

**STERLING SUPPLEMENT TO THE UNILEVER SECOND QUARTER AND HALF YEAR RESULTS 2005**

This document is a supplement to the Unilever second quarter and half year results 2005 and is prepared for reference purposes only, Unilever's reporting currency is the Euro. The income statement, statement of recognised income and expense, movement in equity and cash flow statement are translated at rates current in each period. These rates were € 1 = £ 0.69 for the first six months of 2005 and € 1 = £ 0.67 for the first six months of 2004. The balance sheet is translated at period-end rates of exchange. These were € 1 = £ 0.68 at 2 July 2005, € 1 = £ 0.71 at 31 December 2004 and € 1 = £ 0.67 at 26 June 2004. Certain items in the income statement and statement of recognised income and expense, notably currency retranslation recognised on the disposal of businesses, will not reflect the result which would arise if the reporting currency were to be sterling.

**INCOME STATEMENT**

(unaudited)

Second Quarter				£ million	Half Year			
2005	2004	Increase/ (Decrease) Current Constant rates rates			2005	2004	Increase/ (Decrease) Current Constant rates rates	
<b>Continuing operations:</b>								
6 944	6 724	3%	2%	<b>Turnover</b>	13 278	12 828	4%	3%
857	1 033	(17)%	(18)%	<b>Operating profit</b>	1 821	1 932	(6)%	(6)%
(242)	–			After charging: Impairment of <i>Slim-Fast</i>	(242)	–		
(104)	(114)			Net finance costs	(210)	(223)		
2	(6)			Finance income	69	53		
(98)	(93)			Finance costs	(260)	(248)		
(8)	(15)			Pensions and similar obligations	(19)	(28)		
6	6			Share in net profit of joint ventures	13	12		
(5)	–			Share in net profit/(loss) of associates	(5)	1		
8	13			Other income from non-current investments	14	22		
762	938	(19)%	(20)%	<b>Profit before taxation</b>	1 633	1 744	(6)%	(7)%
(229)	(227)			Taxation	(433)	(485)		
533	711	(25)%	(26)%	<b>Net profit from continuing operations</b>	1 200	1 259	(5)%	(6)%
(3)	4			Net profit/(loss) from discontinued operations	9	3		
530	715	(26)%	(27)%	<b>Net profit for the period</b>	1 209	1 262	(4)%	(5)%
<b>Attributable to:</b>								
36	36			Minority interests	68	69		
494	679	(27)%	(29)%	Shareholders' equity	1 141	1 193	(4)%	(5)%

<b>Combined earnings per share</b>								
<u>From total operations</u>								
7.57	10.50	(28)%	(29)%	Per 1.4p ordinary PLC share (pence)	17.57	18.40	(5)%	(6)%
7.38	10.07	(27)%	(28)%	Per 1.4p ordinary PLC share – diluted (pence)	17.04	17.66	(4)%	(5)%
<u>From continuing operations</u>								
7.61	10.44	(27)%	(28)%	Per 1.4p ordinary PLC share (pence)	17.43	18.36	(5)%	(6)%
7.41	10.01	(26)%	(27)%	Per 1.4p ordinary PLC share – diluted (pence)	16.89	17.62	(4)%	(5)%

**STATEMENT OF RECOGNISED INCOME AND EXPENSE**

(unaudited)

£ million

	<b>Half Year</b>	
	<b>2005</b>	<b>2004</b>
Fair value gains/(losses) on financial instruments and cash flow hedges net of tax	8	n/a
Actuarial gains/(losses) on pension schemes net of tax	8	(36)
Currency retranslation gains/(losses) net of tax	144	(374)
<b>Net income/(expense) recognised directly in equity</b>	<b>160</b>	<b>(410)</b>
Net profit for the period	1 209	1 262
<b>Total recognised income and expense for the period</b>	<b>1 369</b>	<b>852</b>
<b>Attributable to:</b>		
Minority interests	93	58
Shareholders' equity	1 276	794

**BALANCE SHEET**

(unaudited)

£ million

	<b>As at 2 July 2005</b>	<b>As at 31 December 2004</b>	<b>As at 26 June 2004</b>
<b>Non current assets</b>			
Goodwill and intangible assets	12 125	12 022	12 616
Property, plant and equipment	4 375	4 369	4 381
Pension asset for funded schemes in surplus	488	442	526
Deferred tax assets	1 107	1 054	884
Other non-current assets	843	752	730
<b>Total non-current assets</b>	<b>18 938</b>	<b>18 639</b>	<b>19 137</b>
<b>Assets held for sale</b>	<b>253</b>	<b>n/a</b>	<b>n/a</b>
<b>Current assets</b>			
Inventories	2 904	2 655	2 875
Trade and other receivables due within one year	3 642	2 920	3 480
Financial assets	252	716	791
Cash and cash equivalents	1 081	1 124	1 529
<b>Total current assets</b>	<b>7 879</b>	<b>7 415</b>	<b>8 675</b>
<b>Current liabilities</b>			
Borrowings due within one year	(5 091)	(3 644)	(4 871)
Trade payables and other current liabilities	(5 841)	(5 819)	(6 078)
<b>Total current liabilities</b>	<b>(10 932)</b>	<b>(9 463)</b>	<b>(10 949)</b>
<b>Net current assets/(liabilities)</b>	<b>(3 053)</b>	<b>(2 048)</b>	<b>(2 274)</b>
<b>Total assets less current liabilities</b>	<b>16 138</b>	<b>16 591</b>	<b>16 863</b>
<b>Non-current liabilities</b>			
Borrowings due after one year	4 127	4 873	6 020
Pension liability for funded schemes in deficit	1 612	1 620	1 638
Pension liability for unfunded schemes	2 749	2 677	2 459
Deferred tax liabilities	566	546	784
Restructuring and other provisions	915	964	528
Other non-current liabilities	516	507	534
<b>Total non-current liabilities</b>	<b>10 485</b>	<b>11 187</b>	<b>11 963</b>
<b>Liabilities held for sale</b>	<b>81</b>	<b>n/a</b>	<b>n/a</b>
<b>Equity</b>			
Shareholders' equity	5 292	5 146	4 641
Minority interests	280	258	259
<b>Total equity</b>	<b>5 572</b>	<b>5 404</b>	<b>4 900</b>
<b>Total capital employed</b>	<b>16 138</b>	<b>16 591</b>	<b>16 863</b>

**MOVEMENTS IN EQUITY**

(unaudited)

**£ million**

	<b>Half Year</b>	
	<b>2005</b>	<b>2004</b>
Equity at 31 December 2004	5 404	n/a
IFRS transition adjustment for financial instruments (including preference shares)	(1 105)	n/a
Equity at 1 January	4 299	5 092
Total recognised income and expense for the period	1 369	852
Dividends	(842)	(765)
Conversion of preference shares	946	–
(Purchase)/sale of treasury stock	(197)	(247)
Share option credit	58	82
Dividends paid to minority shareholders	(73)	(82)
Currency retranslation gains/(losses) net of tax	12	(8)
Other movements in equity	–	(24)
<b>Equity at the end of the period</b>	<b>5 572</b>	<b>4 900</b>

**CASH FLOW STATEMENT**

(unaudited)

**£ million**

	<b>Half Year</b>	
	<b>2005</b>	<b>2004</b>
<u>Operating activities</u>		
Cash flow from operating activities	1 459	1 724
Income tax paid	(533)	(388)
<b>Net cash flow from operating activities</b>	<b>926</b>	<b>1 336</b>
<u>Investing activities</u>		
Interest received	54	24
Net capital expenditure	(230)	(252)
Acquisitions and disposals	81	(4)
Other investing activities	205	(89)
<b>Net cash flow from/(used in) investing activities</b>	<b>110</b>	<b>(321)</b>
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(749)	(649)
Interest and preference dividends paid	(250)	(228)
Change in borrowings and finance leases	224	279
Purchase of own shares	(196)	(231)
Other financing activities	(69)	(42)
<b>Net cash flow from/(used in) financing activities</b>	<b>(1 040)</b>	<b>(871)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4)</b>	<b>144</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>994</b>	<b>1 011</b>
Effect of foreign exchange rate changes	(65)	191
<b>Cash and cash equivalents at the end of period</b>	<b>925</b>	<b>1 346</b>

**ANALYSIS OF NET DEBT**

(unaudited)

	<b>As at</b>	<b>As at</b>
	<b>2 July</b>	<b>1 January</b>
<b>£ million</b>	<b>2005</b>	<b>2005</b>
Cash and cash equivalents as per cash flow statement	925	994
Add: bank overdrafts deducted therein	155	129
Less: cash and cash equivalents in assets/liabilities held for disposal	1	(6)
Cash and cash equivalents as per balance sheet	1 081	1 117
Financial assets	252	378
Borrowings due within one year	(5 091)	(4 558)
Borrowings due after one year	(4 127)	(5 105)
Derivatives and finance leases included in other receivables and other liabilities	86	261
<b>Net debt at the end of the period</b>	<b>(7 799)</b>	<b>(7 907)</b>

**GEOGRAPHICAL ANALYSIS**

(unaudited)

**Continuing operations – Second Quarter**

£ million	Europe	Americas	Asia/Africa	Total
<b>Turnover</b>				
2004	2 958	2 110	1 656	6 724
2005	2 926	2 242	1 776	6 944
Change	(1.1)%	6.3%	7.2%	3.3%
<b>Impact of:</b>				
Exchange rates	1.8%	2.0%	0.7%	1.7%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.5)%	(0.8)%	(1.6)%	(1.8)%
<b>Underlying sales growth</b>	(0.6)%	5.1%	8.2%	3.3%
Price	(0.8)%	0.0%	1.1%	(0.1)%
Volume	0.2%	5.0%	7.0%	3.4%
<b>Operating profit</b>				
2004	456	358	219	1 033
2005	514	111	232	857
Change current rates	12.8%	(68.8)%	5.6%	(17.0)%
Change constant rates	10.8%	(71.7)%	6.4%	(18.5)%
<b>Operating margin</b>				
2004	15.4%	17.0%	13.2%	15.4%
2005	17.6%	5.0%	13.0%	12.3%

**Continuing operations – Half Year**

£ million	Europe	Americas	Asia/Africa	Total
<b>Turnover</b>				
2004	5 563	4 075	3 190	12 828
2005	5 605	4 284	3 389	13 278
Change	0.8%	5.1%	6.2%	3.5%
<b>Impact of:</b>				
Exchange rates	2.0%	0.5%	(0.7)%	0.8%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.5)%	(1.1)%	(2.0)%	(1.9)%
<b>Underlying sales growth</b>	1.2%	5.7%	9.1%	4.6%
Price	(0.9)%	0.4%	0.9%	0.0%
Volume	2.1%	5.3%	8.1%	4.6%
<b>Operating profit</b>				
2004	866	653	413	1 932
2005	959	415	447	1 821
Change current rates	10.8%	(36.4)%	8.4%	(5.7)%
Change constant rates	8.9%	(37.6)%	10.2%	(6.5)%
<b>Operating margin</b>				
2004	15.6%	16.0%	12.9%	15.1%
2005	17.1%	9.7%	13.2%	13.7%

**Operating profit/(loss) of discontinued operations – Second Quarter**

£ million	Europe	Americas	Asia/Africa	Total
2004	(3)	12	–	9
2005	(3)	2	–	(1)

**Operating profit/(loss) of discontinued operations – Half Year**

£ million	Europe	Americas	Asia/Africa	Total
2004	(9)	16	1	8
2005	2	13	–	15

**CATEGORY ANALYSIS**

(unaudited)

**Second Quarter**

£ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
<b>Turnover</b>									
2004	1 378	736	516	1 296	3 926	1 661	1 137	2 798	6 724
2005	1 390	703	527	1 359	3 979	1 762	1 203	2 965	6 944
Change	0.9%	(4.4)%	2.1%	4.9%	1.4%	6.1%	5.7%	5.9%	3.3%
<b>Impact of:</b>									
Exchange rates	2.0%	2.3%	1.6%	1.4%	1.8%	1.0%	2.3%	1.5%	1.7%
Acquisitions	0.0%	0.0%	0.2%	0.3%	0.1%	0.0%	0.0%	0.0%	0.1%
Disposals	(2.6)%	(5.5)%	(1.4)%	(0.9)%	(2.4)%	(0.5)%	(1.3)%	(0.8)%	(1.8)%
<b>Underlying sales growth</b>	1.6%	(1.1)%	2.1%	4.1%	2.0%	5.6%	4.6%	5.2%	3.3%
<b>Operating profit/(loss)</b>									
2004	247	119	72	207	645	271	117	388	1 033
2005	234	121	(169)	262	448	285	124	409	857
Change current rates	(4.7)%	0.8%	(335.3)%	26.1%	(30.6)%	5.0%	6.4%	5.5%	(17.0)%
Change constant rates	(5.8)%	(0.0)%	(344.8)%	24.5%	(32.5)%	4.7%	5.1%	4.8%	(18.5)%
<b>Operating margin</b>									
2004	17.9%	16.3%	13.9%	16.0%	16.4%	16.3%	10.3%	13.9%	15.4%
2005	16.9%	17.1%	(32.1)%	19.3%	11.3%	16.2%	10.3%	13.8%	12.3%

**Half Year**

£ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
<b>Turnover</b>									
2004	2 666	1 445	1 016	2 194	7 321	3 205	2 302	5 507	12 828
2005	2 751	1 435	1 022	2 299	7 507	3 409	2 362	5 771	13 278
Change	3.2%	(0.7)%	0.6%	4.8%	2.5%	6.4%	2.6%	4.8%	3.5%
<b>Impact of:</b>									
Exchange rates	1.4%	1.8%	0.2%	0.9%	1.0%	0.0%	1.2%	0.5%	0.8%
Acquisitions	0.0%	0.0%	0.1%	0.4%	0.2%	0.0%	0.0%	0.0%	0.1%
Disposals	(2.1)%	(6.1)%	(1.2)%	(1.5)%	(2.6)%	(0.6)%	(1.7)%	(1.1)%	(1.9)%
<b>Underlying sales growth</b>	4.0%	3.9%	1.5%	5.0%	4.0%	7.1%	3.1%	5.4%	4.6%
<b>Operating profit/(loss)</b>									
2004	460	235	135	274	1 104	535	293	828	1 932
2005	487	268	(106)	324	973	587	261	848	1 821
Change current rates	6.2%	13.6%	(178.8)%	18.1%	(11.9)%	9.9%	(10.9)%	2.5%	(5.7)%
Change constant rates	5.1%	12.6%	(183.4)%	17.0%	(13.3)%	10.7%	(11.9)%	2.6%	(6.5)%
<b>Operating margin</b>									
2004	17.2%	16.3%	13.3%	12.5%	15.1%	16.7%	12.7%	15.0%	15.1%
2005	17.7%	18.6%	(10.4)%	14.1%	13.0%	17.2%	11.0%	14.7%	13.7%

**Discontinued operations**

Operating loss of discontinued operations for the second quarter of 2005 was £(1) million (2004: profit of £9 million), and operating profit for the half year was £15 million (2004: £8 million). These amounts relate wholly to the personal care category.

**EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE HALF YEAR**

	<u>2005</u>	<u>2004</u>
<b>Combined EPS</b>		
Average number of combined share units of 1.4p	Thousands of units 6 493 372	6 433 454
	£ million	
Net profit attributable to shareholders' equity	1 141	1 193
Less preference dividends	n/a	(9)
Net profit attributable to shareholders' equity for basic earnings per share calculation	1 141	1 184
Combined EPS per 1.4p (pence)	17.57	18.40
<b>Combined EPS – Diluted</b>		
Adjusted average number of combined share units of 1.4p	Thousands of units 6 710 734	6 742 878
	£ million	
Adjusted net profit attributable to shareholders' equity	1 143	1 191
Combined diluted EPS per 1.4p (pence)	17.04	17.66