

Hindustan Unilever Limited

Annual Investor Seminar 2012



Agenda

Winning Today, Winning tomorrow	Nitin Paranjpe	8.45 am to 9.45 am
Brand and Capability experience	Business heads	10.00 am to 1.00 pm
Q&A	CEO & CFO	1.00 pm to 1.30 pm

Hindustan Unilever Limited

Winning Today, Winning Tomorrow



Hindustan Unilever Limited

Clear and compelling strategy

Strategic framework

THE COMPASS	
WE ARE UNLIVER...	
VISION	<p>WE WERE TO CREATE A BETTER TOMORROW EVERY DAY</p> <p>We are a successful, growing, sustainable business.</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 strategies of doing business with the aim of doubling the size of our company while reducing our environmental impact.</p>
MISSION	<p>We focus on corporate and customer well-being with a bias for action.</p> <p>Our first priority is to our customers, then customers, employees and communities. When we fulfil our responsibilities to these, our shareholders will be rewarded.</p> <p>We will work through a growth mindset and a positive approach to all our stakeholders, based on clear accountability and bias for action.</p>
WHERE WE WILL WIN...	
FOCUS AREAS	<p>Win share and gross volume in every category and country.</p>
HOW WE WILL WIN...	
Winning with brands and innovation	<ol style="list-style-type: none"> 1. Deliver superior products, design, branding and marketing 2. Engage, buffer, inspire innovation 3. Appeal to mass consumers across health and price points
Winning in the marketplace	<ol style="list-style-type: none"> 4. Lead market development 5. Win with existing customers 6. Be price/value proposition
Winning through distribution relationships	<ol style="list-style-type: none"> 7. Joint, regional and consumer led relationships 8. Drive return on brand equity 9. Agile and innovative organization
Winning with people	<ol style="list-style-type: none"> 10. Organization will drive talent pipeline ready to double our growth ambition 11. Performance culture which supports our vision 12. Leverage our operating framework for competitive advantage

Sustainable Living Plan



Our Goals

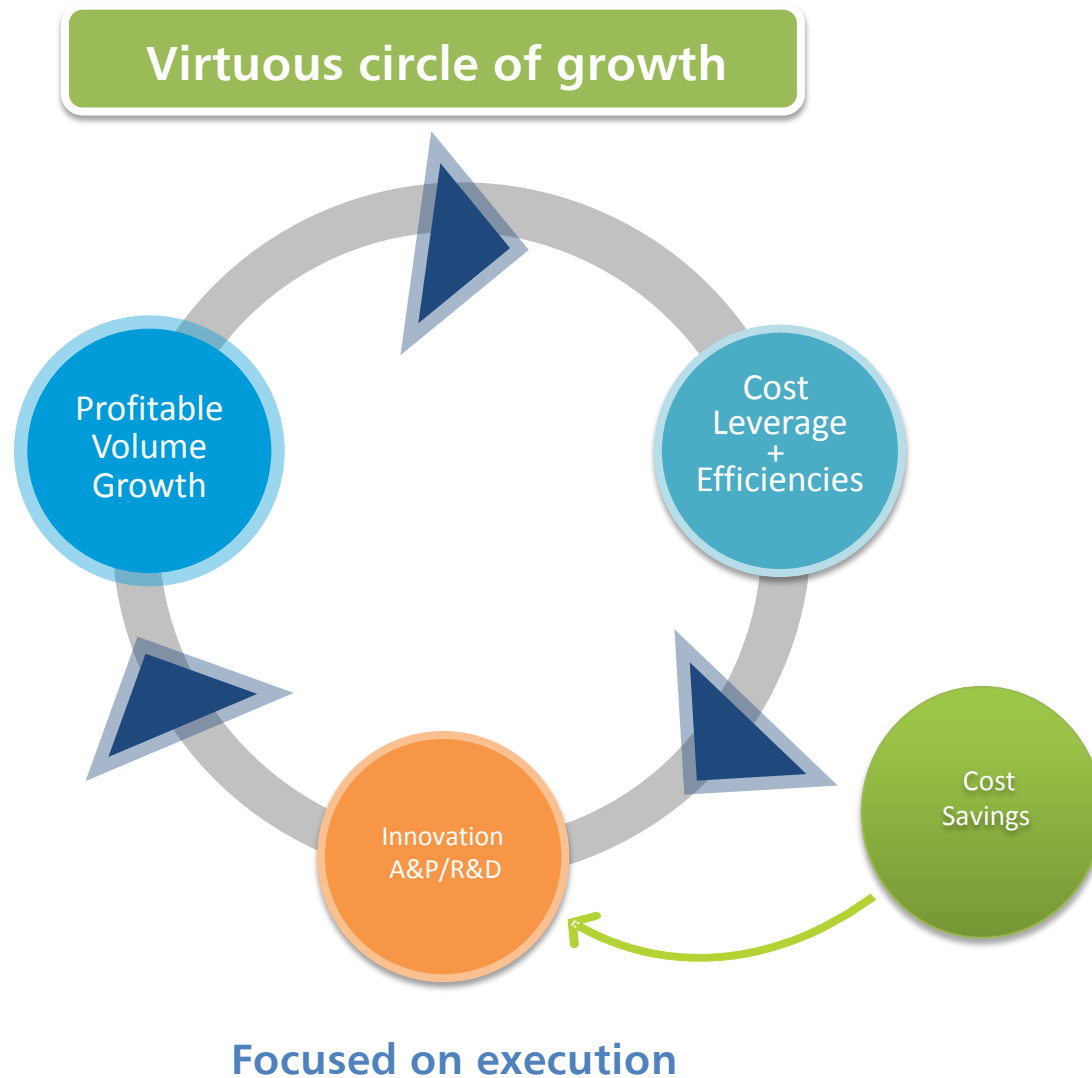
Consistent Growth

Competitive Growth

Profitable Growth

Responsible Growth

A business model that works

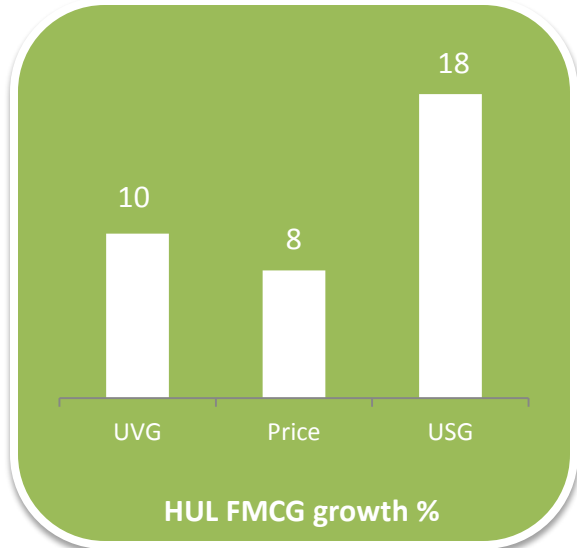


FY 2011-12: Delivered on goals

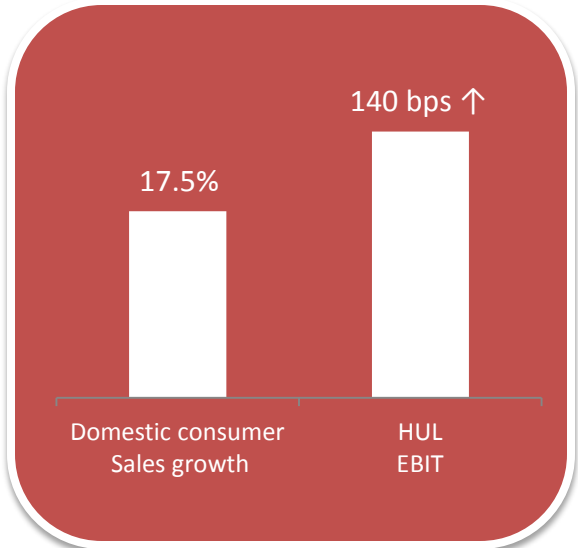
Competitive growth Ahead of market



Consistent growth Volume led

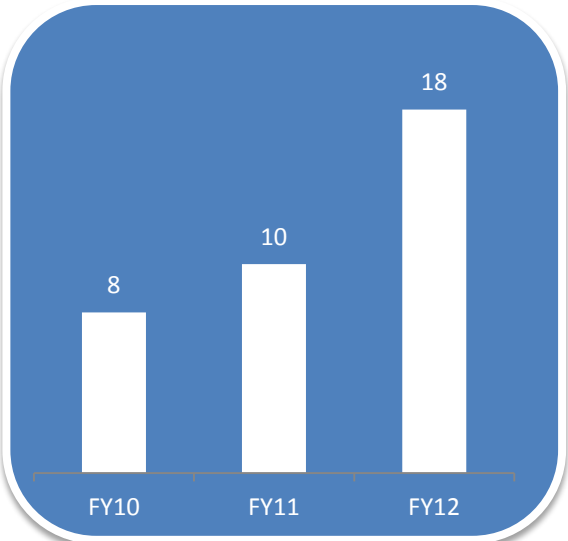


Profitable growth Margin expansion



Stepped up the growth momentum

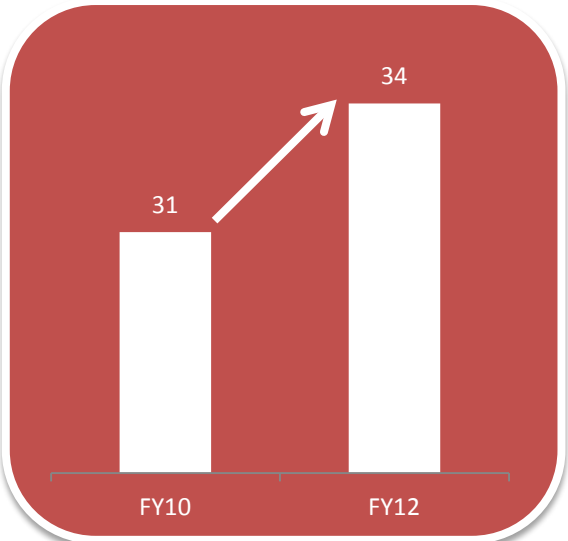
Increasing FMCG USG (%)



Higher PP contribution (%)



Higher Foods contribution to F&B



1

Compass - *How will we win*


2

Strengthening capabilities - *Widening competitive gap*


3

Sustainability - *USLP*

Winning Principles



THE COMPASS



OUR PRIORITY ORDER

Our first priority is to our consumers, then customers, employees and communities. When we fulfill our responsibilities to them our shareholders will be rewarded.

WHERE WE WILL WIN

EMPLOYEES
 We attract and grow talent in every category and country

HOW WE WILL WIN

Winning with brands and innovation	<ol style="list-style-type: none"> 1. Deliver care to patients, doctors, families and medicine 2. Rigor, focus, faster innovation 3. Appeal to more consumers across wealth and price points
Winning in the marketplace	<ol style="list-style-type: none"> 4. Lead market development 5. Win with existing customers 6. Be production champions
Winning through sustainable improvement	<ol style="list-style-type: none"> 7. Lean, rigorous and customer led operations 8. Drive value on brand equity 9. Supply and operational innovation
Winning with people	<ol style="list-style-type: none"> 10. Organization and structure aligned to drive continuous growth solutions 11. Performance culture which supports our values 12. Learning and working framework for competitive advantage

Embedding consumer and customer centricity

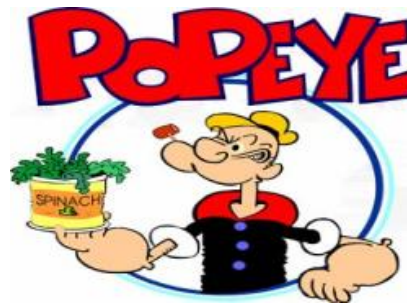
Consumer & Customer License



Customer Credo



DO MORE THAN WE SAY
DELIVER MORE THAN WE PROMISE



Project Popeye

Mission Bushfire – Perfect stores



Our approach to Winning

- 1** Winning with brands and innovation
- 2** Winning in the marketplace
- 3** Winning through continuous improvement
- 4** Winning with people

THE COMPASS

WE ARE UNILEVER...

VISION	We are a successful, growing, sustainable business.	WE WANT TO CREATE A BETTER FUTURE EVERY DAY! 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. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
MANIFESTO	We focus on customers and partners with a bias for action.	Our first priority is to our customers, their customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be successful. We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

PROGRESS: We share and grow volume in every category and country.

HOW WE WILL WIN...

NON-NEGOTIABLES	1	Deliver superior products, designs, branding and marketing
	2	Smarter, better, faster innovation
	3	Appeal to more consumers across needs and price points
	2	Lead market development
	4	Win with existing customers
	5	Be an execution powerhouse
	3	Low, responsive and consumer-led value chain
	6	Drive return on brand support
	7	Agile, flat, competitive organization
	4	Organization and diverse talent pipeline leads to match our growth ambitions
	8	Performance culture which supports our vision
	9	Leverage our operating framework for competitive advantage

Step up in innovations

Covering 60%+ of portfolio



Lux relaunch with silk protein extract



Rin bar relaunch with superior formulation and packaging



Vim relaunched with "100 Nimbuon ki Shakti"



Fair & Lovely Future Tube: Aspirational & affordable



Fair & Lovely Facewashes



Vaseline hand and body



Dove: Nourishing Oil Care range with Vita Oils



Sunsilk Keratinology for salon treated hair



Face Wash: Range expansion across brands



Lakme Absolute range



Pepsodent G relaunched



Clear Relaunch

Step up in innovations

Covering 60%+ of portfolio



Kissan range expanded and relaunched



Soupy Noodles extension



Cup-a-Soup instant soups



Fruittare Naturally refreshing flavours with 100% Fruit



Selection 5 Rich and Creamy International flavours



Bru Gold 100% coffee



Bru Exotica



Lipton Ice Tea

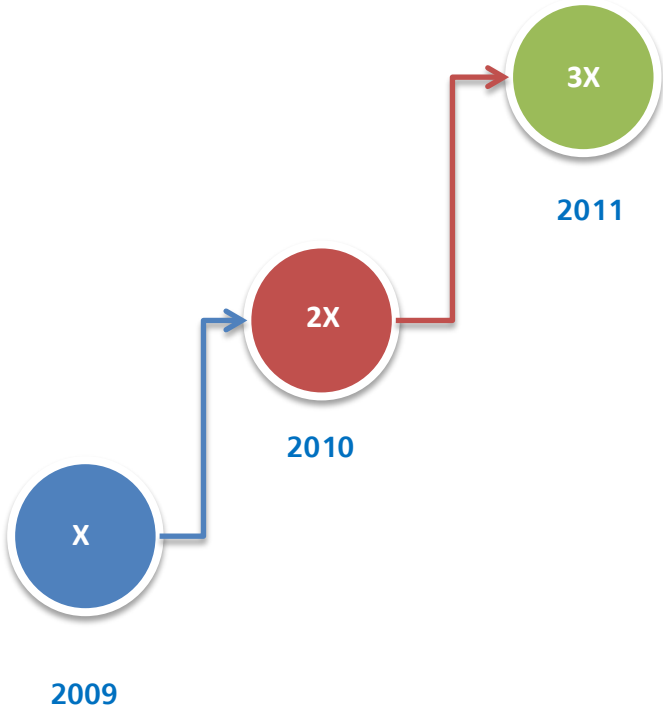
Green and flavored Teabags



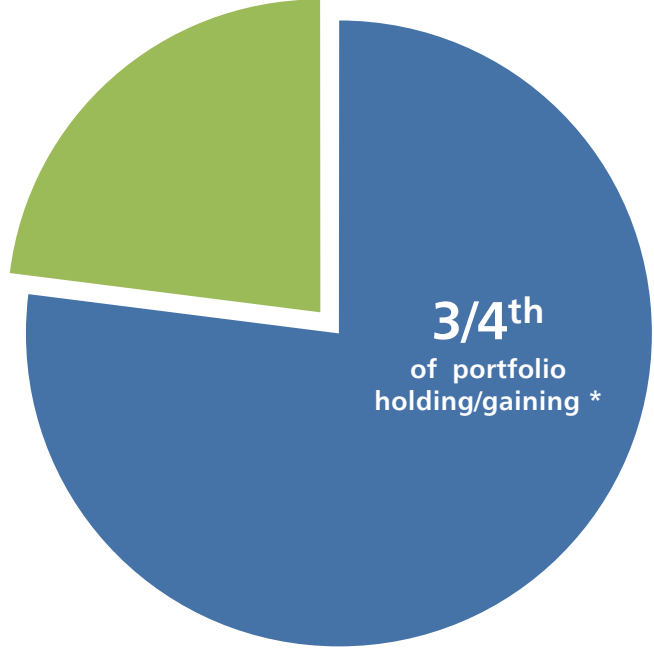
Pureit Marvella RO

Better quality products, stronger brands

Tripled blind product wins %

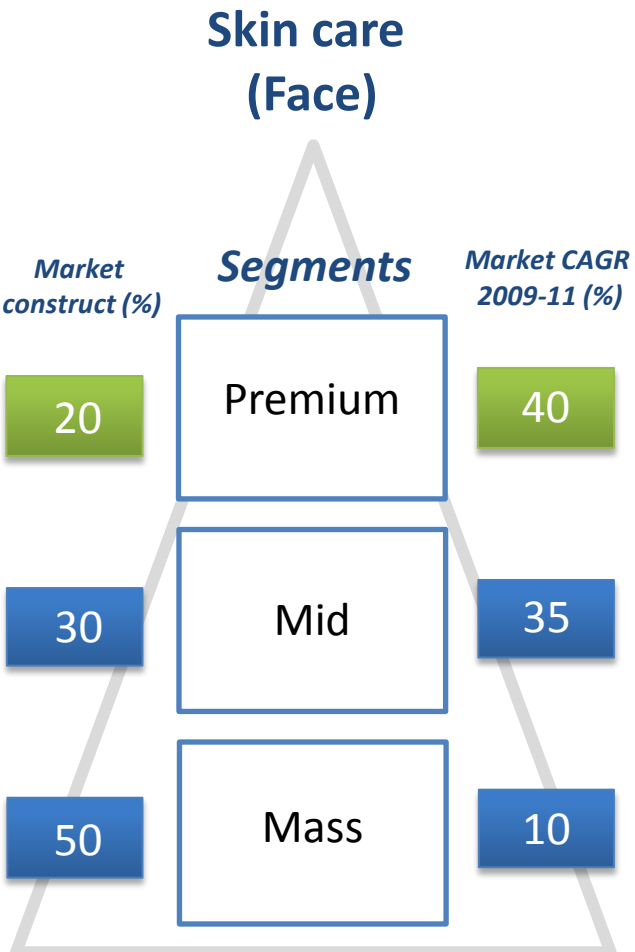


Improved brand equity scores

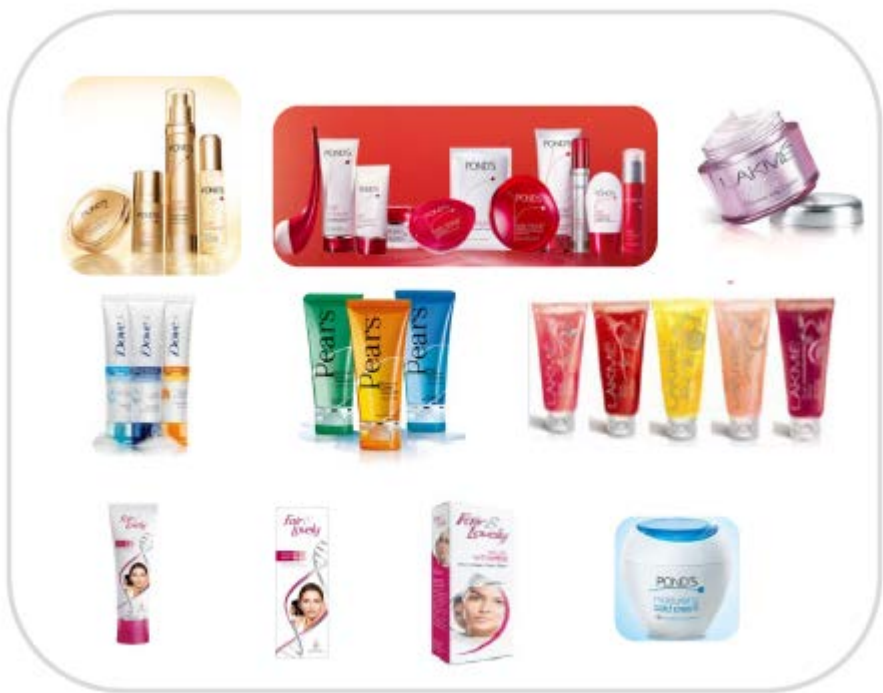


Measured for the top 25 brands; *Exit 2011 Vs second half 2009

Driving mix through premiumization



Moving up the ladder



Building segments of future

Facewashes

Size: >Rs. 900 crs.
Growth: c. 50%



Hand & Body

Size: >Rs. 1300 crs.
Growth: c. 30%



Handwashes

Size: >Rs. 200 crs.
Growth: c. 30%



Noodles

Size: >Rs. 1700 crs.
Growth: c. 30%



Building segments of future

Premium Skin lightening

Size: >Rs. 800 crs.
Growth: c. 30%



Anti Aging

Size: >Rs. 200 crs.
Growth: c. 30%



Conditioners

Size: >Rs. 200 crs.
Growth: c. 30%



Tea bags

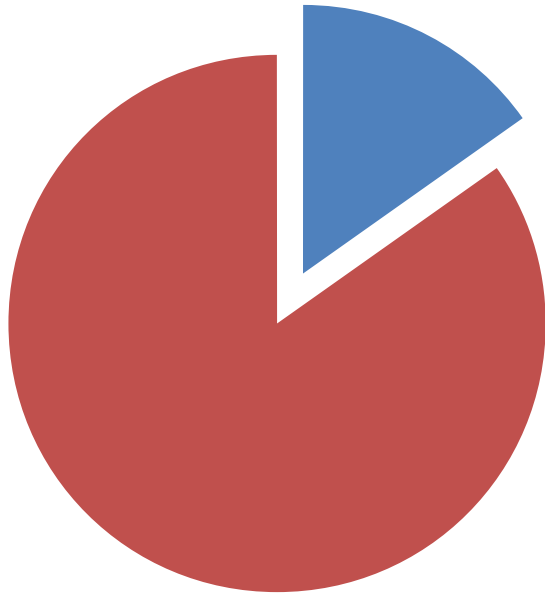
Size: >Rs. 80 crs.
Growth: c. 40%



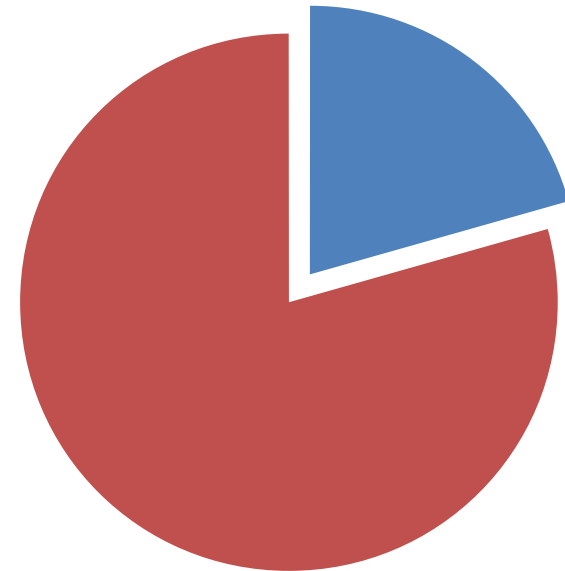
Building segments of future

Delivering results

Portfolio contribution



Growth contribution



■ Core Categories

■ Future Categories

Our approach to Winning

- 1
- 2
- 3
- 4

Winning with brands and innovation

Winning in the marketplace

Winning through continuous improvement

Winning with people

THE COMPASS

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VISION	We are a successful, growing, sustainable business.	WE WANT TO CREATE A BETTER PLANET EVERY DAY! 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. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the cost of our company while reducing our environmental impact.
MISSIONS	We focus on customers and customers with whom we share the action.	Our first priority is to our customers, their customers, employees and communities where we fulfil our responsibilities to them, our shareholders, and the world. We will act through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.

WHERE WE WILL WIN...

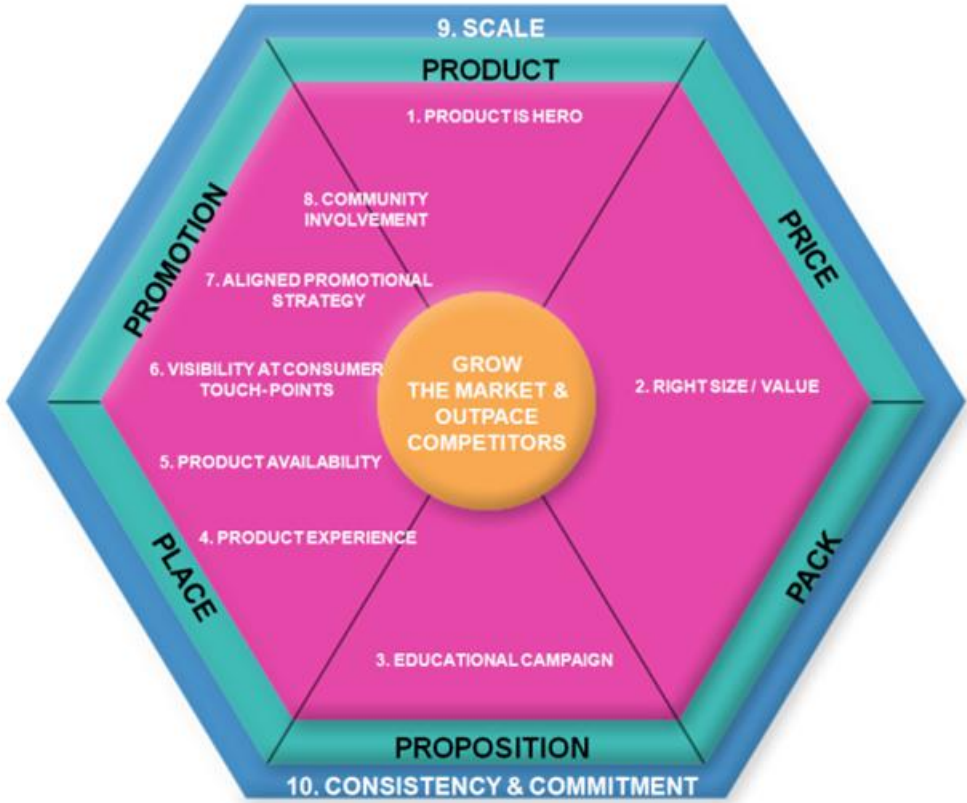
PROCESSES

We share and grow volume in many categories and countries.

HOW WE WILL WIN...

1	1. Deliver superior products, design, branding and marketing
	2. Market better, better innovation
	3. Appeal to more customers across needs and price points
2	4. Lead market development
	5. Win with winning customers
	6. Be an essential go-to business
3	7. Lean, responsive and consumer led value chain
	8. Drive value on brand support
	9. Right, cost-competitve organization
4	10. Organization and diverse talent pipeline ready to match our growth ambition
	11. Performance culture which supports our values
	12. Leverage our operating framework for competitive advantage

Leading market development



More Users
Drive preference

More Usage
Drive consumption

More Benefits
Develop segments

Repeatable models

Successful deployment in Skin and Hair

More users

Discover natural radiance from deep within. New Dove Face Washes.



More usage

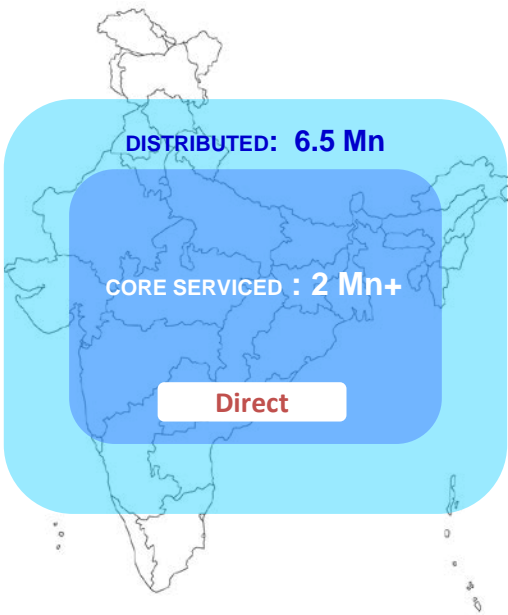


More benefits



Stepping up front end execution

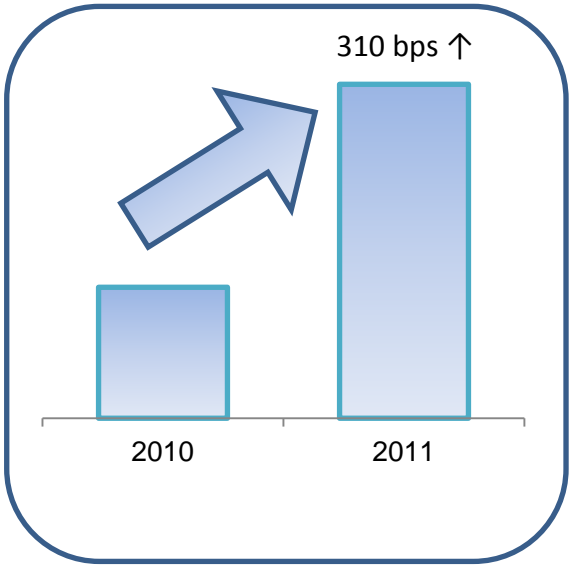
More stores



Better Stores



Better served*



* Modern Trade on shelf availability

Delivering results

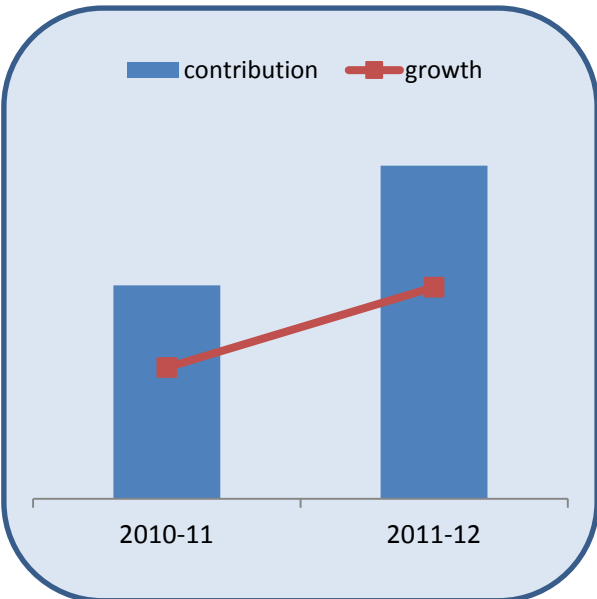
Perfect Stores

Increasing contribution, higher growth



Modern Trade

Accelerating



Rural

Distribution gains



Our approach to Winning

- 1 Winning with brands and innovation
- 2 Winning in the marketplace
- 3 Winning through continuous improvement
- 4 Winning with people

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WHERE WE WILL WIN...

PROFITABLE
We share and grow value in many categories and countries.

HOW WE WILL WIN...

NON-NEGOTIABLES	1	1	Deliver superior products, design, branding and marketing
		2	Wages, tariffs, better innovation
		3	Agree to meet consumer needs, and grow profit
	2	4	Lead market development
		5	Win with existing customers
	3	6	Be an essential purchase
		7	Lower expenses and increase led value share
		8	Drive return on brand equity
	4	9	Right, not control the organization
		10	Organization and diverse talent pipeline ready to catch our growth ambitions
		11	Performance culture which supports our vision
		12	Performance culture which supports our vision
		13	Performance culture which supports our vision
		14	Acquire our operating framework for competitive advantage

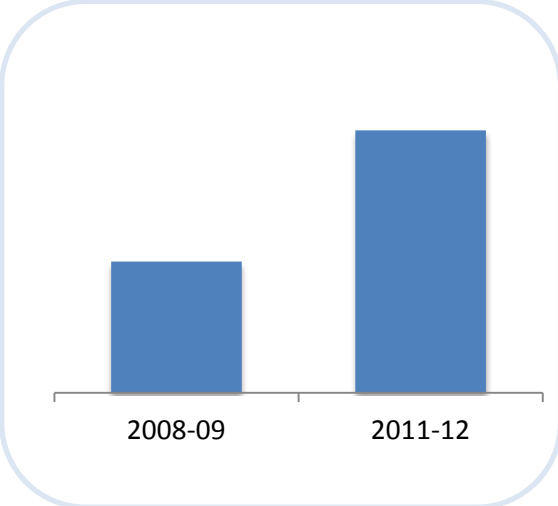
Differentiated Supply Chain

Driving benefits across value chain

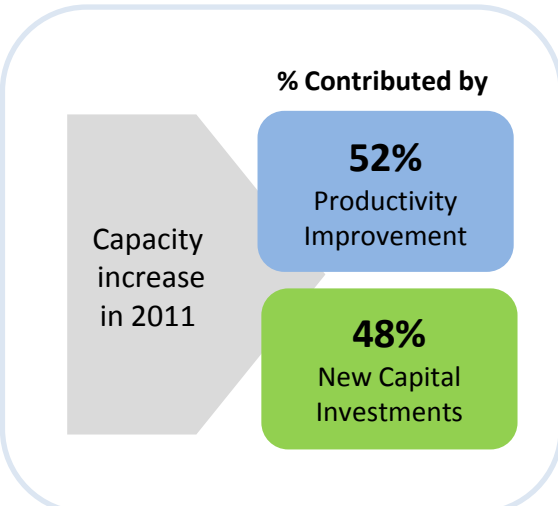


Focus on cash and savings

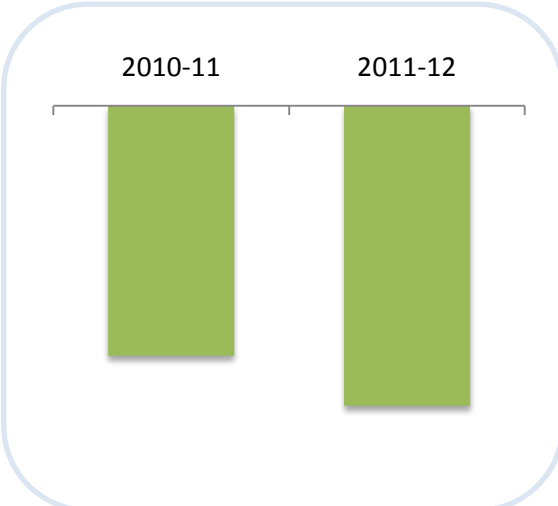
Step up in cost savings *Savings as a % of Turnover*



Maximizing ROCE *Optimizing investments*



Delivering cash *TWC as a % of turnover*

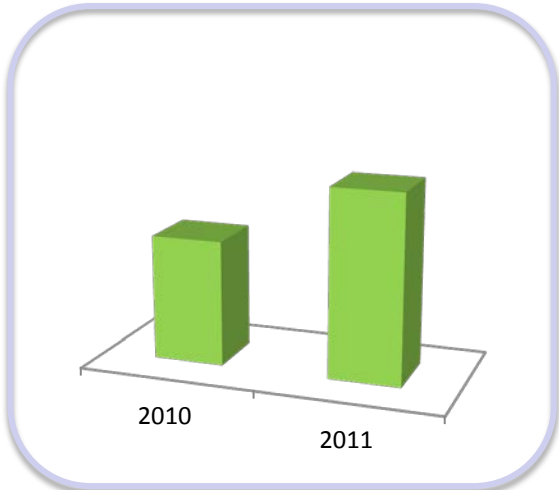


TWC: Trading working capital; includes debtors, creditors and inventory excludes cash; ROCE: Return on Capital employed

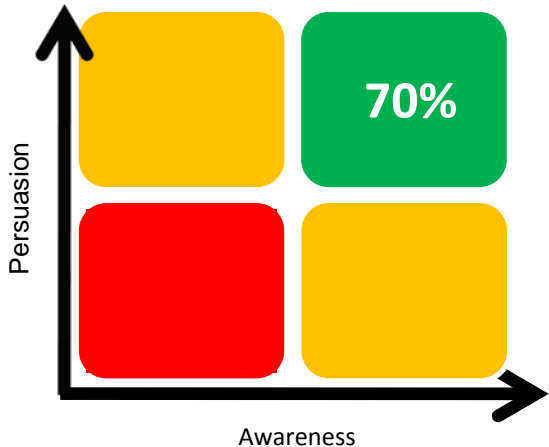
Driving Return on Marketing Investments

Getting more out of advertising

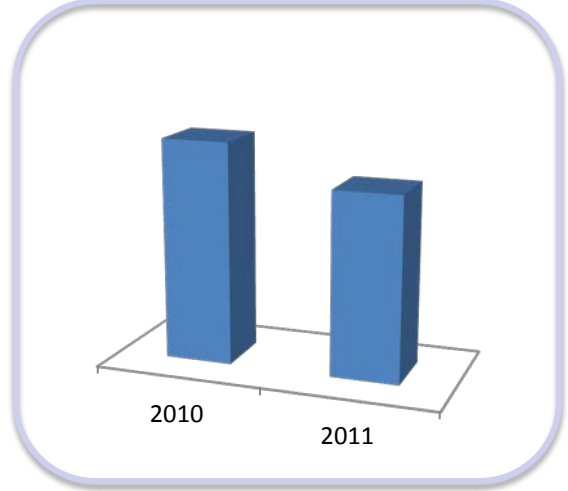
More ads pre-tested
Up by 50%



Improvement in Ad preview scores
Up by 800 bps



Production and media fees
Lower by 900 bps

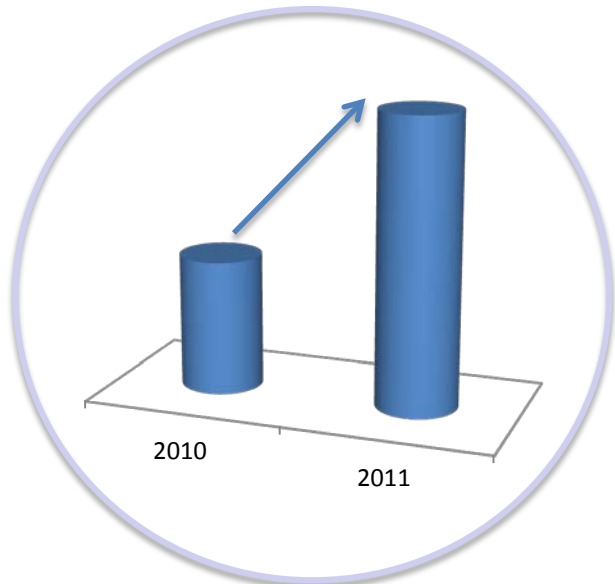


Driving Return on Marketing Investments

Optimizing promotional spends

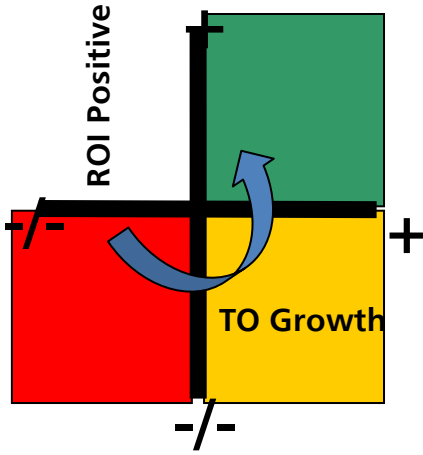
More activities evaluated

Up by > 50%



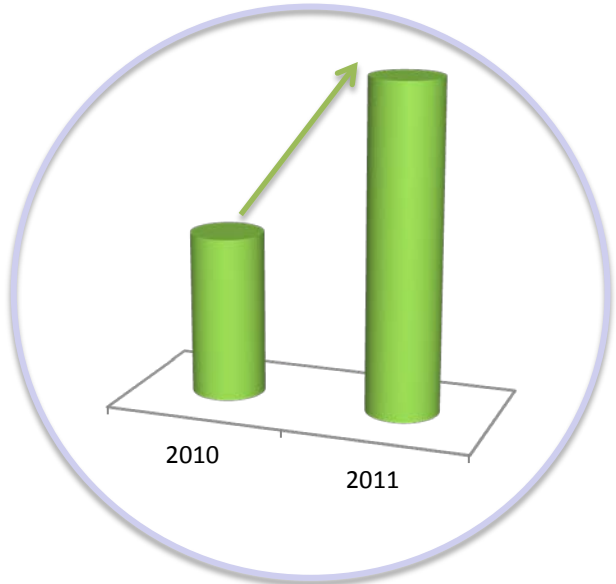
More green activities

Higher by 1100 bps



Higher ROI

Up 200 bps



Our approach to Winning

- 1** Winning with brands and innovation
- 2** Winning in the marketplace
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- 4** Winning with people

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WHERE WE WILL WIN...

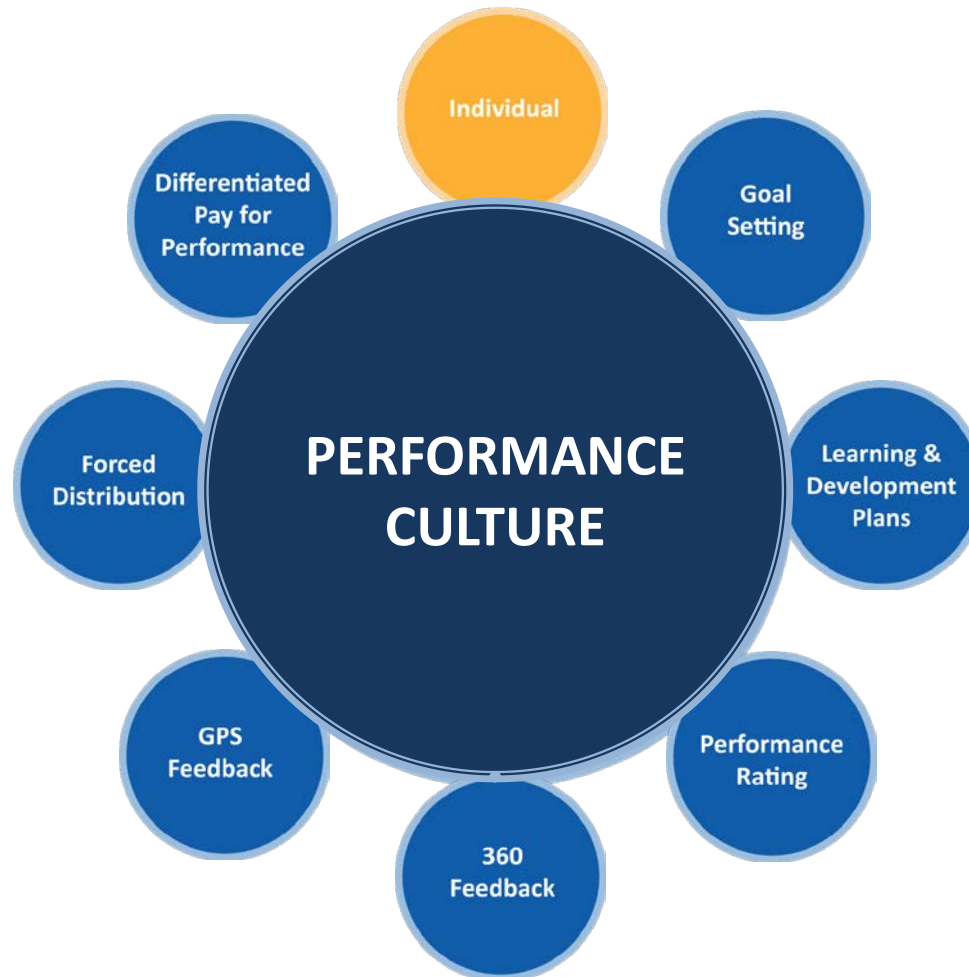
PROFITABLE
We share and grow value in every category and country.

HOW WE WILL WIN...

NON-NEGOTIABLES	1	1. Deliver superior products, design, branding and marketing
		2. Better, better, better innovation
		3. Appeal to more consumers across needs and price points
	2	4. Lead market development
		5. Win with existing customers
		6. Be an essential purchase
	3	7. Lead, improve and consume led value chain
		8. Drive return on brand equity
		9. Right, not control the organization
	4	10. Organization and diverse talent pipeline ready to catch our growth ambitions
		11. Performance culture which supports our vision
		12. Leverage our operating framework for competitive advantage

Performance culture that respects our values

A broad based systematic approach

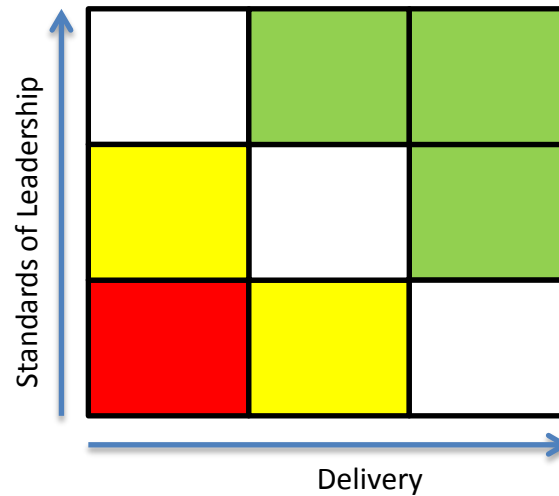


Strengthening Performance culture

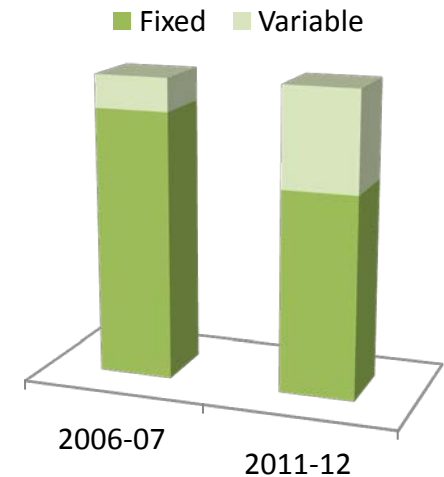
Aligned goals



Sharper differentiation



Reward linked to performance



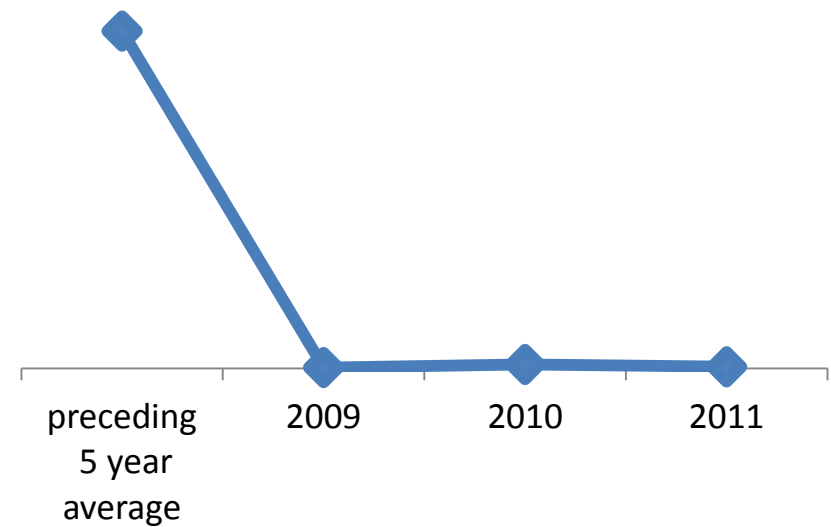
Performance culture index is up by 14% in 2011

Engaged to win

Step up in employee engagement scores



Near Nil man days lost



Building a talent powerhouse



1 Employer of choice by Nielsen
Campus track

1 Best employer in India, 2011
awarded by Aon Hewitt

1 Dream employer across campuses
Survey by Nielsen

1

Compass - *How will we win*

2

Strengthening capabilities - *Widening competitive gap*

3

Sustainability - *USLP*

Widening competitive gap

Capability thrusts

Winning with beauty



- Target right for growth
- Expertise and authority program
- World class in-store experience
- Beauty training

Winning in Foods



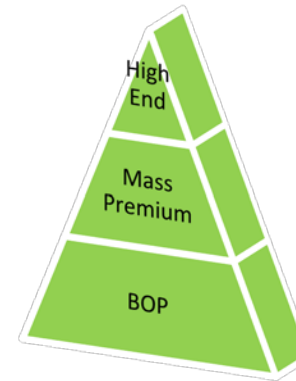
- Robust supply chain
- CD capabilities
- Relevant experience models
- Talent and culture

Winning in Rural



- Shakti/Shaktiman
- Telecom
- Financial Inclusion

Segmented business models



- Differentiated models - Lean and agile

Leveraging technology



- Business planning and operations
- Transactions
- Business analytics
- Digital Media

Winning in Rural

Sizeable opportunity

Large
Consumer base



146 million
Households

Significant
contribution



~40%
of FMCG

Growing
rapidly



Double
digits

Rising
Income



3.6X
increase in
government
expenditure

Consumption
and uptrading



Strong
growth in
emerging
categories

HUL rural: fast growing and profitable

Expanded distribution, stepped up execution



Expanding HUL Rural presence *'Project Shakti'*



45,000 Shaktiammas

30,000 Shaktimaans

15 States

100,000 Villages



Driving consumer awareness and retail contact

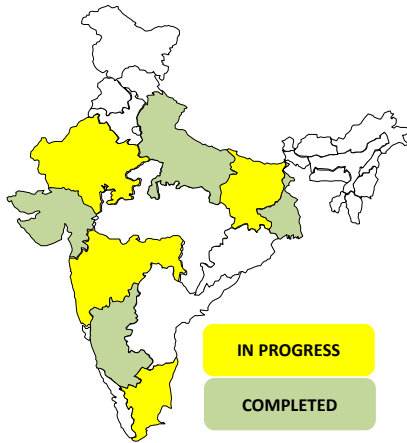
'Khushiyon ki Doli'



2010		2011
3	States	5
28,000	Villages	70,000
10 mln	Consumers	25 mln
170,000	Retailers	400,000

Addressing rural cost to serve challenge

'Project Express'



→ HUL – TTSL Distribution Alliance

- <20k markets across India

→ Win – win model

- Coverage expansion
- Improved servicing
- Higher income for Shakti entrepreneurs

→ Rolled out in four states

- Scale up in progress

Widening competitive gap

Capability thrusts

Winning with beauty



- Target right for growth
- Expertise and authority program
- World class in-store experience
- Beauty training

Winning in Foods



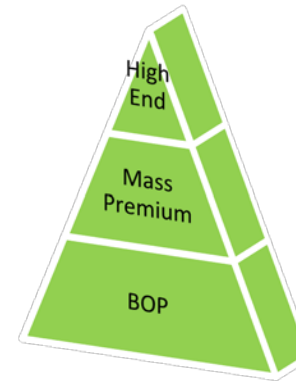
- Robust supply chain
- CD capabilities
- Relevant experience models
- Talent and culture

Winning in Rural



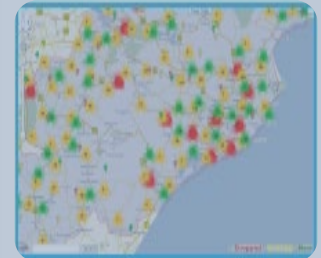
- Shakti/Shaktiman
- Telecom
- Financial Inclusion

Segmented business models



- Differentiated models - Lean and agile

Leveraging technology



- Business planning and operations
- Transactions
- Business analytics
- Digital Media

Building competitive gaps

Leveraging IT for growth

Supporting Customer Development

Improving coverage, quality of information and insights in traditional trade



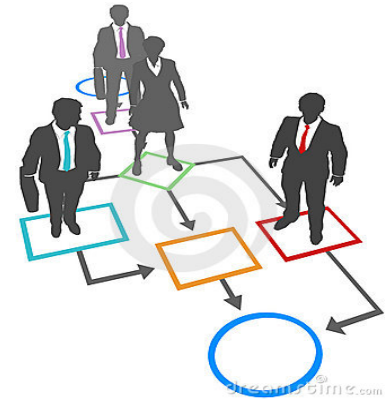
Enhancing brand engagement

Global digital capability



Driving S&OP

Enabled by End to End systems for business planning and operations



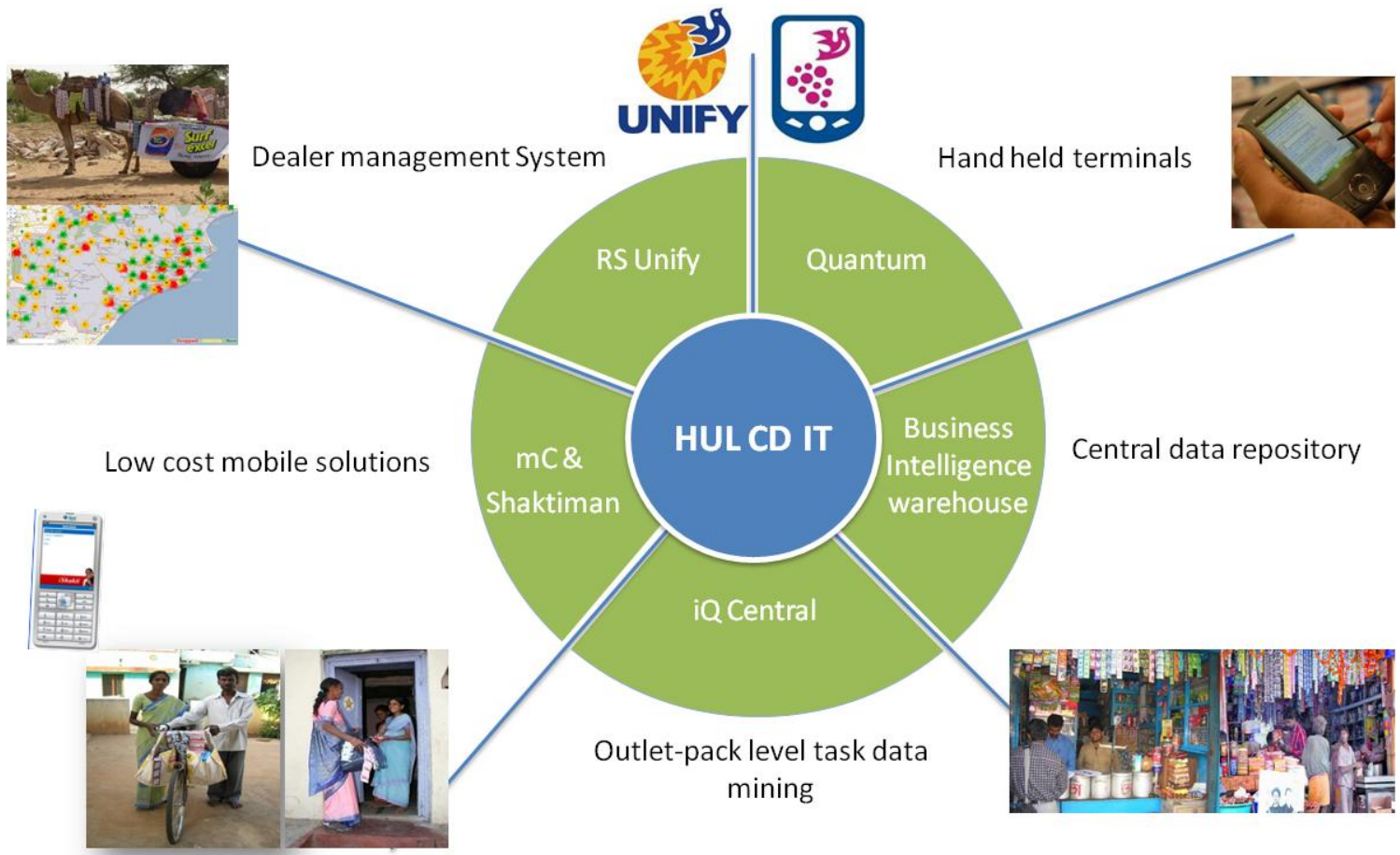
Supporting transactions

Simplified payment processing



Leveraging IT for growth

Supporting customer development



Leveraging IT for growth

Driving new age communication - digital

Digital Readiness



- Building capability
- More brands, more platforms, always on
- Significant step up in investment

Engagement based communication



- Focus on earned media
- 4.2 Mn Social networking fans added in 2011
- >1 billion social impressions generated

Mobile, Social search, gaming and DTH



- 500% increase in search, 100% in social and 90% on mobile
- Online video is 10% of total digital spends

Consumer insights, analytics, ROI



- CMI integration on DTH, mobile and display
- Pre-testing of digital creatives
- Digital campaign effectiveness

Build consumer centric platforms



- Axe Angels Club
 - Top 10 FB page in India
 - 2nd largest Unilever FB page
- JammyArt.com: India's largest Kida UGC platform
- BeBeautiful.in: India's largest beauty platform

Driving new age communication

Mobile gaming



Reach
10 million game downloads

Impact
Avg. of 4.5 plays per person
Excellent User Reviews

Driving new age communication

Mobile activation

मिस्ड कॉल दीजिए,
मुस्कुराते रहिए*

☎ 1800-3000-1599



OVER 5 MILLION MISSED CALLS IN JUST 3 MONTHS!



KEY HIGHLIGHTS!

- 5,280,756** Missed Calls in 3 Months!
- 781,195** Unique Numbers (UP & Bihar only)
- 150** Secs of effective engagement
- 80** % of callers listening to entire content
- 6** Average missed calls per number

Cost:
Just 27 Paisa per call!

SO WHAT ARE YOU WAITING FOR...
MISSED CALL DIJIYE, MUSKURATE RAHIYE!*

☎ 1800-3000-1599

*Please note if your no is on DND, you will not receive any call. Creative Visualization.

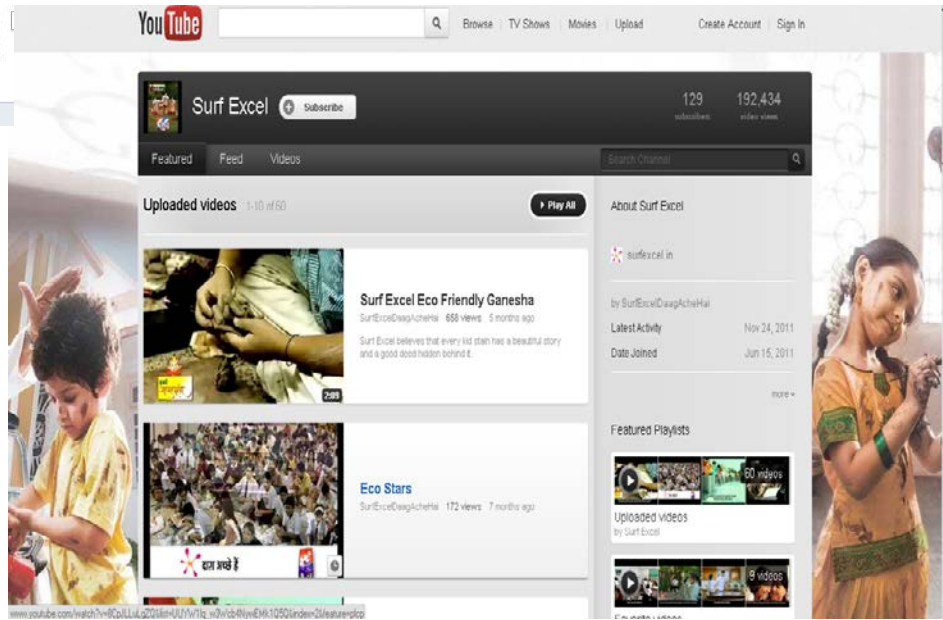
Driving new age communication

Integrated video plus social networking



1st ever FMCG campaign from India to enter the 'Facebook Studio hall of fame'

*3.3 lakhs channel views
126 subscriptions
60 videos*



1

Compass - *How will we win*

2

Strengthening capabilities - *Widening competitive gap*

3

Sustainability - *USLP*

Unilever Sustainable Living Plan

Three big goals

HELP
1 BILLION
PEOPLE IMPROVE
THEIR HEALTH
& WELL-BEING

HALVE
ENVIRONMENTAL
FOOTPRINT OF
OUR PRODUCTS

SOURCE
100%
OF AGRICULTURAL
RAW MATERIALS
SUSTAINABLY

Unilever Sustainable Living Plan

India Highlights 2011



30 million people reached with **Lifebuoy soap** handwashing programmes in 2010-11

30 million people have **gained access to safe drinking water** by using **Pureit** in-home water purifier, since 2005



Around 60% of our major food and beverage brands – Brooke Bond, Bru, Knorr, Kissan and Kwality Wall's – comply with the 'Healthy Choice' guidelines'

Reduced CO₂ emissions by 14.7%, water use by 21.5% and waste by 52.8% in our factories, over 2008 baseline



Improved CO₂ efficiency in transportation by 17.8%



60% of tomatoes in Kissan Ketchup are sourced **sustainably**



Mahesana Sabarkantha

Tikamgarh

Water conservation projects 180+ villages in India

Nasik Silvasa

Ahmadnagar

Bidar

Gulbarga

PEOPLE

10000000 people
to benefit

Bellary

Tradurga

PLANET

over **100 billion**
liters of water to be
harvested

Kolar

PROSPERITY

50% expected rise in
crop production

Pera

Dindigul

Madurai

Virudhunagar

Sivagangai

Ramanad



Winning today winning tomorrow

Driven by a clear and compelling strategy

Strategic framework

THE COMPASS	
WE ARE UNLIVER...	
VISION	<p>WE WERE TO CREATE A BETTER TOMORROW EVERY DAY</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 STATEMENT	<p>We focus on consumers and customers with a bias for action.</p> <p>Our first priority is to our consumers, then customers, employees and communities. When we fulfil our responsibilities to these, our shareholders will be rewarded.</p> <p>We will work through a growth mindset and a positive approach to all our stakeholders, based on clear accountability and bias for action.</p>
WHERE WE WILL WIN...	
FOCUS AREAS	<p>Win shares and grow volume in every category and country.</p>
HOW WE WILL WIN...	
Winning with brands and innovation	<ol style="list-style-type: none"> 1. Deliver superior products, design, branding and marketing 2. Engage, buffer, inspire innovation 3. Appeal to mass consumers across health and price points
Winning in the marketplace	<ol style="list-style-type: none"> 4. Lead market development 5. Win with existing customers 6. Be price/value pioneers
Winning through distribution improvements	<ol style="list-style-type: none"> 7. Joint, regional and consumer led relations 8. Drive return on brand equity 9. Agile and innovative organization
Winning with people	<ol style="list-style-type: none"> 10. Organization will drive talent pipeline ready to double our growth ambition 11. Performance culture which supports our vision 12. Leverage our operating framework for competitive advantage

Sustainable Living Plan



Our Goals

Consistent Growth

Competitive Growth

Profitable Growth

Responsible Growth

Hindustan Unilever Limited

Annual Investor Seminar 2012

