

# Bringing our European business back to growth

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## Bringing our European business back to growth

### ① Setting the scene

- The challenges facing our business
- Unilever's strengths

### ② Europe's change agenda

- The case for change
- The European change program

### ③ Progress to date and key actions



- Good afternoon everybody and welcome back. I think we have all seen 4 interesting and insightful case-studies. Before we now move on our Q&A session, I will first 'round off' my review on Europe and talk to you about our progress to date and the key actions for the near future.

## Europe's change agenda

Our brands and our positions **do** give us the potential for profitable growth in Europe

And

We **are**

- Rejuvenating and supporting the core
- Rebalancing our price-value equation
- Focusing behind fewer, bigger innovations
- Building excellence in customer development
- Simplifying our European organization

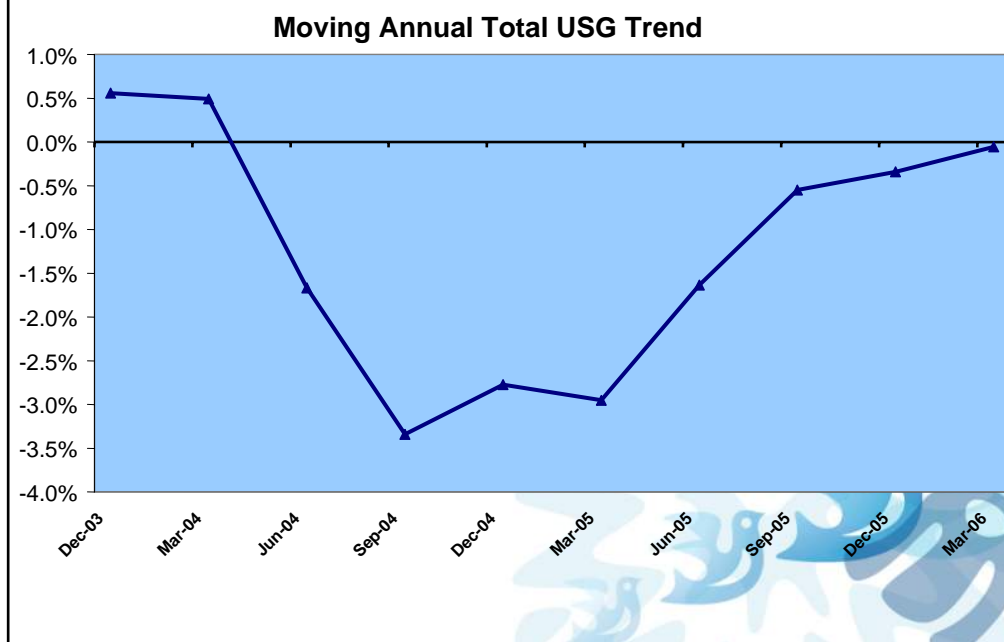
Once again, our European priorities and what we are doing about them.....

## Progress to date

- USG - 0.8 % in 2005 vs. -2.8% in 2004
- We have stabilized market shares
- We have laid foundation for improved business health
- We are well underway in implementing Europe's change agenda
- Clear evidence of success across countries and categories

- Looking at our recent performance and our progress to date, there is a number of things that I would like to highlight to you.
- First, everything we do and have done over the past 1,5 years has been geared towards delivering on our commitment to restore momentum in Europe. Against that perspective, USG and market share are important indicators to us.
- In terms of USG, we have improved our performance from -2.8% in 2004 to -0.8% in 2005. This is indeed still negative and by no means where I want the business to be, but it is an important improvement in our topline momentum; I will get back to this point in my next slide.
- In what concerns our market shares, we certainly have our ups and downs in the different categories we are in, but on aggregate we have halted the slide – both in Foods and in HPC - and we have stabilized share.
- Then, in terms of what we need to drive our momentum beyond 2006, we have laid the foundation for improved business health; over the past 24 hours, we have shared some examples of this, in terms of our actions to improve the quality of our mixes, to build our capabilities in key areas and simplifying our structures and our processes. We will continue to drive our programs in these areas, but we are well underway to implement and execute our key change agenda for Europe.
- Lastly, although maybe not yet wide-spread, we see clear evidence of success across categories and geographies, as presented in the case-studies we shared with you.

## A growing growth momentum



- This is the one chart that gives me the confidence that we are on the right track in bringing our European business back to growth and we are doing the right things to build the momentum we are looking for.
- This is continuation of the chart I shared with you yesterday on our moving average total USG performance. We showed you the decline in 2003/2004 and where we found ourselves as a business early 2005. What you can see here is what has happened since, as a result of the programs and measures we have put in place to restore the momentum in Europe.
- As said, task completed by no means, but fully confident we are on the right track and momentum is indeed building back to where we need it to be.

## Key actions

Bring Europe back to growth

By continued drive behind

- Rejuvenating and supporting the core
- Rebalancing our price-value equation
- Focusing behind fewer, bigger innovations
- Building excellence in customer development
- Simplifying our European organization

- Having said that, let me leave you with the key actions as we see them for the near future.
- The clear ambition and commitment is to bring Europe back to positive growth. How will we achieve this? By now, the key actions will probably not surprise you and should look familiar.
- As we just saw in our update on progress to date, the priorities and actions as defined in the European change agenda are driving our business back to where we want it to be. We are of course continuously looking for ways to increase the pace of the turnaround and further improve our programs, but we will basically continue to pull the same levers in a consistent way:
  - Focus on our core portfolio and support it properly.
  - Continuously balance and re-balance price and quality and offer the right value-for-money,
  - Fewer, bigger innovations, rolled out throughout our region in a consistent way.
  - Drive our customer development capabilities and leverage best practice in this area.
  - Bring our organizational transformation agenda to completion and continue to actively look for ways to simplify, increase speed and reduce costs.

# Thank you



- With that, I have come to the end of the review of our European business.
- I thank you for your attention and propose we now move on to the Q&A session.