

# WINNING TODAY WINNING TOMORROW

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**NITIN PARANJPE • ANNUAL INVESTOR MEET 2013**



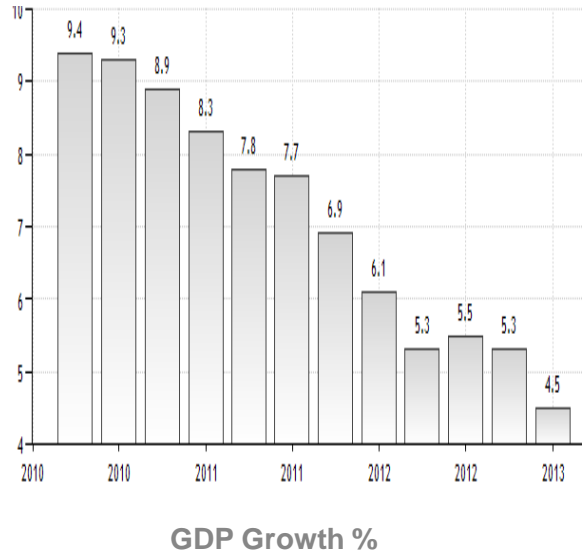
Hindustan Unilever Limited

# SAFE HARBOR STATEMENT

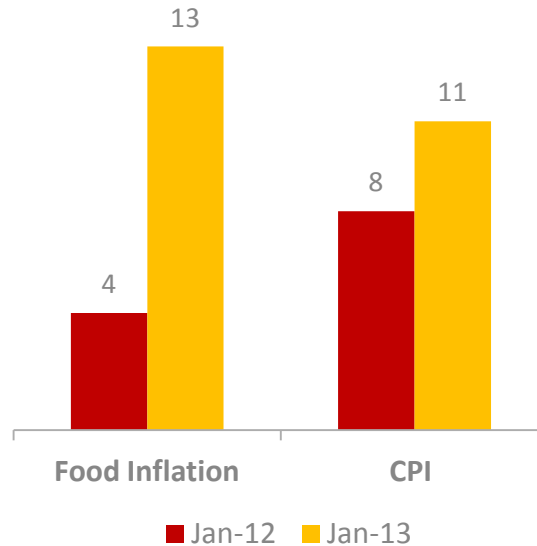
This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations 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.

# FY 2012-13: A CHALLENGING ENVIRONMENT

## Slowing Economic Growth



## Rising Consumer Inflation



## Weak Sentiment

### India Inc's business sentiment declines

PTI ■ NEW DELHI the previous quarter to 126.6 the survey said. level. The  
points at the end of June from The survey measures busi- tments  
Corporate India's confi 124.0 points in the March rise confidence on four indi- clouded  
Puneet Wadhwa | New Delhi February 3, 2013 Last Updated at 00:44 IST

### Inflation, slow growth dent Indian consumer optimism: Credit Suisse

### 'Urban India consumer confidence slips'

AGENCIES: NEW DELHI, OCT 03 2012, 16:14 IST

Tags: Consumer Confidence | CCI Index | BluFin CCI | India Economy | Economy News

TODAY'S MARKET

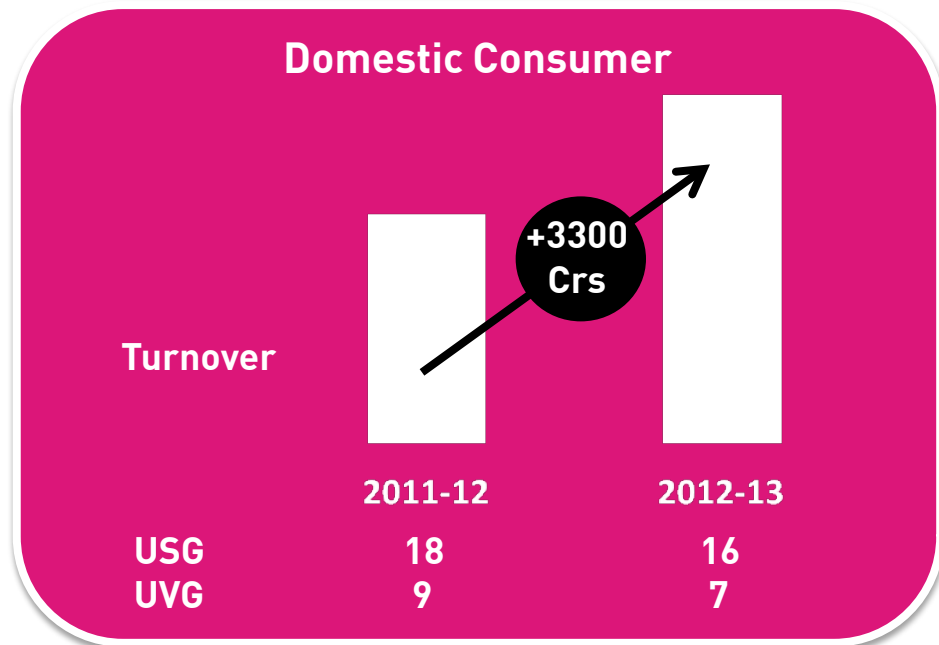
BSE	19016.46	↑ 1.52
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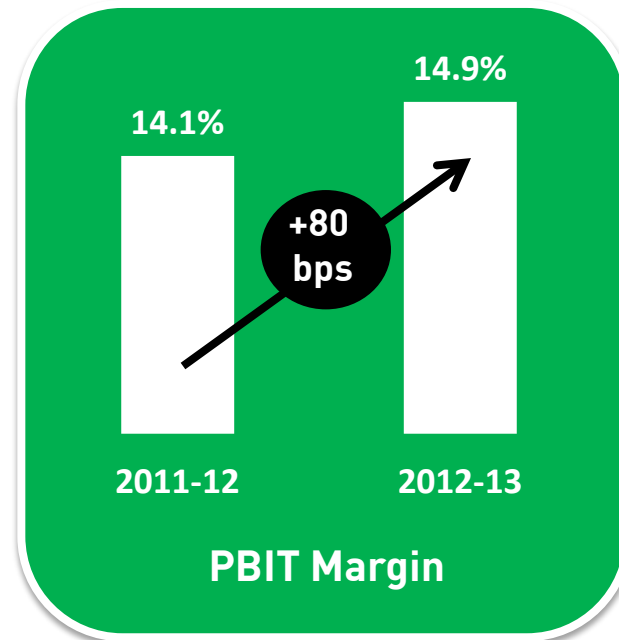
Concerns ove essential com

# WE HAVE DELIVERED ON OUR GOALS

## Consistent & Competitive Growth



## Profitable Growth



# MADE PROGRESS ON OUR SUSTAINABILITY PRIORITIES

HELP  
**1 BILLION**  
PEOPLE IMPROVE  
THEIR HEALTH  
& WELL-BEING



**45 million** people gained access to safe drinking water through **Pureit**



**47 million** people touched by **Lifebuoy** handwashing programs since 2010

**HALVE**  
ENVIRONMENTAL  
FOOTPRINT OF  
OUR PRODUCTS



**Reduced CO<sub>2</sub> emissions by 22%, water use by 29%, waste by 77%\***



Out of 38, **30 HUL factories** have become **zero discharge sites**



**30,000 climate friendly freezers** with Hydrocarbon technology

SOURCE  
**100%**  
OF AGRICULTURAL  
RAW MATERIALS  
SUSTAINABLY

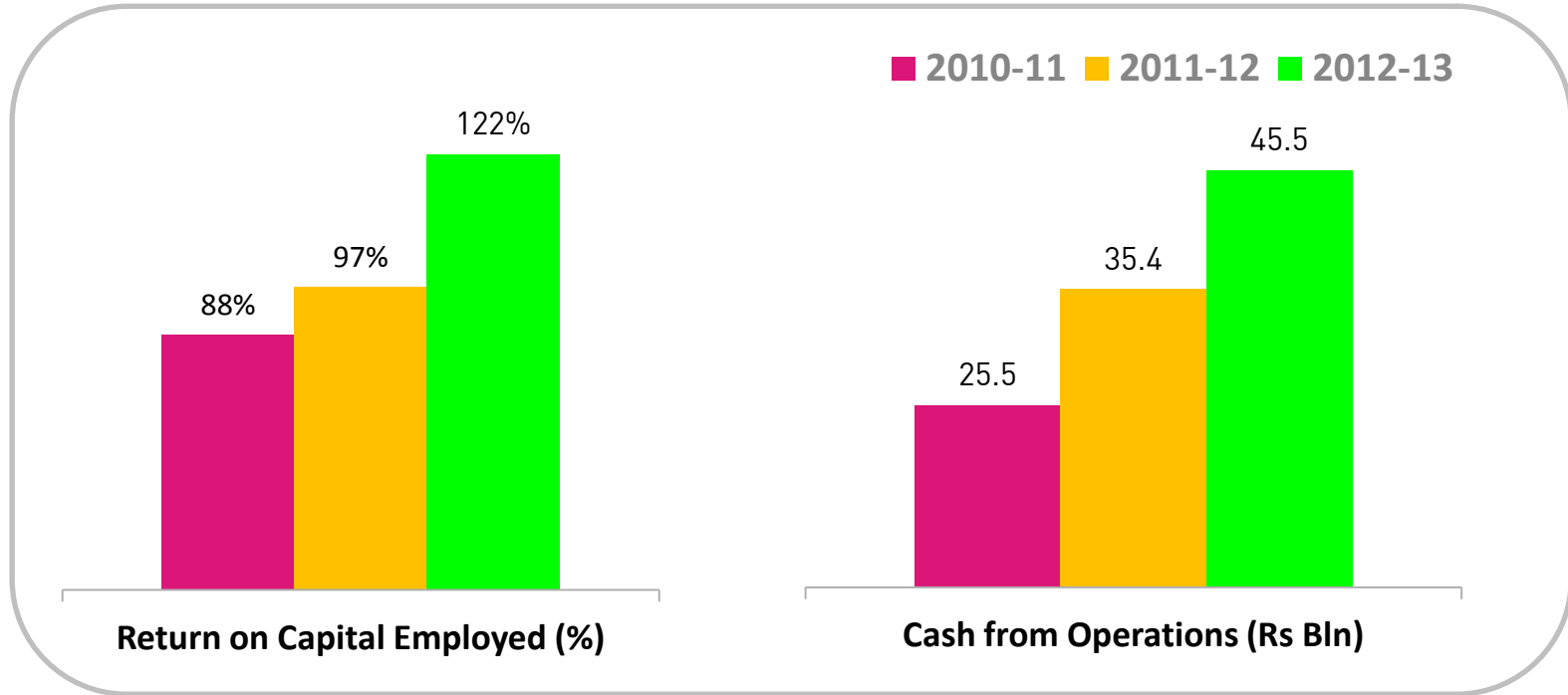


**69% of our agri raw materials** sourced from sustainable sources



**100% of palm oil products** sourced in 2012 backed by sustainability certificates

# SUSTAINED OUR STRONG TRACK RECORD



# CONTINUED TO BUILD BIGGER BRANDS



**NOW RS 1000 CR+**

Soap | Facewash | Bodywash | Body Lotions | Deodorant | Shampoo | Conditioner | Hair Oils



2010-11

**7**



2012-13

**10**

# CONTINUED TO WIN WITH CONSUMERS & CUSTOMERS

18 HUL brands feature in 'Most Trusted Brands' 2012 List



'Supplier of the Year' Award from Walmart, Tesco, Metro, Hypercity





# RETAINED OUR TOP EMPLOYER POSITION



**Employer Brand**

**Best Employer**

**Best Employer Brand Asia**

**Dream Employer : 4 Years in a row**

# CONTINUED TO BE RECOGNIZED

## Forbes

HUL in Super 50 list of  
'The World's Most  
Innovative Companies'

## FORTUNE

HUL No. 2 in Fortune  
India's list of Most  
Admired Companies

## AIMA

ALL INDIA MANAGEMENT ASSOCIATION

HUL is Multinational of the  
Year at AIMA Managing  
Awards 2013

## AON

HUL recognized for Best  
in Class Reward Practices  
by Aon Hewitt



Golden Peacock Awards®

HUL wins Golden Peacock  
Occupational Health &  
Safety Award 2012



HUL wins  
FICCI Water  
Awards 2012

## IR GLOBAL RANKINGS

HUL recognized at the  
Investor Relations Global  
Rankings 2012



Silver Award for DuPont  
Global Packaging Award 2012



Asian Centre for  
Corporate Governance & Sustainability

HUL wins Best Audit Committee  
at the Asian Centre for Corporate  
Governance, Sustainability &  
Leadership Awards 2013

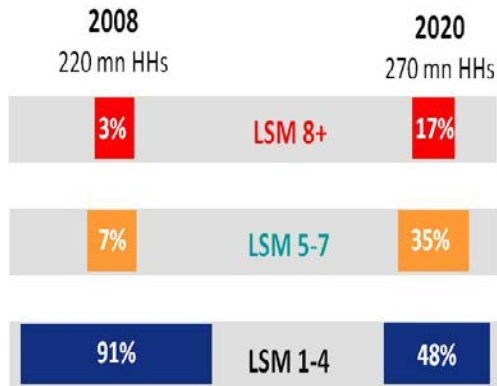


Super Platinum  
Award at Frost &  
Sullivan's India  
Manufacturing  
Excellence Awards



# LOOKING AHEAD, THE OUTLOOK FOR FMCG IN THE MEDIUM – LONG TERM REMAINS ATTRACTIVE

## Growing Affluence



## Rising Aspirations

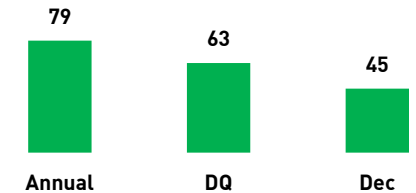


## Headroom for Growth

### Skin care € per capita consumption



### Skin care penetration



# HOWEVER, IN THE NEAR TERM..

## India consumer price inflation among the highest in the world

on a year ago, consumer price infla

Economy & Policy » News » News

BS Reporter | New Delhi April 10, 2013 Last Updated at 00:49 IST

varty

Tue, Mar 12 2013, 08:45 PM IST

Fitch Ratings says India growth outlook uncertain

## BluFin consumer confidence index pessimistic for February

Namrata Singh, TNN | Mar 5, 2013, 05:12 PM

## FY14 growth outlook cut to 6%

The Asian Development Bank says inflation to remain high in this fiscal as well

## India Inc divided on 2013-14 economic outlook

SHARE · COMMENT · PRINT · T+

OUR BUREAU

NEW DELHI, JAN. 7: As the world waits for a recovery from a parched global economic landscape, India's reform push to forge ahead.

Rediff.com » Business » Policy paralysis in 2013 again?

## Policy paralysis in 2013 again?

December 31, 2012 12:46 IST

## India Unexpectedly Slashed Its GDP Growth Forecast To A 10-Year Low

Agence France Presse | Feb. 7, 2013, 8:20 PM | 1,967 | 10

BUSINESS » ECONOMY

## HSBC, Morgan Stanley lower India's growth forecast to 6%

MUMBAI, March 13, 2013

Crisil cuts 2013-14 GDP growth forecast to 6% from 6.4%

TNN | Apr 16, 2013, 07:28 AM

## CPI inflation is key to India's macro outlook

Moneylife » Economy & Nation » Economy » CPI inflation is key to India's macro outlook

Recommend

## No impact of proposed economic reforms: BluFin

India Infoline News Service/ Mumbai 18:02, Feb 07, 2013

Data reveals weak sentiment about future employment conditions with resultant expectations of lowered household income contributing to the decline.

## Rupee swung wildly by 18% in 2012; may remain volatile in 2013

PTI Dec 30, 2012, 10:24 AM IST

# WE REMAIN COMMITTED TO OUR STRATEGY

## Strategic framework

THE COMPASS	
WE ARE UNLEVER...	
VISION	<p><b>WE ARE A SUCCESSFUL, GROWING, SUSTAINABLE BUSINESS</b></p> <p><b>WE WANT TO CREATE A BETTER FINANCIAL STORY BUT</b></p> <p>We help people feel good, look good and get more out of life with brands and services that are good for them and good for others.</p> <p>We will inspire people to take small everyday actions that can add up to a big difference for the world.</p> <p>We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.</p>
MISSION	<p><b>WE FOCUS ON CUSTOMERS AND (CO)BRANDS WITH A VIEW TO WIN</b></p> <p>Our first priority is for our customers, then customers, employees and communities. When we build our responsibilities to them, our shareholders, and the world.</p> <p>We will aim through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and high performance.</p>
WHERE WE WILL WIN...	
PROCESSES	High share and growth volume in every category and country
HOW WE WILL WIN...	
HOW WE WILL WIN...	1. Define scope for products, brands, branding and marketing
	2. Support, better, faster innovation
	3. Appeal to more consumers across roads and price points
	4. Lead market development
	5. Win with existing customers
Winning in the marketplace	6. Be innovative across touch
	7. Learn, respond and consumer led value chain
	8. Drive return on brand equity
Winning through continuous improvement	9. Agile, cost competitive organization
	10. Regulations and diverse talent pipeline ready to match our growth ambitions
Winning with people	11. Performance culture which supports our values
	12. Leverage our operating framework for competitive advantage

## Sustainable Living Plan



## Our Goals

### Winning Today, Winning Tomorrow

- Consistent **Growth**
- Competitive **Growth**
- Profitable **Growth**
- Responsible **Growth**

1

# DRIVING PREFERENCE WITH CONSUMERS

**WINNING TODAY  
WINNING TOMORROW**

# REACHING UP, DOWN AND WIDE

## Straddling the pyramid



## Accessible packs/formats





# SUPERIOR PRODUCTS & SERVICE

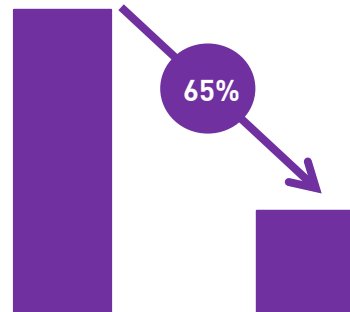
## Blind Product Wins



2010

2012

## CRQS Red Incidents %



2011

2012

## Redefining Standards

**3 Days Delivery Guarantee**  
Or Germkill Kit Free

1860 180 1000 [www.pureitwater.com](http://www.pureitwater.com)



**35,000** consumers

reach out to us every month asking questions about our launches.

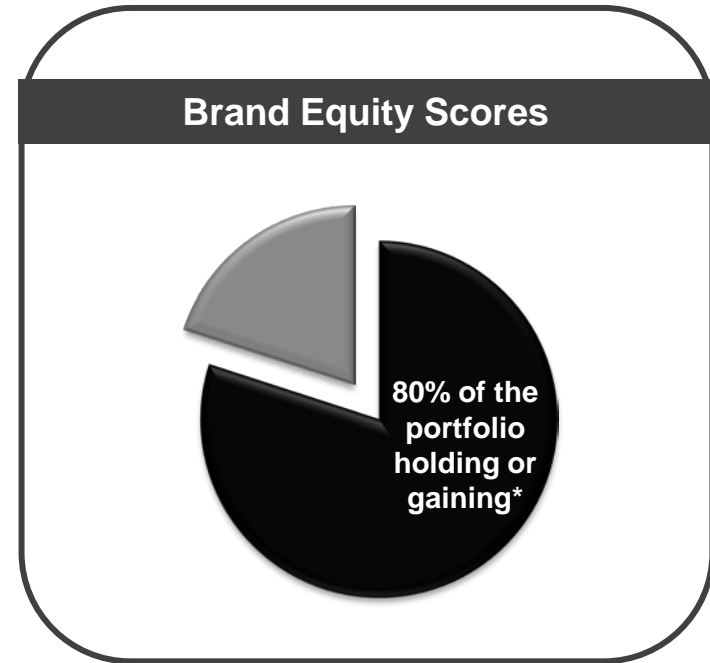
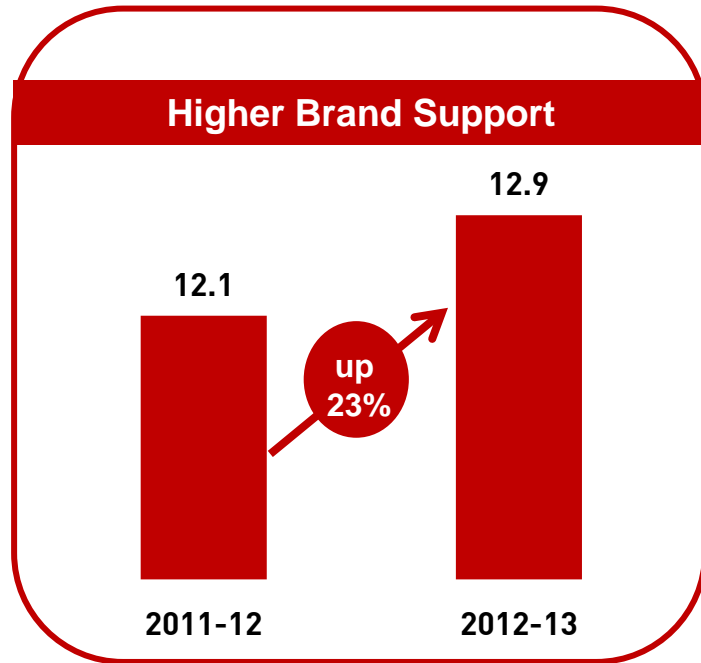
# EXCITING INNOVATION ACROSS THE PORTFOLIO



Innovation touched >50% of portfolio in 2012



# COMPETITIVE BRAND INVESTMENTS



*\*Measured for the top 25 brands; Q42012 Vs. Q42011*

2

# 'BE DIGITAL' : EMBRACING THE CHANGE

**WINNING TODAY  
WINNING TOMORROW**

# LEARN

Hindustan Unilever Ltd forays into digital advertising space in a big way

By Kala Vijayaraghavan, ET Bureau | 28 Mar, 2013, 05.55AM IST

7 comments | Post a Comment

## Structured Interventions



>10,000 man hours

500+ people

Reverse Mentoring

## Digital Hub



Launched March 2013

3<sup>rd</sup> largest globally

## Mobile Day



Employee Immersions

Voice / Video  
Social / Search  
Apps / Games

## Media Lab



Launch in May 2013

# CREATE



Social



Video

An advertisement for Keratinology. It features a woman's face on the left with the text "WHAT HAIRSTYLE SHOULD I GO FOR? HELP ME CHOOSE!". To the right are four circular icons showing different hairstyles. Further right is the Keratinology logo and the text "SALON BEAUTY FOR LONGER". Below that are images of hair care products and the text "GET HAIR CUTS, SPAS AND COLOUR" and "VISIT THE HAIR STUDIO".

Search



Mobile



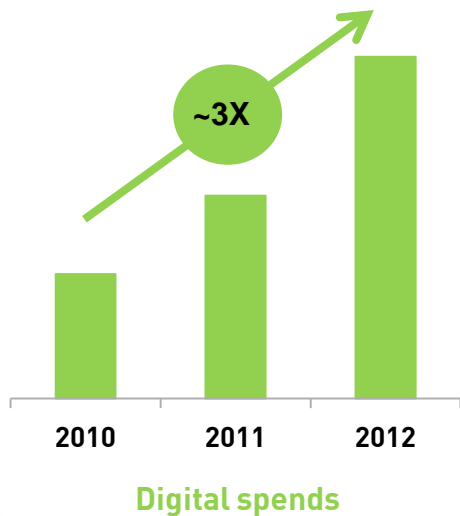
An advertisement for the "Wheel" brand. It features a man and a woman in a romantic pose. To the right is a product labeled "Wheel". Below the image is the text "मिस्ट कॉल दीजिए, मुस्कुराते रहिए" and a phone number "1800-3000-1599".

# MEASURE

&

# OPTIMIZE

Stepping up investments



Working with CMI to measure



Optimizing Planning





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# BUILDING THE EXECUTION EDGE IN THE MARKETPLACE

**WINNING TODAY  
WINNING TOMORROW**

# IT ENABLING FEET ON THE STREET

Front Line of Execution

Enabled by a Smart Device

Strong IT backbone



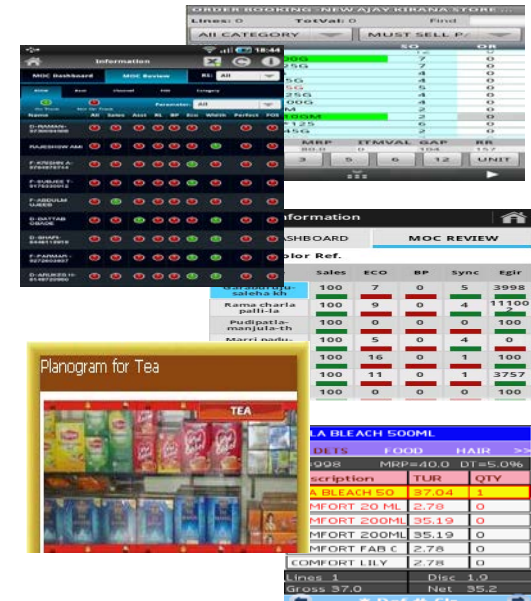
Samsung Android Tablet

Smartphone Android & Windows

Smartphone Android & Windows

Entry level Android Smartphone

Entry Level Mobile phone on Java



Every Day Great Execution

# DRIVING QUALITY OF REACH: PERFECT STORES

## The Perfect Store

- **Right** Availability
- **Right** Assortment
- **Right** Merchandising

Bill Data + Sophisticated Analysis  
= Simple Outlet level Jobs To Be Done

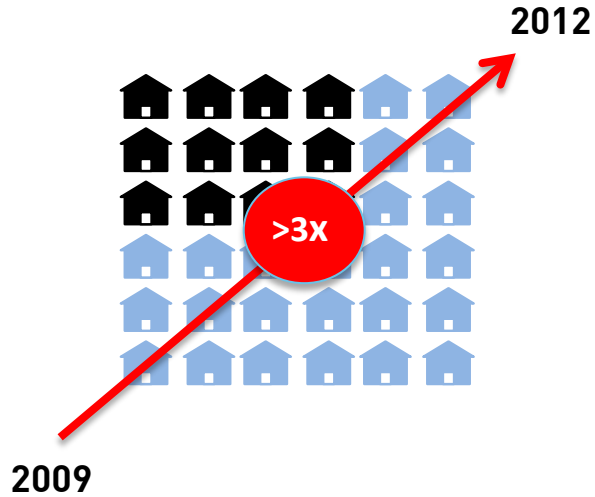


Deploying technology and analytics to win in the marketplace

**Perfect Stores growth & share > Other Stores growth & share**

# SCALING UP IN RURAL

Dramatic expansion in reach  
Reach = Competitive Advantage



## Shakti



48,000 Shaktiammas

>30,000 Shaktimaans

135,000 Villages

## HUL - Tata Teleservices Alliance



Active in 13 Circles

# LEADING MARKET DEVELOPMENT IN RURAL

Driving adoption of new categories



Retail  
Contact



Consumer  
Awareness

# WINNING IN MODERN TRADE

## Customer Collaboration



Category Advisorship with  
Bharti Walmart for Personal  
Wash, Hair and Skin

## In-Store Execution



Dominant POS visibility across  
key stores with modular, cut  
through assets

## Shopper Activation



- Joint Shopper Activation Partnerships with Key Customers
- Shopper Soulmate and Food Ambassador Models

# BUILDING CAPABILITY FOR SHOPPER INSIGHT

Be wise, Brandwise.



Customer Insight and Innovation Centre

Is your brand in these stores yet?  
**It should be.**



Food Point



Welcome Kirana Store



Janata General Store



Modern Trade Health & Beauty

Every kind of store out there in the market place  
**is right here at Unilever.**  
But, is your brand in those stores?

4

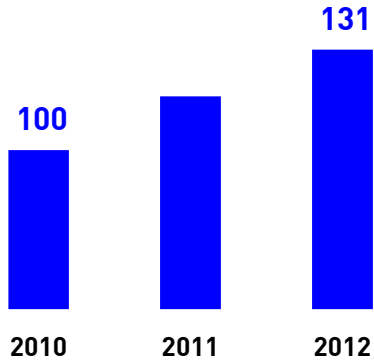
# LEAN, AGILE & EFFICIENT

**WINNING TODAY  
WINNING TOMORROW**

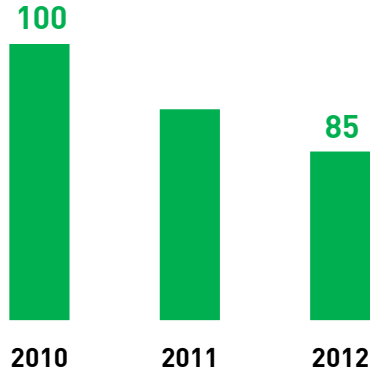


# END TO END COST FOCUS

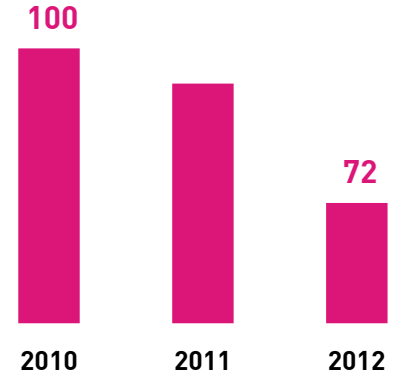
Cost Savings\*



Non Material Supply Chain Costs\*



Overheads\*

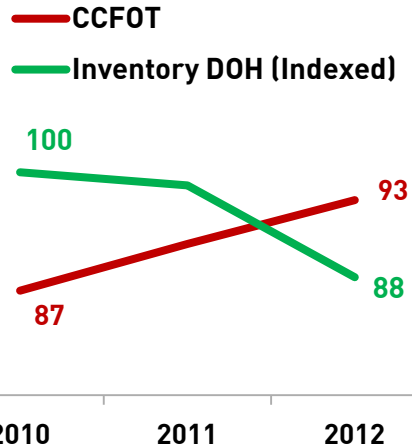


Savings Up, Costs Down

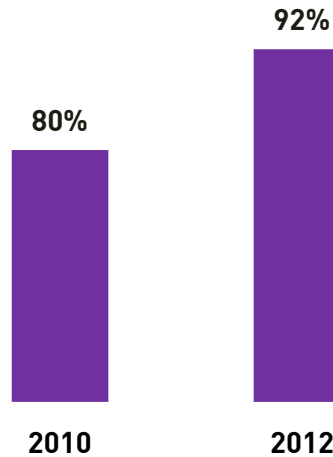
\*All charts indexed to 2010 (Base = 100)

# EFFICIENT SUPPLY CHAIN

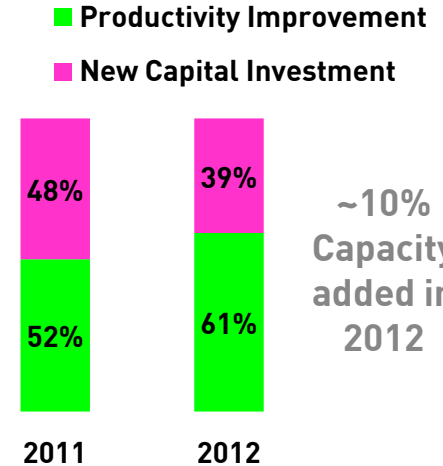
## Service up, Inventory down



## Innovation OTIF



## Capex Productivity



5

# AN ORGANIZATION WITH A WINNING CULTURE

**WINNING TODAY  
WINNING TOMORROW**

# WINNING WITH & THROUGH OUR PEOPLE

Strong  
Values

**INTEGRITY**  
**RESPECT**  
**RESPONSIBILITY**  
**PIONEERING**

Organizational  
Diversity



Consumer &  
Customer Centricity



Bias for  
Action



PERFORMANCE CULTURE

# HUL WELL POSITIONED

A Compelling Framework

**THE COMPASS**

**WE ARE UNLIVER.**

**VISION**  
We are a sustainable, profitable, accountable business.

**MISSION**  
We focus on customers and employees with a bias for action.

**AS WE WORK TO CREATE A BETTER FUTURE EVERY DAY**  
We have a purpose that goes beyond profit and growth. We are committed to the well-being of our people and the planet. We are committed to the well-being of our people and the planet. We are committed to the well-being of our people and the planet.

**WHERE WE WILL WIN.**

**HOW WE WILL WIN.**

HOW WE WILL WIN	OUR BRANDS	OUR PEOPLE	OUR OPERATIONS
Deliver superior products, services and solutions	1	1	1
Attract, retain and develop talent	2	2	2
Improve financial performance	3	3	3
Attract and retain customers	4	4	4
Attract and retain investors	5	5	5
Attract and retain talent	6	6	6
Attract and retain customers	7	7	7
Attract and retain investors	8	8	8
Attract and retain talent	9	9	9
Attract and retain customers	10	10	10
Attract and retain investors	11	11	11
Attract and retain talent	12	12	12
Attract and retain customers	13	13	13
Attract and retain investors	14	14	14
Attract and retain talent	15	15	15
Attract and retain customers	16	16	16
Attract and retain investors	17	17	17
Attract and retain talent	18	18	18
Attract and retain customers	19	19	19
Attract and retain investors	20	20	20

A collage of images showing people and water, including a woman washing her face, a child drinking water, and a person using a water filter.

A Model Which Works



A Clear Set of Goals

- Consistent **Growth**
- Competitive **Growth**
- Profitable **Growth**
- Responsible **Growth**

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