Hindustan Unilever Limited

Merrill Lynch India Conference
Investor Presentation

2nd Feb 2009

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Agenda

FMCG Markets
Our Vision and Strategy
2008 in context
Financials & Summary

FMCG Markets

- **Sustain Robust Growth** –no slowdown in consumer spending
- **Broad based growth – Urban and rural;** Urban > Rural
- **Strong Volume growth** in Personal Care and Foods
- **Increase in Average Price** from pricing & premiumisation
- **Pricing element will come down going forward,** if downward commodity trend continues

Agenda

FMCG Markets

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Our vision


to earn the love and
respect
of India,
by making a
real difference
to every Indian.

Goal: Sustainable, competitive & profitable growth

STRATEGY

- Leverage brand portfolio and consumer understanding by
  - Straddle the pyramid
  - Driving consumption & penetration opportunity
- Leverage Unilever scale and know how
  - Build segments & markets for the future
  - Cost efficiencies
- Build capabilities for the future
- Integrate economic, environment & social objectives with business agenda
- Execution as critical as strategy

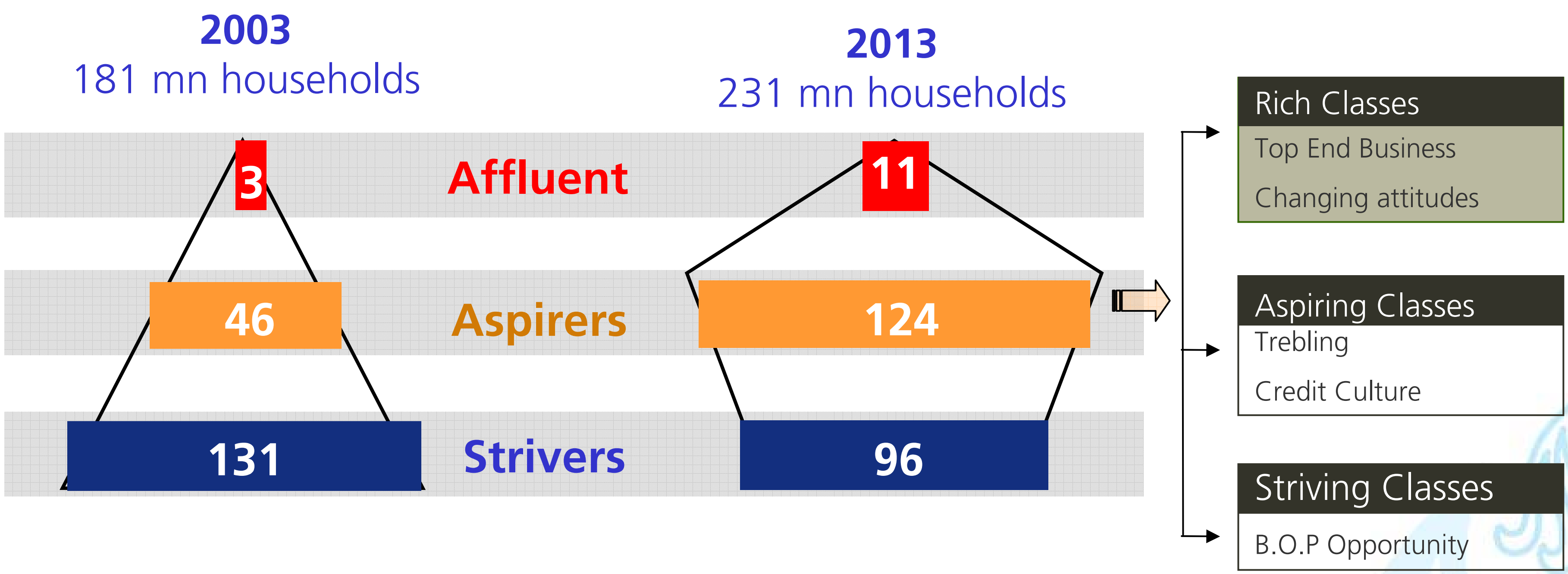
Leverage brand portfolio

Portfolio straddling the pyramid

Particulars	Laundry	Soaps	Shampoo	Skin	Tooth Paste	Tea	Coffee
HUL Share	38.1%	51.6%	46.3%	51.7%	29.6%	23.0%	45.2%
Nearest Competitor	12.2%	9.4%	23.7%	7.5%	48.5%	21.1%	39.2%

Source : A.C Nielsen 2008 Value shares

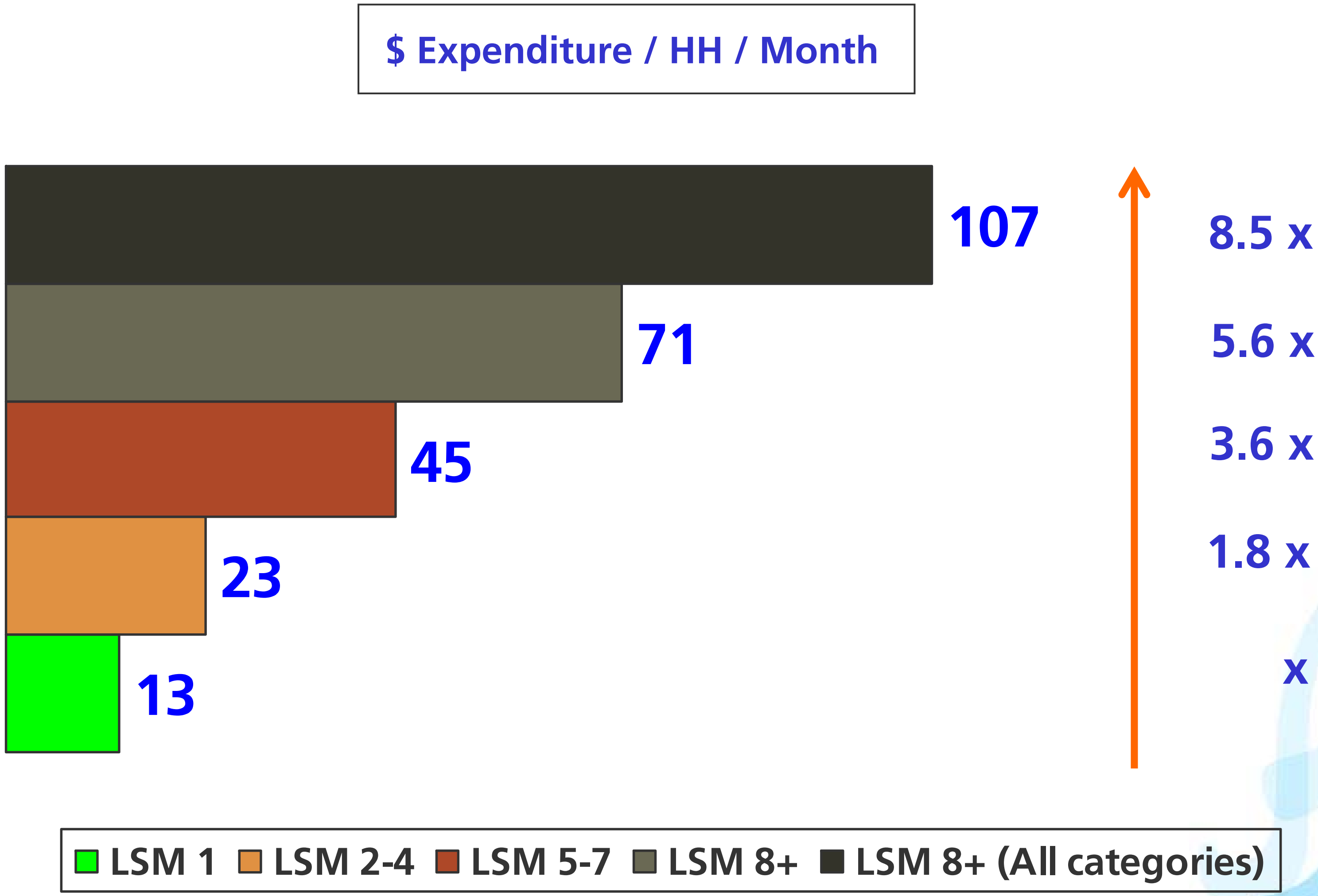
Changing Income Pattern



The shape of India is going to change… from a pyramid to a diamond

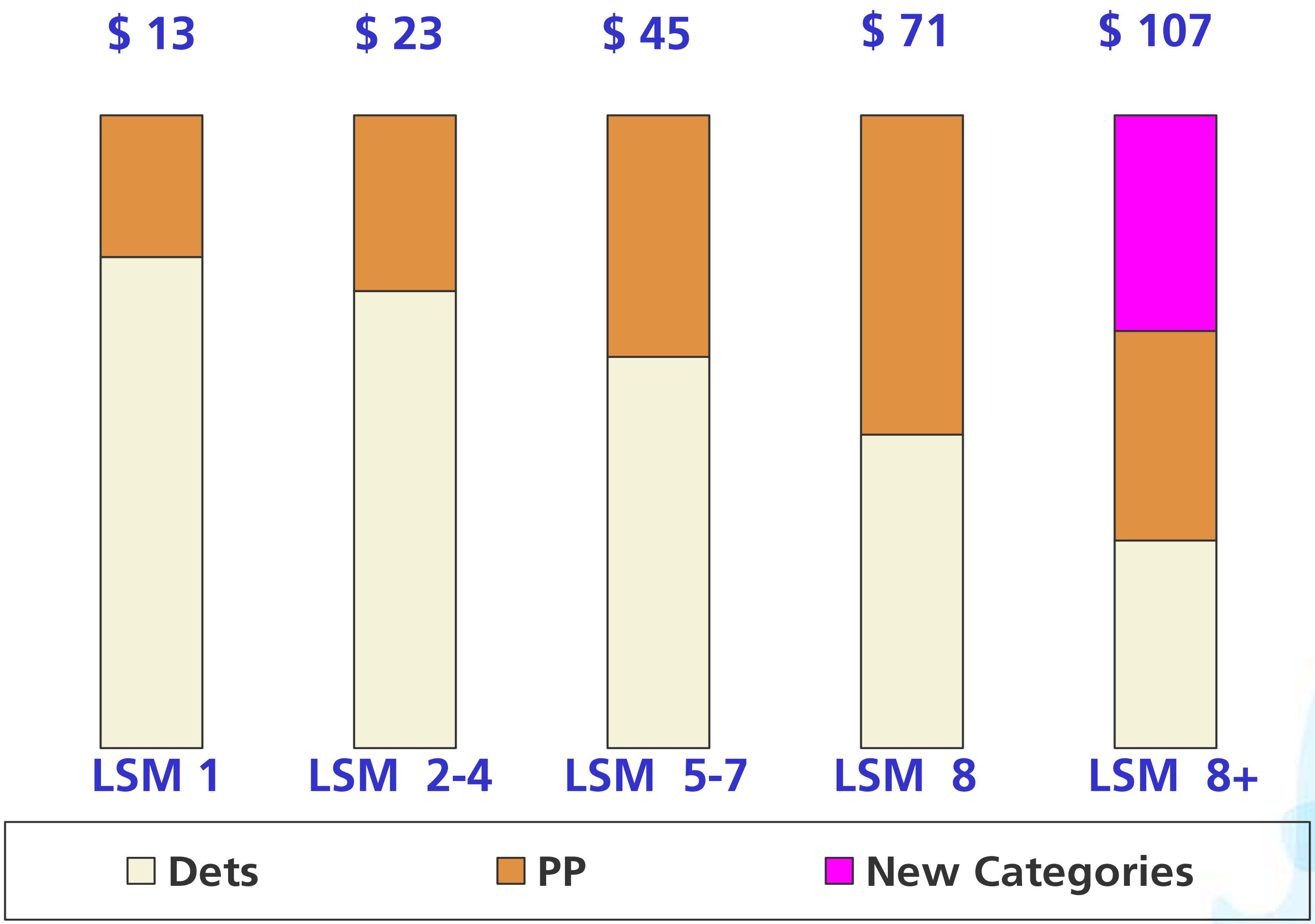
Source : National Council of Agriculture & Economic Research

Uptrading : Consumption Impact - HPC



Source : Family Budget Survey, Consumer Panel

Uptrading : HPC Mix Change



Source : Family Budget Survey, Consumer Panel

Uptrading : Dove Shampoos

Market Leader in MT in premium shampoos

Uptrading: Ponds Top End

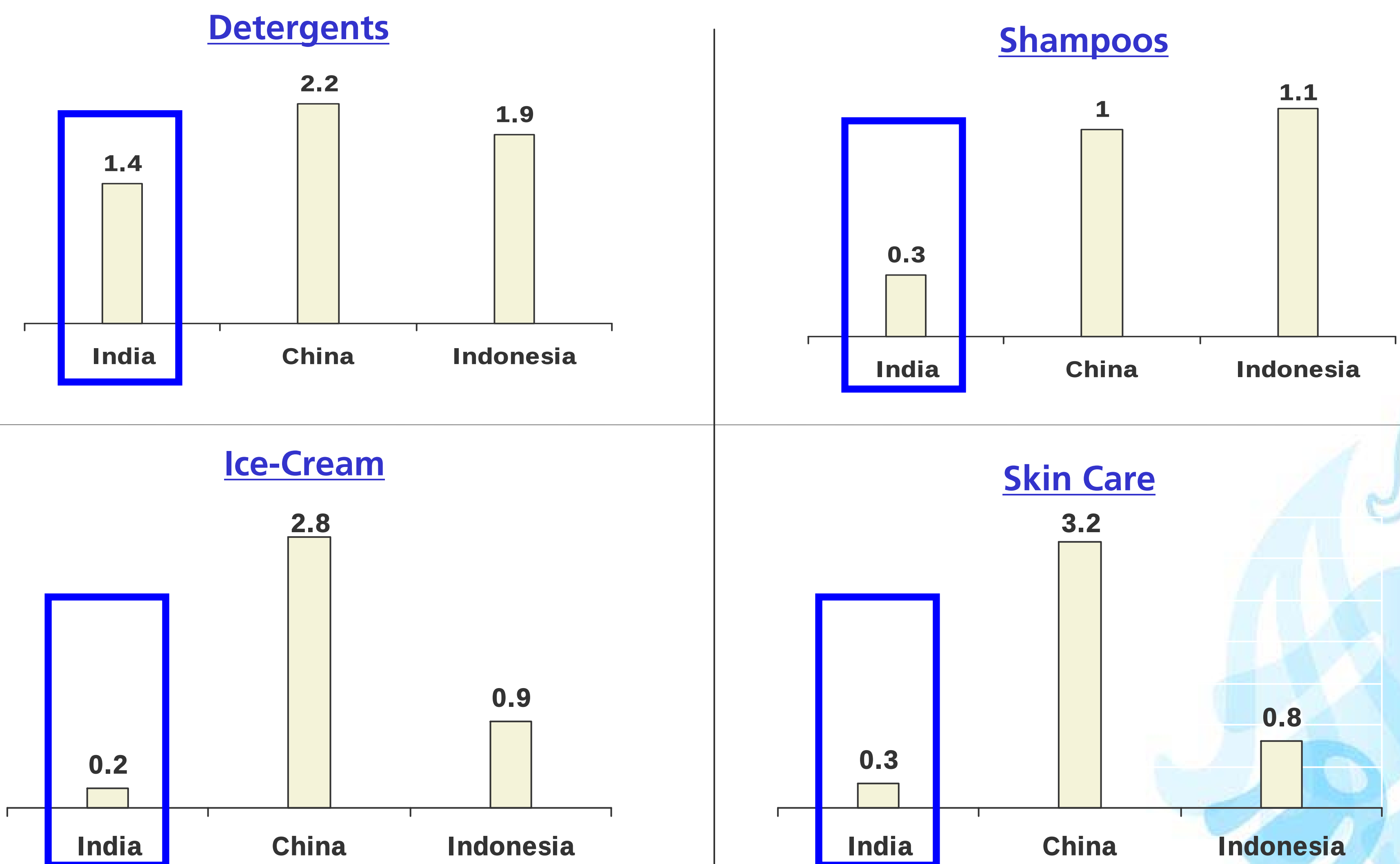
Market Leader in Anti Ageing Segment
(1.5 times share of next competitor)

Consumer Satisfaction Ratio : 89%

<u>Top End Counters</u>
Global trainers
More than 1000 advisors across 74 cities
More than 750 counters in operation

The Consumption Opportunity

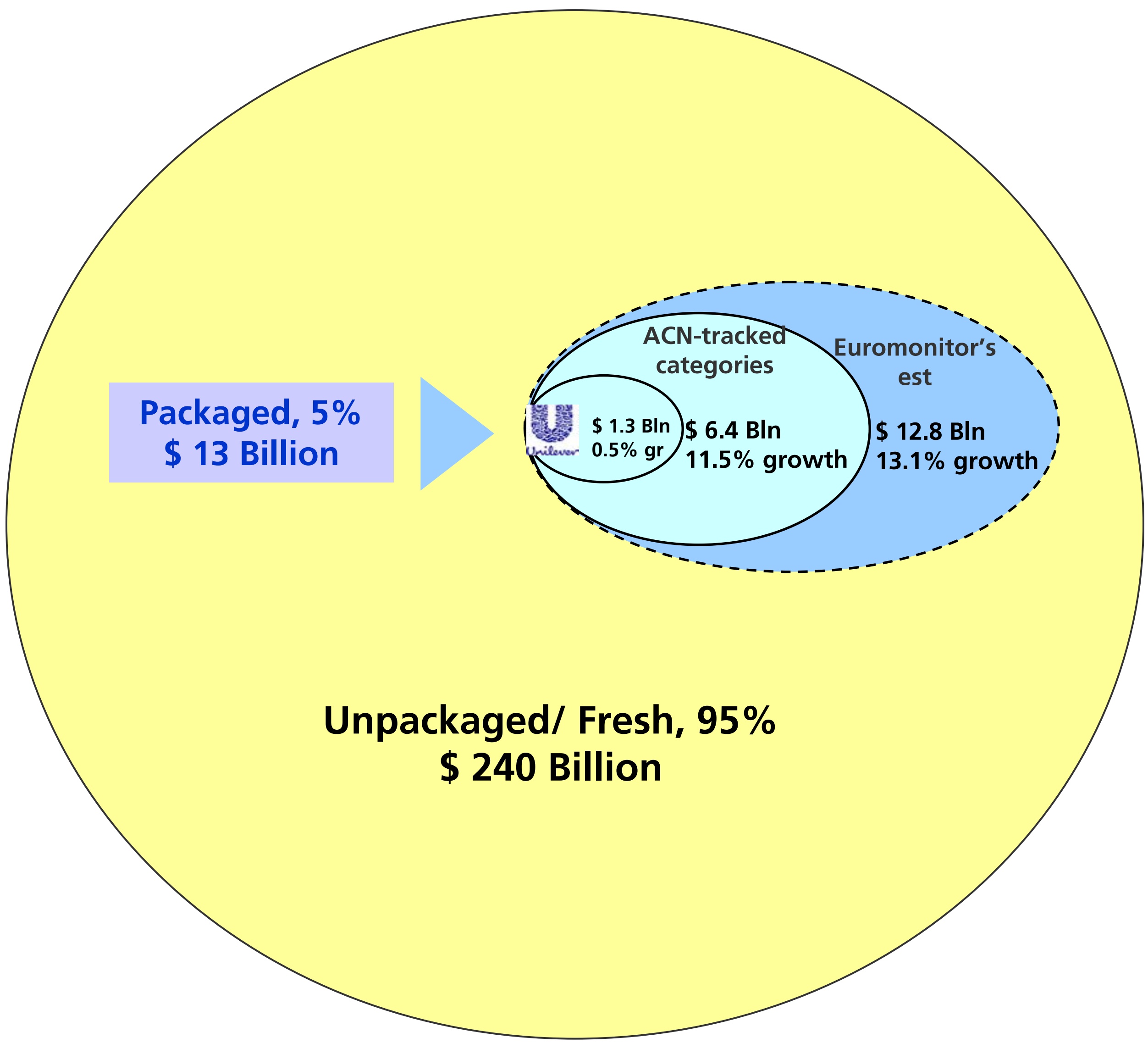
Per Capita Consumption (US $)



Source : Euromonitor, 2006

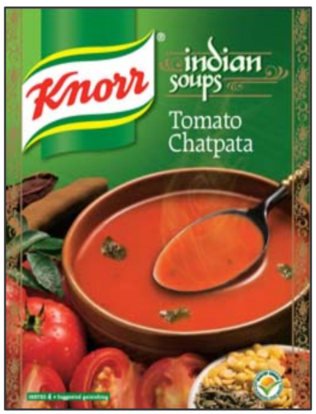
Processed Foods Opportunity

- Rising Incomes
- Nuclear families
- Convenience
- Trade Structure

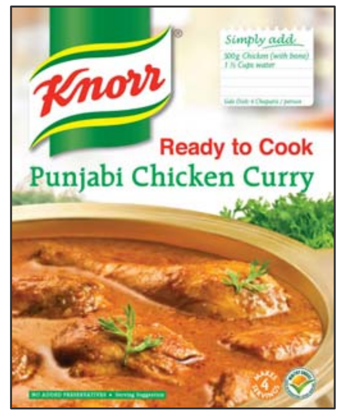


Building Category: Processed Foods

Soups



400 Cr ($80 m) Dish Maker Market growing at 25%



Meal Makers

Knorr enters the centre of the plate with the launch of Meal Makers and Indian Soups

Tapping 'Out of Home' Opportunity

60% LSM 8+ consumers work between 9 a.m. to 6 p.m.
Premium Market estimated at $ 300 mn. Growing over 20% p.a.

OoH – HUL Uniquely Poised

Brands

Lipton, Brooke Bond, Bru, Knorr

Strength in tea, coffee & soup

Serve 1.7 bln cups p.a.

Segment	Solution	Products
Top-end		Connoisseur Tea Bags, Turbo Tea
Masstige	 	Freshly brewed coffee, Ice Tea & Cold coffee
Penetration	 	Cardamom Tea, Bru Coffee, Tea Bag Tea

Some Key relationships

ICICI Bank

HSBC The world's local bank

Reliance Industries Limited

Infosys POWERED BY INTELLECT DRIVEN BY VALUES

दिल्ली मेट्रो रेल कॉरपोरेशन लिमिटेड DELHI METRO RAIL CORPORATION LTD.

DELL

WIPRO Applying Thought

GMR Creating tommorow today.

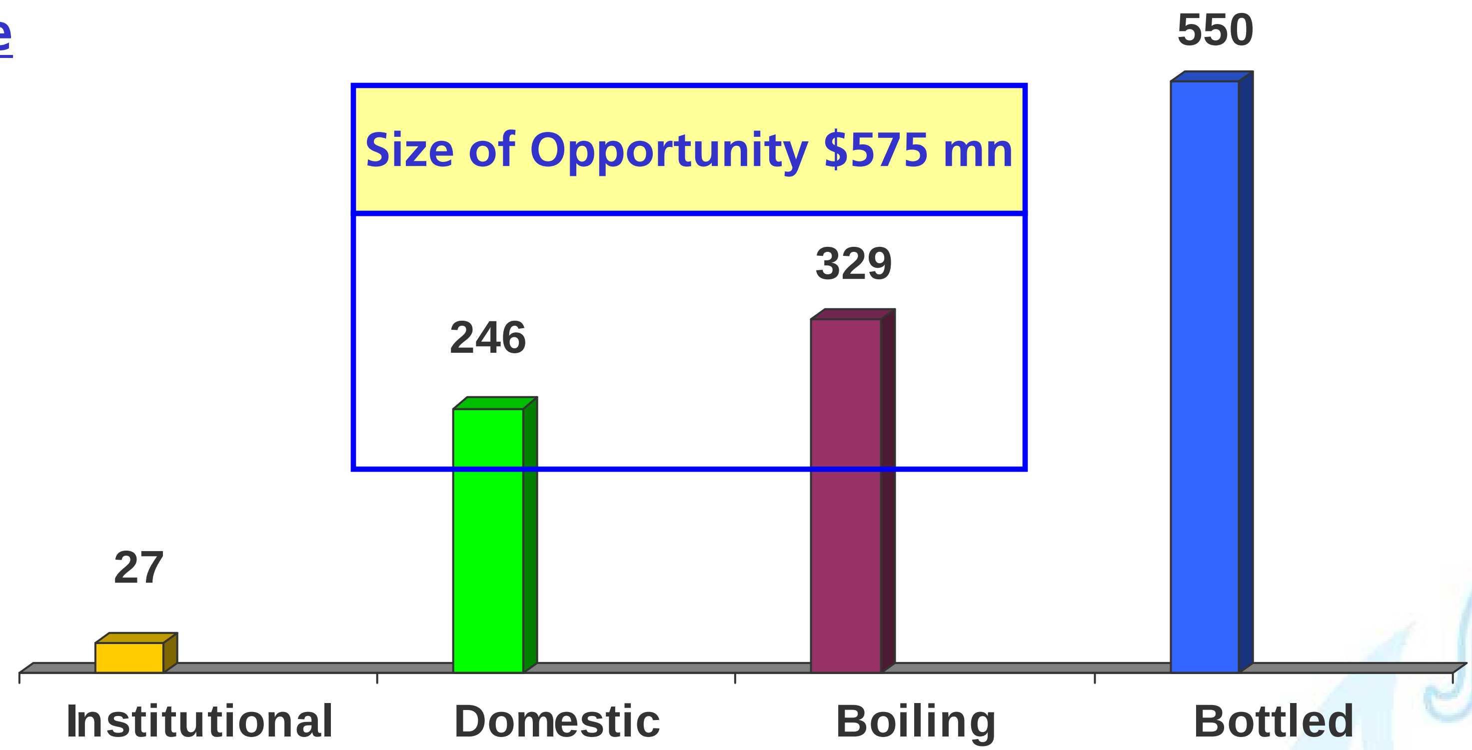
KFC

PVR CINEMAS

ADLABS Never a dull moment

Indian water purifier market 2007

Market Size
$ mn



Rs Cost Per Lt.	3.33	0.58	0.40	10.0

Cost of Pure-It Water including Initial Cost Rs 0.35 Per Litre

Pureit' … a breakthrough innovation

Complete protection … `as safe as boiled water'

Meets US EPA standards

Works without electricity, pressurized piped water

Affordable:

Device Rs 2000 ($40)

Germkill Battery Rs 350 ($7)

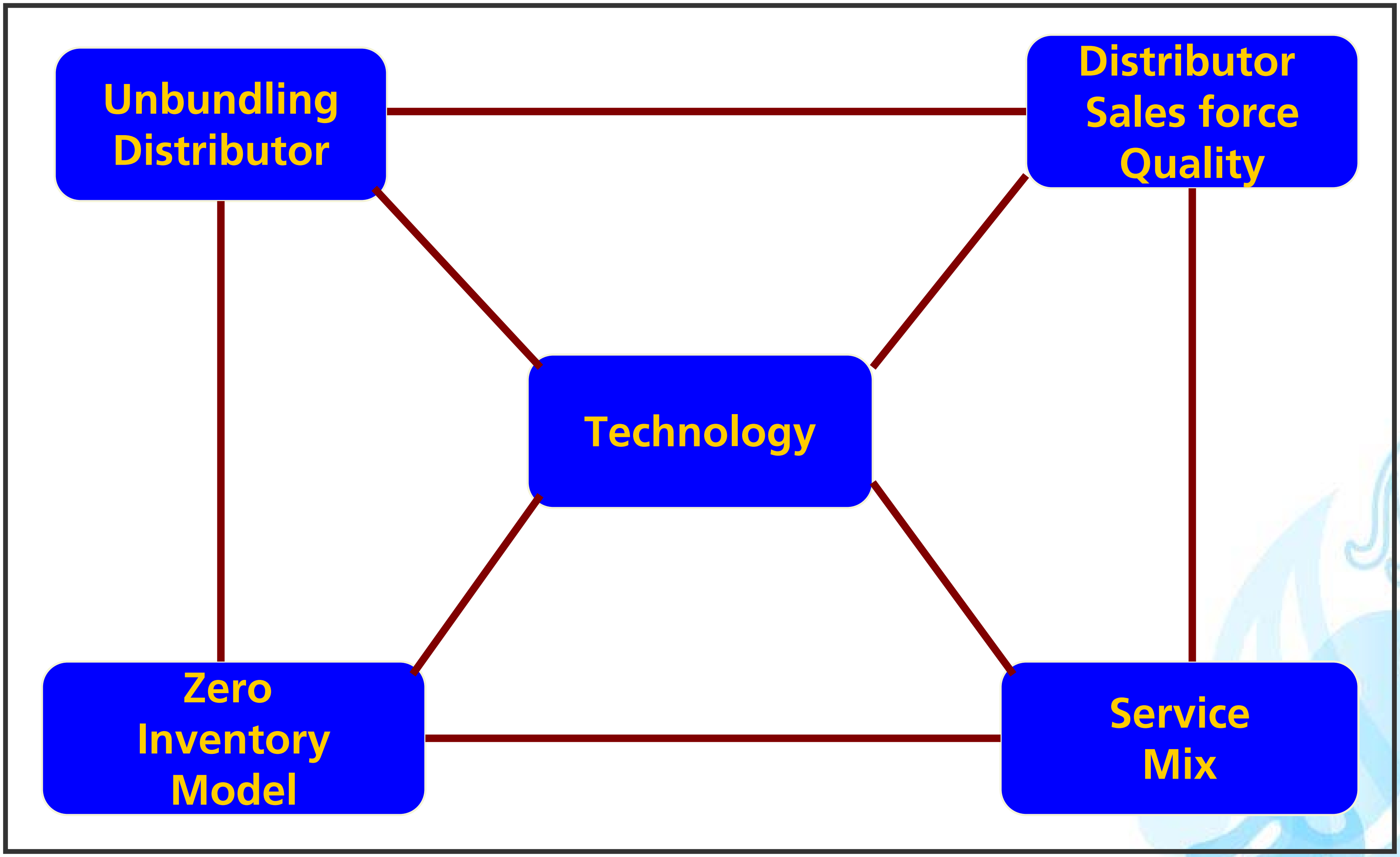
Rs 0.35 per litre (< 1 $ cent)

(incl. initial price)

Progress
>700 towns, 20 states covered
More than 400 safe water zones established
More than 7 million lives protected

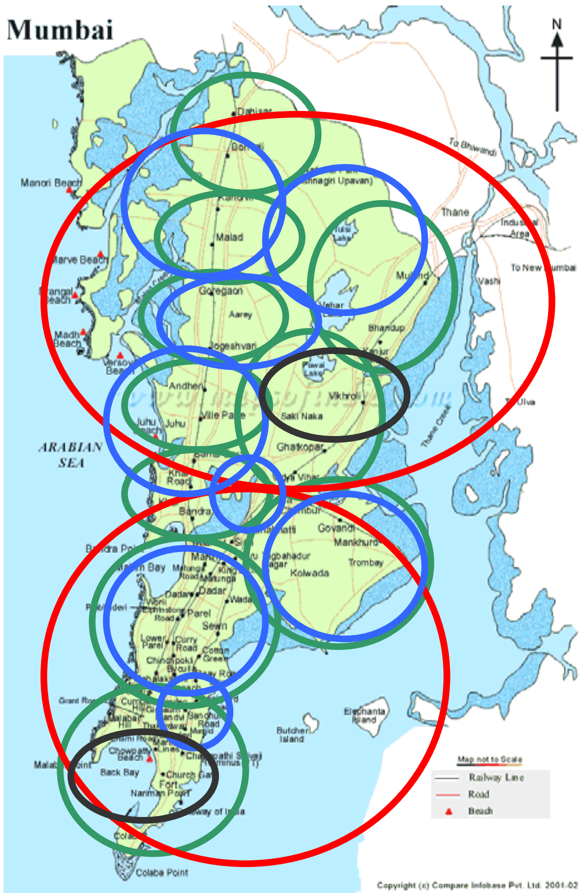
Build Capabilities for the future

The new GTM model

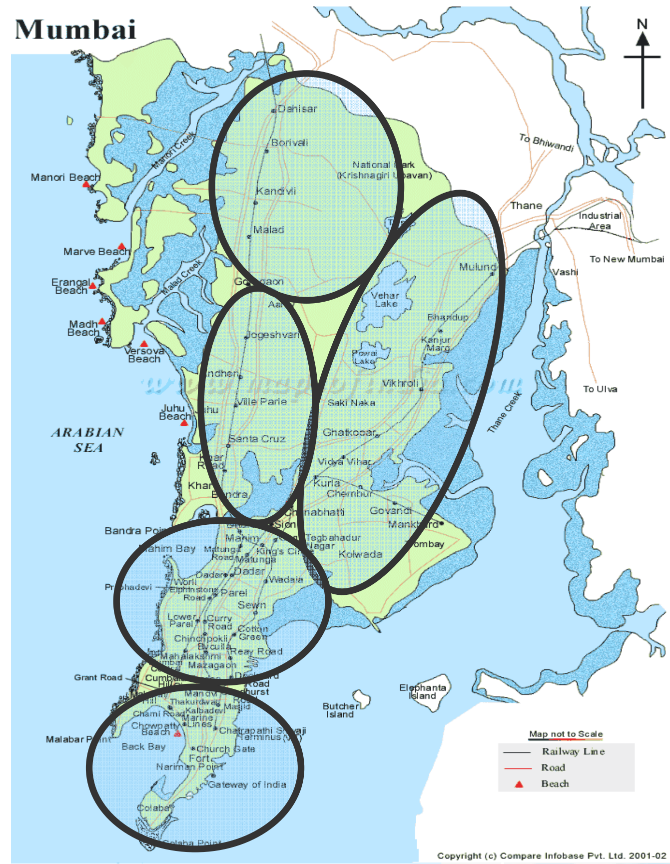


Mumbai Pilot Results

2007 (22 Distributors)

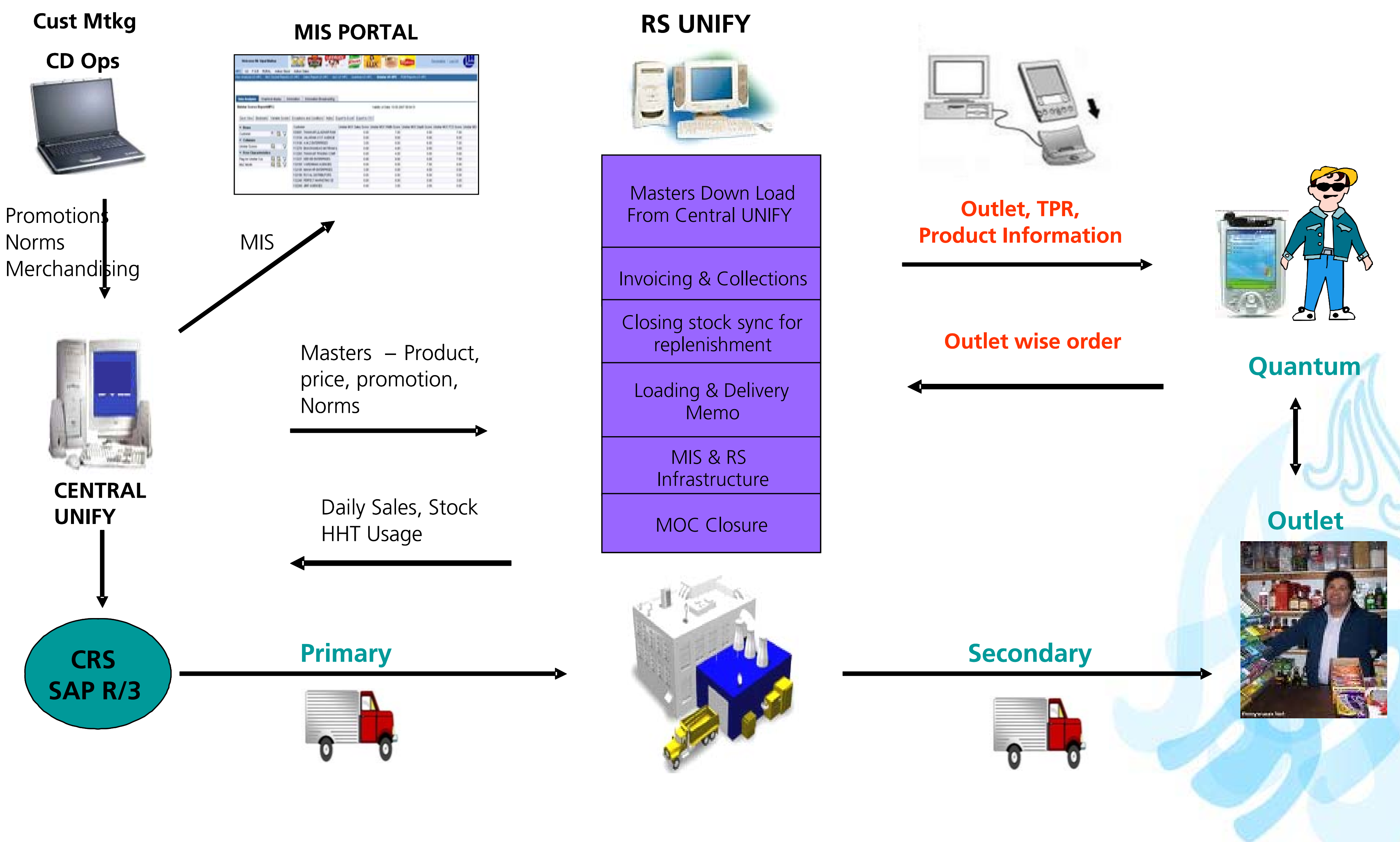


2008 (5 Distributors)



- GT - Down from 22 Distributors in 2007 to 5 distributors in 2008
- 5 Kiosk Distributors

Using IT for better execution



Embed sustainability

Growing Environmental Concern

- End of Abundance – Challenges for efficient Supply Chain

Water and Petrochemicals

2.8 billion people will face water scarcity or stress by 2025

Oil production will decline after 2010 as demand rises

Agriculture and raw materials

Two-thirds of our raw materials come from agriculture

40% of agricultural land is suffering from soil degradation

Foot Print and accountability

HUL consumer base = 2/3 of India

Rural poverty, international trade barriers, overpopulation, deforestation, poor use of land and environmental problems can also be factors.

Our strategic choices

Prosperity (Economic)	People (Social)	Planet (Environment)
1. Enhance livelihoods	1. Health 2. Empowerment	1. Water 2. GHGs

Who :Brands will lead the effort

Where: Around our units of operation

How: Through Partnerships

Our strategic choices

Prosperity

(Economic)

1. Enhance livelihoods

Partner DHAN foundation for enhancing livelihood

Sourcing from Primary Growers (initiated Tomato)

People

(Social)

1. Health
2. Empowerment

Partner with Pratham for girl child education

LB Swasthya Chetna: 15000 villages in 08

Planet

(Environment)

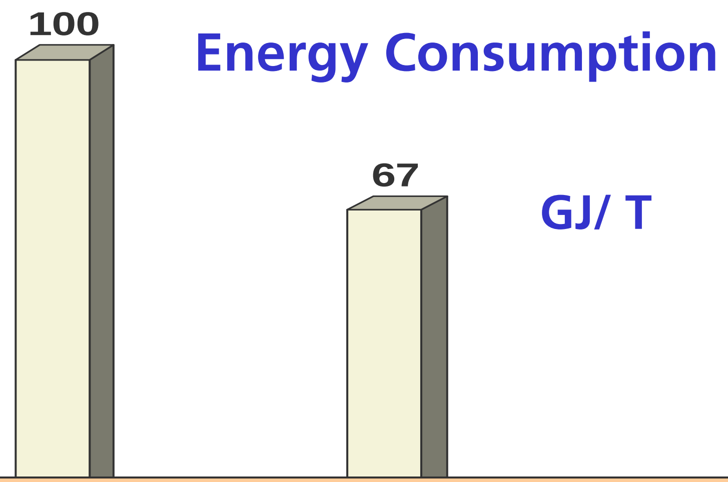
1. Water
2. GHGs

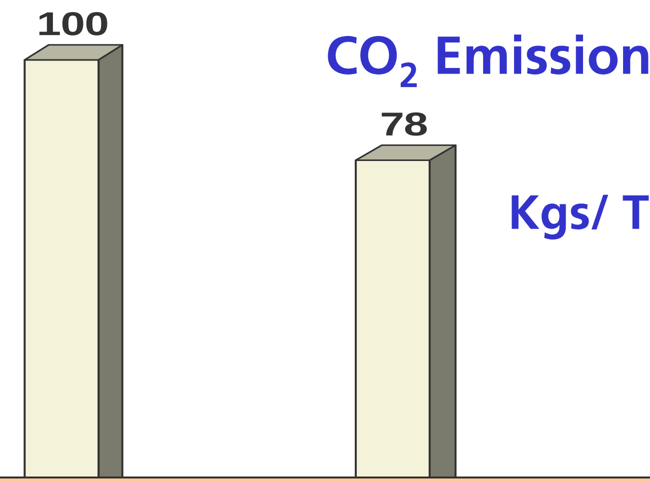
45% water returned to ground

Reduced GHG by 35% (2004 base)

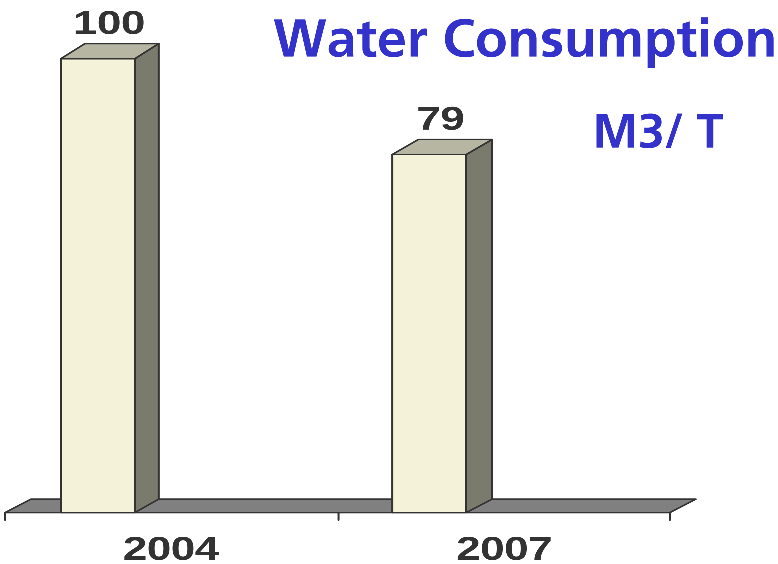
45000 HOURS OF EMPLOYEE VOLUNTEERING !!

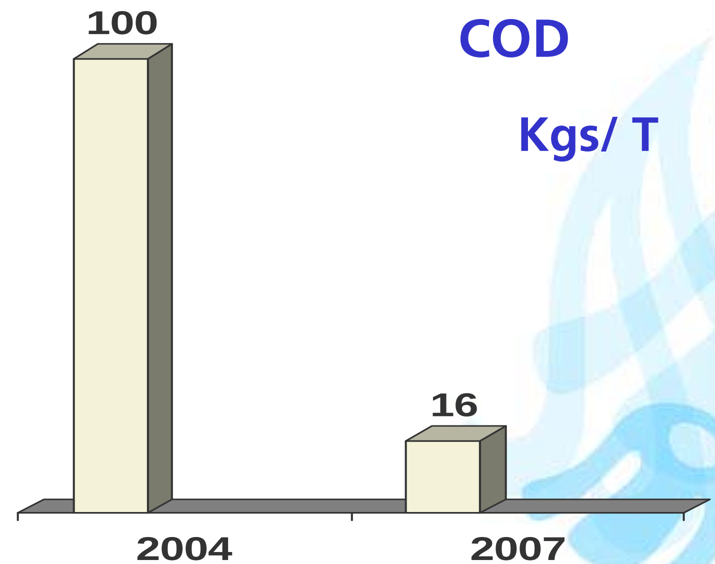
Progress on Environment





We are already ahead of targets !!





Indicative Nos.; 2004 as base 100

Corporate Governance

Unilever and HUL Policies
Code of Business Principles
Internal Controls and Business Risk Mgmt
Operational Controls Assurance
Crisis Management Policy

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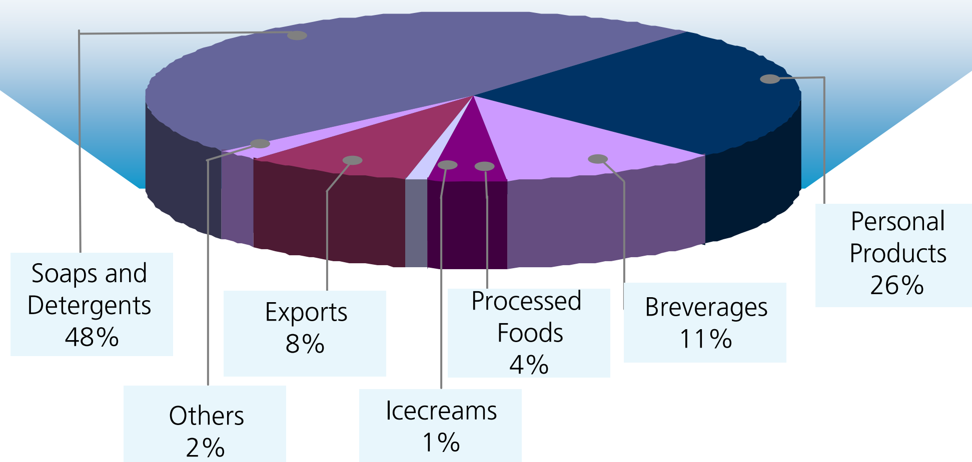
Financial Overview 2008

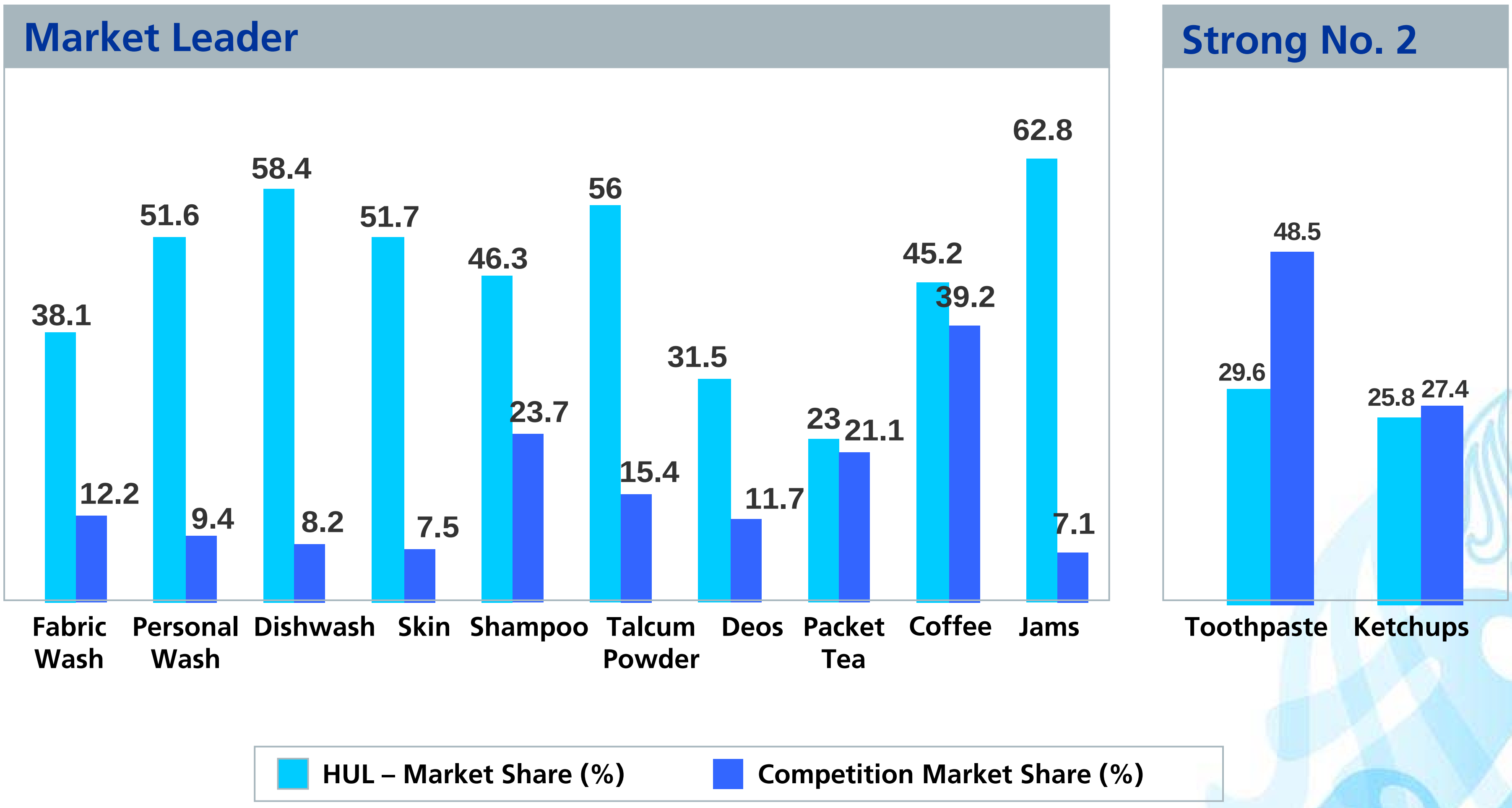
Mn $

Turnover	3801
EBIT	532
EBIT %	14.0%
PAT (bei)	462
Reported Profit	488
EPS	22c
Market Capitalisation	11105



** Figures based on FY 2008 Unaudited Results* *++ Market Capitalization as per BSE as on 31th Dec 2008*

Market Leaders across Categories



Source : A.C Nielsen - 2008 Value shares

Key Financials

	2008**	2007	2006
Continuing sales growth*	19.2%	13.5%	10.0%
EBIT/ Sales %	14.0%	14.1%	14.1%
EBIT Growth	18.4%	15.4%	16.2%
EPS (cents)	22	20	19
Operating cash flow*	NA	$420 Mn	$365 Mn

** Before restructuring, disposal*

*** Unaudited results FY 2008. Year ending will be 15 months ending March'09.*

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Summary

- **Consumer spending in FMCG continues**
  - **Growth broad based and across all categories**
- **4th consecutive year of accelerated growth in FMCG portfolio.**
- **Our goal remains unchanged**
  - **Competitive, profitable sustainable growth**
- **Continue to strengthen portfolio and capabilities for the futur**
- **Strong commitment to governance and CSR**

Thank you

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