

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

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

Second Quarter			£ Millions – constant rates	Half Year		
2003	2002	% Incr./		2003	2002	% Incr./
Restated	Restated	(Decr.)		Restated	Restated	(Decr.)
7,763	7,880	(1)%	TURNOVER	14,749	15,134	(3)%
(41)	(77)		Less: Share of turnover of joint ventures	(92)	(166)	
<u>7,722</u>	<u>7,803</u>	(1)%	Group turnover	<u>14,657</u>	<u>14,968</u>	(2)%
844	1,032	(18)%	Group operating profit	1,721	1,753	(2)%
9	15		Add: Share of operating profit of joint ventures	18	24	
853	1,047	(19)%	OPERATING PROFIT	1,739	1,777	(2)%
1,135	1,141	(1)%	Operating profit beia *	2,155	2,176	(1)%
(63)	105		Exceptional items	(14)	0	
(219)	(199)		Amortisation of goodwill and intangibles	(402)	(399)	
11	8		Share of operating profit of associates	3	8	
(9)	(7)		Other income from fixed investments	(7)	(7)	
(173)	(186)		Interest (excluding pension related amounts)	(335)	(371)	
(30)	17		Net interest (cost)/return on pension scheme assets and liabilities	(60)	34	
652	879	(26)%	PROFIT BEFORE TAXATION	1,340	1,441	(7)%
(246)	(392)		Taxation	(465)	(647)	
406	487	(17)%	PROFIT AFTER TAXATION	875	794	10%
(33)	(59)		Minority interests	(81)	(98)	
<u>373</u>	<u>428</u>	(13)%	NET PROFIT	<u>794</u>	<u>696</u>	14%
633	620	2%	Net profit beia *	1,177	1,151	2%
COMBINED EARNINGS PER SHARE						
(Constant rates)						
5.69	6.45	(12)%	- per 1.4p ordinary PLC share (pence)	12.10	10.42	16%
9.72	9.39	3%	- per 1.4p ordinary PLC share – beia * (pence)	18.02	17.39	4%
5.52	6.25	(12)%	- per 1.4p ordinary PLC share – diluted (pence)	11.75	10.11	16%

* 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.

<u>Second Quarter</u>			£ Millions – current rates	<u>Half Year</u>		
<u>2003</u>	<u>2002</u> <u>Restated</u>	<u>% Incr./</u> <u>(Decr.)</u>		<u>2003</u>	<u>2002</u> <u>Restated</u>	<u>% Incr./</u> <u>(Decr.)</u>
397	431	(8)%	NET PROFIT	823	702	17%
652	630	3%	Net profit beia *	1,197	1,175	2%
COMBINED EARNINGS PER SHARE						
(Current rates)						
6.03	6.49	(7)%	- per 1.4p ordinary PLC share (pence)	12.52	10.51	19%
9.98	9.55	5%	- per 1.4p ordinary PLC share – beia * (pence)	18.30	17.75	3%
5.85	6.28	(7)%	- per 1.4p ordinary PLC share – diluted (pence)	12.15	10.19	19%

* Before exceptional items and amortisation of goodwill and intangibles

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

£ Millions – current rates

	<u>Half Year</u>	
	<u>2003</u>	<u>2002</u> <u>Restated</u>
Net profit	823	702
Currency retranslation	501	(440)
Total recognised gains for the year	1,324	262
Pension gains / (losses) net of tax	(36)	(541)
Total recognised gains / (losses) since last annual accounts	1,288	(279)

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>Half Year</u>	
	<u>2003</u>	<u>2002</u> <u>Restated</u>
Shareholders' equity as at 1 January ⁽¹⁾	3,011	5,154
Net profit	823	702
Dividends	7	(4)
Goodwill written back on disposals	7	251
Currency retranslation	531	(402)
Change in number of shares or certificates of shares held in connection with share options	(262)	(303)
Pension gains / (losses) net of tax	(36)	(541)
Adjustment to cost of share options	46	26
Shareholders' equity as at the end of the period	<u>4,127</u>	<u>4,883</u>

SUMMARY BALANCE SHEET (unaudited)

£ Millions – current rates

	As at 28th	As at 31st	As at 29th
	<u>June</u> <u>2003</u>	<u>December</u> <u>2002</u> <u>Restated</u>	<u>June</u> <u>2002</u> <u>Restated</u>
Goodwill and intangibles	13,436	13,188	14,185
Other fixed assets	5,199	5,279	5,694
Stocks	3,266	2,927	3,188
Debtors	5,290	4,522	6,190
Cash and current investments	2,016	2,263	2,378
Trade and other creditors	(7,358)	(7,632)	(7,648)
	<u>21,849</u>	<u>20,547</u>	<u>23,987</u>
Borrowings	13,150	13,299	15,329
Provisions for liabilities and charges	4,281	3,834	3,324
Minority interests	291	403	451
Capital and reserves	4,127	3,011	4,883
	<u>21,849</u>	<u>20,547</u>	<u>23,987</u>

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).

£ Millions – current rates

	As at 1st	As at 1st
	<u>January</u> <u>2003</u>	<u>January</u> <u>2002</u>
⁽¹⁾ Shareholders' equity as previously reported	3,816	4,272
Change in accounting policy - pensions	(805)	882
Shareholders' equity as restated	<u>3,011</u>	<u>5,154</u>

CASH FLOW STATEMENT (unaudited)

£ Millions – current rates

	<u>Half Year</u>	
	<u>2003</u>	<u>2002</u>
Cash flow from group operating activities	1,705	2,178
Dividends from joint ventures	7	8
Returns on investments and servicing of finance	(358)	(512)
Taxation	(447)	(533)
Capital expenditure and financial investment	(504)	(577)
Acquisitions and disposals	13	717
Dividends paid on ordinary share capital	(731)	(648)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(315)	633
Management of liquid resources	242	(159)
Financing	(322)	(247)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(395)	227

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

£ Millions – current rates

	<u>Half Year</u>	
	<u>2003</u>	<u>2002</u>
NET DEBT AT 1 JANUARY	(11,036)	(14,173)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(395)	227
Cash flow from (increase)/decrease in borrowings	322	246
Cash flow from increase/(decrease) in liquid resources	(242)	159
Change in net debt resulting from cash flows	(315)	632
Borrowings within group companies acquired	(18)	(57)
Borrowings within group companies sold	3	12
Liquid resources within group companies acquired	-	-
Liquid resources within group companies sold	(2)	(1)
Non cash movements	186	697
Currency retranslation	48	(61)
MOVEMENT IN NET DEBT IN THE PERIOD	(98)	1,222
NET DEBT AT PERIOD END	(11,134)	(12,951)

GEOGRAPHICAL ANALYSIS (at constant rates – unaudited)

<u>Second Quarter</u>			£ Millions – constant rates	<u>Half Year</u>		
<u>2003</u>	<u>2002</u>	<u>% Incr./</u>		<u>2003</u>	<u>2002</u>	<u>% Incr./</u>
<u>Restated</u>	<u>Restated</u>	<u>(Decr.)</u>		<u>Restated</u>	<u>Restated</u>	<u>(Decr.)</u>
7,763	7,880	(1)%	TURNOVER	14,749	15,134	(3)%
3,166	3,223	(2)%	Europe	5,881	6,156	(4)%
1,873	2,060	(9)%	North America	3,638	3,991	(9)%
542	512	6%	Africa, Middle East and Turkey	1,031	951	8%
1,294	1,253	3%	Asia and Pacific	2,479	2,418	3%
888	832	7%	Latin America	1,720	1,618	6%
1,135	1,141	(1)%	OPERATING PROFIT – beia *	2,155	2,176	(1)%
525	437	20%	Europe	961	830	16%
258	340	(24)%	North America	490	635	(23)%
64	77	(16)%	Africa, Middle East and Turkey	120	115	4%
182	164	11%	Asia and Pacific	366	359	2%
106	123	(14)%	Latin America	218	237	(8)%
14.6%	14.5%		OPERATING MARGIN – beia *	14.6%	14.4%	
16.6%	13.6%		Europe	16.3%	13.5%	
13.8%	16.5%		North America	13.5%	15.9%	
11.8%	15.0%		Africa, Middle East and Turkey	11.6%	12.1%	
14.1%	13.1%		Asia and Pacific	14.8%	14.8%	
11.9%	14.8%		Latin America	12.7%	14.6%	

* Before exceptional items and amortisation of goodwill and intangibles

OPERATIONAL ANALYSIS (at constant rates – unaudited)

Second Quarter			£ Millions – constant rates	Half Year		
2003	2002 Restated	% Incr./ (Decr.)		2003	2002 Restated	% Incr./ (Decr.)
7,763	7,880	(1)%	TURNOVER	14,749	15,134	(3)%
4,483	4,530	(1)%	Foods	8,290	8,517	(3)%
1,503	1,445	4%	Savoury and dressings	2,883	2,854	1%
838	965	(13)%	Spreads and cooking products	1,653	1,914	(14)%
663	689	(4)%	Health & wellness and beverages	1,276	1,313	(3)%
1,479	1,431	3%	Ice cream and frozen foods	2,478	2,436	2%
1,255	1,377	(9)%	Home care and professional cleaning	2,501	2,840	(12)%
1,982	1,907	4%	Personal care	3,855	3,637	6%
43	66	(34)%	Other operations	103	140	(26)%
1,135	1,141	(1)%	OPERATING PROFIT – beia *	2,155	2,176	(1)%
696	626	11%	Foods	1,198	1,128	6%
206	193	7%	Savoury and dressings	441	385	14%
116	143	(19)%	Spreads and cooking products	236	284	(17)%
78	53	48%	Health & wellness and beverages	164	161	2%
296	237	25%	Ice cream and frozen foods	357	298	20%
160	173	(7)%	Home care and professional cleaning	316	335	(6)%
275	332	(18)%	Personal care	641	695	(8)%
4	10	(60)%	Other operations	0	18	(99)%
14.6%	14.5%		OPERATING MARGIN – beia *	14.6%	14.4%	
15.5%	13.8%		Foods	14.5%	13.2%	
13.7%	13.3%		Savoury and dressings	15.3%	13.5%	
13.9%	14.9%		Spreads and cooking products	14.3%	14.9%	
11.9%	7.7%		Health & wellness and beverages	12.9%	12.3%	
20.0%	16.5%		Ice cream and frozen foods	14.4%	12.2%	
12.8%	12.5%		Home care and professional cleaning	12.6%	11.8%	
13.9%	17.5%		Personal care	16.6%	19.2%	
9.4%	15.4%		Other operations	0.2%	13.0%	

* Before exceptional items and amortisation of goodwill and intangibles

Earnings per share in Sterling for the half year

	<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 1.4p	6,476,222	6,534,531	6,476,222	6,534,531
<u>COMBINED EPS</u>	£ Millions			
Net profit	794	696	823	702
Less: Preference dividends	(11)	(16)	(12)	(16)
Net profit attributable to ordinary capital	<u>783</u>	<u>680</u>	<u>811</u>	<u>686</u>
Combined EPS per 1.4p	12.10	10.42	12.52	10.51
<u>COMBINED EPS – beia *</u>	£ Millions			
Net profit	794	696	823	702
Add back exceptional items net of tax	0	72	1	77
Add back amortisation of goodwill / intangibles net of tax	<u>383</u>	<u>383</u>	<u>373</u>	<u>396</u>
Net profit beia *	<u>1,177</u>	<u>1,151</u>	<u>1,197</u>	<u>1,175</u>
Less: Preference dividends	(11)	(16)	(12)	(16)
Net profit attributable to ordinary capital – beia *	<u>1,166</u>	<u>1,135</u>	<u>1,185</u>	<u>1,159</u>
Combined EPS – beia * per 1.4p	18.02	17.39	18.30	17.75
<u>COMBINED EPS – Diluted</u>	Thousands of units			
Adjusted average combined share units of 1.4p	6,673,136	6,736,691	6,673,136	6,736,691
	£ Millions			
Net profit attributable to ordinary capital	<u>783</u>	<u>680</u>	<u>811</u>	<u>686</u>
Combined diluted EPS per 1.4p	11.75	10.11	12.15	10.19

* Before exceptional items and amortisation of goodwill and intangibles