumer brand in South
India⁽³⁾

Broad Portfolio

20+ different products and flavours

Leverage on the Mega-Trend of Health & Wellness

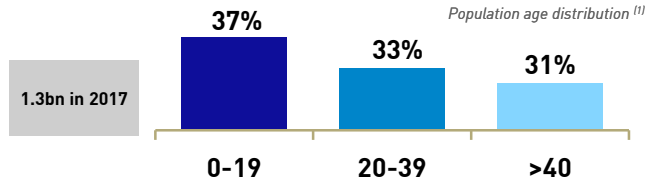
(1) Strategy consultant's analysis based on AC Nielsen 2017

(2) Turnover and EBIT as reported for FY17-18

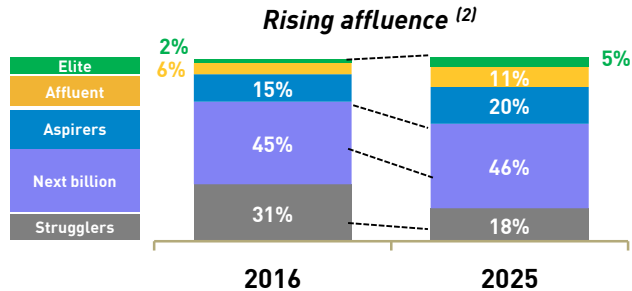
(3) Economic Times 2017

With Strong Structural Demand Drivers

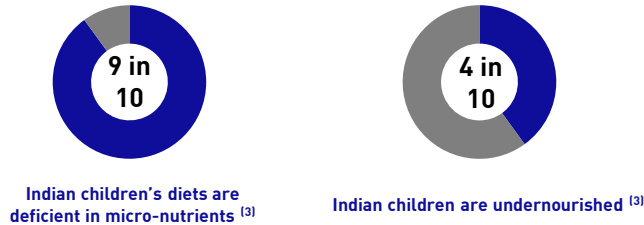
Large and young population



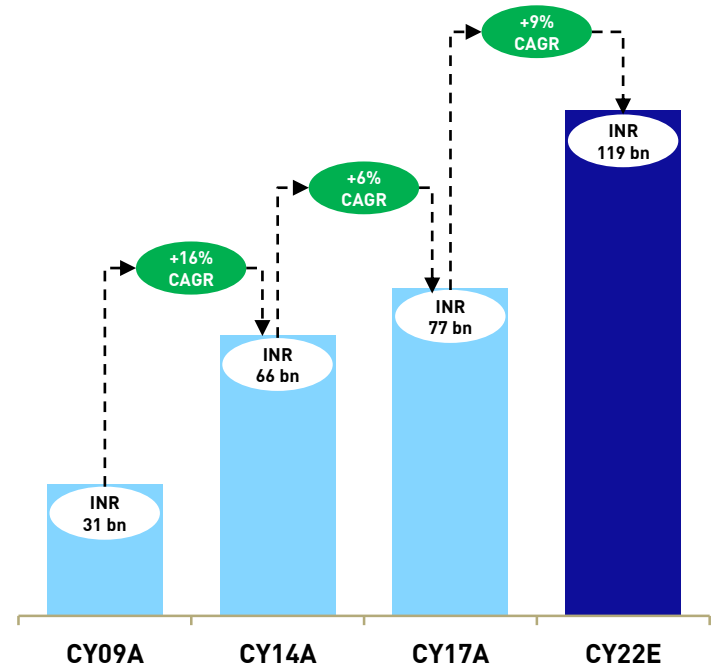
Rising affluence and disposable incomes



Persistent nutritional needs



Expected category growth at 9% ⁽⁴⁾



And huge potential for market development

Low penetration ⁽¹⁾

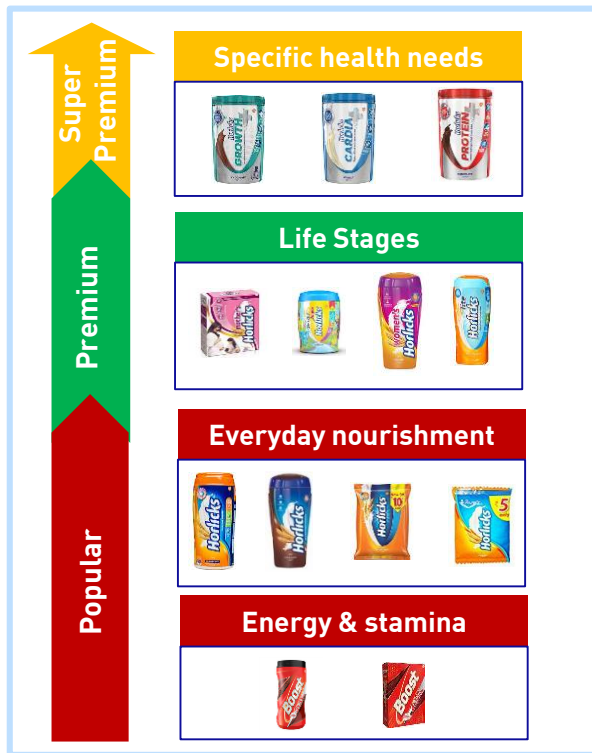
24%

Overall penetration

14%

Rural penetration

Opportunity across consumer segments



Strong clinical claims



Taller, Stronger, Sharper



Healthier Blood



Better Concentration



More Muscles



Healthy Weight Gain



More Bone Area



Supports Immunity

HUL can unlock significant synergies

Growth



Drive Penetration



Upgrade and Premiumize



HUL distribution multiplier



Unlock North & West



Future Ready Formats

Cost



Operational improvement
Supply Chain opportunities



Go-to-market and
distribution network optimization



Scale efficiencies in areas
such as Advertising



Overhead and Administration
cost efficiencies

HUL a FMCG Power-House with Right-to-Win and Proven Track Record

HUL a FMCG Power-House with Right-to-Win and proven track record

Driving Market Development in categories with low penetration

Powered by education demos and sampling

8x increase in consumer connects



2014

Consumer
contacts



2017

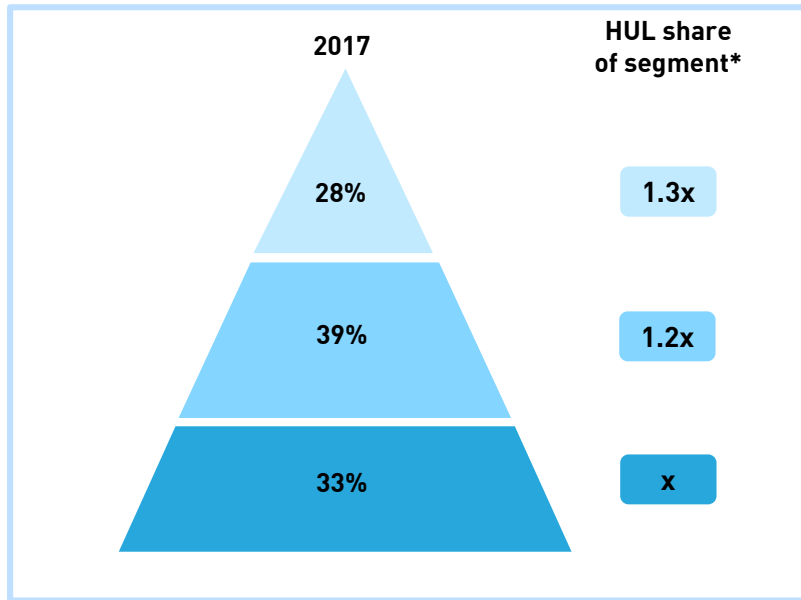
Segments of Future growing at >HUL average



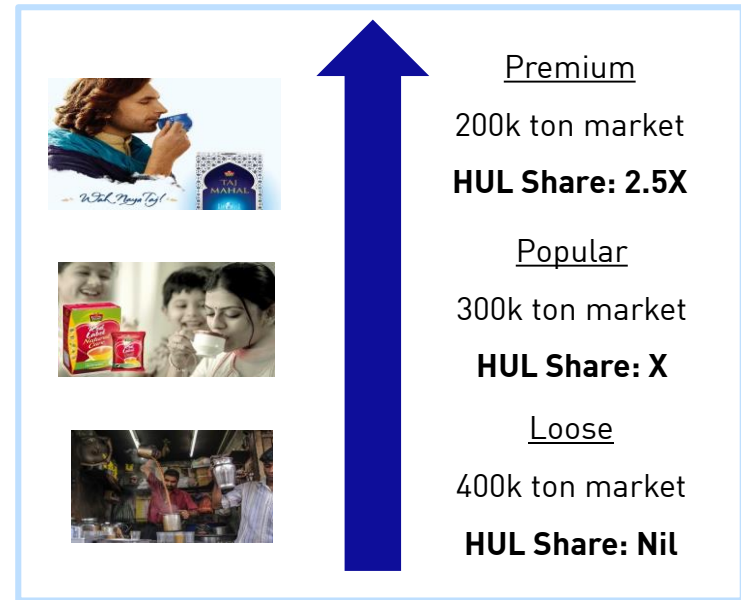
HUL a FMCG Power-House with Right-to-Win and proven track record

Driving Premiumisation

Secular trend of premiumization



Example : Tea



*Source: Nielsen MAT Sep'18 (Urban + Rural)

HUL a FMCG Power-House with Right-to-Win and proven track record

Transformative Customer Development capabilities

3x Boost to Direct Coverage



Demand Capture
Right outlets, Right
frequency, Right
assortment



Demand Fulfill
On time delivery at
optimal cost



Demand Generate
World class in store
execution

HUL Capabilities



**More Stores
and Direct Reach**



More Assortment



**Democratize Ordering
More Stores under
B2B App**



**Speed of Delivery
Scale up N+2**



**Robotization
Automate Depot Operations**



**More Efficiency
Improve Capacity Utilization
of front & back end**



**Wire Up
Program Stores Partnerships**



**Direct to Consumer
Humarashop**

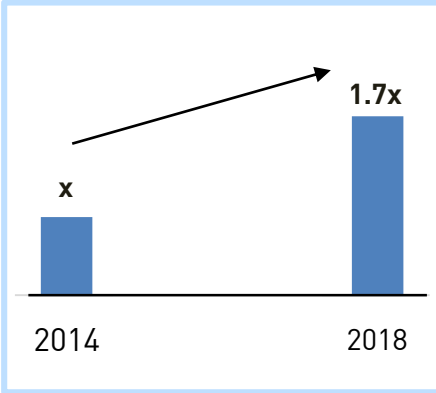
HUL a FMCG Power-House with Right-to-Win and proven track record

Generating fuel for growth

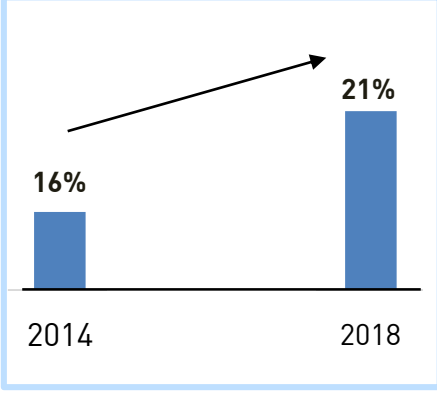
End-to-end cost focus



Savings as a % of Turnover

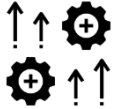


EBITDA as % of Turnover



HUL can unlock significant synergies

Growth



Drive Penetration



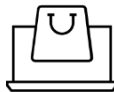
Upgrade and Premiumize



HUL distribution multiplier



Unlock North & West



Future Ready Formats

Cost



Operational improvement
Supply Chain opportunities



Go-to-market and
distribution network optimization



Scale efficiencies in areas
such as Marketing



Overhead and Administration
cost efficiencies

Double-digit growth in medium-term
Full synergy benefits estimated: 800-1000 BPS to margins

Transaction Overview

Proposed Transaction

- GlaxoSmithKline Consumer Healthcare Limited (GSK CH India) to merge with HUL in an all equity merger
- Brands owned by GSK CH India (Boost, Viva and Maltoval) to be retained by merged entity
- Horlicks Brand in India and International markets* currently owned by GSK Plc (including Group Companies) is being acquired by Unilever

Value Equation

- GSK CH India valued at Rs. 317Bn (equity value)
- Share Swap Ratio: 4.39 HUL shares for every 1 share held in GSK CH India

Ownership post-merger

- GSK Plc (including Group Companies) to own 5.7% of merged entity
- Unilever shareholding in merged entity will be 61.9% vs. 67.2% prior to the merger

Timelines

- Completion anticipated in one year subject to shareholders' and regulatory approvals

OTC / OH[^]

- HUL will distribute GSK's Over-the-Counter and Oral Health products under a consignment selling agreement (5years)

**Bangladesh and 20 other markets, predominantly in Asia*

^ Over the Counter and Oral Health Consignment Selling operations

Summary

- ✓ Acquisition “On-Strategy” , leveraging the Mega-Trend of Health & Wellness
- ✓ Iconic brands combined with HUL capabilities will unlock significant growth opportunities
- ✓ Share Swap Ratio: 4.39 HUL shares for every 1 share held in GSK CH India
- ✓ Transaction value accretive for HUL shareholders; synergies on revenue and cost
- ✓ Completion anticipated in one year subject to shareholders’ and regulatory approvals

THANK YOU

For More Information



VISIT OUR WEBSITE

<http://www.hul.co.in/investorrelations/>

**If you're an institutional investor: contact our IR Team
Investor.Relations-hul@unilever.com**

**All other shareholders: contact Corporate Communications
Prasad Pradhan at P.Pradhan@unilever.com**