

STERLING SUPPLEMENT TO THE UNILEVER RESULTS FIRST QUARTER 2005

This document is a supplement to the Unilever results first quarter 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 three months of 2005 and € 1 = £ 0.68 for the first three months of 2004. The balance sheet is translated at period-end rates of exchange. These were € 1 = £ 0.69 at 2 April 2005, € 1 = £ 0.71 at 31 December 2004 and € 1 = £ 0.67 at 27 March 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)

£ million

	First Quarter			
	2005	2004	Increase/ (Decrease)	
			Current rates	Constant rates
Turnover	6 418	6 180	4%	4%
Operating profit	981	898	9%	9%
Finance income	67	59		
Finance costs	(162)	(155)		
Other finance income/(costs) – pensions and similar obligations	(11)	(13)		
Share in net profit of joint ventures	7	6		
Share in net profit of associates	–	1		
Other income from non-current investments	6	9		
Profit before taxation	888	805	10%	10%
Taxation	(209)	(258)		
Net profit for the period	679	547	24%	24%
Attributable to:				
Minority interests	32	33		
Shareholders' equity	647	514	26%	25%
Combined earnings per share				
Per 1.4p ordinary PLC share (pence)	10.00	7.90	27%	26%
Per 1.4p ordinary PLC share – diluted (pence)	9.66	7.59	27%	27%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	First Quarter	
	2005	2004
Fair value gains/(losses) on financial instruments and cash flow hedges net of tax	11	N/a
Actuarial gains/(losses) on pension schemes net of tax	(3)	22
Currency retranslation gains/(losses) net of tax	(81)	(238)
Net income/(expense) recognised directly in equity	(73)	(216)
Net profit for the period	679	547
Total recognised income and expense for the period	606	331
Attributable to:		
Minority interests	41	34
Shareholders' equity	565	297

BALANCE SHEET

(unaudited)

£ million	As at 2 April 2005	As at 31 December 2004	As at 27 March 2004
Non current assets			
Goodwill and intangible assets	11 918	12 030	12 721
Property, plant and equipment	4 281	4 369	4 457
Pension asset for funded schemes in surplus	479	442	556
Deferred tax assets	1 053	1 054	791
Other non-current assets	1 087	752	686
Total non-current assets	18 818	18 647	19 211
Assets held for sale	107	n/a	n/a
Current assets			
Inventories	2 825	2 655	3 018
Trade and other receivables due within one year	3 171	2 920	3 559
Financial assets	230	716	896
Cash and cash equivalents	1 183	1 124	1 500
Total current assets	7 409	7 415	8 973
Current liabilities			
Borrowings due within one year	(3 753)	(3 644)	(5 014)
Trade payables and other current liabilities	(5 657)	(5 819)	(6 044)
Total current liabilities	(9 410)	(9 463)	(11 058)
Net current assets/(liabilities)	(2 001)	(2 048)	(2 085)
Total assets less current liabilities	16 924	16 599	17 126
Non-current liabilities			
Borrowings due after one year	4 852	4 873	5 801
Pension liability for funded schemes in deficit	1 624	1 620	1 649
Pension liability for unfunded schemes	2 683	2 677	2 468
Deferred tax liabilities	548	523	764
Restructuring and other provisions	911	964	569
Other non-current liabilities	490	507	508
Total non-current liabilities	11 108	11 164	11 759
Liabilities held for sale	6	n/a	n/a
Equity			
Shareholders' equity	5 525	5 177	5 047
Minority interests	285	258	320
Total equity	5 810	5 435	5 367
Total capital employed	16 924	16 599	17 126

MOVEMENTS IN EQUITY

(unaudited)

£ million	First Quarter	
	2005	2004
Equity at 31 December 2004	5 435	n/a
IFRS transition adjustment for financial instruments (including preference shares)	(1 105)	n/a
Equity at 1 January	4 330	5 124
Total recognised income and expense for the period	606	331
Dividends	–	(4)
Conversion of preference shares	955	–
Purchase/sale of treasury stock	(109)	(95)
Share option credit	28	38
Dividends paid to minority shareholders	(15)	(17)
Currency retranslation gains/(losses) net of tax	15	(7)
Other movements in equity	–	(3)
Equity at the end of the period	5 810	5 367

CASH FLOW STATEMENT

(unaudited)

£ million

	First Quarter	
	2005	2004
<u>Operating activities</u>		
Cash flow from operating activities	539	655
Income tax paid	(213)	(164)
Net cash flow from operating activities	326	491
<u>Investing activities</u>		
Interest received	29	8
Net capital expenditure	(126)	(116)
Acquisitions and disposals	70	(60)
Other investing activities	146	(54)
Net cash flow from/(used in) investing activities	119	(222)
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(1)	–
Interest and preference dividends paid	(80)	(73)
Change in borrowings and finance leases	(148)	156
Purchase of own shares	(109)	(82)
Other financing activities	(14)	(10)
Net cash flow from/(used in) financing activities	(352)	(9)
Net increase/(decrease) in cash and cash equivalents	93	260
Cash and cash equivalents at the beginning of the year	994	1 011
Effect of foreign exchange rate changes	(46)	29
Cash and cash equivalents at the end of period	1 041	1 300

ANALYSIS OF NET DEBT

(unaudited)

£ million

	As at 2 April 2005	As at 1 January 2005
Cash and cash equivalents as per cash flow statement	1 041	994
Add: bank overdrafts deducted therein	142	130
Less: cash in assets held for sale	–	(6)
Cash and cash equivalents as per balance sheet	1 183	1 118
Financial assets	230	377
Borrowings due within one year	(3 753)	(4 558)
Borrowings due after one year	(4 852)	(5 105)
Derivatives and finance leases included in other receivables and other liabilities	228	261
Net debt at the end of the period	(6 964)	(7 907)

GEOGRAPHICAL ANALYSIS

(unaudited)

First Quarter

£ million	Europe	Americas	Asia/Africa	Total
Turnover				
2004	2 650	1 995	1 535	6 180
2005	2 724	2 080	1 614	6 418
Change	2.8%	4.3%	5.2%	3.9%
Impact of:				
Exchange rates	1.9%	(1.0)%	(2.0)%	0.0%
Acquisitions	0.2%	0.1%	0.0%	0.1%
Disposals	(2.4)%	(1.5)%	(2.5)%	(2.1)%
Underlying sales growth	3.1%	6.8%	10.1%	6.0%
Price	(1.0)%	0.7%	0.7%	0.0%
Volume	4.2%	6.1%	9.3%	6.1%
Operating profit				
2004	404	299	195	898
2005	448	317	216	981
Change current rates	10.6%	6.3%	10.8%	9.2%
Change constant rates	8.7%	7.2%	13.9%	9.3%
Operating margin				
2004	15.3%	15.0%	12.7%	14.5%
2005	16.4%	15.2%	13.4%	15.3%

CATEGORY ANALYSIS

(unaudited)

First 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
Turnover									
2004	1 288	709	500	898	3 395	1 620	1 165	2 785	6 180
2005	1 361	732	495	940	3 528	1 731	1 159	2 890	6 418
Change	5.6%	3.2%	(1.0)%	4.7%	3.9%	6.9%	(0.5)%	3.8%	3.9%
Impact of:									
Exchange rates	0.7%	1.2%	(0.8)%	0.1%	0.5%	(1.1)%	0.1%	(0.7)%	0.0%
Acquisitions	0.0%	0.0%	0.0%	0.6%	0.2%	0.1%	0.0%	0.0%	0.1%
Disposals	(1.6)%	(6.7)%	(1.1)%	(2.4)%	(2.8)%	(0.7)%	(2.1)%	(1.3)%	(2.1)%
Underlying sales growth	6.6%	9.3%	0.9%	6.5%	6.2%	8.8%	1.6%	5.8%	6.0%
Operating profit									
2004	213	116	63	67	459	263	176	439	898
2005	253	147	63	62	525	319	137	456	981
Change current rates	19.0%	26.9%	(0.9)%	(7.0)%	14.5%	21.3%	(22.4)%	3.8%	9.2%
Change constant rates	17.9%	25.7%	(0.1)%	(6.7)%	13.8%	23.4%	(23.2)%	4.7%	9.3%
Operating margin									
2004	16.5%	16.3%	12.6%	7.4%	13.5%	16.3%	15.1%	15.8%	14.5%
2005	18.6%	20.1%	12.7%	6.6%	14.9%	18.4%	11.8%	15.8%	15.3%

EARNINGS PER SHARE IN STERLING FOR THE FIRST QUARTER

	2005	2004
Combined EPS		
Average number of combined share units of 1.4p	6 468 403	6 441 217
	£ million	
Net profit attributable to shareholders' equity	647	514
Less preference dividends	n/a	(5)
Net profit attributable to shareholders' equity for basic earnings per share calculation	647	509
Combined EPS per 1.4p (pence)	10.00	7.90
Combined EPS – Diluted		
Adjusted average number of combined share units of 1.4p	6 718 358	6 750 283
	£ million	
Adjusted net profit attributable to shareholders' equity	649	512
Combined diluted EPS per 1.4p (pence)	9.66	7.59