

Unilever
Q2 and First Half 2008 Results
31 July 2008



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Business Priorities

1. Maintain competitiveness
2. Drive for sustainable margin improvement
3. Invest selectively to gain market share

Key Messages

- Good performance in challenging environment
- Continued strong growth in D&E countries
- Determined pricing action to recover cost increases
- Transformation programme delivering benefits
- Further significant progress on disposals
- On track to deliver full year guidance

Strong Organic Growth

	Q2	H1
Turnover	€10.4bn	€19.9bn
Change	(1.4)%	(0.5)%
Acquisitions and disposals	(0.7)%	(0.9)%
Currency effect	(7.1)%	(6.2)%
Underlying sales growth	6.8%	7.0%
<i>Volume</i>	<i>(0.5)%</i>	<i>0.8%</i>
<i>Price</i>	<i>7.4%</i>	<i>6.1%</i>

Europe

	Q2	H1
Underlying Sales Growth	+2.3%	+2.3%
Operating margin	12.9%	20.1%
Underlying change in margin*	+130bps	+100bps

- Strong growth in Central and Eastern Europe
- Q2 volumes down in Western Europe - largely due to ice-cream and timing of system changes
- Underlying margin improvement driven by lower overheads

*Excluding Restructuring, disposals and one-off items

Americas

	Q2	H1
Underlying Sales Growth	+4.9%	+5.7%
Operating margin	13.4%	13.7%
Underlying change in margin*	(90)bps	(60)bps

- Top-line growth held back by US system change end Q2 07
- US growing +4% in H108 and Q208 all from price - ex-system change
- All major countries performing strongly in Latin America
- Pricing actions recover commodity costs in absolute terms

*Excluding Restructuring, disposals and one-off items

Asia Africa

	Q2	H1
Underlying Sales Growth	+15.1%	+14.7%
Operating margin	13.3%	13.3%
Underlying change in margin*	+100bps	+80bps

- Strong broad-based growth from both price and volume
- Excellent performance from all major D&E countries
- Underlying margin improvement benefiting from increased scale

*Excluding Restructuring, disposals and one-off items

Home Care



Fizzes stains away fast

Cif actiFizz

KITCHEN + BATHROOM

DESTROY THE GROT INVASION

GROT BUSTER

Every child has the right to be curious

OMO dirt is good

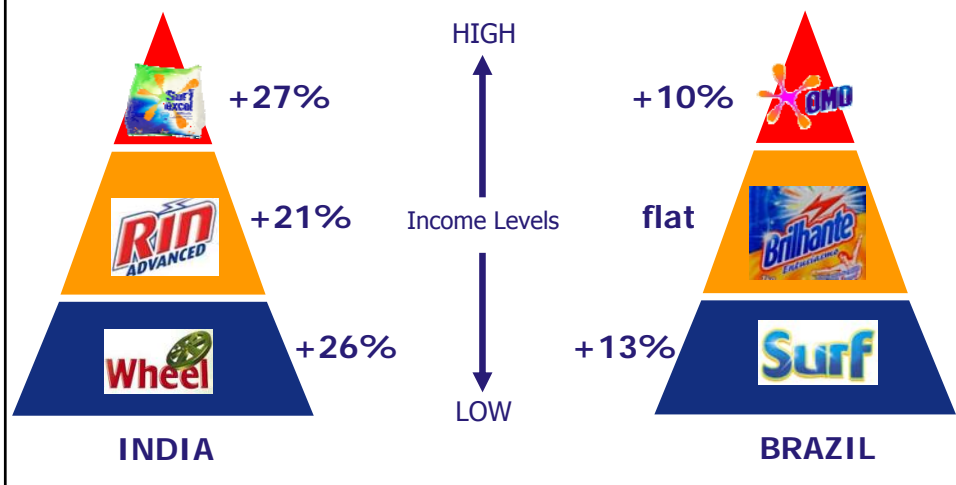
H1 USG +8.0%

New Cif ActiFizz Multipurpose
Fizzes on contact with stains to lift them clean away from surfaces, fast.

DO GROTBUSTING

Laundry - D&E

- Our laundry brands cater to various income levels



Personal Care



H1 USG +5.7%



After a swim or shower, it can take skin up to 8 hours to rehydrate

Mark Foster goes for a fast turnaround. Do you?

Even water can dry skin out, so rehydrating is vital. New Vaseline Men Body and Face Wash, with triple moisturising formula, refreshes and hydrates instantly for strong and resilient skin.



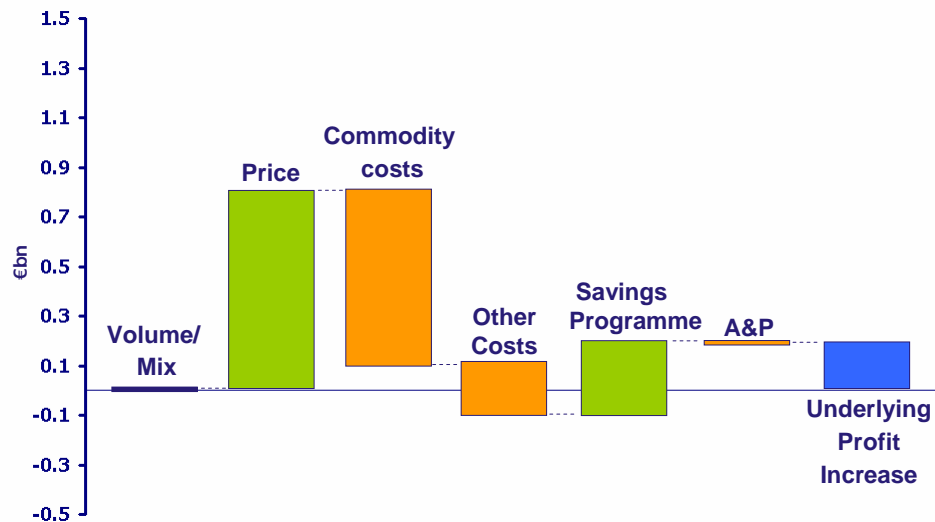
NEW Vaseline MEN
keeping skin amazing

Q2 Operating Margin Development

	Q2 2007	Q2 2008	Change
Operating margin	13.7%	13.2%	(0.5)%
Including RDIs*	(1.0)%	(2.0)%	(1.0)%
Underlying change			0.5%
<i>Key drivers:</i>			
	<i>A&P</i>		<i>0.7%</i>
	<i>Savings</i>		<i>2.5%</i>
	<i>Cost/price/mix</i>		<i>(2.7)%</i>

* Restructuring, disposals and one-off items

Q2 Drivers of Operating Profit*



*Excluding RDIs, constant currency, before acq/disp

H1 Operating Margin Development

	H1 2007	H1 2008	Change
Operating margin	13.7%	16.0%	2.3%
Including RDIs*	(1.0)%	0.9%	1.9%
Underlying change			0.4%
<i>Key drivers:</i>			
	<i>A&P</i>		<i>0.4%</i>
	<i>Savings</i>		<i>2.3%</i>
	<i>Cost/price/mix</i>		<i>(2.3)%</i>

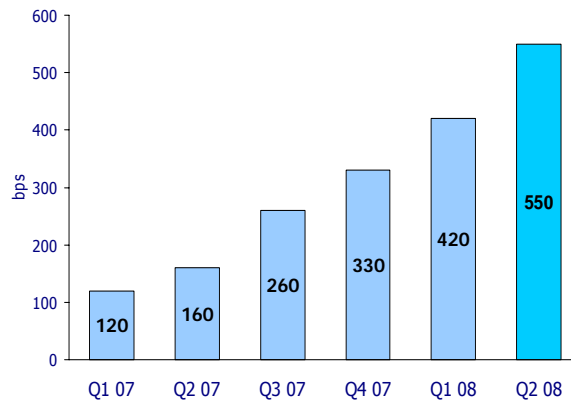
* Restructuring, disposals and one-off items

H1 Drivers of Operating Profit*



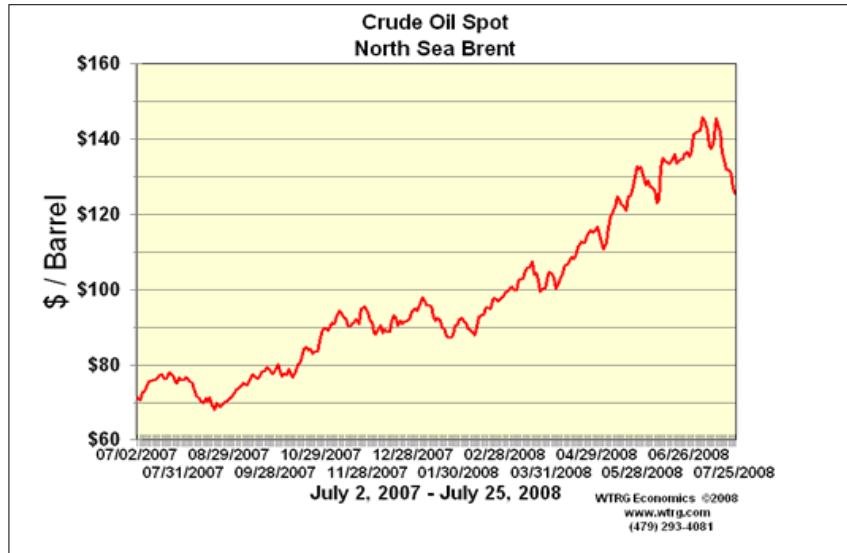
*Excluding RDIs, constant currency, before acq/disp

Commodity Cost Impact on Margin

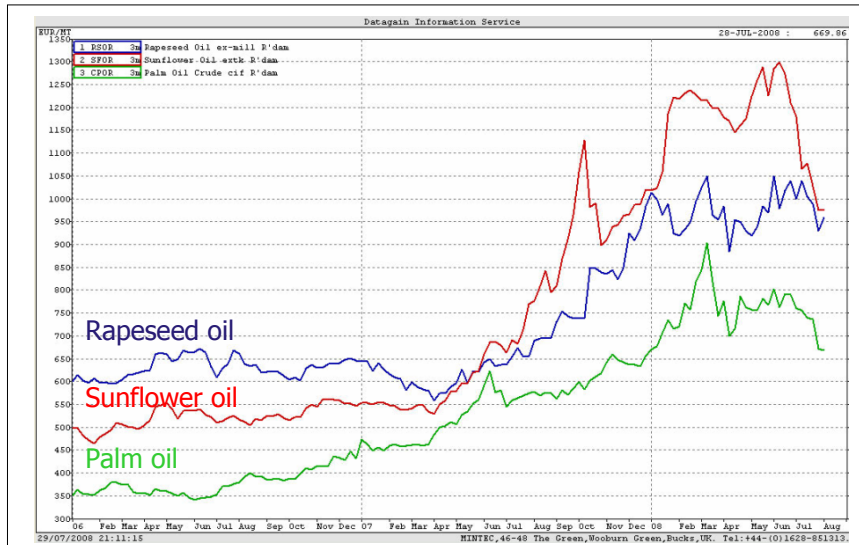


H1 2008 average 480bps

Commodity Costs – Mineral Oils

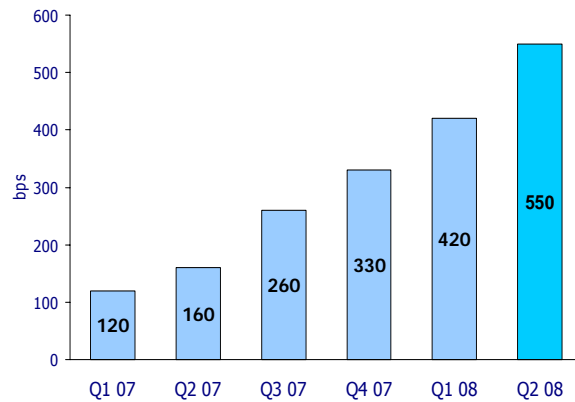


Commodity Costs – Edible Oils



Source: MINTEC - spot price €s

Commodity Cost Outlook



2008 full year outlook around 550bps

H1 Drivers of EPS Growth

	2007	2008	Change
EPS (€)	0.75	0.79	6%
Includes RDIs*, after tax	0.01	0.07	

Key drivers (%):

Underlying sales growth	7
Underlying margin growth	3
Currency	(6)
Tax rate (before RDIs*)	(6)
RDIs*	8
Share buy-back	2
Other (minorities etc)	(2)
TOTAL	6

* Restructuring, disposals and one-off items

H1 Cash Flow and Balance Sheet

- 'Strong single A' balance sheet
- €1.1bn share buy-back completed in H1
- €1.2bn final dividend paid
- Net pension liability reduced to €1.0bn

H1 Cash Flow and Balance Sheet

- Net debt increased to €10.2bn
- €0.9bn cash flow from operating activities
- Substantial increase in working capital:
 - Higher commodity costs
 - Temporary factors related to change programme
- Improvement in working capital expected in H2

Accelerating the Transformation

- Raising the bar on innovation
- Shaping the portfolio including \geq €2bn disposals
- €1.5bn cost reduction to enhance margin

Progress to Date

- Building innovation capabilities
- Shaping the portfolio:
 - €1.5bn disposals announced including NA laundry
 - Acquisition of Inmarko in Russia
- Restructuring programme on track:
 - Factory announcements: 23 closures, 28 streamlines
 - One category feeding 29 MCO's
 - Cost savings of €0.45bn achieved so far

Use of Cash

- Capital expenditure and restructuring
- Value adding bolt-on acquisitions
- Dividends and share buy-backs

Outlook

- Strategy is working
- Clear priorities
- Firmly on track to deliver 2008 outlook:
 - Underlying sales growth to exceed 3-5%
 - Improvement in underlying operating margin

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