

Unilever

Q2 and First Half 2005

Results

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4th August 2005

This **presentation** may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report & Accounts on Form 20-F. These forward-looking statements speak only as of the date of this **presentation**.



Progress Towards Recovery

- Third consecutive quarter of improving growth
- Market shares stabilised/improving slightly
- Investment in A&P increased
- Mix and savings programmes relieving cost pressures

But. . . .

- Slim.Fast
- Early days and still more work to do



- **Markets**

- Western Europe remains challenging
- North America consumer demand steady
- D&E markets buoyant

- **Costs**

- Agricultural and edible oil commodities easing
- Mineral oil costs remain high

- **Competition**

- Continues to be intense despite margin pressures



Q2 Underlying Sales Growth

	Q4 2004	Q1 2005	Q2 2005
Reported Growth (%)	3.2	6.0	3.3
Like for like Growth (%)	1 *	2*	3.3

* Estimated - adjusted for days

- Volume based
- Stable market shares
- Driven by :
 - new product launches
 - faster roll-out
 - better execution
 - improved competitiveness



Building on Strength : D&E Markets



Knorr Cubitos
Egypt, Morocco



Dirt Is Good
Thailand



Milk Tea
China

Omo Baby
Turkey



Building on Strength : Personal Care



**Dove Cool Moisture
US**



**Rexona Teens
Latin America**



**Dove Hair
Japan**



Regaining Momentum in Europe

- Markets growing by less than 1%
- Shares stable vs exit 2004 but still down y-o-y
- Strong Ice Cream, weak HPC and Frozen Foods
- Work ongoing to improve competitiveness



Savings programmes key to protecting margins

- Global procurement programme continues to deliver
- “One Unilever” programme progressing well:
 - Simple common design for Foods and HPC operations
 - Common face to customers
 - Leveraging scale e.g. through shared services and outsourcing

H1 Operating Margin

H1 2005	13.7%
H1 2004	15.1%
	<u>(1.4)%</u>

Reflecting:

Slim.Fast impairment	(1.8)%
Lower restructuring	+0.6%
Higher profits on disposal	+0.2%

Savings and improved mix largely offsetting higher input costs and increased marketing investment

Key Financials Q2 and H1 2005

	<u>Q2</u>	<u>H1</u>
EPS decline	(29)%	(6)%
EPS growth before Slim.Fast	(7)%	6%
Tax rate	30%	27%
Net cash flow from operating activities(€m)	857	1350

- **Net debt €11.5 bn at end of quarter**
- **8.1 million NV shares bought in as at end July**

Outlook 2005

- No significant changes to business environment
- Continued investment in competitiveness
- Six fewer calendar days in Q4 vs prior year
- Ongoing contribution from savings programmes
- Higher restructuring costs expected in H2
- Tax rate for full year slightly below 30% long-term guidance



Progress Towards Recovery



We are encouraged by our performance to date...

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- Market shares stabilised/improving slightly
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- Mix and savings programmes relieving cost pressures

...but we still have work to do



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