



Hindustan Unilever Limited

Investor Presentation

February, 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.

Agenda

Our Vision

Market Context

Strategy & Execution

Current Performance



Our Vision

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

Agenda

Our Vision

Market Context

Strategy & Execution

Current Performance

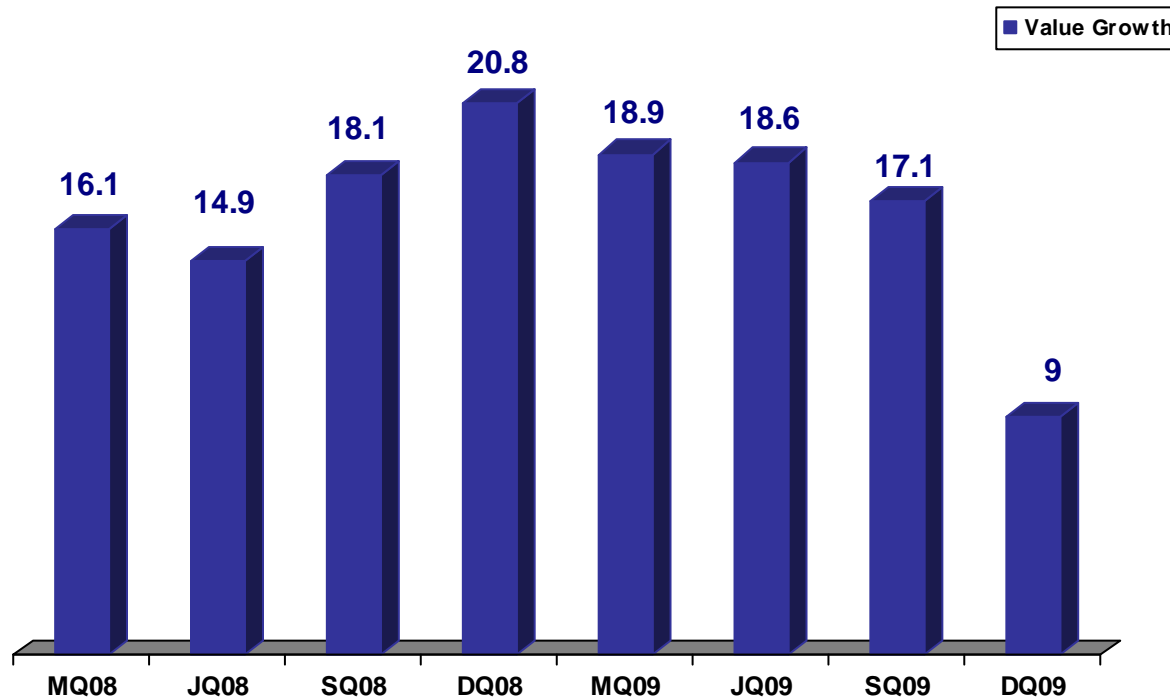


Market Context: DQ'09

- **FMCG market continues to grow, albeit at a slower pace**
 - Lower pricing component due to Laundry price reductions
 - Downtrading in Laundry and Tea
 - High food inflation
- **Commodity costs firming up**
- **Intensifying competitive environment**
 - Step up in media spends across categories
 - Several new brand and category entries

But India opportunity remains Strong

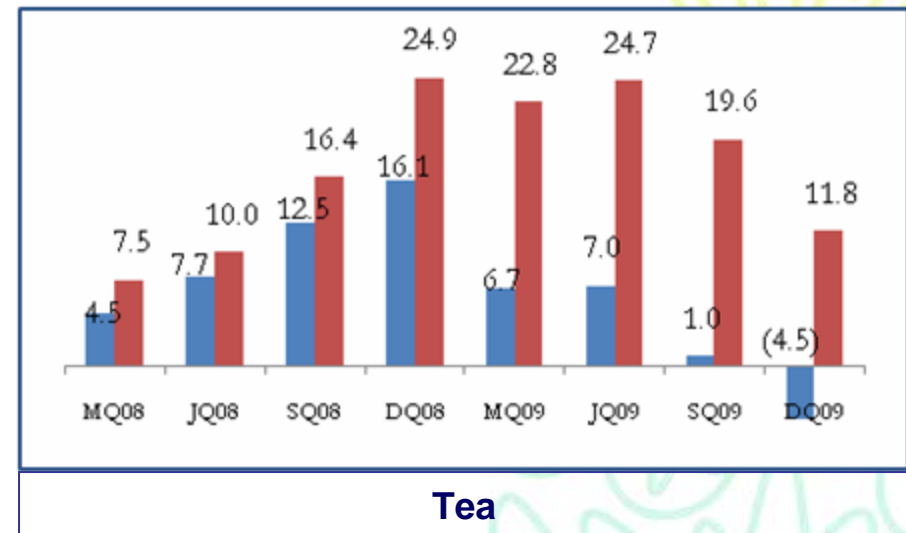
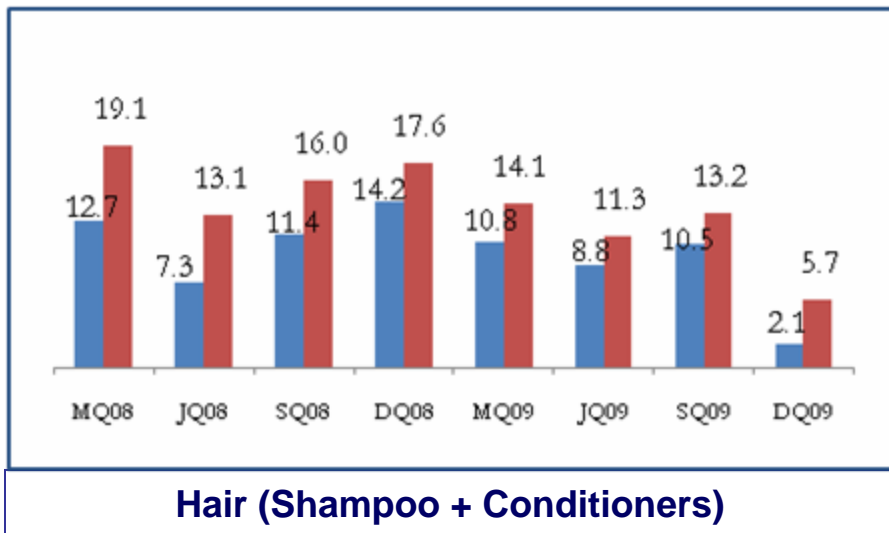
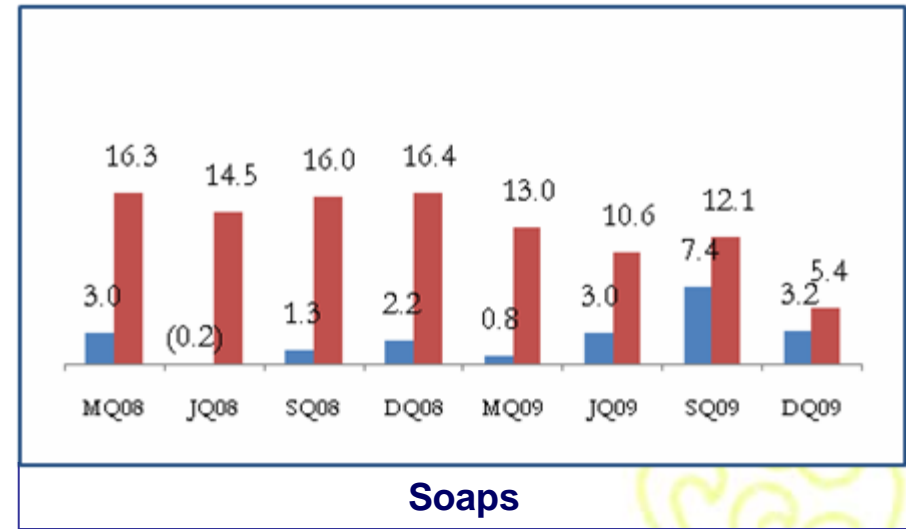
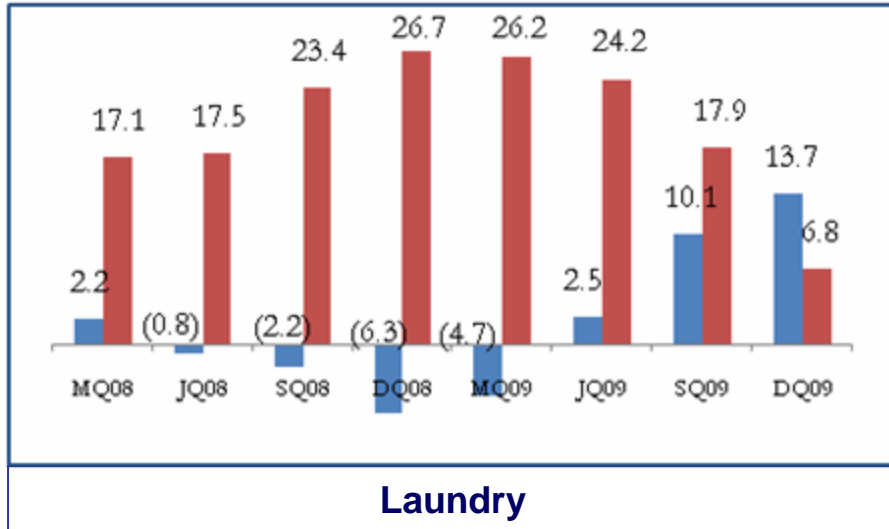
Market Growth - FMCG



Market continues to grow

- Value growth tempered by price reductions
- Volume continues to grow albeit at slower pace.

Market Growth - Categories

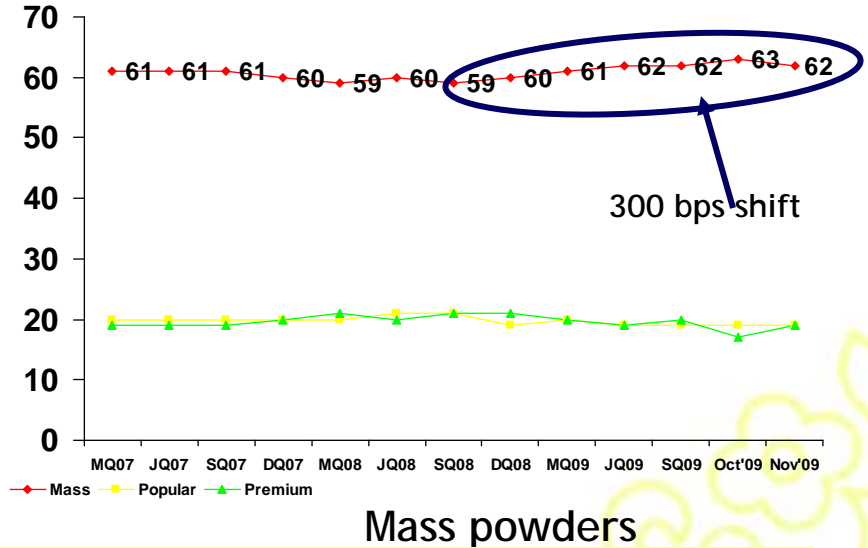
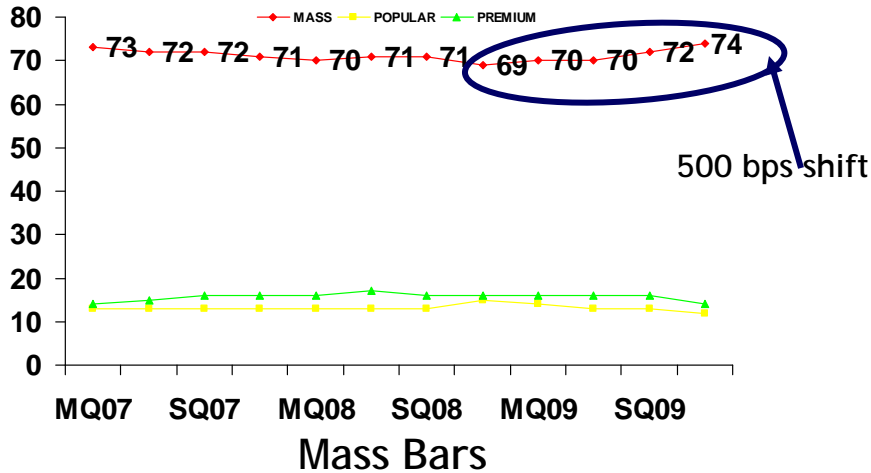


Source : AC Nielsen- DQ market growth

■ Value Growth

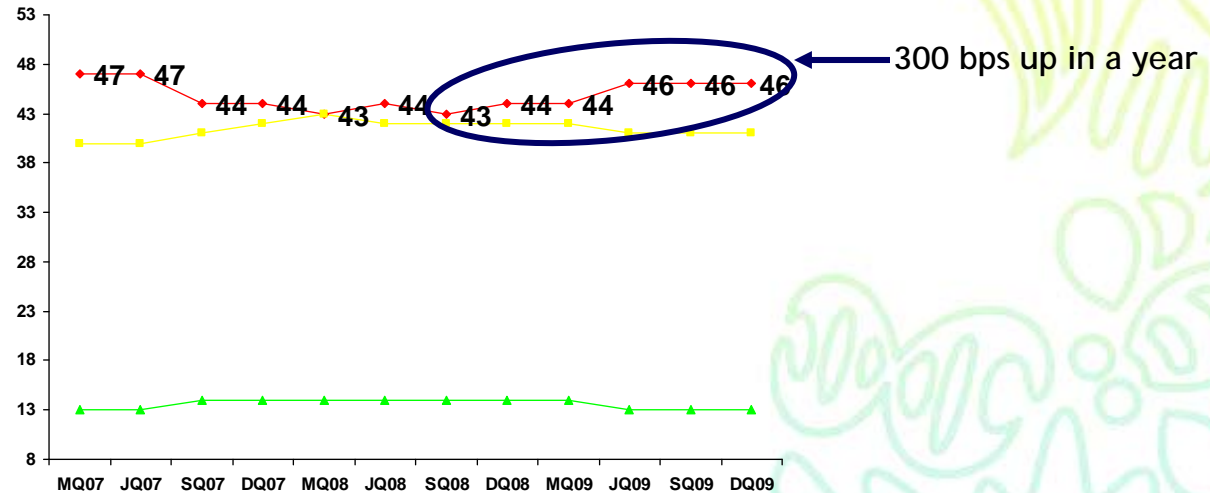
■ Volume Growth

Downtrading in Laundry & Tea



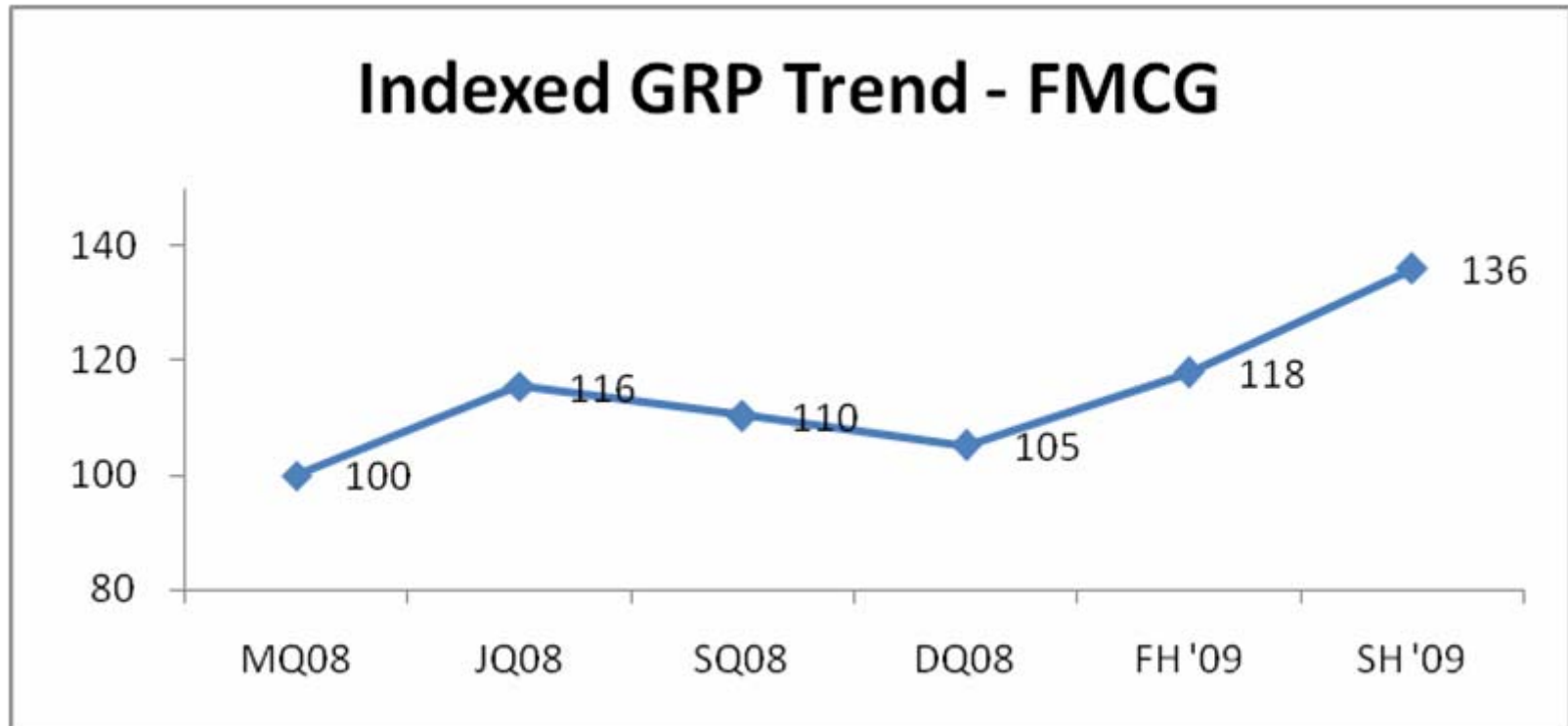
Laundry – Downtrading continues

Source : AC Nielsen- DQ market growth



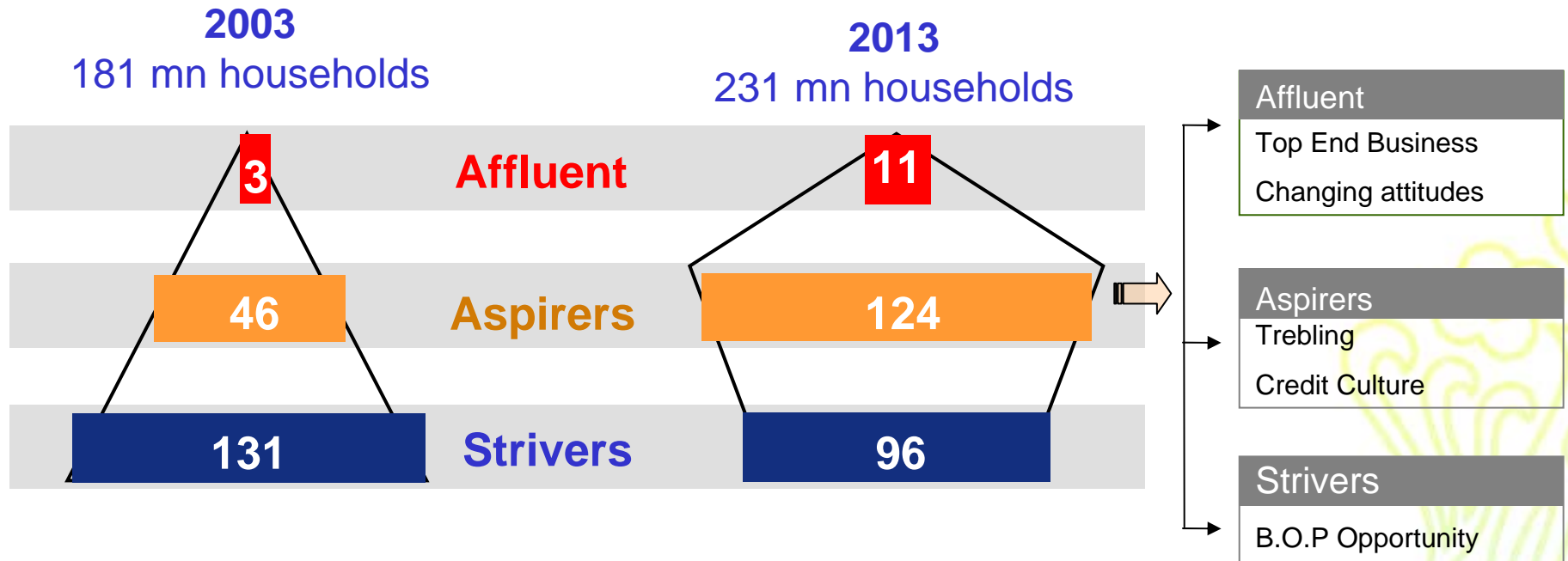
Tea – Witnesses Downtrading

Intensified Competitive Environment



Step up in media investment within FMCG – several entries in new categories & segments

Changing Income Patterns

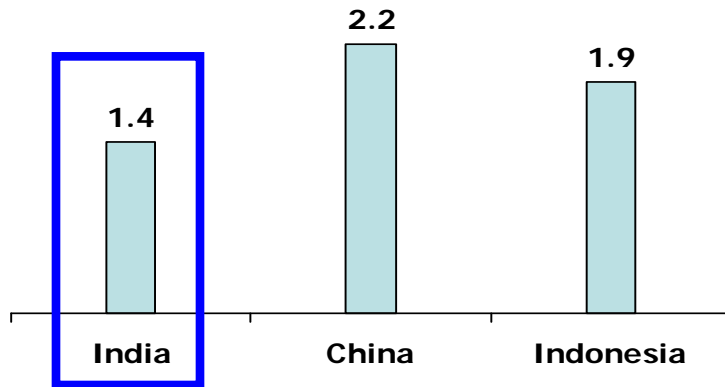


The shape of India is changing... from a pyramid to a diamond

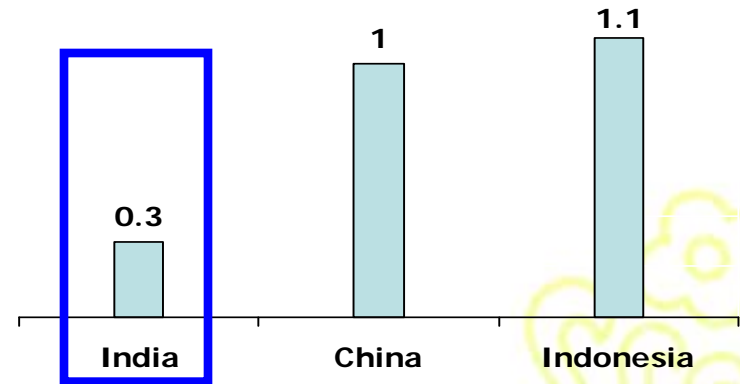
The Consumption Opportunity

Per Capita Consumption (US \$)

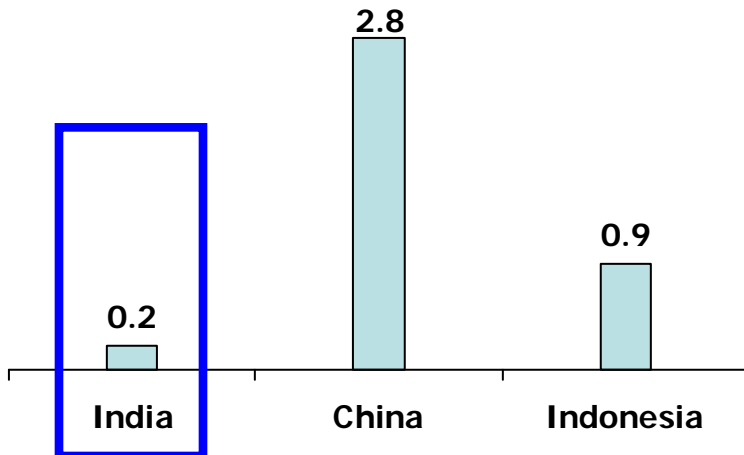
Detergents



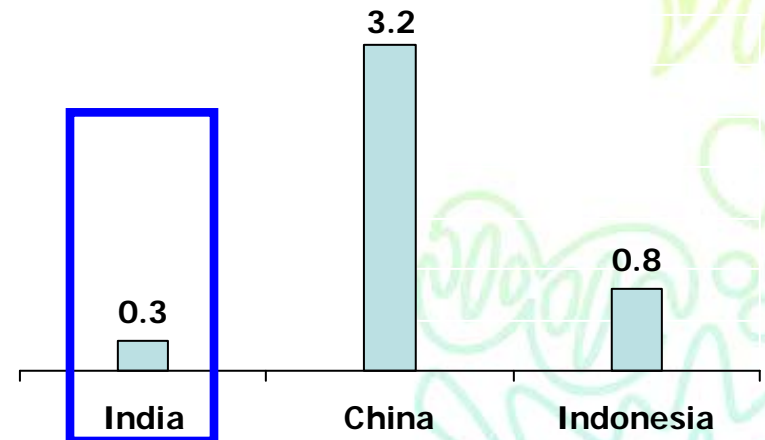
Shampoos



Ice-Cream



Skin Care



Agenda

Our Vision

Market Context

Strategy & Execution


Current Performance



Strategy & Execution

- **Leverage brand portfolio and consumer understanding by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
 - **Winning with consumers, channels, segments/markets of tomorrow**
 - Build markets and capabilities for the future
 - Leverage Unilever scale and know how
 - **Drive increased execution rigour**
 - **Step-up in cost efficiency initiatives**
 - **Integrate economic, environment & social objectives with business agenda**
- 

Key Interventions

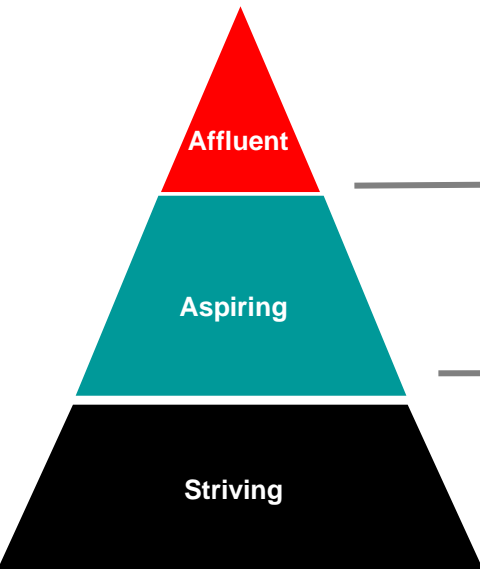
- **Improved competitiveness of mass laundry**
 - **Active deployment of full portfolio in Soaps**
 - **Entire portfolio relaunched**
 - **Continue to drive Personal Products and Foods**
 - **Enhanced brand investment across the portfolio**
 - **Step-up in cost saving programmes and better operating leverage**
 - **Increased focus on in-market execution**
- 

Strategy & Execution

- **Leverage brand portfolio and consumer understanding by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
 - **Winning with consumers, channels, segments/markets of tomorrow**
 - Build markets and capabilities for the future
 - Leverage Unilever scale and know how
 - **Drive increased execution rigour**
 - **Step-up in cost efficiency initiatives**
 - **Integrate economic, environment & social objectives with business agenda**
- 

Portfolio Straddling the Pyramid

Fabric Wash	Personal Wash	Shampoo	Skin	Tooth Paste	Tea	Coffee
-------------	---------------	---------	------	-------------	-----	--------

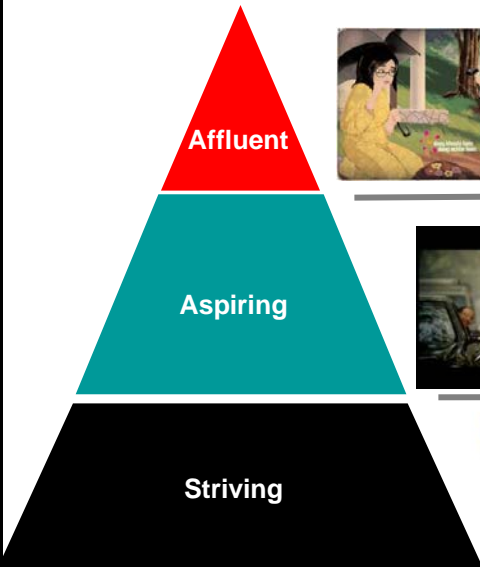


Strong brands across categories addressing needs of every consumer

Identifying the opportunity and filling it is important

Restoring Competitiveness in Laundry

Time to Shine



- Price Correction on Bars
- Aggressive Consumer Promotion
- Drive Machine Wash – Surf Matic



- Adjusting relative price
- Aggressive Consumer Promotion



- Price Correction on Wheel bars & powders
- Competitive Brand Investment
- Improved Product Quality

Laundry – Straddling the Pyramid

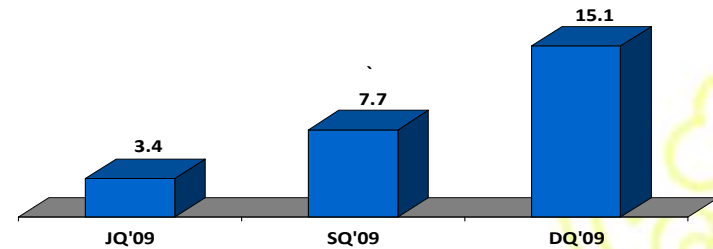
Strengthening Mass Laundry

Price reductions on Powders and Bars

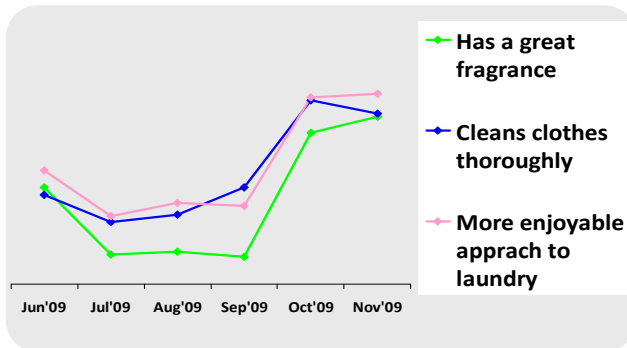
SKU	Sep 08	Dec 08	Mar'09	Sep'09	Dec'09
<u>Rin Adv Bar</u>					
200 Gms	Rs 9	Rs 14	Rs 14	Rs 12	Rs 10
<u>Wheel Blue Powder</u>					
Rs 10/-	275 gms	250 gms	275 gms	350 gms	350 gms
<u>Wheel Blue Bar</u>					
Rs 10/-	200 gms	200 gms	200 gms	235 gms	235 gms

Brand investments - Wheel

SOV %



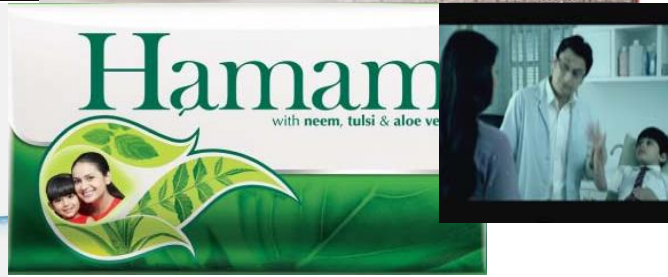
Improved product quality both in Bars and Powders



Value through consumer promotions



Deploy the full Portfolio in Soaps



Portfolio Rejuvenation

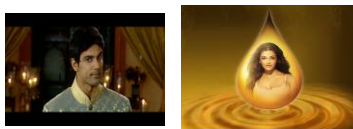
Relaunching Lux with new proposition

Create intrigue about new Lux

PR : 10 second teasers across 45 channels



'exclusive footage for new Lux coming up'



Lead TV channels popular anchors creating intrigue

'What is new about new Lux?'

Build awareness and engage

TVC launch through reality show integration

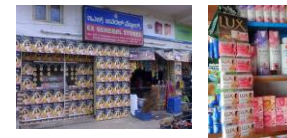
Unveil by TV stars



Impactful visibility in 50,000 outlets



PR Amplification
66 print publication
Free air time.



Print innovations: simultaneous disruptive campaign across 21 national dailies

Get consumers to try Lux.



Consumer Promotion of gold coins in a soap



Sampling - consumers experiencing the new Lux through a joint property built with the biggest media house in North India

Rejuvenating Breeze

*International
Breeze*

Proposition & Pack

Pesh hai naya Breeze International

Jo bana hai Paris ke behtarin chuninda scents se.
Aab scent ka kamal sabun mein.



45 gm	Rs. 5
90 gm x 3	Rs. 30
90 gm x 4	Rs. 40
120 gm x 4	Rs. 50



Promotion

- Aggressive Sale Plan



Product

- Enhanced TFM
- Improved Perfumes



Price

- Benchmarked with market



Driving Premium Cleansing: Dove

To build Superiority

On pack Innovations



PR Editorial



Print Innovations



Inviting women to take the Face Test



TVC and Visibility

Digital : Starting a debate on real beauty



Experience/
Amplification



Real Women Testimonial



Home to Home : Litmus Test in Households



More than 2% of Market Share
Building on Unilever Global experience

Driving consumption : FAL variants & uptrading



Successful Launch – Fair & Lovely Winter Fairness Cream



Improved Mix – Consumers uptrading from sachet to Tube

Strategy & Execution

- **Leverage brand portfolio and consumer understanding by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
 - **Winning with consumers, channels, segments/markets of tomorrow**
 - Build markets and capabilities for the future
 - Leverage Unilever scale and know how
 - **Drive increased execution rigour**
 - **Step-up in cost efficiency initiatives**
 - **Integrate economic, environment & social objectives with business agenda**
- 

Building new segments: Vaseline Healthy White

Product is Hero



Attack current habit
Is your body as fair as your face

Aligned
Promo Strategy



Target Early Adopters : Youth thru digital

Educational
Campaign



Drive Experience
Amazing skin on - ground activation

Aligned
Promo Strategy



Media for Habit change : Impact

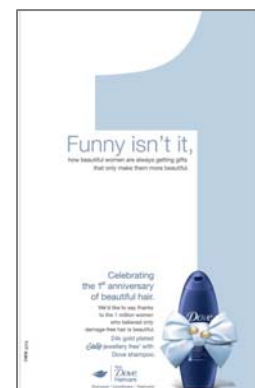
Building Dove across Categories & segments

Win first in Markets of future: Modern Trade

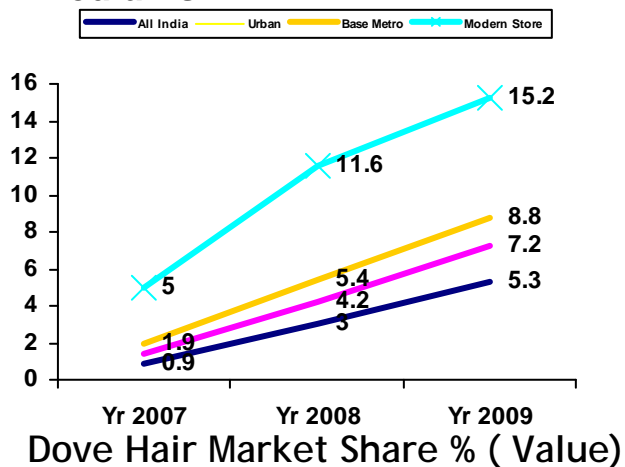
Dove Hair : Launched May 2007



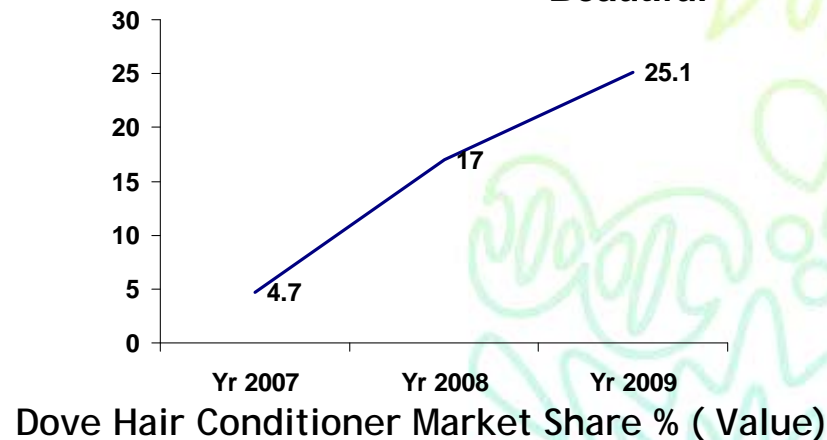
Now No.1 in Modern Trade



Adopt new mediums



Consistently make her feel Beautiful



Segments of tomorrow - Hair Conditioners



Conditioners Market in India Growing Fast with huge potential

Sachets to generate trials

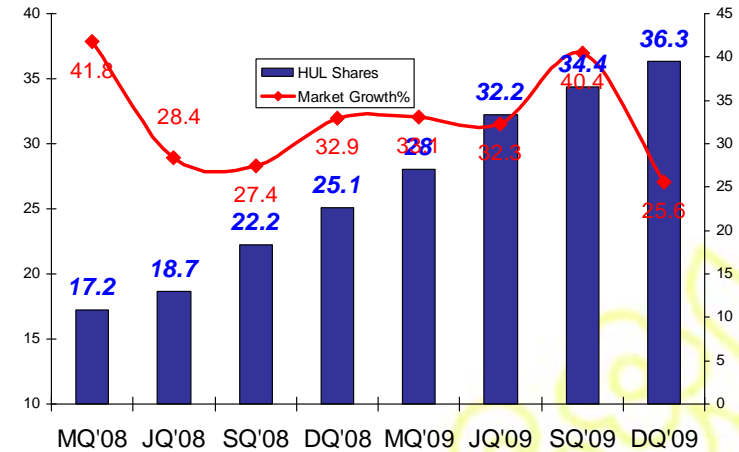


Impactful execution across mediums

Permanent branding and shelf presence at POS



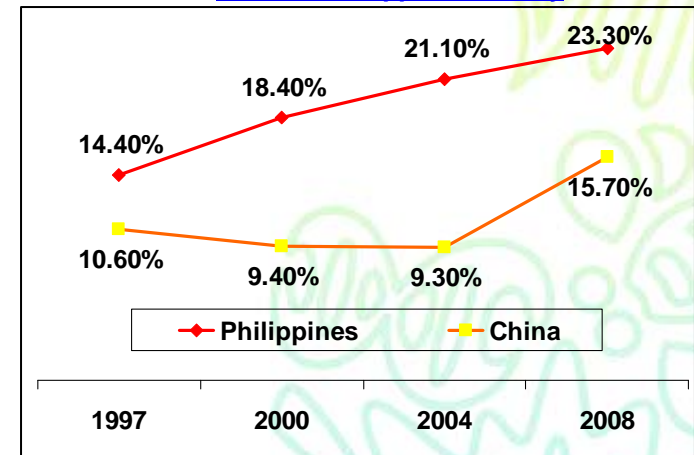
HUL Shares and Market Growth%



Source: AC Nielsen

Share of Hair Conditioners in Hair Care

India is still approx 3% only



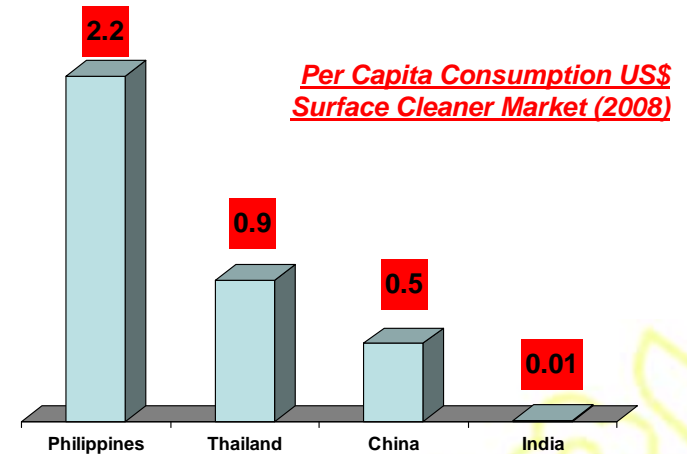
Source: Euromonitor

Segments of tomorrow - Surface Cleaners



Surface Cleaner current market size at \$ 63 mln
Growing at CAGR of 14.1%
with accelerating growth rate

Removes toughest dirt with minimum effort



Source: Euromonitor



Extensive TV plan

Print to drive engagement and education



360°

Deployment plan

Large Scale demos

High In-Store visibility

Modern trade prioritization

Digital and Sms plans



All India Presence 52,000 stores

Building New Markets: Pure-it

Product Superiority: Unchallenged



1 CRORE SAFETY CHALLENGE

If you can find any other in-home water purifier with the 3 essential safety features of Pureit, you can win Rs. 1 crore. Just make sure it:

- 1) Meets USA's tough Germkill criteria - set by EPA, the US government agency
- 2) Has advanced Auto Switch-Off facility - that ensures you never drink unsafe water
- 3) Needs no electricity, no running water - to provide 'as safe as boiled' water at the time

UNCLAIMED

For free home demo call 9222 200 200 Rs. 2000* only

Extension of Reach: Retail Channel
14500 outlets 40 -50% revenue

Innovative Offerings

Pure – it Auto Fill

Broadens Portfolio



Introducing a Pureit that fills itself
Get 100% safe water* with 0% effort

New

Now get as safe as boiled water without the hassle of having to fill it up.
Introducing New Pureit AutoFill - fully loaded with 5 special features.

- Auto Switch-Off that start, fill and store water automatically without any manual intervention.
- 18 Liter capacity that ensures 18 liters of water storage even without running tap water.
- Manual backup that allows you to fill water manually when you don't have running tap water.

pure-it auto-fill
As Safe As Boiled Water*

Pure – it Compact

Entry in Discount Segment

Market /Category Development : Soups & Savoury

Knorr Soups Re-launched with Improved Taste and World Class Packaging

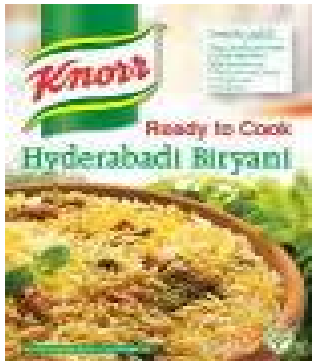


Unique claim: 100% real vegetables which has high resonance with Consumers & is brought alive in TVC



Packaging – a benchmark for global Knorr Packaging

Knorr – Meal Maker Opportunity



Building new Capabilities - Brilliant Activation



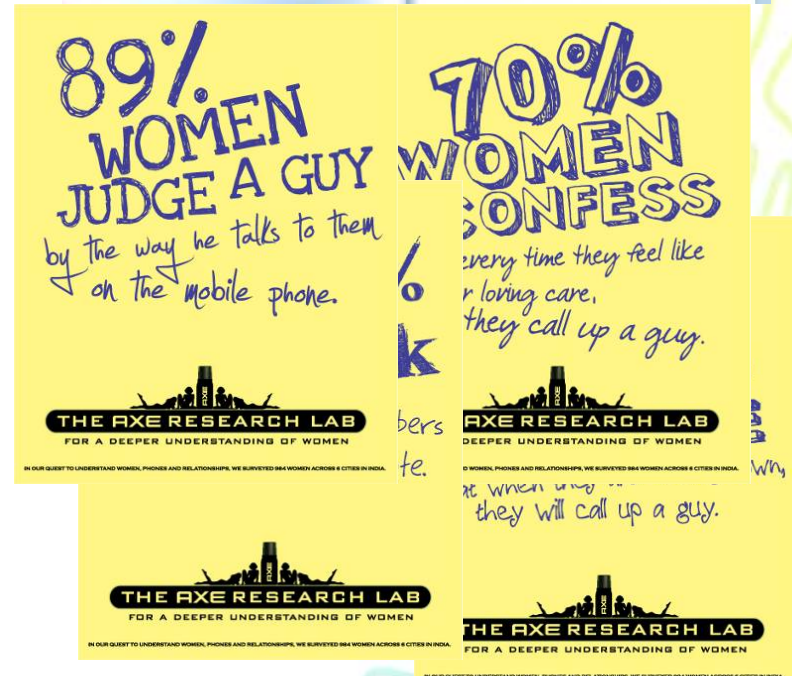
Launch of Axe Boost

'Call Me' interactive campaign

Generated over 3 million unique calls

>2% market share gain in Non Metros

Accelerated Growth achieved after campaign



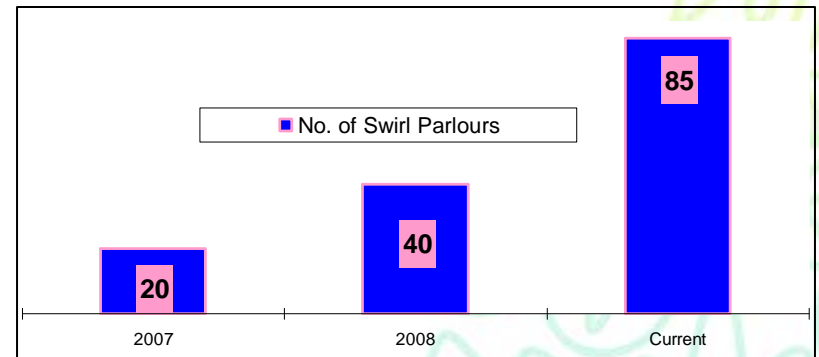
Expanding footprint : Out of Home capabilities



- **SWIRL'S** - a successful concept in Europe
- 85 parlours

Various shop and product formats

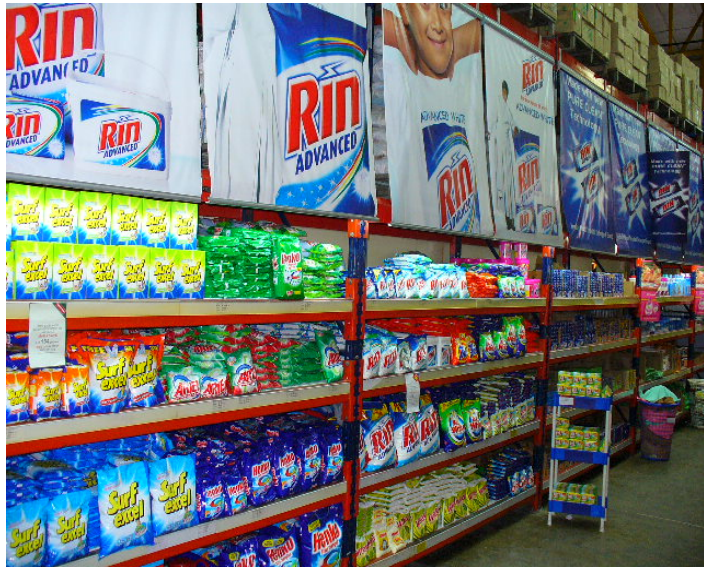
- **FRESH** : Fresh Ingredients
- **CHOICE** : Create Your Own
- **THEATER & FUN** : Specially for You



1.2 million consumer experience moments were created in '09

Strengthening capabilities: Winning at Point of Sale

Winning
In MT



Winning
In GT



Power of
Analytics

Power of One
Unilever

Shopper
Insights

People

iQ

GTM (U)
GTM (R)

Channel Programs

Lean & Agile
Organization

Creating a million perfect stores...



Creation of Perfect Stores



Mass Customization

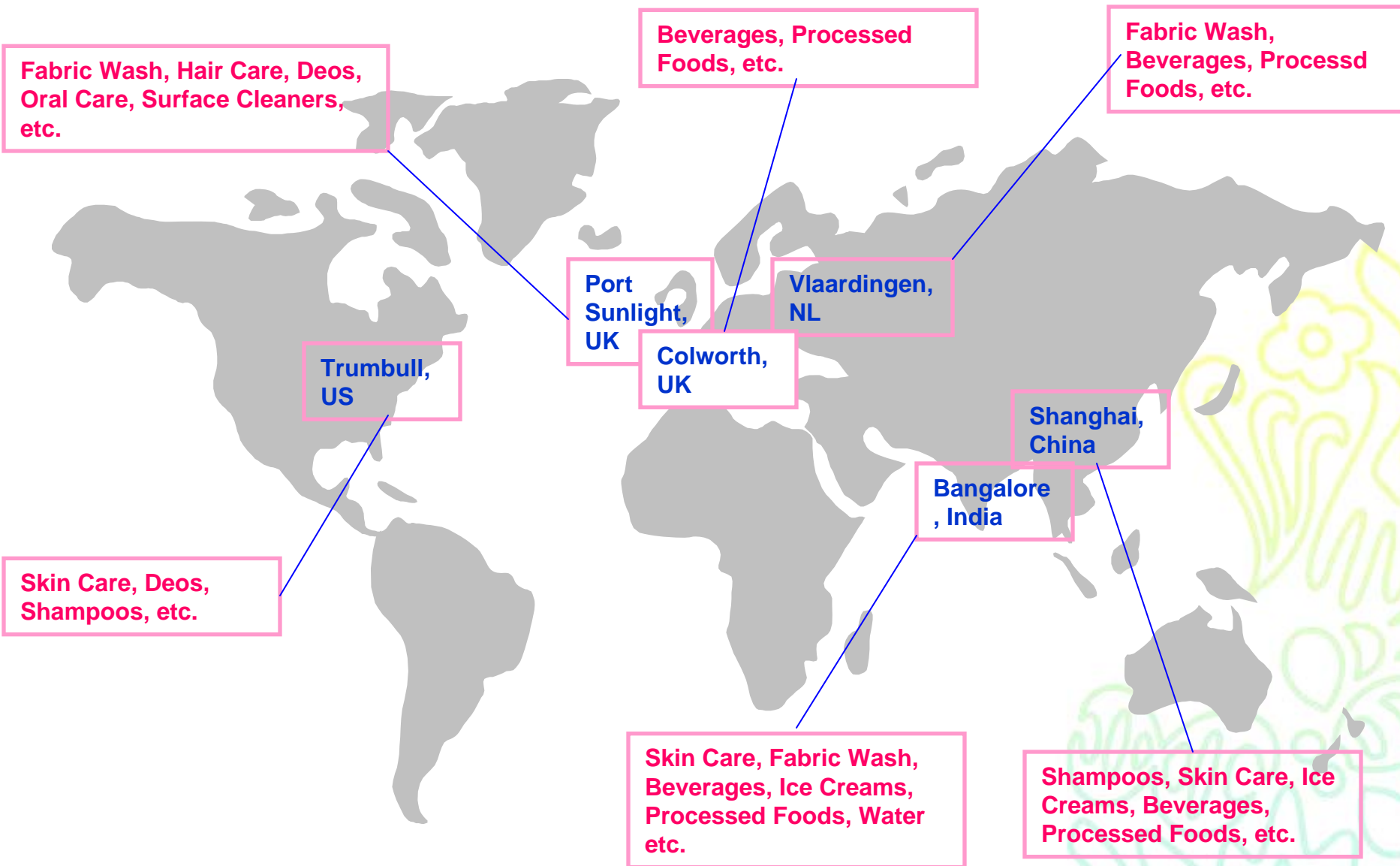
Intelligent Information Systems

- Business insights from execution and sales data to seamlessly support business decisions
- To enable superior execution and planning of events
- Appropriate product assortment to maximize sales

Already in pilot...



Leveraging Unilever: Global R&D Centres



Unilever Research and Development Strengths



**Spray Technology
Deodorants**



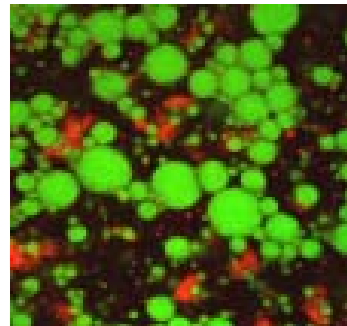
**Skin Mildness
and Moisturizing**



**Product Processing
e.g. Ice Cream**



**Hair
Technology**



**Structured
Oils and Emulsions**



Science of Tea

Leveraging Global Technology: Pond's White Beauty

Product is Hero



Right Size / Right Value



Reframe vocabulary : Spots removal too!

Affordable formats : Mini Jar + Sachet

Aligned Promo Strategy



Aligned Promo Strategy



Target top end : Heavy Niche

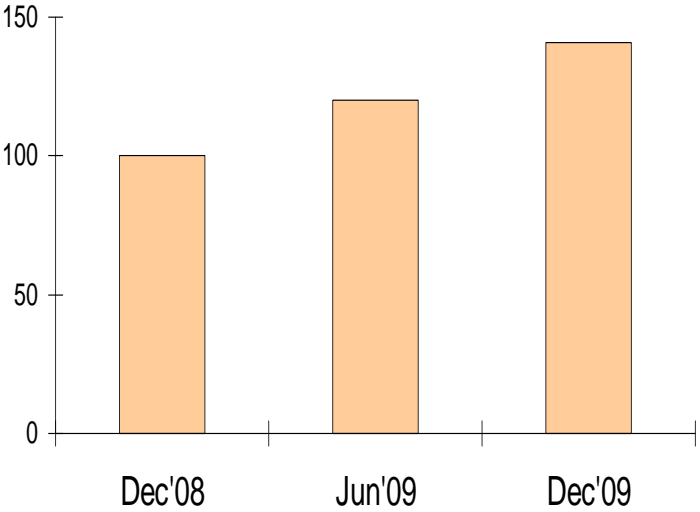
Media for expertise : Impact thru Non TV

Strategy & Execution

- **Leverage brand portfolio and consumer understanding by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
 - **Winning with consumers, channels, segments/markets of tomorrow**
 - Build markets and capabilities for the future
 - Leverage Unilever scale and know how
 - **Drive increased execution rigour**
 - **Step-up in cost efficiency initiatives**
 - **Integrate economic, environment & social objectives with business agenda**
- 

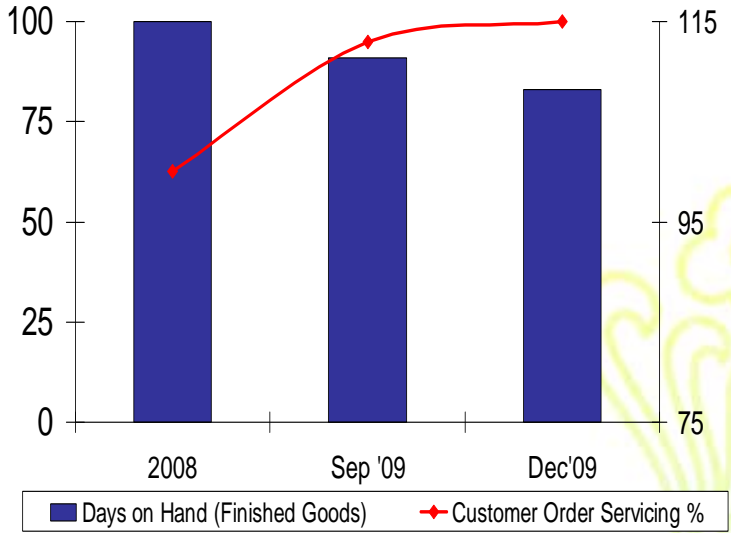
Enhancing execution capability

Field Execution
All India



Field Execution Scores

DOH Inventory



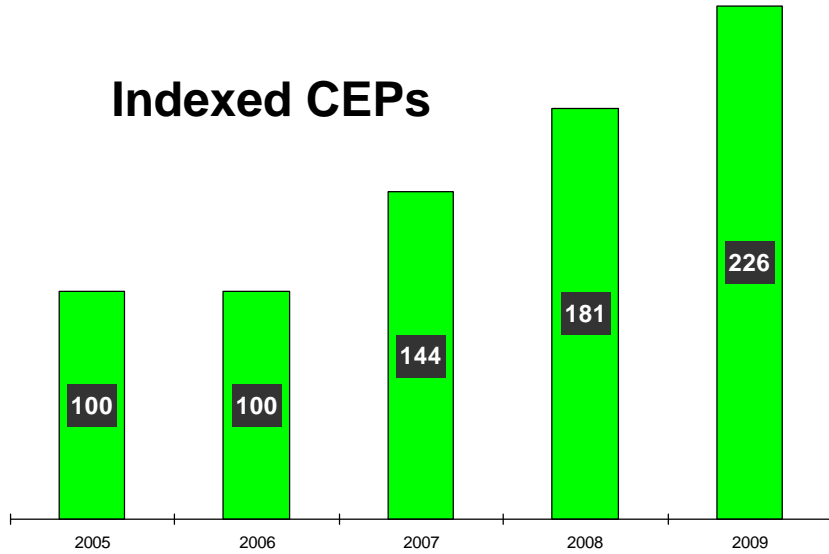
Order Servicing

Enhanced Customer Service with higher cash delivery

Indexed Chart (vs Dec 2008)

Step up in cost efficiencies

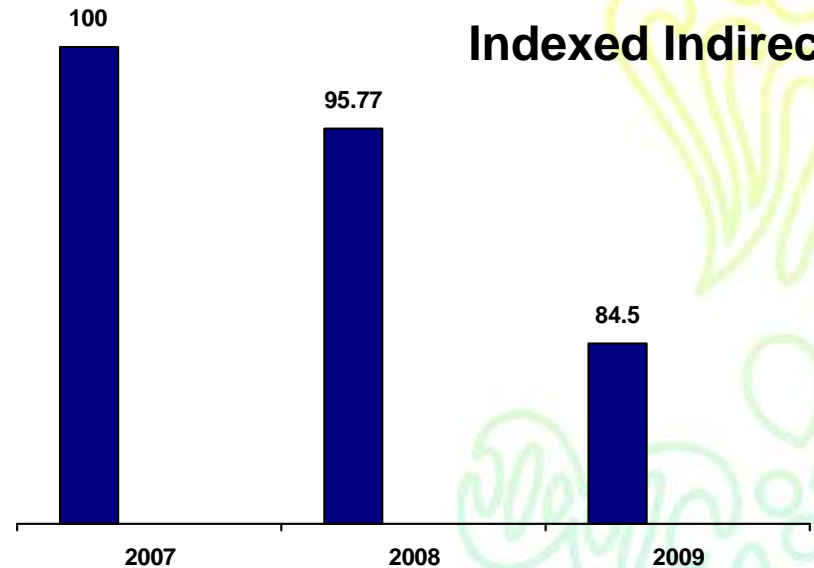
Indexed CEPs




- Sustained Improvement in Cost Savings Programme

- Tight focus on discretionary costs

Indexed Indirects

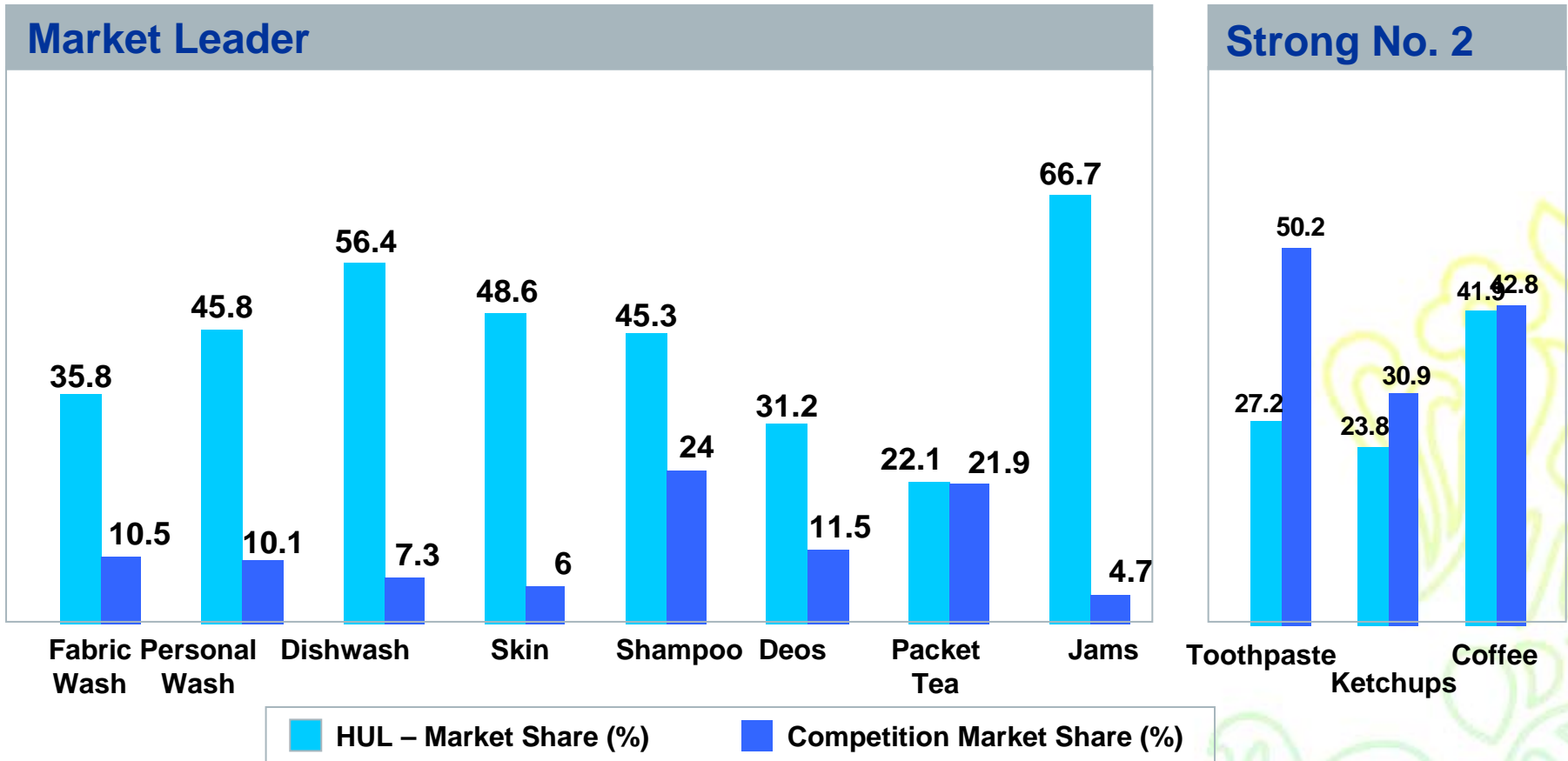


To Recap..... Key Interventions

- **Improved competitiveness of mass laundry**
 - **Active deployment of full portfolio in Soaps**
 - **Entire portfolio relaunched**
 - **Continue to drive Personal Products and Foods**
 - **Enhanced brand investment across the portfolio**
 - **Step-up in cost saving programmes and better operating leverage**
 - **Increased focus on in-market execution**
- 

DQ Volume Growth > Market

Value Market shares expected to improve going forward



Reversing recent share decline: Top Priority

Strategy & Execution

- **Leverage brand portfolio and consumer understanding by**
 - Straddling the pyramid & deploying full portfolio
 - Driving consumption & penetration opportunity
 - **Winning with consumers, channels, segments/markets of tomorrow**
 - Build markets and capabilities for the future
 - Leverage Unilever scale and know how
 - **Drive increased execution rigour**
 - **Step-up in cost efficiency initiatives**
 - **Integrate economic, environment & social objectives with business agenda**
- 

Embedding sustainability

Prosperity

(Economic)

Enhance livelihoods

People

(Social)

Health

(Hygiene and Nutrition)

Planet

(Environment)

Eco efficiency

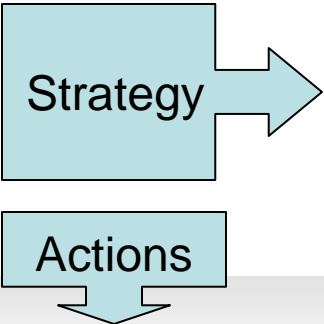
(Water, GHG, Packaging)

Who : Brands will lead the effort

Where: Around our units of operation

How: Through Partnerships

Corporate Responsibility: Our Approach



**Grow Markets
in a responsible
Manner**

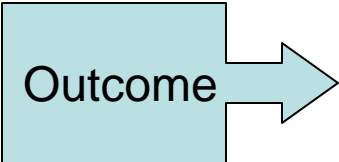
**Ensure
Sustainable
practices @HUL**

**Responsible
leadership
for a sustainable
tomorrow**

Our Brands

Our People

Our Processes



**Grow Markets
and Fuel
Innovations**

**Societal
legitimacy and
Competitive edge**

**Building
Reputation
for HUL**

Corporate Responsibility: Key Actions in 2009

Strategic Thrusts	Key Actions
Brands	<ul style="list-style-type: none">▪ HUL Foundation set up▪ 12 tea estates identified; initiated sustainable tomato sourcing
People	<ul style="list-style-type: none">▪ Volunteering of 100,000+ hrs (2 X 2008)▪ Contributed towards disaster relief<ul style="list-style-type: none">▪ Bihar floods, 26/11 trust, AP/Karnataka floods▪ Contribution from Employees
Processes	<ul style="list-style-type: none">▪ Reduced GHG by 28% (vs 2004)

Agenda

Our Vision

Market Context

Strategy & Execution

Current Performance



DQ'09: Performance Highlights


- **Volume growth accelerates through the year to 5%**
- **Sales growth 5%;**
- **Soaps shares stabilise – 10 bps increase**
- **Volumes shares grow in Laundry – 100 bps in powders and 60 bps in Bars**
- **Personal Products growth momentum sustained through the year**
- **Underlying operating margins* up 10 bps despite high brand investments**

*Excluding MTM impact

DQ'09: Financial Results

Rs Crores	DQ'09	DQ'08	Growth%
Net Sales	4504	4308	4.6
EBITDA	788	764	3.1
PBIT	742	723	2.6
<i>PBIT margin (%age)</i>	16.5	16.8	-
<i>Underlying PBIT</i>	757	718	5.4
<i>Underlying PBIT margin(%age)</i>	16.8	16.7	
Exceptional Items	44.5	(38.5)	-
PBT bei	781	753	3.8
PBT	826	714	15.6
PAT bei	599	612	(2.1)
Net Profit	649	616	5.4

Looking Ahead

- **FMCG market growth to sustain**
 - Short term impact of food inflation
 - Overall growth opportunity remains strong
 - **Competitive environment intensifies significantly**
 - Especially in Laundry, Hair & Skin
 - Reflected in increased media spends
 - Several new entries in emerging segments
 - **Our focus is to**
 - Deploy our full portfolio & brands to strengthen market leadership
 - Invest behind our brands competitively to gain share
 - Improve execution and speed to market
 - **Competitive growth is the No 1 priority across our business**
- 

Thank You





Hindustan Unilever Limited

Investor Presentation

February, 2010