



Good morning everyone.

I am delighted to be here and to showcase what we are doing in Europe.

Last year we had two Touch & Feel events. One was about North America & Vitality in New Jersey.

And at the end of last year we went to Brazil and gave you a flavour of our dynamism in the Developing & Emerging markets.

And today in Poland we will talk about Europe, as bringing Europe back to growth is one of our key priorities and Europe is a vital part of our business.

We believe that Unilever in Poland is a good example of our best practice in Europe and we see Unilever Poland as a microcosm of Europe, as it has all its characteristics: demanding consumers, strong brands, Global customers and One Unilever.

Chris will showcase this during the day.

I would like to put Europe in the Unilever context as the introduction of the day, before Kees talks about Europe in more detail.

Safe Harbour Statement

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.

Our long term objective

Overarching ambition remains top one-third TSR

Long term targets:

- FCF €25-30bn during 2005-2010
- Improved ROIC

Through:

- Top-line growth ahead of markets which are expected to grow 2-4% *pa*
- Improved operating margin, after 50-100 bps restructuring
- Improved capital efficiency
- Improved tax efficiency (sustainable rate of 28%)

Let me start off by reminding you of our long term value creation objectives:

Free Cash Flow of €25-30bn across the period 2005-2010 with improved ROIC

This will be delivered through:

Top-line growth ahead of our markets which are expected to grow 2-4% *pa*.

And let me just clarify here what Patrick was explaining in Paris last week. He was talking in the context of the transformation agenda which he has put in place for the business and reiterated that his ambition was to build an operating team that would drive Unilever's growth ahead the markets in which we operate.

If Unilever's markets grew at the upper end of their estimated range this would result in sales growth of up to 4-5%.

As far as profitability is concerned, we have set ourselves the target to improve operating margin against a 2004 base allowing for a normal level of restructuring of 50-100 bps per annum and to improve capital and tax efficiency.

Our growth agenda



•We will turn these financial objectives into reality through focusing on our business priorities.

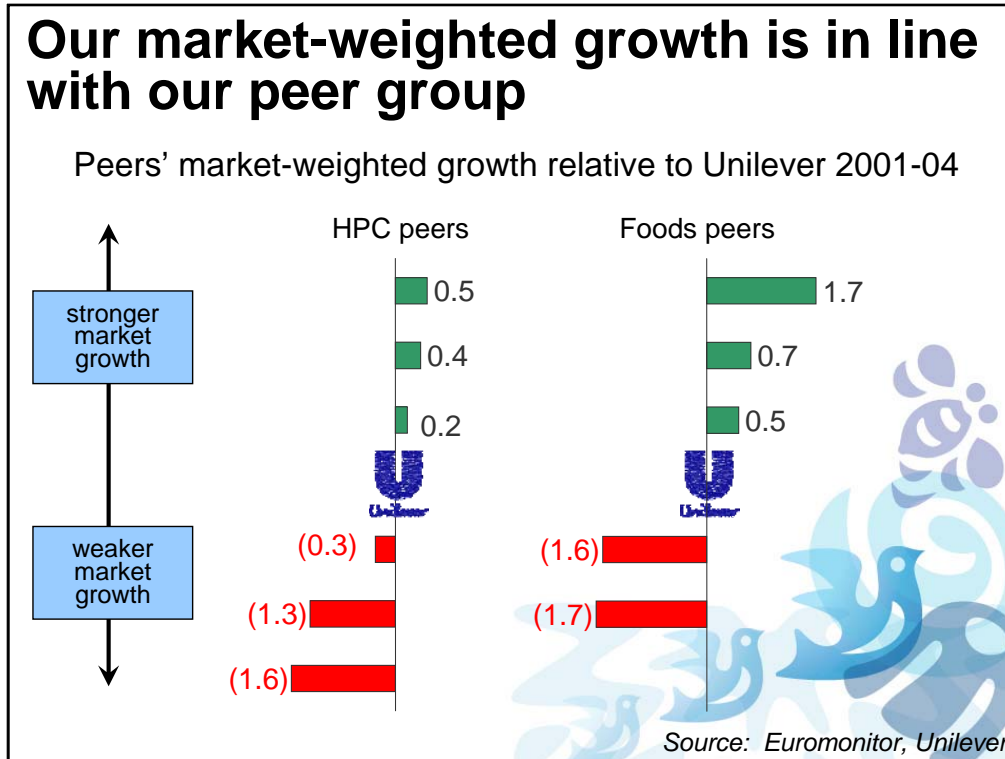
•I am going to concentrate on the growth lever of value creation

Portfolio choices



Starting with our portfolio

- We are happy with our portfolio of brands and categories and are confident that they can deliver our long term value creation objectives.
- Worldwide, we are number one in seven of our eleven categories. We have number one positions in a number of countries, but not all, which is where our opportunity lies
- We have made changes to our portfolio through acquisitions and disposals, such as Bestfoods
- We have made some tough portfolio choices, such as UCI and Frozen Foods in Europe last year
- But our choices go beyond trimming down our categories – we are using portfolio management for real competitive advantage
- Let me explain why we like our portfolio



How does it look in a competitive growth context?

Market-weighted growth is the weighted growth of the categories in which we compete.

As you can see our market-weighted growth is in line with our peers and we are not disadvantaged by the categories in which we operate.

And it is not about Foods and HPC either as there are higher and lower growth categories in both.

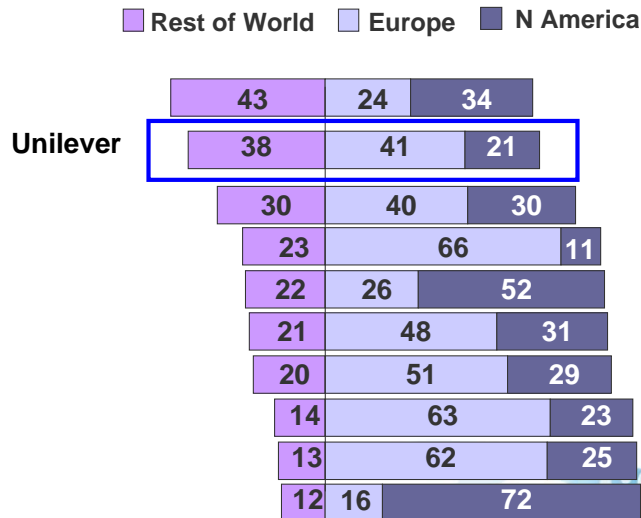
- One or two foods businesses have access to higher growth categories than we do, but others are in a worse position.
- In HPC we are very well-placed.
- So growth in our markets is not the issue.

And it isn't our geographies

- While I will go on to talk later about how important Europe is in the context of total Unilever...
- In terms of exposure to slower-growing markets like Western Europe within our peer group, we are middle of the pack
- In fast-growing D&E markets, which I will come on to highlight, we are better placed than almost any of our peers

So we **do** have a strong portfolio of brands and categories and regions
 Rather, the issue we have had is the way we have used it

Our geographical exposure versus peers



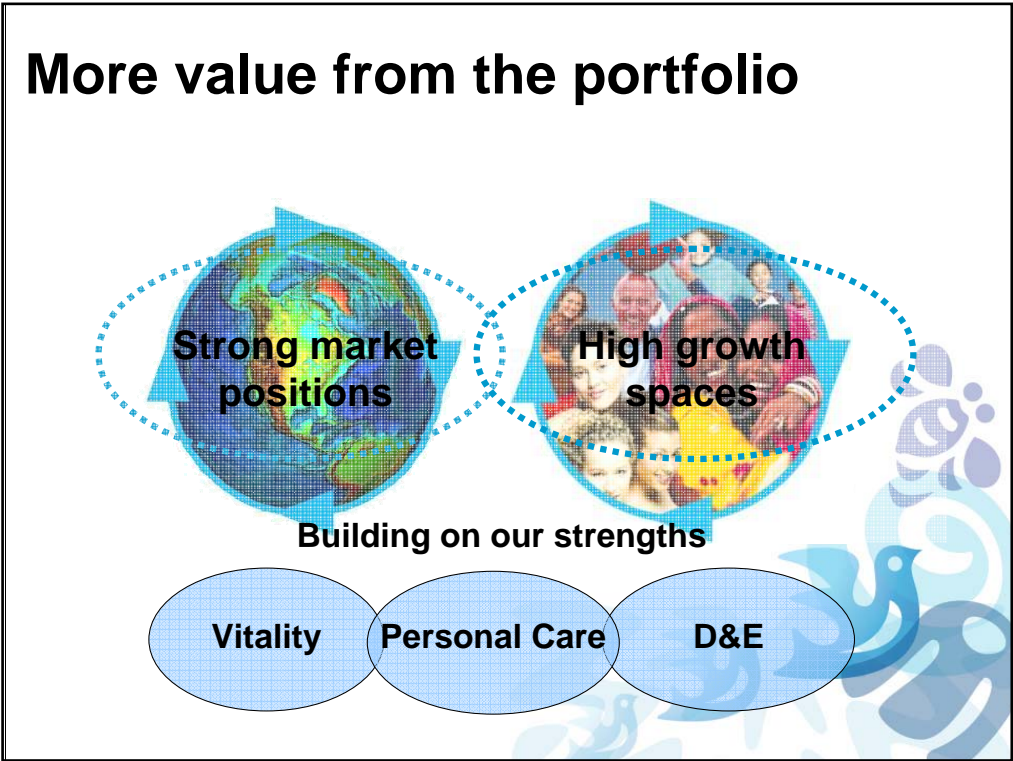
Source: Company reports, UL estimates

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So we **do** have a strong portfolio of brands and categories and regions

Rather, the issue we have had is the way we have used it, not enough clarity and forms in resource allocation and inconsistent execution.

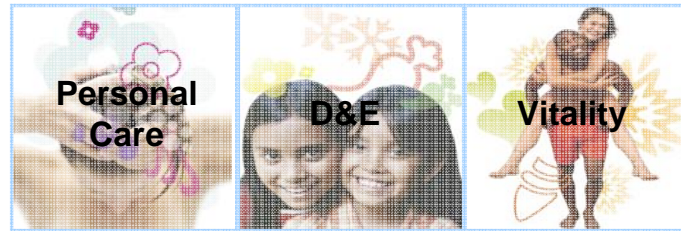


We are driving growth in our portfolio by focusing on:
market leadership positions and
playing in higher growth spaces

With the new organisation, we are competing to win in our defined areas of focus and are investing disproportionately – and over the long term – to support this objective, whether in R&D, people, trade spend or A&P.

Hence our emphasis on our strengths

Building on strengths



- Personal Care - a vibrant part of Unilever's portfolio for many years
- Developing and Emerging markets - where we have deep roots and an outstanding track record.
- Vitality – which fits with Unilever's portfolio in a way that none of our peers or competitors can match

Personal Care - Opportunity

- Growing markets: + 4-5% p.a.
- Profitable: margins above average
- Low private label penetration: < 5%
- Category stretch



Personal Care –

- a real source of strength for Unilever and
- a category we are targeting for high growth and strong market positions.

The opportunity is clear:

- Market growth and expansion reflect growing consumer demand, from old and young, both in mature and developing markets
- A category less vulnerable to penetration from private label
- Opportunity to stretch brands into adjacent categories

Personal Care – our position

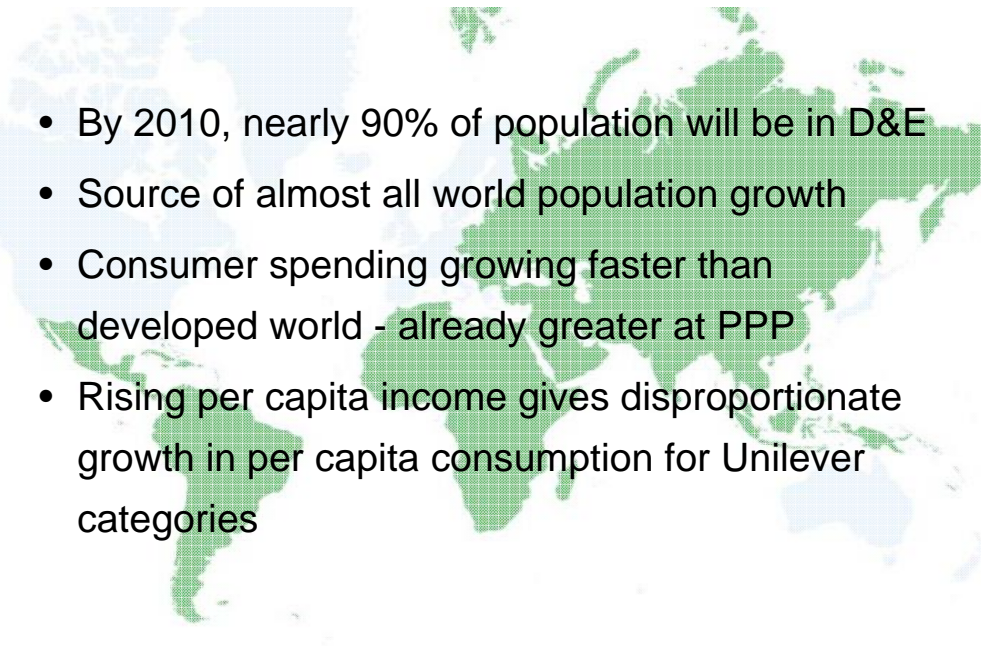


- Global leaders in Skin Cleansing and Deodorants
- Leaders in Hair in D&E
- Strong local positions in Oral Care
- 2000-'05 +6.5% p.a., ahead of market
- From 15% to 26% of portfolio in 10 years
- Over 50% of PC sales in D&E
- Powerful, iconic brands



- Unilever has strong, global and local positions in Personal Care – for example in Skin Cleansing and Deodorants.
- We also have strong leadership positions in Hair in D&E, and strong local positions in Oral Care both in Europe and D&E markets.
- We have powerful, iconic brands in the category, an impressive track record of innovation, and our delivery of growth and profit is outstanding.

D&E - Opportunity

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- By 2010, nearly 90% of population will be in D&E
 - Source of almost all world population growth
 - Consumer spending growing faster than developed world - already greater at PPP
 - Rising per capita income gives disproportionate growth in per capita consumption for Unilever categories

D&E

- Another great strength for Unilever and a key area of focus
- You probably don't need me to remind you of the demographics that underpin the opportunity.
- It's worth pointing out that consumer spending in D&E already outpaces consumer spending in developed markets on a purchasing power parity basis.
- And growth is especially fast in the categories in which Unilever competes.

D&E – our position

- Unique breadth and depth
- Strong market positions
- Global scale with local roots
- 8% pa organic sales growth over 15 years
- Good profitability – margins close to Unilever average
- Growing share of our portfolio
 - Up from 20% to 38% in 15 years

We spoke last year at our investor event in Brazil about the great strengths Unilever has in D&E.

- Both deep local roots in D&E markets and the global scale to win.
- Our presence in many D and E markets goes back decades.
 - In some cases like Brazil, back to the early part of the last century.
- This gives a unique breadth, depth and consumer understanding

Our strengths in D&E show in our sustained performance.

- 8% organic sales growth over the past 15 years.
- And good profitability without margin dilution.
- D&E is a growing part of our portfolio. In 2005 it was 38% of sales

Vitality - Opportunity

- Fast-growing, profitable markets
- Relevant across all categories
- Consumer hot spot
- Global phenomenon -
Developed and D&E

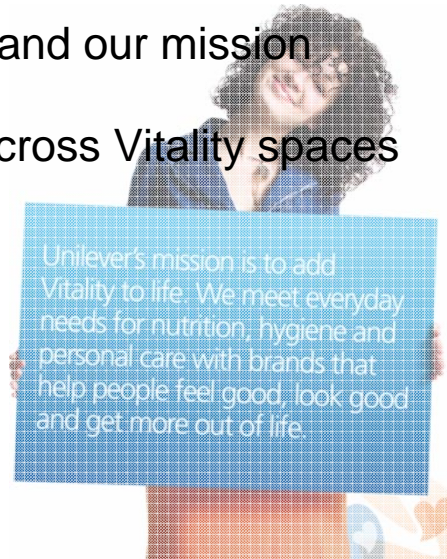


Vitality - the business of helping people to look good, feel good and get more out of life.

- Profitable growth opportunities
- On trend with the consumer as people increasingly focus on living longer, better quality lives.
- Impact of this trend is highly visible in Foods
 - vitality segment of almost every foods category is consistently the fastest-growing
- In HPC it is equally relevant, where there is a growing focus on hygiene and looking and feeling good
- A global phenomenon, increasingly relevant in developing and emerging markets as incomes rise.
- It offers the opportunity to bring innovation and value-added product development across all foods categories.

Vitality – our position

- At the heart of Unilever and our mission
- Unique portfolio plays across Vitality spaces
- Vitality brands
- Strong capabilities



- Vitality is in our DNA
- No other company can add Vitality to Life across the entire wellbeing spectrum as we can; our unique combination of Foods and HPC in one portfolio means we can play across the vitality space
- Our brands all deliver vitality to life. At its narrowest, Health and Wellness but at its broadest helping people to look good and feel good and get more out of life: refreshment, fulfilment, self confidence

Whether it is hygiene with Domestos and Lifebuoy

Whether it is emotional or spiritual wellbeing through Dove and OMO

Whether it is basic nutrition through Knorr or Adez

Whether it is foods that genuinely make you healthier through proven research such as Becel and Lipton Green Tea

We have the innovation and world-class science and technology to win in the fastest growing Foods and Home and Personal Care markets, coupled with excellent partnerships with experts and key opinion formers.

And we have the determination to make it a competitive advantage.

Q1 – “On track to meet 2006 objectives”

- Progress in our priority areas
- We continue to grow in line with our markets
- Strong 2006 innovation programme
- Results from marketing investment behind fewer, bigger initiatives
- Cost structure under tight control

We are seeing real progress in the areas of focus:

- Personal Care – good growth in 2005 sustained in Q1 *[6% in 2005 and Q1]*
- D&E – broad-based growth across geographies and categories *[9% in 2005, 8% in Q1]*
- Vitality – driving our innovation priorities *[10 out of 15 Foods priority projects directed at health and wellness]*

In total, we have stabilised our market shares on aggregate and the growth we saw in 2005 was sustained in the first quarter as we continued to grow in line with our markets

However, we are well aware that a number of our competitors have reported higher growth numbers.

As I have already said, we believe that our portfolio is strong enough to deliver our growth ambitions within the context of the long-term transformation of the business and our strategy for value creation.

We have confidence in a strong 2006 innovation programme.

We are directing our marketing investments towards fewer bigger initiatives and we are seeing the results.

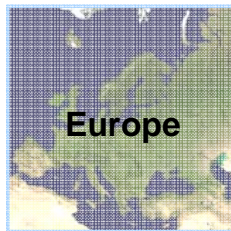
And we have our cost structure under tight control.

Fit to compete



To sustain our competitiveness, we are creating a more agile company through the One Unilever programme and we continue to generate savings and the funds to sustain support behind our brands.

Europe



And so, last but not least, to the final piece of the jigsaw - Europe

Kees will talk more in detail later about our European performance and change agenda, but I would like to take this opportunity to talk to you about just why Europe is so vital to Unilever as a whole

Europe is vital to Unilever

- Strong category and brand positions
- Source of global innovation
- Driving force of Vitality
- Supplier of talent and experience
- Demographics give new and diverse opportunities
- Significant part of our business



- There are many reasons why a healthy European business matters to Unilever
- Not least of all the fact that it is the largest single region of our business

Strong category and brand positions

Number one category positions in Europe

Deodorants
Dressings
Fabric Conditioners
Ice Cream
Olive Oil
Savoury
Skin Cleansing
Spreads
Tea



- As Kees told you yesterday, we have number one positions in many of the categories in which we operate in Europe, and a stable of powerful global, regional and local brands

Origin of global innovation



- Europe is a key source of insight into consumer trends
- And many of our successful global brands have their origins in Europe
- For instance, the Axe brand was first launched in France in 1983, and is now giving guys the edge in the mating game in more than 60 countries
- The region is also the source of innovations, including the ones you can see here, which have been successfully rolled out across the globe, e.g.

Sunsilk Colour Enhancing Shampoos and Conditioners – started in Europe, now rolled out to Latin America

Bertolli frozen meals in the US, which uses a successful mix developed by our Italian business

pro.activ cholesterol lowering technology, now in Latin America and Asia



- As have already said, Vitality is in our DNA, nowhere more so than in Europe
- Europe houses many of our strongest vitality examples
 - In addition to pro.activ and Knorr Vie, which I'm sure you will hear plenty about in the case studies, here you can see some of our other successes:
 - Hellmann's Extra Light – a delicious mayonnaise with only 6% fat
 - Domestos with CTAC– 5x longer lasting protection from germs
 - Lipton pyramid teas - unique and healthy mix of the best tea leaves, spices and dried fruit
- Europe is the first region to implement the My Choice initiative, with the aim of helping consumers everywhere to make healthier nutritional choices
- It is also the seat of the Unilever Food and Health Research Institute, where we have 450 people bringing great new Vitality ideas to life.

Supplier of talent and experience



Research and
Development



People

Carrefour



TESCO



Trade structures

International experience is an important part of the Unilever career proposition. The many forces at work in the European retail environment give Unilever managers skills they can take to our businesses in the rest of the world. We are providing training and experience to management from all regions.

- Managers in Europe have experienced the growth of private label and discounters and how to deal with these phenomena
- They have also been exposed to the best performing global retailers and can apply this expertise elsewhere. Theo will talk more about our customer development capabilities later on this morning
- Europe also continues to be a pool of talent for Marketing and R&D as well as receiving ideas from all over the world

New opportunities - Western Europe



Ageing population



Health concerns



Increasingly value conscious

Many people think of Europe as a stagnant market with a declining consumer base. But there are still opportunities to be taken.

Of course, we must remember that there is a “tale of two Europes” – the East-West divide.

In Western Europe we continue to see signs of a sluggish economy; but there are still opportunities for growth if you know where to look for them.

The changing demographics of an ageing and increasingly health conscious population mean that we have a different audience to understand and communicate with – and a consumer base who is prepared to pay a premium for innovation if it meets their needs, e.g. *pro.activ*

At the other end of the scale, increasingly price conscious consumers are demanding more value for their money. Offerings like our value ice cream range prove that we can successfully use our brands to meet their requirements.



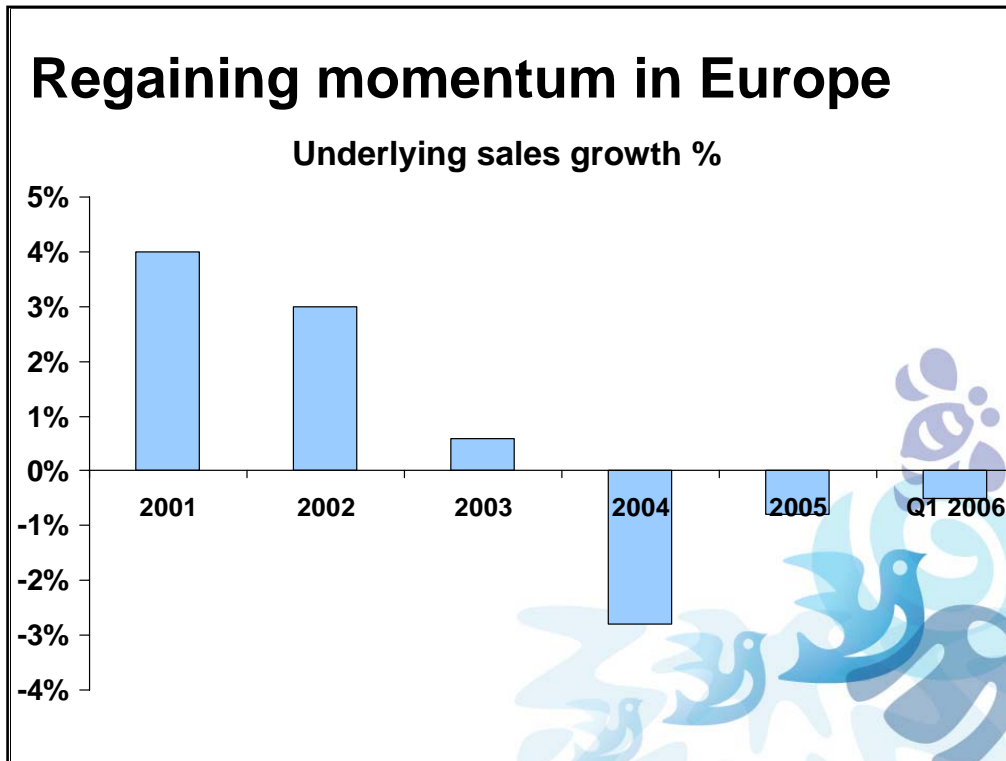
In contrast, the markets in Central and Eastern Europe are buoyant. However, the differences between consumer demands are not so great, there are common consumer clusters between the two

With almost 50% of Europe's population, and growing fast, and only 10% of our European turnover accounted for by this region, there is plenty of room for growth.

From an internal perspective, we are increasingly running the two parts of Europe as one, and it is a two way street:

In Eastern Europe, many of our products are benefiting from research and development originating in the West

In Western Europe, we are benefiting from the growth capabilities and D&E experience of the East



Despite our strengths in Europe and its importance to us, our sales growth here has not been as good as we would have wanted; we did continue to have strong profitability throughout these years

Kees will shortly talk about the reasons for Europe's performance and the change programme that will result in regained momentum

Our growth agenda



So you have seen:

- what we are doing
- the results we can achieve when we build on the strengths in our portfolio
- how we are funding our increased investment for growth and improving profitability
- And the importance of Europe returning to growth

With this context, I now hand over to Kees