

UNILEVER FIRST QUARTER RESULTS 2003
(Unaudited)

Outlook for the year confirmed despite a slower than expected start to the year.

FINANCIAL HIGHLIGHTS

€Millions (constant 2002 average exchange rates)

| | First Quarter 2003 | |
|--------------------------|--------------------|-------|
| Turnover | 11,124 | (4) % |
| Operating profit – beia* | 1,623 | (2) % |
| Pre-tax profit | 1,095 | 22 % |
| Net profit | 670 | 57 % |
| Net profit – beia* | 865 | 2 % |

| | | |
|-------------------------------|-------|-----|
| EPS NV – beia * (Euros) | 0.88 | 4 % |
| EPS PLC – beia * (Euro cents) | 13.22 | 4 % |

* Before exceptional items and amortisation of goodwill and intangibles

When expressed at current rates of exchange, earnings per share (beia) were 7% lower than the prior year.

KEY FEATURES FOR THE QUARTER

- **Sales growth of our leading brands was 5.5% for the last twelve months, and 3.0% in the first quarter, with continued excellent growth of 6.8% in Home & Personal Care but a slow start in Foods which was flat against last year.**
- **Operating margin (beia) of 14.6% was 30 basis points ahead of last year, and is after a 180 basis points increase in advertising and promotions.**
- **Savings from restructuring continue to be delivered fully in line with our Path to Growth programme.**
- **Interest on net debt was reduced by 13% through continued cash flow from operations, proceeds of disposals and lower rates.**
- **Earnings per share (beia) grew by 4%.**

CHAIRMEN'S COMMENT

Overall, we have seen a slower than expected start to the year in terms of sales. In addition to known phasing effects including a later Easter, we faced a number of short-term developments in the business environment in the latter part of the quarter. In combination, these have particularly affected Foods and our businesses in Europe and North America. However, a strengthening performance in developing and emerging markets and an excellent performance in personal care have contributed to another quarter of strong growth in Home & Personal Care.

Savings from restructuring and portfolio mix improvements continue to be delivered in line with the Path to Growth programme. These provide the fuel for investment behind our brands and support our plan for the year which is built upon a step-up in the level of innovation and market place activities for Foods, and a sustained rate for Home & Personal Care.

While we face a more challenging operating environment, our business, strengthened by the Path to Growth programme, is naturally resilient and we remain comfortable that our plans will deliver the targets we have given for leading brand and earnings growth.

N W A FitzGerald
Chairman, Unilever PLC

A Burgmans
Chairman, Unilever N.V.

2nd May 2003

FIRST QUARTER FINANCIAL RESULTS (at constant exchange rates)

Note: These results include the previously announced changes in accounting for share options and pensions in both the prior and current years. Further details are given in the notes on page 13. The impact of share options and pensions is to dilute EPS before exceptional items and goodwill amortisation (beia) growth by 6 percentage points in 2003 which is included in the outlook for the year.

Underlying sales grew by 2%. The impact of our disposal programme as we reshape the portfolio under Path to Growth led to sales in the quarter being 4% lower than last year.

Operating margin (beia) at 14.6% was ahead of last year by 30 basis points. The improved margin, on a smaller base through the impact of disposals, led to operating profit (beia) 2% lower than last year.

Amortisation of goodwill and intangibles was €91 million in the quarter.

Interest on net borrowings was €57 million, 13% down from €94 million in the same period last year, as we benefited from continued cash flow from operations, proceeds of business disposals, and lower interest rates. Financing of pension fund assets and liabilities represented a net charge of €48 million which compares with a credit of €27 million in the prior year.

Exceptional items were a profit of €78 million in operating profit and a charge of €28 million in associated companies. The exceptional items in operating profit include profits on disposals of €50 million and restructuring investment costs of €72 million.

The effective tax rate was 32% and reflects the non-tax-deductibility of Bestfoods goodwill amortisation largely offset this quarter by a net tax credit on exceptional items of €32 million arising from the mix of restructuring charges and profits on disposals. The underlying, or beia, rate of tax was 30%, in line with our expectation of a structurally lower rate for the full year.

Net profit (beia) was up 2% to €65 million. Net profit, at €70 million, increased by 57% due to profits on disposal and lower restructuring costs as we move into the latter part of the programme.

Earnings per share (beia) rose by 4%, while earnings per share was ahead by 61%.

As a result of the strengthening of the Euro, earnings per share (beia), expressed at current rates of exchange, were 7% lower than last year while earnings per share on this basis rose by 48%.

FIRST QUARTER PERFORMANCE BY REGION (at constant exchange rates)

The following regional commentary is based on operating profit before exceptional items and amortisation of goodwill and intangibles. Sales growth is stated on an underlying basis, excluding the effects of acquisitions and disposals. Turnover includes the impact of acquisitions and disposals.

EUROPE

Turnover was 7% lower than last year, primarily reflecting the disposal of businesses as part of reshaping the portfolio within the Path to Growth programme. Underlying sales were 1% below the prior year from phasing effects, including a later Easter which affected our spreads, ice cream and dressings businesses.

In Western Europe, *Becel/Flora* continued to grow well, particularly through *pro-activ* cholesterol lowering spread. We also introduced a range of innovations under the *Knorr* brand, including pasta sauces and the geographic expansion of meal-kits and *Vie* vegetable rich soups. *Pot Noodle* also made good progress with innovative advertising and new flavours. *Bertolli* further extended its 'Mediterranean lifestyle' position through a range of sauces and salad dressings in key countries. Overall growth was affected by the end of a contract to supply edible oils and a tough comparator for *Slim•Fast* with geographic roll-outs in the prior year.

EUROPE (continued)

In Home & Personal Care in Western Europe, laundry grew in a competitive market, particularly through the *Aloe Vera* variant and with a good contribution from new perfume varieties in fabric conditioners. *Dove* continued to show its strength across several categories with further progress for *Dove* shampoo, in the heartland personal wash bar and with a range of shower products. *Axe* also performed well with the introduction of new fragrances and a further extension of its shower gel range. In hair, we started the roll-out of *Sunsilk* which is now available in six European countries.

In Central and Eastern Europe, strong growth in personal care, especially in hair and skin, was offset by our Foods business which was particularly impacted by Easter given our strong presence in the spreads and dressings categories.

Operating margins at 16.1% are 270 basis points ahead of last year reflecting the benefits of savings programmes, partly re-invested in advertising and promotions which were ahead by 80 basis points.

NORTH AMERICA

Turnover was 9% lower than last year, again mainly reflecting the impact of disposals. Underlying sales were lower by 2%. As well as the phasing effects including the later Easter we saw additional short-term disruptions to the operating environment, particularly in the latter part of the quarter. These included sharp trade de-stocking, the impact of financial difficulties experienced by some retailers and distributors and weak out-of-home markets.

Our Unilever Bestfoods business shows a more encouraging underlying trend as we move from the focus on integration to one of innovation and growth. In particular there were good performances from *Lipton* Asian side dishes, *Ragú Rich and Meaty*, *Skippy*, *Bertolli* pasta sauces, in both *Lipton* ready-to-drink tea and ready-to-drink lemonade and *Becel* in Canada. *Slim•Fast* sales declined in the quarter through the impact of changes in promotional plans and timing. In addition there has been a rapid growth of low carbohydrate diets. However the more recent *Slim•Fast* innovations continue to do well and we have successfully launched *Slim•Fast* ice cream. A range of other new *Slim•Fast* products will follow later in the year. The reach of the *Slim•Fast* and *Ben & Jerry's* brands has been broadened through expansion into the food service channel.

In Home & Personal Care underlying sales were flat with a strong performance in personal care offset by lower sales in home care where we have been focussing on segments which have the greatest opportunity for future profitable growth. *Axe* has continued to make good progress and together with innovation under the *Degree* brand has given us a strengthened market position. There has been a promising start by *Dove* shampoo and further innovations behind the *Dove* and *Vaseline* brands have improved our positions in skin care.

Operating margin at 13.1% is 220 basis points lower than last year after a 370 basis points increase in advertising and promotions to support our recent product launches.

AFRICA, MIDDLE EAST AND TURKEY

Turnover was 11% ahead of last year with underlying sales growth of 9% and a net gain from acquisitions and disposals.

Notwithstanding difficult economies in a number of countries and uncertainty in the Middle East the region made excellent progress. Laundry performed especially well through the *Surf* and *Omo* brands and Home & Personal Care was further boosted in the skin, oral and hair care markets through activities behind *Dove*, *Lux*, *Sunsilk* and *Signal*.

In Foods, *Knorr* has been extended across the north of the region including the launch of the brand in Arabia and the launch of seasonings and meal-makers in Turkey. *Lipton* also grew strongly especially in tea in Arabia and Egypt and ready-to-drink tea in South Africa.

Operating margin at 11.4% is ahead by 270 basis points with advertising and promotional spending at the same rate as last year.

ASIA AND PACIFIC

Turnover was ahead by 2% including the impact of disposals. Underlying sales grew by 5% with excellent volume growth partially offset by price declines as we enhanced our competitive position in India.

In Foods there was good growth in our leading brands. However, overall Foods was flat as we continued to manage the tail of brands for value, particularly in beverages and spreads and cooking products. *Royco*, *Bango* and *Sariwangi* led another good quarter in Indonesia. The launch of *Lipton Sparkle* lemon ready-to-drink tea contributed to a strong performance in Japan and *Knorr* bouillon was introduced to China. The quarter saw a return to growth in our beverage brands in India as we re-launched *Lipton Yellow Label* packet tea and launched *Brooke Bond* boilable tea bags.

In Home & Personal Care there was excellent growth from personal care which was broad based by category and geography. In skin, innovations behind *Pond's*, *Lifebuoy*, *Lux* and *Fair & Lovely* led the way whilst in hair there was another strong performance by *Dove* further boosted by a good contribution from *Clear* and *Lifebuoy*. In home care *Omo* led healthy growth in laundry across all major countries.

The SARS virus is clearly affecting economies in the region, but has had a limited impact on our business.

Operating margin at 15.5% was 120 basis points below the prior year reflecting a 250 basis points increase in advertising and promotions.

LATIN AMERICA

Turnover was ahead by 6% including the impact of disposals while underlying sales grew by 10%. In the north of the region volumes grew strongly, while in the south pricing continued to be the main driver as we recovered devaluation led cost increases, and both consumption and our volumes have been affected as a result.

In Home & Personal Care growth was underpinned by a strong performance from personal care. *Dove* shampoo was launched in Brazil, Chile and Andina and continued to grow well in skin cleansing and deodorants. *Sunsilk* was boosted by new variants across the region and the introduction last year into Andina and the Caribbean. *Rexona* was relaunched in a number of countries and new fragrances of *Axe* were introduced in Mexico, Andina and Chile, while the brand made its debut in Colombia. *Lux* performed well including the introduction in Brazil of a variant for the care of dark skin.

In Foods growth was again broad based across categories and with good contribution from innovations, especially in Brazil and Mexico. These included *Knorr* noodle cups in Mexico, *Becel pro-activ* and *Becel de Capullo* in Brazil and Mexico respectively and strong growth of *AdeS* soy-based drinks in Mexico following a relaunch last year. *Arisco* moved ahead in Brazil and *Hellmann's* made good progress especially in Mexico.

Operating margin at 13.5% is 100 basis points below last year after an increase in advertising and promotions of 170 basis points.

CASH FLOW

Cash flow from operations in the quarter was €0.8 billion compared with €1.1 billion during the corresponding period last year. Operating profit (beia) at current exchange rates was €250 million lower, mainly through the impact of currency movements. In addition, restructuring cash outflows were higher as we implemented the Path to Growth cost savings programme.

Net interest paid was €71 million lower, reflecting reduced debt levels and the timing of interest payments. Capital expenditure and financial investment was €88 million lower mainly through reduced expenditure on fixed assets. The net cash effect of acquisition and disposal activity this quarter was broadly neutral.

Net debt decreased by €85 million in the quarter. €97 million of the reduction was from cash flow with the balance from currency effects, particularly on our US dollar debt.

BALANCE SHEET

Capital and reserves increased by €26 million in the quarter. Net profits of €37 million and positive currency retranslation of €124 million were partially offset by a €64 million balance sheet movement in net pension assets and liabilities. This was reflected in reserves under the rules of FRS17, our new accounting policy for pensions. Further information is given on page 13.

EURO REPORTING

Information in sterling and US dollars is available as a supplement to this Euro report.

SAFE HARBOUR STATEMENT: This announcement may contain forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act 1995). Any forward-looking statements are based on current expectations with respect to important risk factors. It is important to note that the actual results could materially differ from the results anticipated in any forward-looking statements which may be contained in this announcement. Factors which might cause forward-looking statements to differ materially from actual results include, among other things, the overall economic, political, social and business conditions, the demand for our goods and services, competition in the market, fluctuations in interest rates and foreign currencies, the impact and other uncertainties of future acquisitions and disposals and any changes in the tax laws and other legislation and regulation, in the jurisdictions in which we operate.

We do not undertake any obligation to update any forward-looking statements contained in or incorporated in this announcement to reflect actual results, changes in assumptions or in other factors which may affect any forward-looking statements.

CONSOLIDATED PROFIT AND LOSS ACCOUNT – CONSTANT EXCHANGE RATES (unaudited)

Note: A description of the exchange rate conventions used is given on page 12.

€Millions – constant rates

| | First Quarter | | % Incr./ (Decr.) |
|---|----------------------|--------------------------|-----------------------------|
| | 2003 | 2002 Restated | |
| TURNOVER | 11,124 | 11,551 | (4)% |
| Less: Share of turnover of joint ventures | (82) | (142) | |
| Group turnover | <u>11,042</u> | <u>11,409</u> | (3)% |
| Group operating profit | 1,396 | 1,148 | 22% |
| Add: Share of operating profit of joint ventures | 14 | 14 | |
| OPERATING PROFIT | 1,410 | 1,162 | 21% |
| Operating profit beia * | 1,623 | 1,648 | (2)% |
| Exceptional items | 78 | (168) | |
| Amortisation of goodwill and intangibles | (291) | (318) | |
| Share of operating profit of associates | (13) | - | |
| Other income from fixed investments | 3 | (1) | |
| Interest (excluding pension related amounts) | (257) | (294) | |
| Net interest cost/return on pension scheme assets and liabilities | (48) | 27 | |
| PROFIT BEFORE TAXATION | 1,095 | 894 | 22% |
| Taxation | (348) | (406) | |
| PROFIT AFTER TAXATION | 747 | 488 | 53% |
| Minority interests | (77) | (63) | |
| NET PROFIT | <u>670</u> | <u>425</u> | 57% |
| Net profit beia * | 865 | 846 | 2% |

COMBINED EARNINGS PER SHARE (Constant rates)

| | | | |
|--|-------|-------|-----|
| - per €0.51 ordinary NV share (Euros) | 0.68 | 0.42 | 61% |
| - per 1.4p ordinary PLC share (Euro cents) | 10.21 | 6.32 | 61% |
| - per €0.51 ordinary NV share – beia * (Euros) | 0.88 | 0.85 | 4% |
| - per 1.4p ordinary PLC share – beia * (Euro cents) | 13.22 | 12.73 | 4% |
| - per €0.51 ordinary NV share – diluted (Euros) | 0.66 | 0.41 | 61% |
| - per 1.4p ordinary PLC share – diluted (Euro cents) | 9.92 | 6.15 | 61% |

* Before exceptional items and amortisation of goodwill and intangibles

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 13).

NET PROFIT AND EARNINGS PER SHARE – CURRENT EXCHANGE RATES (unaudited)

Net profit and earnings per share given below are stated at current exchange rates i.e. the results in both years have been translated at the exchange rates prevailing during the appropriate period.

For further details of the results at current exchange rates and impact of exchange rate movements see notes on page 12.

€Millions – current rates

| | <u>First Quarter</u> | | |
|--------------------------|-----------------------------|--|---|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> | <u>% Incr./</u> <u>(Decr.)</u> |
| NET PROFIT | 637 | 441 | 45% |
| Net profit beia * | 815 | 886 | (8)% |

COMBINED EARNINGS PER SHARE (Current rates)

| | | | |
|--|-------|-------|------|
| - per €0.51 ordinary NV share (Euros) | 0.65 | 0.44 | 48% |
| - per 1.4p ordinary PLC share (Euro cents) | 9.69 | 6.54 | 48% |
| - per €0.51 ordinary NV share – beia * (Euros) | 0.83 | 0.89 | (7)% |
| - per 1.4p ordinary PLC share – beia * (Euro cents) | 12.44 | 13.34 | (7)% |
| - per €0.51 ordinary NV share – diluted (Euros) | 0.63 | 0.42 | 48% |
| - per 1.4p ordinary PLC share – diluted (Euro cents) | 9.42 | 6.36 | 48% |

* Before exceptional items and amortisation of goodwill and intangibles

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

€Millions – current rates

| | <u>First Quarter</u> | |
|--|-----------------------------|--|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> |
| Net profit | 637 | 441 |
| Currency retranslation | 112 | (304) |
| Total recognised gains for the year | 749 | 137 |
| Pension gains and losses net of tax | (264) | (91) |
| Total recognised gains / (losses) since last annual accounts | 485 | 46 |

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 13).

MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)

€Millions – current rates

| | <u>First Quarter</u> | |
|---|-----------------------------|--|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> |
| Shareholders' equity as at 1 January ⁽¹⁾ | 4,629 | 8,437 |
| Net profit | 637 | 441 |
| Dividends | (6) | (10) |
| Goodwill movements | 10 | 1 |
| Currency retranslation | 124 | (307) |
| Change in number of shares or certificates of shares held in connection with share options | (4) | (17) |
| Pension gains and losses net of tax | (264) | (91) |
| Adjustment to cost of share options | 29 | 15 |
| Shareholders' equity as at the end of the period | <u>5,155</u> | <u>8,469</u> |

SUMMARY BALANCE SHEET (unaudited)

€Millions – current rates

| | As at 29th | As at 31st | As at 30th |
|--|------------------------------|------------------------------|------------------------------|
| | March | December | March |
| | <u>2003</u> | <u>2002</u> | <u>2002</u> |
| | | <u>Restated</u> | <u>Restated</u> |
| Goodwill and intangibles | 20,268 | 20,274 | 24,586 |
| Other fixed assets | 7,694 | 8,115 | 10,014 |
| Stocks | 4,818 | 4,500 | 5,506 |
| Debtors | 7,668 | 6,951 | 9,891 |
| Cash and current investments | 3,619 | 3,478 | 2,182 |
| Trade and other creditors | (11,986) | (11,732) | (12,913) |
| | <u>32,081</u> | <u>31,586</u> | <u>39,266</u> |
| Borrowings | 19,900 | 20,444 | 25,220 |
| Provisions for liabilities and charges | 6,376 | 5,894 | 4,845 |
| Minority interests | 650 | 619 | 732 |
| Capital and reserves | 5,155 | 4,629 | 8,469 |
| | <u>32,081</u> | <u>31,586</u> | <u>39,266</u> |

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in the accounting policy for share option costs (see notes on page 13).

€Millions – current rates

| | As at 1st | As at 1st |
|--|-----------------------------|-----------------------------|
| | January | January |
| | <u>2003</u> | <u>2002</u> |
| ⁽¹⁾ Shareholders' equity as previously reported | 5,867 | 6,993 |
| Change in accounting policy - pensions | (1,238) | 1,444 |
| Shareholders' equity as restated | <u>4,629</u> | <u>8,437</u> |

CASH FLOW STATEMENT (unaudited)

€Millions – current rates

| | <u>First Quarter</u> | |
|--|-----------------------------|--------------------|
| | <u>2003</u> | <u>2002</u> |
| Cash flow from group operating activities | 823 | 1,138 |
| Dividends from joint ventures | 3 | 6 |
| Returns on investments and servicing of finance | (99) | (275) |
| Taxation | (255) | (295) |
| Capital expenditure and financial investment | (160) | (248) |
| Acquisitions and disposals | (15) | 90 |
| CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING | 297 | 416 |
| Management of liquid resources | 225 | 34 |
| Financing | (317) | (278) |
| INCREASE / (DECREASE) IN CASH IN THE PERIOD | 205 | 172 |

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT (unaudited)

€Millions – current rates

| | <u>First Quarter</u> | |
|--|-----------------------------|--------------------|
| | <u>2003</u> | <u>2002</u> |
| NET DEBT AT 1 JANUARY | (16,966) | (23,199) |
| INCREASE / (DECREASE) IN CASH IN THE PERIOD | 205 | 172 |
| Cash flow from (increase)/decrease in borrowings | 317 | 276 |
| Cash flow from increase/(decrease) in liquid resources | (225) | (34) |
| Change in net funds resulting from cash flows | 297 | 414 |
| Borrowings within group companies acquired | (26) | - |
| Borrowings within group companies sold | - | 14 |
| Liquid resources within group companies acquired | - | - |
| Liquid resources within group companies sold | (3) | - |
| Non cash movements | (123) | (15) |
| Currency retranslation | 540 | (252) |
| MOVEMENT IN NET DEBT IN THE PERIOD | 685 | 161 |
| NET DEBT AT PERIOD END | (16,281) | (23,038) |

GEOGRAPHICAL ANALYSIS (at constant rates – unaudited)

€Millions – constant rates

| | First Quarter | | % Incr./ (Decr.) |
|----------------------------------|----------------------|--|-----------------------------|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> | |
| TURNOVER | 11,124 | 11,551 | (4)% |
| Europe | 4,323 | 4,670 | (7)% |
| North America | 2,811 | 3,075 | (9)% |
| Africa, Middle East and Turkey | 778 | 699 | 11% |
| Asia and Pacific | 1,887 | 1,855 | 2% |
| Latin America | 1,325 | 1,252 | 6% |
| OPERATING PROFIT – beia * | 1,623 | 1,648 | (2)% |
| Europe | 694 | 626 | 11% |
| North America | 369 | 470 | (21)% |
| Africa, Middle East and Turkey | 89 | 61 | 46% |
| Asia and Pacific | 293 | 310 | (6)% |
| Latin America | 178 | 181 | (2)% |
| OPERATING MARGIN – beia * | 14.6% | 14.3% | |
| Europe | 16.1% | 13.4% | |
| North America | 13.1% | 15.3% | |
| Africa, Middle East and Turkey | 11.4% | 8.7% | |
| Asia and Pacific | 15.5% | 16.7% | |
| Latin America | 13.5% | 14.5% | |

* Before exceptional items and amortisation of goodwill and intangibles

OPERATIONAL ANALYSIS (at constant rates – unaudited)

€Millions – constant rates

| | First Quarter | | |
|-------------------------------------|----------------------|--|---|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> | <u>% Incr./</u> <u>(Decr.)</u> |
| TURNOVER | 11,124 | 11,551 | (4)% |
| Foods | 6,062 | 6,348 | (5)% |
| Savoury and dressings | 2,197 | 2,243 | (2)% |
| Spreads and cooking products | 1,298 | 1,510 | (14)% |
| Health & wellness and beverages | 976 | 994 | (2)% |
| Ice cream and frozen foods | 1,591 | 1,601 | (1)% |
| Home care and professional cleaning | 1,985 | 2,330 | (15)% |
| Personal care | 2,982 | 2,755 | 8% |
| Other operations | 95 | 118 | (20)% |
| OPERATING PROFIT – beia * | 1,623 | 1,648 | (2)% |
| Foods | 799 | 799 | - % |
| Savoury and dressings | 374 | 305 | 22% |
| Spreads and cooking products | 191 | 224 | (15)% |
| Health & wellness and beverages | 136 | 172 | (21)% |
| Ice cream and frozen foods | 98 | 98 | - % |
| Home care and professional cleaning | 247 | 258 | (4)% |
| Personal care | 583 | 578 | 1% |
| Other operations | (6) | 13 | (147)% |
| OPERATING MARGIN – beia * | 14.6% | 14.3% | |
| Foods | 13.2% | 12.6% | |
| Savoury and dressings | 17.0% | 13.6% | |
| Spreads and cooking products | 14.7% | 14.8% | |
| Health & wellness and beverages | 13.9% | 17.3% | |
| Ice cream and frozen foods | 6.1% | 6.1% | |
| Home care and professional cleaning | 12.5% | 11.1% | |
| Personal care | 19.6% | 21.0% | |
| Other operations | (6.4)% | 10.9% | |

* Before exceptional items and amortisation of goodwill and intangibles

NOTES**Exchange rate conventions and impact of movements in exchange rates**

Consistent with our previous practice, the following exchange rate conventions have been applied:

In the profit and loss account information given on page 6 and the segmental analysis on pages 10 and 11, the results for 2003 and the comparative figures for 2002 have been translated at constant exchange rates, being the annual average exchange rates for 2002. This reporting convention facilitates comparisons since the impact of exchange rate fluctuations is eliminated, and is the basis on which we measure our annual operational performance internally. It also forms the basis for target setting and the annual outlook statement. For our reporting currencies these rates were €1 = £0.63 = US \$0.94.

The quarterly results, earnings per share and cash flow are translated at rates current in each period. For our reporting currencies these rates were €1 = £0.67 = US \$1.07 for first quarter 2003 and €1 = £0.61 = US \$0.88 for first quarter 2002.

Thus the two conventions apply different exchange rates to the individual quarters for the prior year comparator. Over the year this evens out, so that the full year numbers for the comparator are identical under both conventions.

The Euro strengthened progressively through 2002 against a basket of currencies. As a result, the current rate results in the first quarter of last year represent a particularly high base for comparison compared with results at average exchange rates for the year. This effect will reverse over the remainder of the year.

As a result of the strengthening Euro, the growth rates for turnover and net profit beia were 13% and 10% lower at current exchange rates than at constant rates, of which 5% relates to the phasing of the exchange rate movement during 2002 as described above. For illustrative purposes, if the first quarter 2003 exchange rates were to remain in place through the remainder of the year, then growth in net profit beia for the year would be around 5% lower at current rates than at constant rates.

Results at current rates of exchange

€Millions – current rates

| | <u>First Quarter</u> | | <u>% Incr.</u> <u>/(Decr.)</u> |
|--|-----------------------------|--|---|
| | <u>2003</u> | <u>2002</u> <u>Restated</u> | |
| Turnover | 10,182 | 12,238 | (17) % |
| Operating profit | 1,302 | 1,232 | 6 % |
| Operating profit beia * | 1,496 | 1,746 | (14) % |
| Share of operating profit of associates & income from investments | (9) | - | |
| Interest (including net interest cost/return on pension scheme assets and liabilities) | (262) | (296) | |
| Taxation | (325) | (428) | |
| Minority interests | (69) | (67) | |
| Net profit | 637 | 441 | 45 % |
| Net profit beia * | 815 | 886 | (8) % |

The impact of exchange rate movements on the results at current exchange rates in Euros, £ sterling and US dollars is given below, along with the year on year percentage change at constant rates.

| First Quarter - Millions | <u>Constant rates</u> | | <u>At current rates of exchange</u> | | | | |
|--------------------------|---|---------------------------------------|---|---------------------------------------|---|---|---|
| | <u>% Incr.</u> <u>/(Decr.)</u> | <u>€</u> <u>2003</u> | <u>% Incr.</u> <u>/(Decr.)</u> | <u>£</u> <u>2003</u> | <u>% Incr.</u> <u>/(Decr.)</u> | <u>US \$</u> <u>2003</u> | <u>% Incr.</u> <u>/(Decr.)</u> |
| Turnover | (4) % | 10,182 | (17) % | 6,812 | (9) % | 10,915 | 2 % |
| Operating profit beia * | (2) % | 1,496 | (14) % | 1,000 | (7) % | 1,603 | 5 % |
| Net profit | 57 % | 637 | 45 % | 426 | 57 % | 683 | 77 % |
| Net profit beia * | 2 % | 815 | (8) % | 545 | - % | 874 | 13 % |
| % Change in EPS | 61 % | | 48 % | | 61 % | | 81 % |
| % Change in EPS - beia * | 4 % | | (7) % | | 1 % | | 14 % |

* Before exceptional items and amortisation of goodwill and intangibles

The balance sheet figures have been translated at period-end rates of exchange. For our reporting currencies these were €1 = £0.69 = US \$1.07 at 31 March 2003, €1 = £0.65 = US \$1.05 at 31 December 2002 and €1 = £0.61 = US \$0.87 at 31 March 2002.

Acquisitions and disposals

On 18 February 2003, we announced an agreement to acquire the remaining unheld shares in CPC/Aji Asia, a joint venture with activities in six countries, from Ajinomoto Co. Inc., Japan. The acquisition is in two parts with approximately one half of Ajinomoto's holding transferred on 25 March 2003 and the balance scheduled for transfer in March 2004. Unilever will pay a total of US \$381 million for Ajinomoto's holding. Unilever has full management control of the business with effect from 25 March 2003, and accordingly the business was fully consolidated in the balance sheet at 29 March 2003.

On 28 March 2003, we completed the sale of Frigedoc, our mobile home-vending frozen foods and ice cream business in France, to Toupargel.

FRS 17

From 1 January 2003 we have adopted United Kingdom Financial Reporting Standard 17 (FRS 17) 'Retirement Benefits' which requires that pension assets and liabilities be stated at fair values. The impact of adoption of this standard has been reflected in all periods covered by this announcement by means of prior period adjustments to the balance sheets and profit and loss accounts.

The implementation of FRS 17 has resulted in a restatement of €1,238 million reduction in the opening capital and reserves for 2003 (2002: increase of €1,444 million). In the 2003 opening balance sheet pension liabilities have increased by €1,752 million (2002: decrease of €628 million). Deferred tax within liabilities has been reduced by €1,785 million (2002: reduction of €1,383 million). The change in debtors because of changes in pension assets and deferred tax is a net reduction of €1,280 million in the 2003 opening balance (2002: reduction of €561 million). Minority interests have also been reduced by €9 million (2002: increase of €6 million).

In the profit and loss account for the first quarter of 2002 operating profit has decreased by €16 million and interest has increased by €27 million. Total recognised gains and losses for the first quarter of 2002 have reduced by €1 million for actuarial gains and losses and differences between actual and expected return on pensions plan assets.

Share options

In line with recommendations of various standard setting bodies, from 1 January 2003 we changed our accounting policy for share options. The impact of adoption of this change has been reflected in all periods covered by this announcement by means of prior period adjustments to the balance sheets and profit and loss accounts. We have been hedging our existing share option programmes by buying shares at the time of grant and taking the financing cost within interest. The accounting change is to include an additional non cash charge against operating profit to reflect the value to the employee of the share options granted. In determining this charge we are applying a Black-Scholes based valuation spread over the vesting period of the option.

In the profit and loss account for the first quarter of 2002 operating profit has been reduced by €15 million, and in the first quarter of 2003 a charge of €29 million has been included in operating profit.

Combined earnings per share

The combined earnings per share calculations are based on the average number of share units representing the combined ordinary shares of NV and PLC in issue during the year, less the average number of shares held to meet options granted under various employee share plans.

The number of combined share units is calculated from the underlying NV and PLC shares using the exchange rate of £1 = €5.445, in accordance with the Equalisation Agreement.

The diluted earnings per share are based on the average number of share units, plus all shares under option, together with certain PLC shares which may be issued in 2038 under the arrangements for the variation of the Leverhulme Trust. The number of shares is reduced, in accordance with FRS 14, by the number of shares that could be purchased at fair value with the expected proceeds from the exercise of options by employees.

Earnings per share in Euro for the quarter

| | <u>Constant rates</u> | | <u>Current rates</u> | |
|---|-----------------------|-----------------|----------------------|-----------------|
| | <u>2003</u> | <u>2002</u> | <u>2003</u> | <u>2002</u> |
| | | <u>Restated</u> | | <u>Restated</u> |
| | Thousands of units | | | |
| Average number of combined share units of €0.51 | 973,339 | 981,988 | 973,339 | 981,988 |
| Average number of combined share units of 1.4p | 6,488,927 | 6,546,584 | 6,488,927 | 6,546,584 |

COMBINED EPS

| | €Millions | | | |
|---|------------|------------|------------|------------|
| Net profit | 670 | 425 | 637 | 441 |
| Less: Preference dividends | (8) | (13) | (8) | (13) |
| Net profit attributable to ordinary capital | <u>662</u> | <u>412</u> | <u>629</u> | <u>428</u> |
| Combined EPS per €0.51 (Euros) | 0.68 | 0.42 | 0.65 | 0.44 |
| Combined EPS per 1.4p (Euro cents) | 10.21 | 6.32 | 9.69 | 6.54 |

COMBINED EPS – BEIA *

| | €Millions | | | |
|--|------------|------------|------------|------------|
| Net profit | 670 | 425 | 637 | 441 |
| Add back exceptional items net of tax | (82) | 116 | (74) | 121 |
| Add back amortisation of goodwill / intangibles net of tax | 277 | 305 | 252 | 324 |
| Net profit beia * | <u>865</u> | <u>846</u> | <u>815</u> | <u>886</u> |
| Less: Preference dividends | (8) | (13) | (8) | (13) |
| Net profit attributable to ordinary capital - beia | <u>857</u> | <u>833</u> | <u>807</u> | <u>873</u> |
| Combined EPS – beia* per €0.51 (Euros) | 0.88 | 0.85 | 0.83 | 0.89 |
| Combined EPS – beia* per 1.4p (Euro cents) | 13.22 | 12.73 | 12.44 | 13.34 |

COMBINED EPS – Diluted

| | Thousands of units | | | |
|--|--------------------|------------|------------|------------|
| Adjusted average combined share units of €0.51 | 1,002,138 | 1,009,836 | 1,002,138 | 1,009,836 |
| Adjusted average combined share units of 1.4p | 6,680,920 | 6,732,239 | 6,680,920 | 6,732,239 |
| | €Millions | | | |
| Net profit attributable to ordinary capital | <u>662</u> | <u>412</u> | <u>629</u> | <u>428</u> |
| Combined diluted EPS per €0.51 (Euros) | 0.66 | 0.41 | 0.63 | 0.42 |
| Combined diluted EPS per 1.4p (Euro cents) | 9.92 | 6.15 | 9.42 | 6.36 |

* Before exceptional items and amortisation of goodwill and intangibles

Dates

The results for the second quarter and first half-year 2003 will be announced on 30 July 2003.

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