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It is a great pleasure to share the 2009 results and some reflections as we move forward.

After 18 busy and fast learning months in the company, I am even more convinced that we have all it takes to succeed.

We have the values, the brands and the people. Yet we have been tested, more than ever, in what turned out to be the toughest economic environment since the 1930s.

In a matter of months, seven trillion dollars of wealth was wiped off the world's markets.

The consumer goods market was not excluded from this. Confidence dropped to an all time low and unemployment to a record high. As these are the two main drivers of our industry, it severely affected consumption.

Especially over the first quarter of 2009, consumption reduced significantly in developed, as well as emerging markets, which are still very export dependent.

Consumers drew on pantry stock and retailers reduced inventory levels. The long term viability of many companies was put to the test.

We took quick action. We had to.

We abandoned short term market guidance to focus on long term viability. At the same time, we took the necessary measures to protect our business over the short term. We set out to re-ignite volume growth whilst protecting operating margins and cash flow.

We curtailed spending where needed, whilst ruthlessly attacking all elements of our cost structure. This allowed us to step up the pace of innovation, reinvesting savings into research and development, and increasing support behind our brands.

Results so far are encouraging

After a difficult start in the first quarter of 2009, with volume sales down 1.8%, we accelerated volume growth continuously, culminating in a 5% growth over the October-December quarter: well ahead of global market growth.

From one-third of our total business growing share at the beginning of last year, we finished the year with two-thirds growing share, reversing a 10 year declining trend.

Growth was broad based with all regions growing volume market share, especially strong was the Asia region under Harish Manwani's leadership. Even some of the tougher geographies grew market share, like Western Europe, under Doug Baillie's leadership, and Japan.

Currently, all of the 11 major categories in which we compete are growing again, as are all of our Multi Country Operations and 12 of our top 13 brands.

At the same time we improved operating margin by 20 basis points and cash flow by over €1.4 billion, reflecting strong savings programmes, accelerated restructuring and tight control of working capital.

More importantly, we were able to achieve these results whilst investing a record €400 million more behind our brands in advertising and promotion to support the increased stream of innovation.

These results have allowed us to significantly strengthen our balance sheet which should be reassuring to all of us in these challenging times.

Not surprisingly these were good results – and the shareholders thought so as well. Our share price was up more than 50% over the 12 months to the end of April, and Total Shareholder Return (TSR) was in the top tercile of our peer group.

Around €20 billion was added to our overall market capitalisation which, for perspective, is equal to the total market capitalisation of some of our competitors.

Managing the short term alone is not enough

We have had good years before and then under delivered thereafter. We are well aware of the need to create sustainable top and bottom line growth, which is why we launched what we call 'the Compass' in 2009.

The Compass is an energising vision and strategy to bring the company back to sustainable growth. It puts growth, based on a passion for the consumer and customer, firmly back on the agenda. We appreciate the input and support of the Board as we developed the new strategy.

Years of restructuring and savings have undoubtedly changed and improved the business. However, it is clear that you cannot save your way to prosperity. Responsible, profitable growth is at the root of long term value creation.

The vision we set ourselves is to double the business and outperform market growth, whilst at the same time reducing our overall environmental impact.

With our portfolio significantly streamlined over the past few years and the divestiture of many non strategic businesses, we have started to re-ignite growth across the board.

Most of this will come from emerging markets behind the growth in population – two billion over the next 40 years – and from improvements in living standards.

We have strong positions in many developing markets to capitalise on this trend, but still need to close the gap – especially in China and Russia – where we are behind.

Market development continues to be an equally big opportunity in both developed and developing markets. For example, just bringing the consumption of shampoo in D&E markets to the level of developed markets would add €2.7 billion to our business. And, as living standards improve and demands for better hygiene grow, we also see a €1 billion opportunity to build our household care business in the emerging world.

We have the opportunity to globalise more fully our portfolio, introducing our brands into more and more countries. Products like Ponds or Lipton are currently sold in only 47 and 71 countries respectively. Filling these gaps is a big opportunity.

Sustainability

Achieving the growth objectives while decoupling growth from environmental impact is a bold but challenging vision. Not many companies have yet taken it on. But I believe it is the only viable vision, one that builds on Unilever's long-term heritage and achievement.

According to the World Wildlife Fund – WWF – if everyone consumed at the levels of the British or the Dutch then we would need the resources of three planets.

We cannot go on borrowing or stealing from future generations. International institutions and governments have increasingly failed us. Consumers are taking charge and, more and more, will reward those brands and companies that not only deliver good quality products at affordable prices, but do so in a responsible way.

Not surprisingly, our employees are very energised by this vision, and so are the key retailers who increasingly see this as a critical area of focus. And, I am happy to say, more and more of the financial community are showing an interest in fast growing ethical funds.

Being the number one company on the Dow Jones Sustainability Index for our industry for eleven consecutive years and our strong record of reducing waste, and using less water and CO₂, gives us the confidence that we can deliver.

We have, for example, already moved Lipton to Rainforest certified tea and are actively committed to sourcing only sustainable palm oil by 2015.

Growing sustainably goes beyond material use. It also includes an ethical supply chain and labour practices. We are setting high standards here in many places and I am glad that we have found solutions in the last year for even our most challenging situations, such as in Pakistan and India.

But the Compass vision and strategy does more. It also aligns the organisation around a few key priorities we all need to deliver to win.

Winning through innovation

We will only build value over time if we can meaningfully differentiate our products and respond successfully to current and emerging consumer trends.

We are focused on making our innovations bigger, better and rolling them out faster.

Average incremental turnover generated by our innovations has increased twofold. And we now regularly roll out innovations globally to 40 countries or more.

Innovations are getting bigger and so is our future pipeline. Innovations like Dove Minimiser have rolled out to 37 markets, Axe Temptations to 56, White Now Toothpaste to 21 and Lipton Pyramid bags to 44.

At the same time we are introducing more new products into markets where we do not sell them yet, as well as extending more existing franchises than ever before across different price points.

New launches include ice-cream in Vietnam, Surf in Nigeria, Cif in India, Domestos in Italy, Lipton in the UK, PF Chang frozen meals in the US and Ponds in the Middle East.

You will be happy to know that a leading US magazine, Fast Company, recognised Unilever as one of the most innovative companies for 2009, ahead of our major US competition.

Finally the economic situation has offered some good acquisition opportunities with the purchase of Inmarko Ice-cream in Russia, Tigi Haircare globally, and the Sara Lee Personal Care business mainly in Europe, currently awaiting European Commission approval.

In fact, for the first time in a decade, 2009 saw us spend more on acquisitions than we got back in divestments.

Capabilities have been strengthened as well. Under Genevieve Berger's leadership we have restructured and streamlined our Research and Development centres into six major sites.

In September, I had the pleasure of opening our latest research centre in Shanghai. Together with our lab in Bangalore, we now have more research capability in the emerging markets than any of our key competitors.

We are stepping up cooperation with suppliers – called Open Innovation – to tap into the best and brightest ideas from outside the company. We are also leveraging our Venture Fund to invest in emerging technologies.

Our longer term Genesis innovation projects are also increasingly taking shape and we expect some of them to hit the market over the next few years.

In summary, we are getting better. But there is still more to do.

I want to use this opportunity to thank Vindi Banga who has decided to retire in June. He has been instrumental in driving the Unilever transformation and we owe him a great deal. Mike Polk, who currently runs the Americas region, will replace him.

Winning in the marketplace

Innovations are only any good if you can successfully commercialise them. This starts with excellent customer service, ensuring that the right product is on the shelf when and where consumers want it.

We have appointed Pier Luigi Sigismondi as Global Supply Chain Officer and are starting to see the benefits of streamlining our global manufacturing operations to allow for optimal investment and faster roll-out of initiatives.

Likewise, to win with our brands in-store we need to work differently with our increasingly important and demanding retail partners. We are rolling out globally our Customer Innovation and Insight Centres, piloted in the US.

These centres leverage the latest in category management, shopper insights and progressive business planning techniques to help expand our categories and build our brands with customers.

Our capability in this space is rapidly becoming a competitive advantage. It's not surprising therefore that major retailers such as Tesco, Ahold US and Wal-mart China elected us as supplier of the year.

The market organisations are getting faster as well and increasingly focused on amplifying innovations and better connecting with consumers.

Advertising is getting better and in many areas we are leading new, emerging media. In China, for example, 100 million people took part in a viral campaign run by our Lipton brand to celebrate the Chinese New Year.

We are getting faster as well. Turkey was able to introduce a dishwashing liquid in 22 days after hearing a competitor was entering the market. This would have been unheard of a few years ago.

Winning through continuous improvement

In this economic climate consumers more than ever will not pay for costs that do not add value.

The crisis forced us to renegotiate contracts with many suppliers. For instance, as the second biggest advertiser globally we held the first and biggest ever global media tender.

Savings and restructuring projects have also been accelerated. From 2007 to 2009 over €1.2 billion was eliminated from our cost base, and complexity has been drastically reduced along the way.

To allow the markets to focus on what they do best – building the business – we are rolling out Unilever Enterprise Support under Pascal Visee's leadership to manage all transactional services in Finance, IT, HR and other office services. It will focus on speed, quality and cost to create competitive advantage.

And we continue to redesign our manufacturing base to allow for future growth and the changing footprint of emerging markets, as well as for speed and flexibility at the lowest possible cost. The recent announcement of a new sourcing structure in the Americas is prime example of this, and we have further to go.

Finally, and most importantly, the Compass puts even more emphasis on...

Winning through people

The success of any organisation is a function of the strength of its people. If we aspire to more than double the size of this company we need to be sure we have the skill set and capabilities to deliver.

We start from a strong base, but the renewed growth strategy requires us to have the best to compete with the best. That's why we have spent a lot of time getting the right people on board and putting them in the right jobs.

In fact, 60 of our top hundred people are in new jobs. Fortunately we are deep in talent and have been able to accommodate this mainly with internal resources. Only five were recruited from outside whilst 20 have been promoted from within.

But getting the right people in the right jobs is not enough. We also have to evolve the culture, provide the new skills and tools needed to succeed, and strengthen training and development.

This is a multi-year journey.

Years of restructuring created a too inward focused environment. For that reason, we work hard to put the focus firmly back on the consumer and customer in all that we do, further increasing the bias for action and driving an even higher level of accountability and responsibility.

The key performance measures in the Compass strategy are now more externally focused. To address burning business issues, 30 day action plans have been put in place and standards of leadership have been adapted to reflect the new requirements.

As I said, we not only require the right people but also the right tools to succeed.

We are therefore stepping up our training and development, and creating new capabilities especially in Sales, Marketing and Research and Development.

Business targets have been set higher and aligned to each person's responsibilities. Performance is now more discriminating and better linked to each individual contribution rather than collective output or law of averages.

Our new pay structure put forward for your approval is designed to further drive this performance culture. It follows two years of pay freeze for most of our management and puts increasing emphasis on a performance-based variable pay structure, moving away from an entitlement-based base pay structure.

It is better aligned to the longer-term key growth drivers for the business, requires higher performance targets and allows for more differentiation in individual pay based on each and everybody's performance.

It calls for increased share ownership and a stronger link to long-term performance, aligning the interests of company and individual better.

We believe this sharpened compensation structure is a crucial part of the transformation to an organisation that is capable of outperforming the industry.

Employee satisfaction

We run continuous surveys amongst a significant sample of our employees. Employee satisfaction – as measured by engagement scores – has shown the biggest increase in 10 years and is now ahead of the industry norm.

Employees are motivated by the vision, aligned behind the Compass and are ready to win. In fact, 85% believe the Compass provides a clear direction for Unilever.

An outside perspective

Externally we are increasingly seen as an employer of choice, which is crucial to attracting the best and brightest talent.

In Turkey we are amongst the top 10 most admired employers. In India we are the top Fast Moving Consumer Goods Company. Unilever Indonesia is ranked as best company in Asia. The list goes on.

We are especially pleased with the recognition in the US on diversity, culminating in the prestigious Jackie Robinson award for our industry-leading work, which I had the pleasure to accept on behalf of the company in New York in March.

Looking ahead

We feel increasingly confident that we are on the right track whilst keeping a 'good enough never is' culture to fight complacency.

The first quarter of 2010 is off to a strong start with volumes growing 7.6 % and a solid operating margin improvement of 60 basis points despite further increases in our advertising and promotional spending.

Cash flow is improving through further discipline on working capital. This has given us the confidence to continue increasing dividend payments, this time by 6.7%.

With Jean-Marc Huet now fully on board as new CFO, I am confident that we will continue to set the bar even higher.

We recognise that the economic environment continues to be tough as events of the last weeks have once more pointed out, and we are facing a competitive environment that will only intensify.

It requires a relentless pursuit of excellence, firmly focused on the consumer, the customer and the long term.

We are more convinced than ever that companies like ours continue to contribute to the real economy in a meaningful way and we are energised by our new vision and strategy.

In 2010 we will continue to focus on volume growth, improved operating margin and strong cash flow.

The results I have presented today could not have been achieved without our 163,000 wonderful employees around the world, and I want to take this opportunity to thank them – and their families – for all their hard work and dedication.

Finally, I also want to thank you for your interest and support as shareholders. We greatly appreciate it.