



Hindustan Unilever Limited

Winning Today and Tomorrow

Investor Seminar

10th May 2011

Safe harbour statement

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Context

**How will we win?
Today & Tomorrow**



Context

**How will we win?
Today & Tomorrow**



Business Goals

- Competitive Growth
- Profitable Growth
- Sustainable Growth



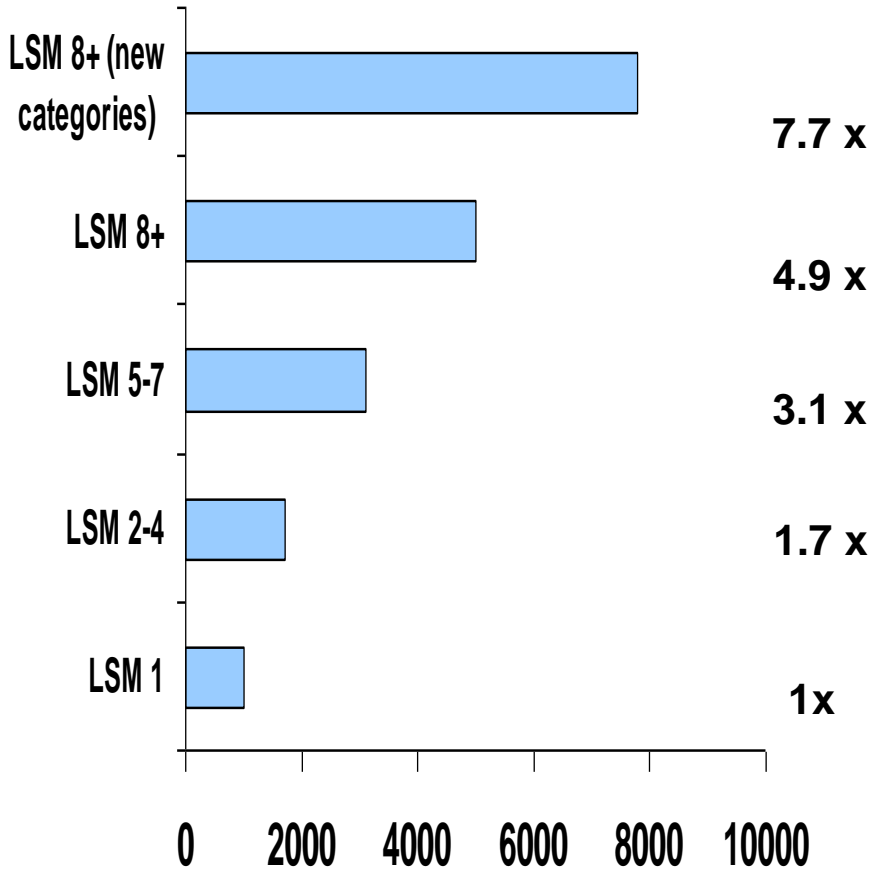
Context

- **Changing consumer aspirations**
- **Hybrid retail landscape**
- **Intense competitive environment**
- **Cost inflation and volatility**



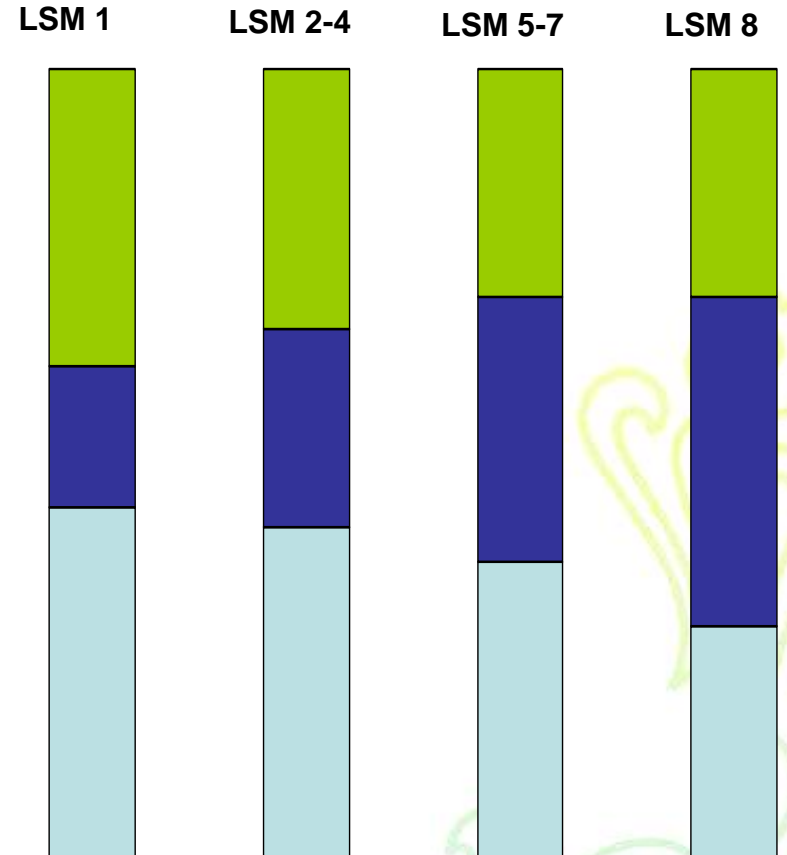
Changing consumer aspirations

Demand Elasticity



Exp per HH / year (INR)

Personal Care/Beauty/Foods Explosion



Laundry, Cleansing

Pers Prod

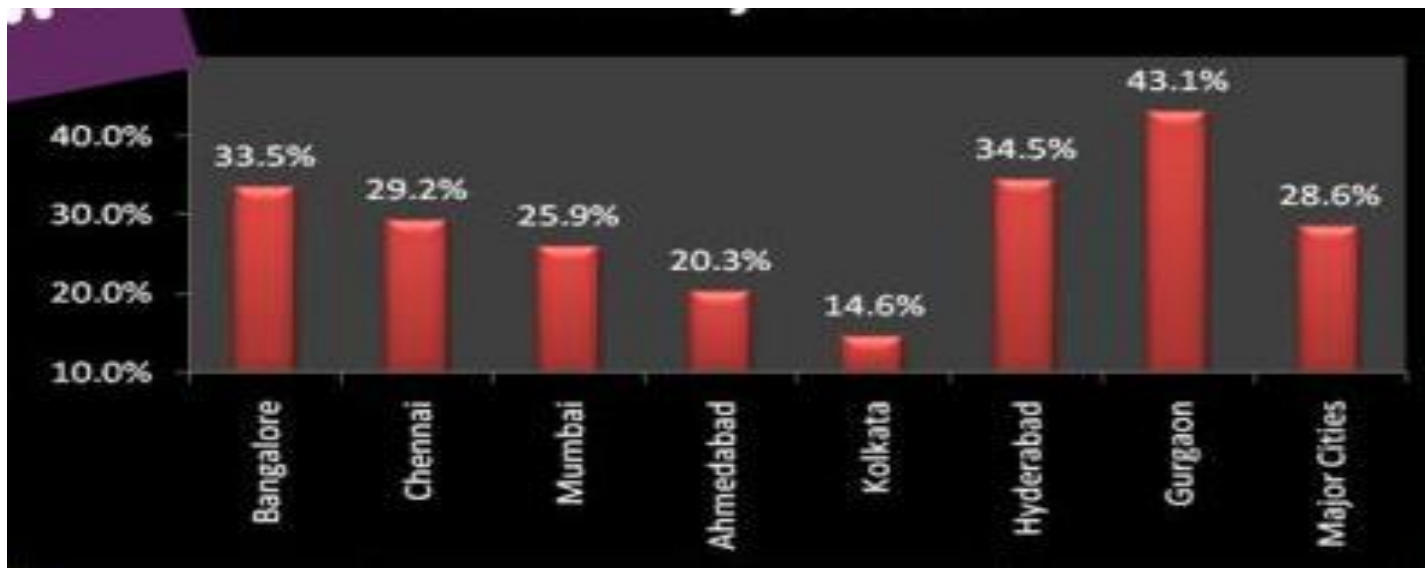
Foods

Expanding retail landscape

Raid growth in MT; GT will remain large

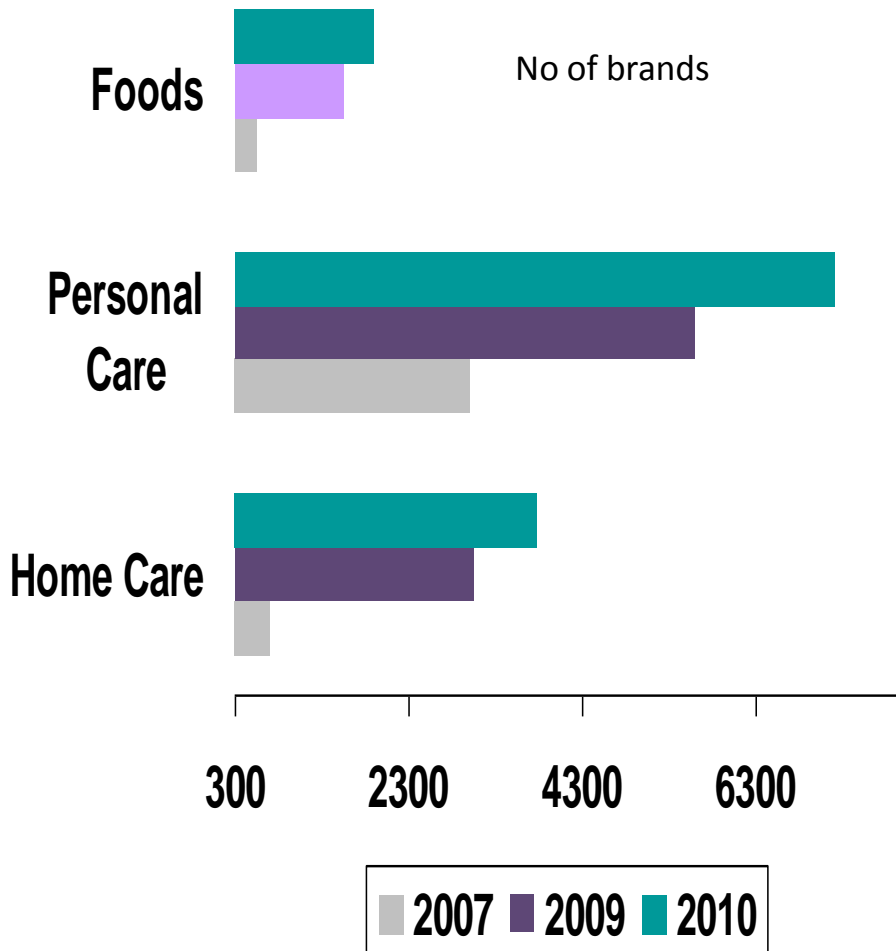
Year	Modern Trade	General Trade
2007	5%	95%
2010	10%	90%
2015	18%	82%
2025	25%	75%

MT contribution ~ 30% in Major Cities

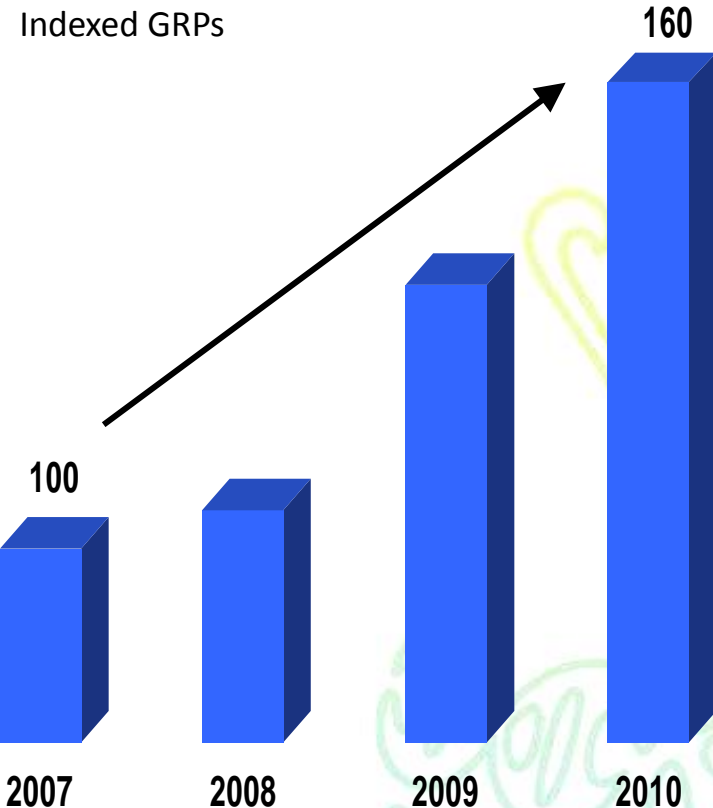


Competitive context continues to be intense

No of brands growing at 40% CAGR

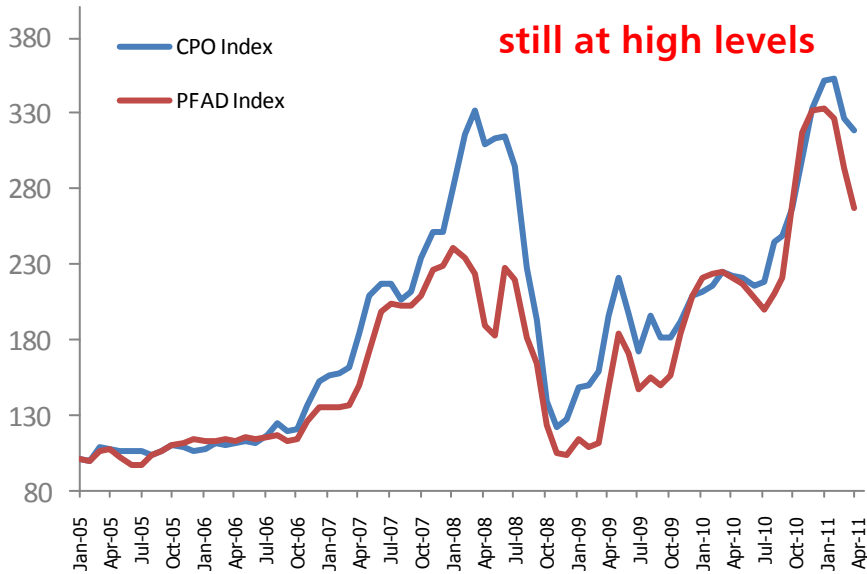


Spending more to gain share

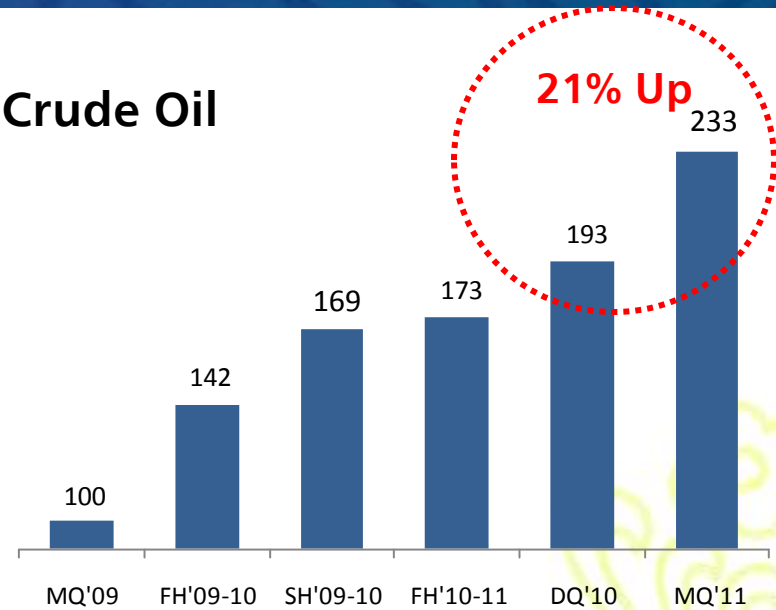


Cost inflation combined with volatility

Palm Oil

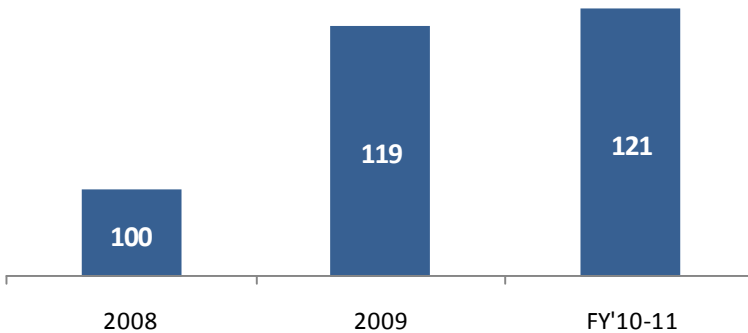


Crude Oil



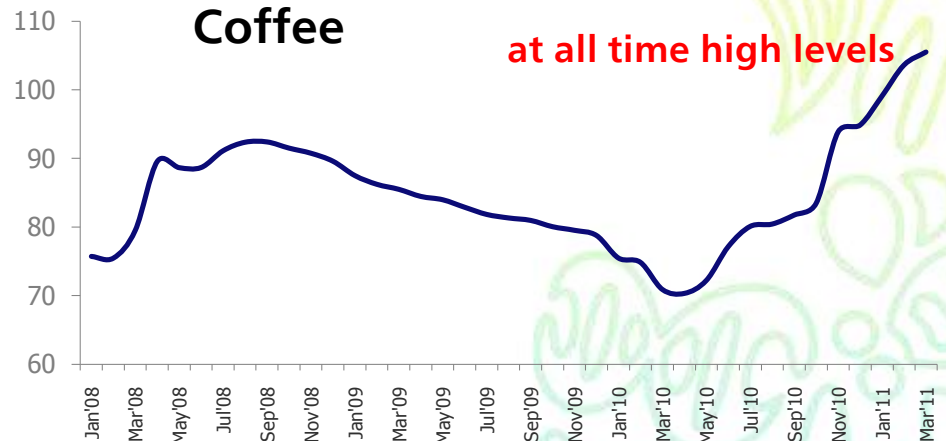
Tea

high inflation continues



Coffee

at all time high levels



Context

**How will we win?
Today & Tomorrow**



Turbo charging the Compass

HOW WE WILL WIN...

NON-NEGOTIABLES

Winning with
brands and
innovation

Winning in the
marketplace

Winning
through
continuous
improvement

Winning
with people

•Bigger Better & Faster Innovations

Strengthening the core: > 50% portfolio relaunched



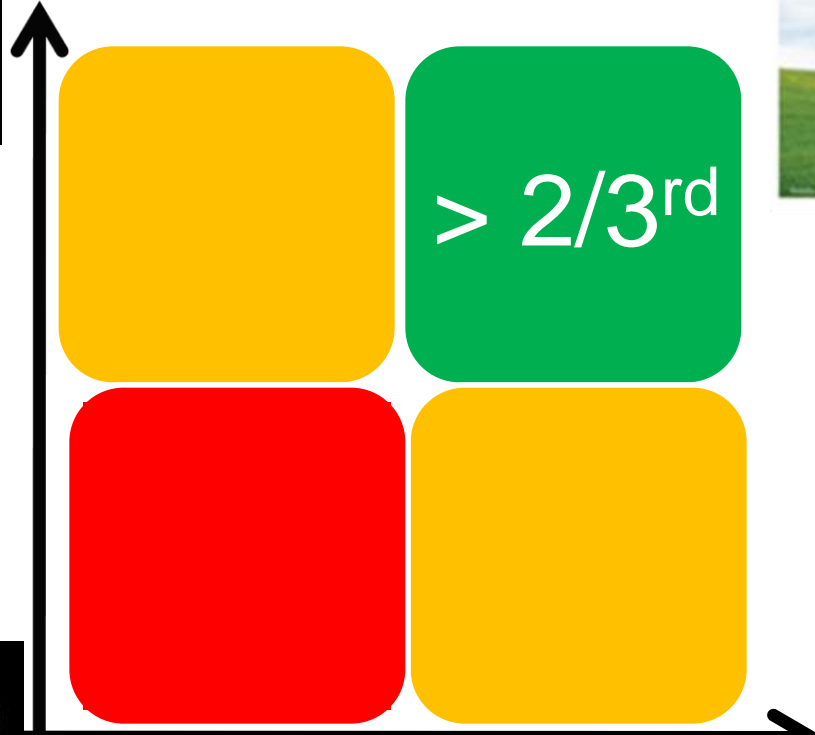
with competitive & compelling communication



6 Effies*

Persuasion

Ad Preview Score



6 EMVIES+

Awareness



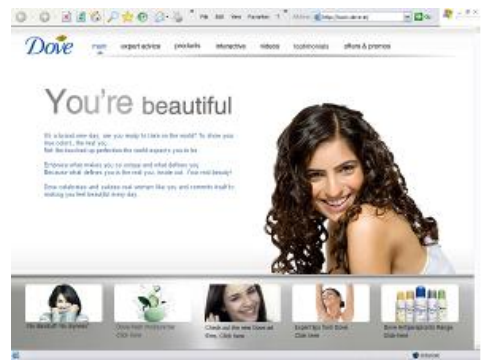
Superfast handwash!

*Effies 2010 - Advertising Club Bombay
+EMVIES 2010, Excellence in media innovation & execution

Shaping the portfolio of tomorrow



Building capabilities for tomorrow: winning in Personal Care



Transforming beauty experience

Integrated Communication

Expanding OOH footprint

150 Swirl Parlours



Experimenting with Beverages retail services

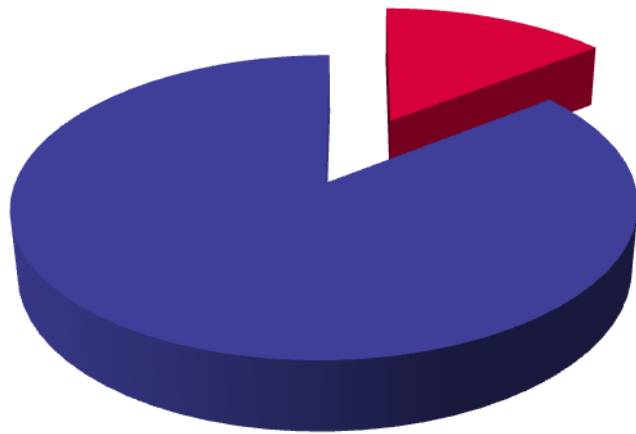


140+ Lakme Salons

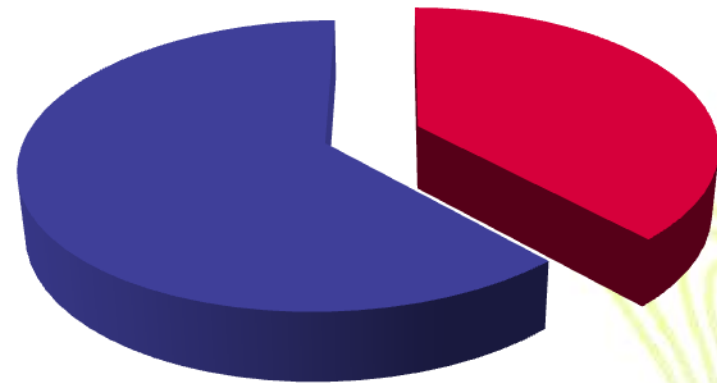


Accelerating growth from categories of future

Portfolio contribution



Growth contribution



■ Core Categories ■ Future Categories

*Chart depicts FY 2010-11 contribution to Domestic Consumer Business

Recognized as Most trusted & Mega Brands

Wheel



*Fair & Lovely**



LUX*



NEW Clinic PLUS+*

POND'S*

Dove

BRU



7 brands > 1000 crore; 12 brands > Rs.500 crore

*6 out of top 10 most trusted brands in India^

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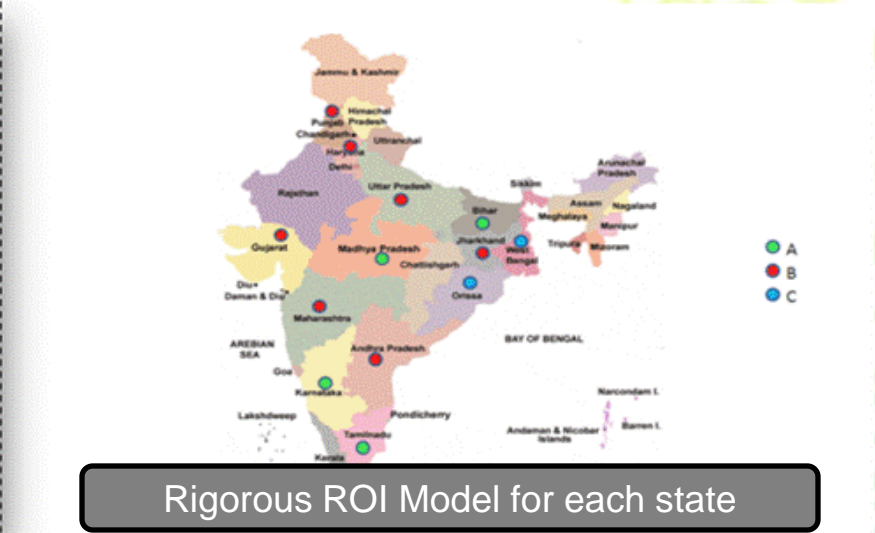
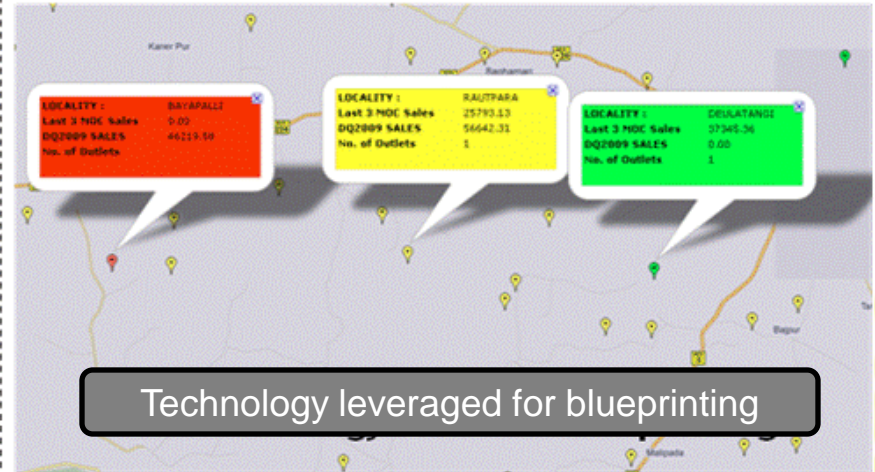
Winning in the
marketplace

- Be an execution powerhouse
 - More & Better Stores

Winning
through
continuous
improvement

Winning
with people

Winning in the Market Place : More Stores

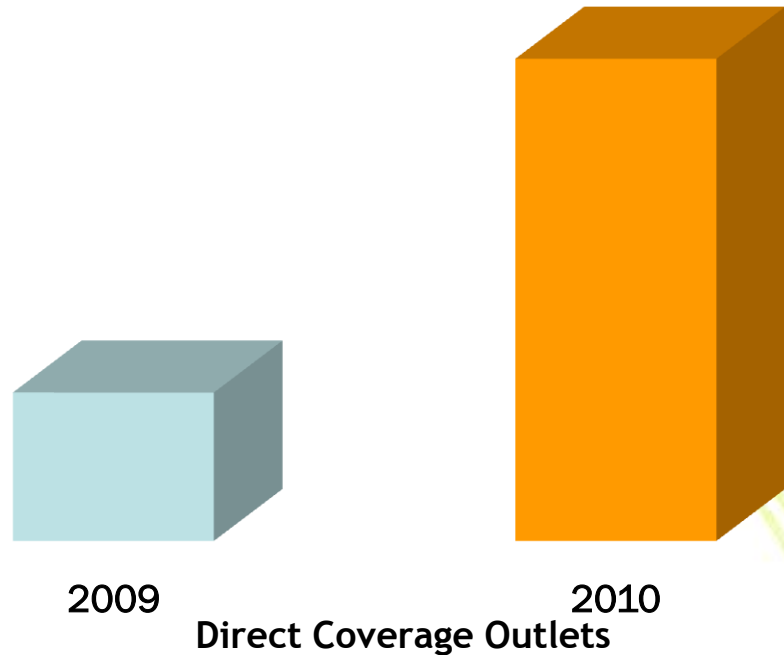


Winning in the Market Place : More Stores

New Markets

New outlets
(current villages)

Shakti/
Shaktiman



1. 500,000 + outlets added
2. Rural Footprint Tripled

Winning with technology - iQ: Perfect Stores

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 STWBV 125G	2	0	
SFXL BAR 125 GM	4	0	
STK	TUR	MRP	ITMVAL
169	12.04	13.00	0
GAP	RR		
97	16		
0	1	3	5
6	12	UNIT	
G R O W T H			
Exit			

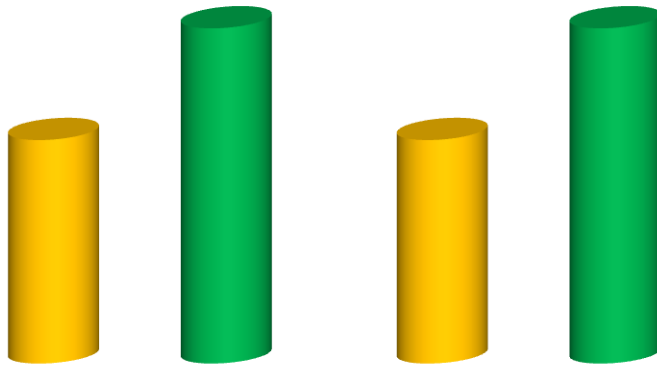
- Deliver Assortment
- Reduce Out Of Stock
- Build Assortment
- Identify Opportunities



Sophisticated analytics for outlet level interventions

Simple front-end for better execution by salesmen

- Rolled out Nationally in Urban GT; Rural roll out by 2011
- ~ 150,000 perfect stores executed
- Drive higher throughput through perfect stores



Assortment Growth%

Sales Growth%

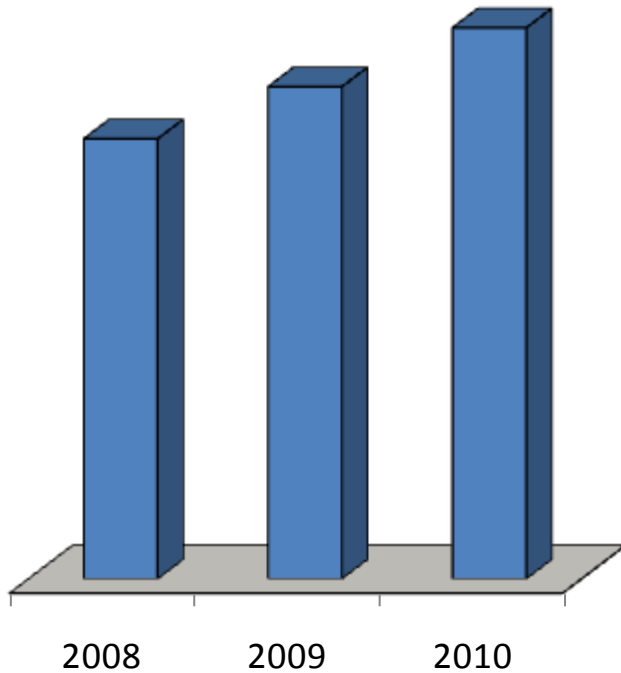
■ Other ■ A-Perfect



Winning in Modern Trade : Channel of Tomorrow

eQ* at 89 (world class level)

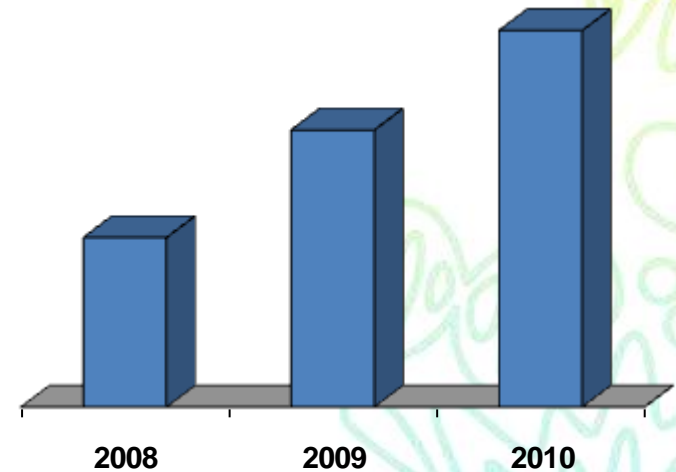
Increasing Market Shares



HUL



Profitability improved



Turbo charging the Compass

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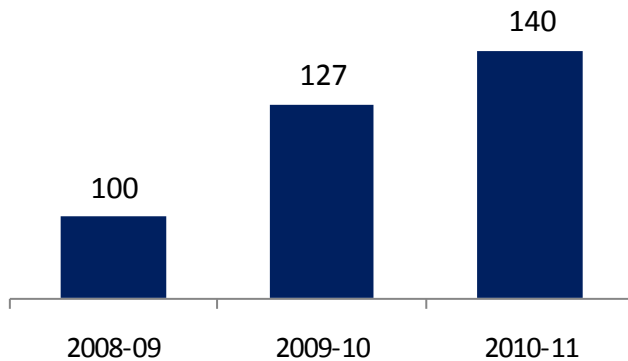
Winning
through
continuous
improvement

- **Re-engineer the Cost Base**
 - **Supply Chain , Indirects**

Winning
with people

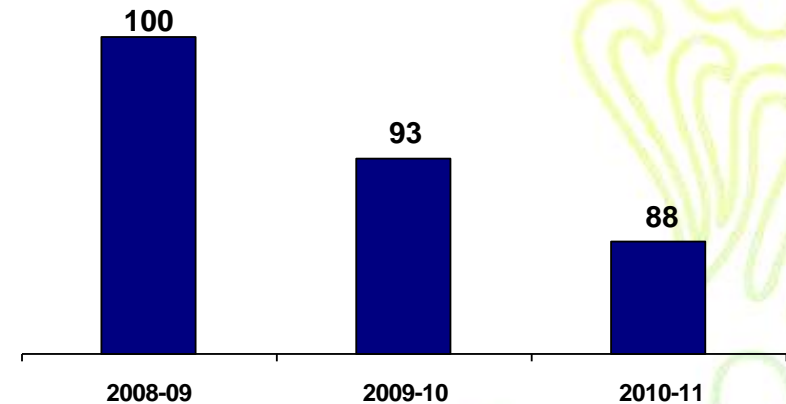
Winning through Continuous Improvement

Indexed CEPs



Raising the bar on cost competitiveness

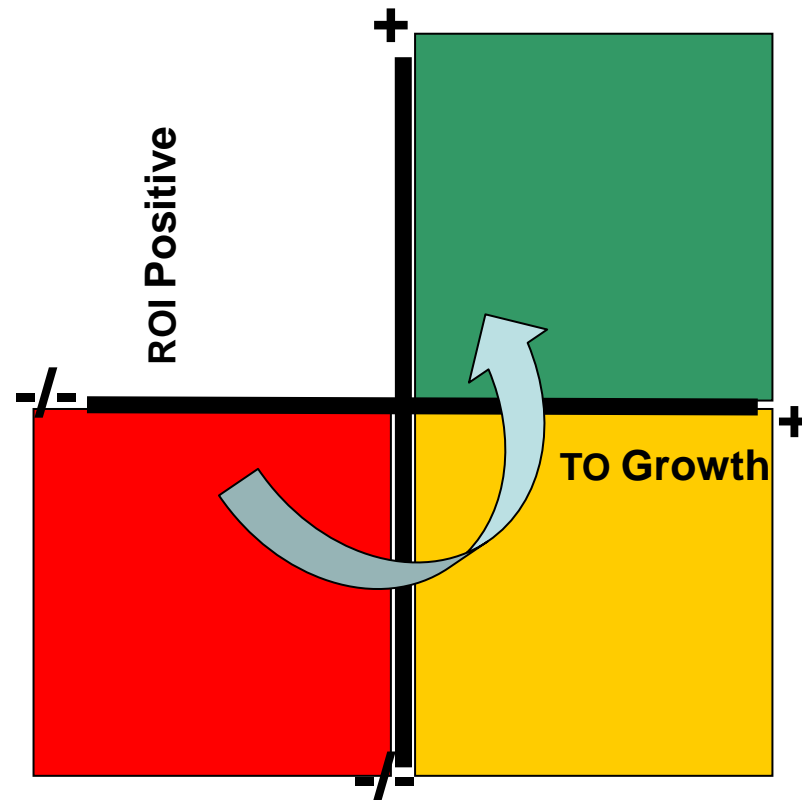
Indexed Overheads *(as a % of TO)*



Tight cost control and building capabilities for future

Winning through Continuous Improvement

Drive Return on Marketing Investment (ROMI)



Turbo charging the Compass

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Winning through continuous improvement

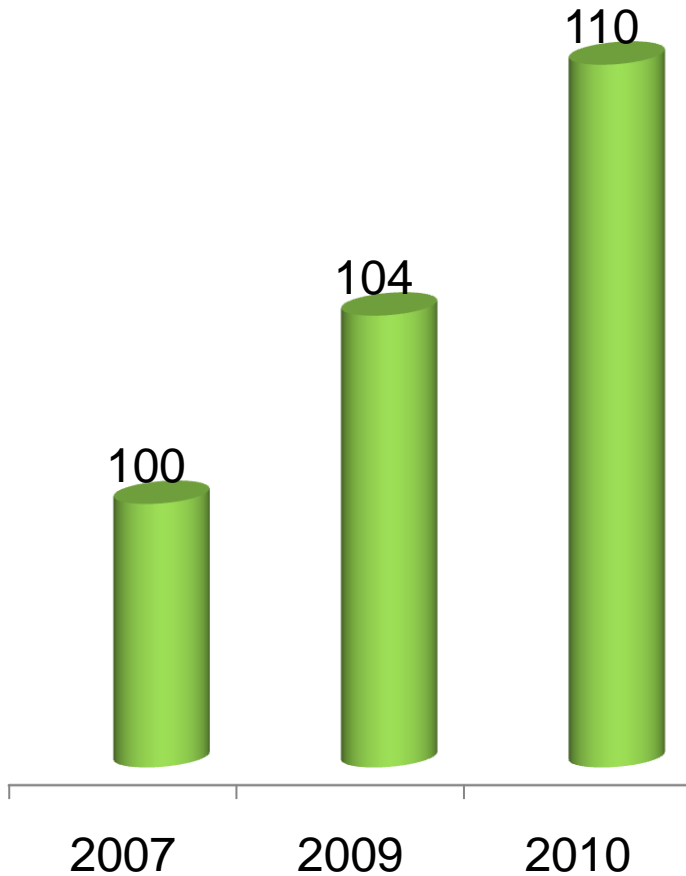
- Re-engineer the Cost Base
 - Supply Chain , Indirects

Winning with people

- Employer of choice
- Performance Culture

Winning through People

Engaged Organization



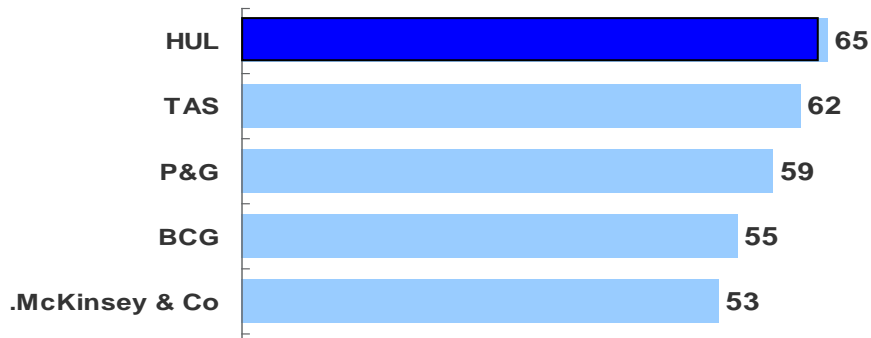
Indexed Employee Engagement Scores



**# 1 Best Employer
in India, 2011
Awarded by AonHewitt**

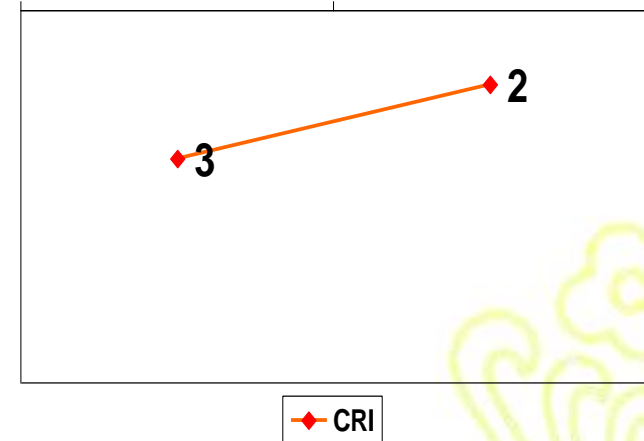
Winning through People

1 Dream Employer



2 on CRI

2009 2010



Strengthening
Performance Culture

Turbo charging the Compass

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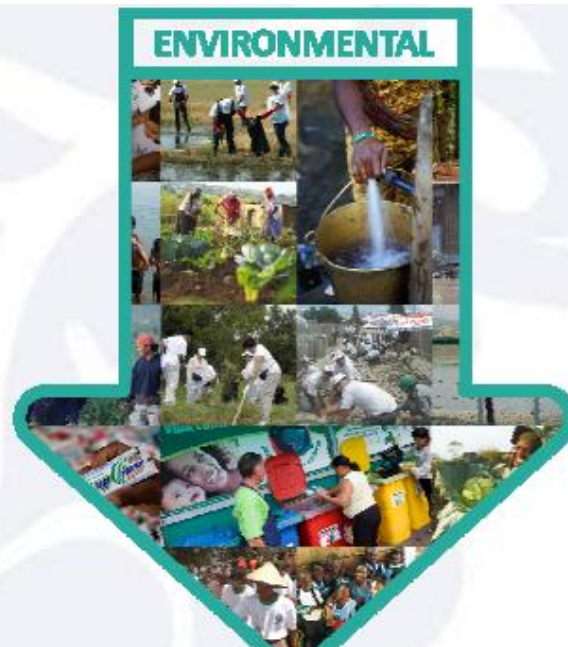
- Drive HUL Sustainable Living Plan

HUL – Sustainable Living Plan



Improve health and wellbeing

by increasing awareness of & access to hygiene & nutrition



Reduce environmental Impact
Water, Waste and GHG



Enhance livelihoods
through our value chain

HUL Sustainable Living Plan – Progress vs Targets

IMPROVING HEALTH AND WELL-BEING

2015 Target

2010-11

Health and hygiene

Hygiene awareness in 150 mln

Hygiene awareness in 128 mln

Nutrition

Healthy Choice: 2/3rd of portfolio

85% of Portfolio certified

REDUCING ENVIRONMENTAL IMPACT

GHG

25% reduction of CO2

28% reduction

Water

Conserve 25 billion liters of water

Initiated projects for 75 billion liters

Sustainable sourcing

Sustainable sourcing:
• Over 50% of tomatoes
• 100% certified palm oil

Sustainable sourcing:
• ~35% of tomatoes
• ~35% certified palm oil

ENHANCING LIVELIHOODS

Better livelihoods

Improve livelihood > 75,000 families

Improved livelihood of ~65000 families thru Shakti

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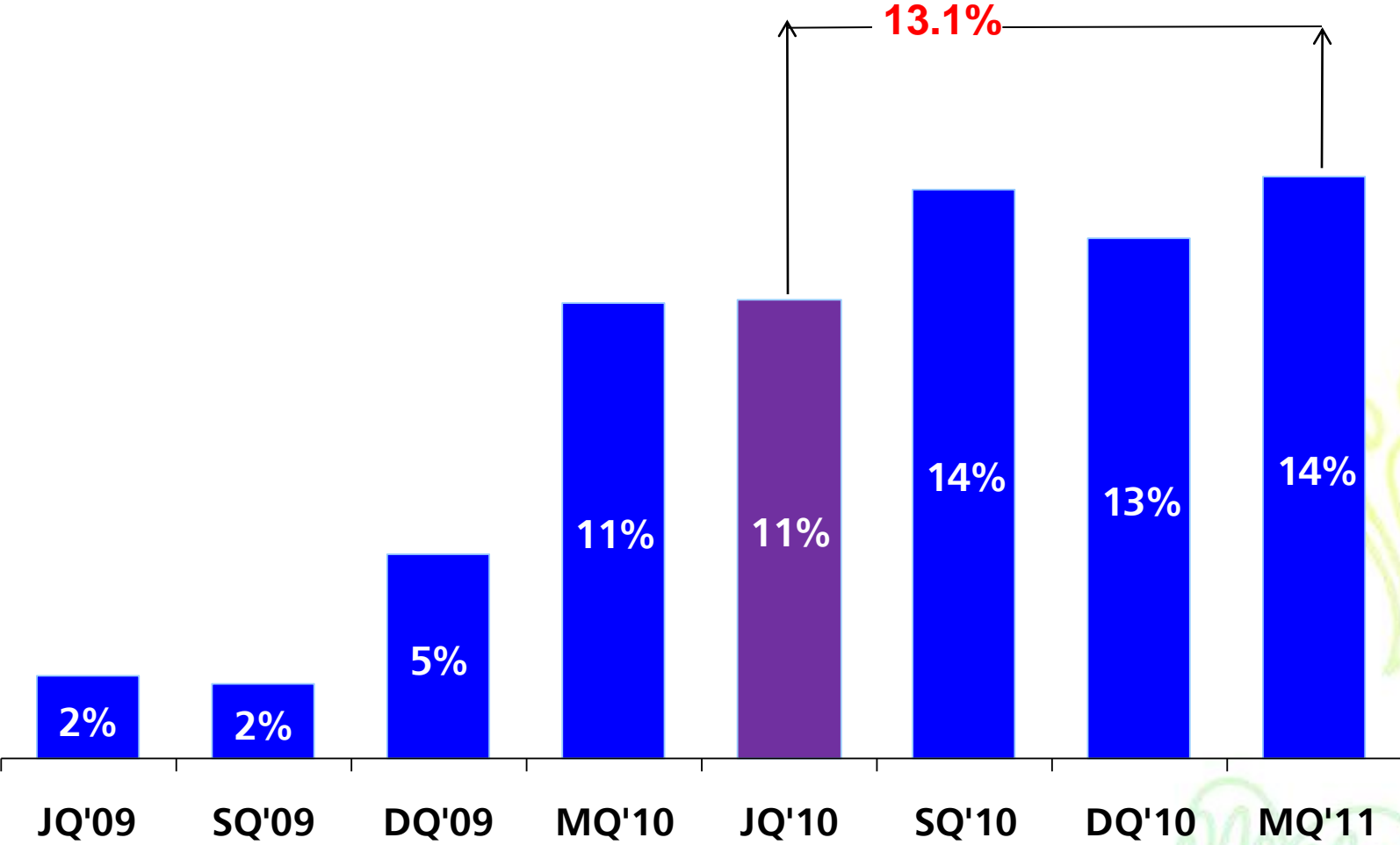
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▪ Drive HUL Sustainable Living Plan

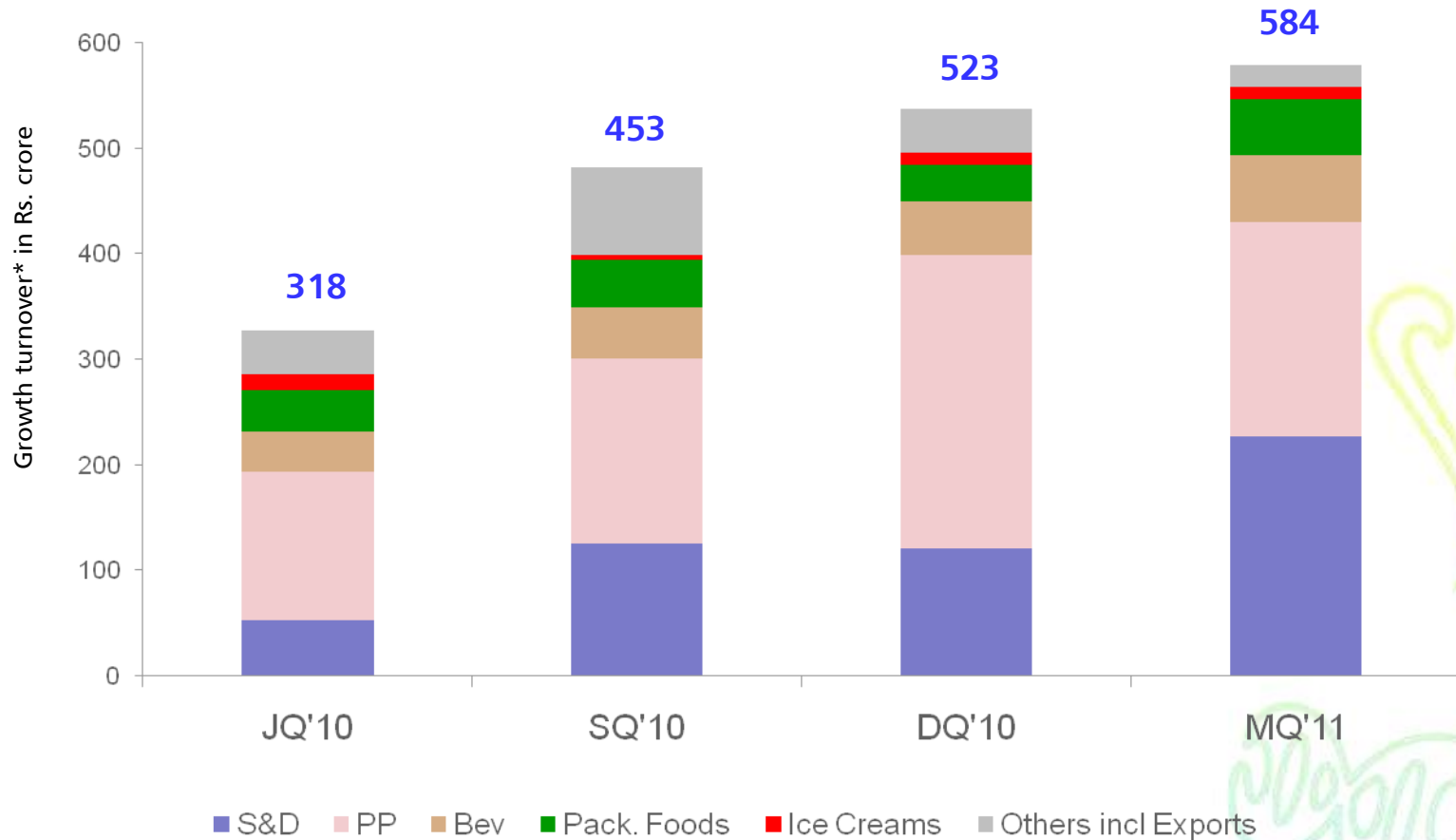
Strong volume growth sustained



Domestic Consumer Business Underlying Volume Growth

> Rs.1800 Cr incremental turnover

11% growth driven by 13% volume growth



Business Goals

- Competitive Growth
- Profitable Growth
- Sustainable Growth



Thank You

