

## **KEY PERFORMANCE MEASURES - RECONCILIATION TO GAAP MEASURES**

### **SECOND QUARTER FINANCIAL RESULTS**

Unilever's discussion and analysis of performance is based on **constant rates of exchange**. This removes the distorting impact of currency movements and more clearly portrays the underlying progress of the operations themselves. The rate used is the annual average rate for the prior year. For each two-year period, the year-on-year trends in euros are the same as those which would arise if the results were shown in sterling or US dollars at constant exchange rates.

Wherever used by Unilever, the abbreviation **BEIA** refers to profit measures before exceptional items and amortisation of goodwill and intangibles. Unilever believes that reporting profit measures before exceptional items and amortisation of goodwill and intangibles (BEIA) provides additional information on underlying earnings trends to shareholders. Unilever uses BEIA measures primarily for internal performance analysis, performance targeting and incentive awards. The term BEIA is not a defined term under Netherlands, UK, or US Generally Accepted Accounting Principles (GAAP), and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for or superior to GAAP measurements of profit.

Operating profit BEIA is a key metric used by management and investors to measure the progress of Unilever's Path to Growth strategic restructuring programme which commenced in 1999 and will conclude at the end of 2004. At the beginning of the Path to Growth, Unilever communicated to investors its targets for the programme, including a target based on earnings measured on a BEIA basis. Unilever's internal targets and management information are also measured on a BEIA basis. As such, Unilever believes that the communication and explanation of measures BEIA is essential in order for readers of Unilever's financial statements to understand fully the performance of Unilever and progress towards Path to Growth targets.

**Underlying sales growth** reflects the change in revenue excluding the effects of acquisitions and disposals. We believe this measure provides valuable additional information on the underlying performance of the business.

Tables reconciling these measures to the UK GAAP measures included in our Financial Statements are shown hereafter.

TOTAL UNILEVER

€ Millions	Jan - June 2004			Jan – June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	20,623	750	<b>19,873</b>	21,330	(163)	21,167
Operating Profit BEIA	3,068	109	<b>2,959</b>	3,135	(22)	3,113
Exceptional Items	(64)	10	<b>(74)</b>	(21)	1	(20)
Amortisation - goodwill and intangible assets	(564)	(25)	<b>(539)</b>	(570)	7	(563)
Operating Profit	2,440	94	<b>2,346</b>	2,544	(14)	2,530
Operating margin	11.8%		<b>11.8%</b>	11.9%		11.9%
Operating margin BEIA	14.9%		<b>14.9%</b>	14.7%		14.7%
Interest	(383)	(28)	<b>(355)</b>	(534)	9	(525)
Taxation	(695)	(27)	<b>(668)</b>	(690)	3	(687)
Net Profit	1,300	36	<b>1,264</b>	1,201	(2)	1,199
Exceptional items net of tax	(52)	6	<b>(58)</b>	(1)	-	(1)
Amortisation - goodwill and intangible assets net of tax	(535)	(23)	<b>(512)</b>	(545)	7	(538)
Net Profit BEIA	1,887	53	<b>1,834</b>	1,747	(9)	1,738
EPS – per €0.51 ordinary NV share (Euros)	1.33	0.03	<b>1.30</b>	1.22	-	1.22
EPS – per 1.4p ordinary PLC share (Euro cents)	19.98	0.54	<b>19.44</b>	18.28	(0.03)	18.25
EPS BEIA - per €0.51 ordinary NV share – beia (Euros)	1.94	0.05	<b>1.89</b>	1.78	(0.01)	1.77
EPS BEIA - per 1.4p ordinary PLC share – beia (Euro cents)	29.12	0.82	<b>28.30</b>	26.71	(0.13)	26.58

€ Millions	Second Quarter 2004			Second Quarter 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 Rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	10,835	319	<b>10,516</b>	11,148	15	11,163
Operating Profit BEIA	1,613	46	<b>1,567</b>	1,639	9	1,648
Exceptional Items	3	9	<b>(6)</b>	(90)	3	(87)
Amortisation - goodwill and intangible assets	(282)	(10)	<b>(272)</b>	(307)	1	(306)
Operating Profit	1,334	45	<b>1,289</b>	1,242	13	1,255
Operating margin	12.3%		<b>12.3%</b>	11.1%		11.2%
Operating margin BEIA	14.9%		<b>14.9%</b>	14.7%		14.8%
Interest	(196)	(12)	<b>(184)</b>	(272)	1	(271)
Taxation	(347)	(12)	<b>(335)</b>	(365)	(2)	(367)
Net Profit	770	21	<b>749</b>	564	9	573
Exceptional items net of tax	2	6	<b>(4)</b>	(75)	3	(72)
Amortisation - goodwill and intangible assets net of tax	(268)	(9)	<b>(259)</b>	(293)	(2)	(295)
Net Profit BEIA	1,036	24	<b>1,012</b>	932	8	940
EPS – per €0.51 ordinary NV share (Euros)	0.79	0.02	<b>0.77</b>	0.57	0.01	0.58
EPS – per 1.4p ordinary PLC share (Euro cents)	11.86	0.31	<b>11.55</b>	8.59	0.13	8.72
EPS BEIA - per €0.51 ordinary NV share – beia (Euros)	1.07	0.02	<b>1.05</b>	0.95	0.01	0.96
EPS BEIA - per 1.4p ordinary PLC share – beia (Euro cents)	16.02	0.37	<b>15.65</b>	14.27	0.14	14.41

**Turnover and Underlying  
Sales Growth  
(at constant rates)**

	Cumulative	Second Quarter
	2004 vs 2003	2004 Vs 2003
Underlying sales growth (%)	(0.2)	(0.7)
Effect of acquisitions (%)	0.5	0.3
Effect of disposals (%)	(2.9)	(2.5)
Turnover growth (%)	(2.6)	(2.9)

EUROPE

€ Millions	Jan - June 2004			Jan - June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	8,585	(8)	<b>8,593</b>	9,144	(30)	9,114
Operating Profit BEIA	1348	(5)	<b>1,353</b>	1,502	(4)	1,498
Exceptional Items	(75)	1	<b>(76)</b>	40	-	40
Amortisation - goodwill and intangible assets	(244)	1	<b>(245)</b>	(247)	-	(247)
Operating Profit	1,029	(3)	<b>1,032</b>	1,295	(4)	1,291
Operating margin	12.0%		<b>12.0%</b>	14.2%		14.2%
Operating margin BEIA	15.7%		<b>15.7%</b>	16.4%		16.4%

€ Millions	Second Quarter 2004			Second Quarter 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 Rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	4,580	(18)	<b>4,598</b>	4,898	11	4,909
Operating Profit BEIA	724	(5)	<b>729</b>	818	2	820
Exceptional Items	(47)	-	<b>(47)</b>	1	(1)	-
Amortisation - goodwill and intangible assets	(123)	1	<b>(124)</b>	(123)	(1)	(124)
Operating Profit	554	(4)	<b>558</b>	696	-	696
Operating margin	12.1%		<b>12.1%</b>	14.2%		14.2%
Operating margin BEIA	15.8%		<b>15.8%</b>	16.7%		16.7%

**Turnover and Underlying  
Sales Growth  
(at constant rates)**

	Cumulative Second Quarter	
	2004 vs 2003	2004 vs 2003
Underlying sales growth (%)	(3.3)	(4.9)
Effect of acquisitions (%)	0.2	0.1
Effect of disposals (%)	(2.8)	(2.0)
Turnover growth (%)	(5.8)	(6.7)

### NORTH AMERICA

€ Millions	Jan - June 2004			Jan – June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	4,831	380	<b>4,451</b>	4,966	(86)	4,880
Operating Profit BEIA	689	56	<b>633</b>	666	(12)	654
Exceptional Items	(29)	(2)	<b>(27)</b>	(84)	2	(82)
Amortisation - goodwill and intangible assets	(209)	(17)	<b>(192)</b>	(214)	4	(210)
Operating Profit	451	37	<b>414</b>	368	(6)	362
Operating margin	9.3%		<b>9.3%</b>	7.4%		7.4%
Operating margin BEIA	14.3%		<b>14.2%</b>	13.4%		13.4%

€ Millions	Second Quarter 2004			Second Quarter 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 Rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	2,560	165	<b>2,395</b>	2,494	18	2,512
Operating Profit BEIA	394	28	<b>366</b>	341	3	344
Exceptional Items	(32)	(2)	<b>(30)</b>	(54)	1	(53)
Amortisation - goodwill and intangible assets	(104)	(7)	<b>(97)</b>	(126)	(1)	(127)
Operating Profit	258	19	<b>239</b>	161	3	164
Operating margin	10.0%		<b>10.0%</b>	6.4%		6.5%
Operating margin BEIA	15.4%		<b>15.3%</b>	13.7%		13.7%

#### Turnover and Underlying Sales Growth (at constant rates)

	Cumulative 2004 vs 2003	Second Quarter 2004 Vs 2003
	Underlying sales growth (%)	1.1
Effect of acquisitions (%)	0.8	0.9
Effect of disposals (%)	(2.9)	(2.7)
Turnover growth (%)	(1.0)	1.9

AFRICA, MIDDLE EAST AND TURKEY

€ Millions	Jan – June 2004			Jan - June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	1,573	39	<b>1,534</b>	1,601	(3)	1,598
Operating Profit BEIA	205	4	<b>201</b>	185	(1)	184
Exceptional Items	1	-	<b>1</b>	(9)	-	(9)
Amortisation - goodwill and intangible assets	(10)	(1)	<b>(9)</b>	(11)	1	(10)
Operating Profit	196	3	<b>193</b>	165	-	165
Operating margin	12.4%		<b>12.5%</b>	10.3%		10.3%
Operating margin BEIA	13.0%		<b>13.1%</b>	11.5%		11.5%

€ Millions	Second Quarter 2004			Second Quarter 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 Rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	846	19	<b>827</b>	863	(15)	848
Operating Profit BEIA	117	(1)	<b>118</b>	102	-	102
Exceptional Items	(1)	-	<b>(1)</b>	(16)	1	(15)
Amortisation - goodwill and intangible assets	(5)	-	<b>(5)</b>	(6)	1	(5)
Operating Profit	111	(1)	<b>112</b>	80	2	82
Operating margin	13.2%		<b>13.5%</b>	9.3%		9.6%
Operating margin BEIA	13.9%		<b>14.2%</b>	11.7%		12.1%

**Turnover and Underlying  
Sales Growth  
(at constant rates)**

	Cumulative	Second Quarter
	2004 vs 2003	2004 vs 2003
Underlying sales growth (%)	2.1	3.6
Effect of acquisitions (%)	0.1	0.1
Effect of disposals (%)	(3.8)	(3.7)
Turnover growth (%)	(1.6)	(0.2)

ASIA PACIFIC

€ Millions	Jan - June 2004			Jan - June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	3,444	186	<b>3,258</b>	3,486	(15)	3,471
Operating Profit BEIA	464	29	<b>435</b>	515	(2)	513
Exceptional Items	(29)	(1)	<b>(28)</b>	50	(1)	49
Amortisation - goodwill and intangible assets	(23)	(2)	<b>(21)</b>	(18)	-	(18)
Operating Profit	412	26	<b>386</b>	547	(3)	544
Operating margin	12.0%		<b>11.9%</b>	15.7%		15.7%
Operating margin BEIA	13.5%		<b>13.4%</b>	14.8%		14.8%

€ Millions	Second Quarter 2004			Second Quarter 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 Rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	1,766	78	<b>1,688</b>	1,788	22	1,810
Operating Profit BEIA	222	12	<b>210</b>	252	4	256
Exceptional Items	(7)	(1)	<b>(6)</b>	(21)	3	(18)
Amortisation - goodwill and intangible assets	(11)	(1)	<b>(10)</b>	(11)	-	(11)
Operating Profit	204	10	<b>194</b>	220	7	227
Operating margin	11.6%		<b>11.5%</b>	12.3%		12.6%
Operating margin BEIA	12.6%		<b>12.5%</b>	14.1%		14.1%

**Turnover and Underlying  
Sales Growth  
(at constant rates)**

	Cumulative Second Quarter	
	2004 vs 2003	2004 vs 2003
Underlying sales growth (%)	1.2	0.7
Effect of acquisitions (%)	1.0	0.1
Effect of disposals (%)	(3.0)	(3.2)
Turnover growth (%)	(0.8)	(2.4)

LATIN AMERICA

€ Millions	Jan – June 2004			Jan - June 2003		
	At constant 2003 annual average rates	Exchange Rate Effects	At current June 2004 Rates	At current June 2003 rates	Exchange Rate Effects	At constant 2003 annual average rates
Turnover	2,190	153	<b>2,037</b>	2,133	(29)	2,104
Operating Profit BEIA	362	25	<b>337</b>	267	(3)	264
Exceptional Items	68	12	<b>56</b>	(18)	-	(18)
Amortisation - goodwill and intangible assets	(78)	(6)	<b>(72)</b>	(80)	2	(78)
Operating Profit	352	31	<b>321</b>	169	(1)	168
Operating margin	16.1%		<b>15.7%</b>	7.9%		8.0%
Operating margin BEIA	16.5%		<b>16.5%</b>	12.5%		12.5%

€ Millions	Second Quarter			Second Quarter		
	2004 At constant 2003 annual average rates	Exchange Rate Effects	2004 At current June 2004 Rates	2003 At current June 2003 Rates	Exchange Rate Effects	2003 At constant 2003 annual average rates
Turnover	1,083	75	<b>1,008</b>	1,105	(21)	1,084
Operating Profit BEIA	156	12	<b>144</b>	126	-	126
Exceptional Items	90	12	<b>78</b>	-	(1)	(1)
Amortisation - goodwill and intangible assets	(39)	(3)	<b>(36)</b>	(41)	2	(39)
Operating Profit	207	21	<b>186</b>	85	1	86
Operating margin	19.0%		<b>18.5%</b>	7.8%		7.9%
Operating margin BEIA	14.4%		<b>14.3%</b>	11.5%		11.5%

**Turnover and Underlying  
Sales Growth  
(at constant rates)**

	Cumulative	Second Quarter
	2004 vs 2003	2004 vs 2003
Underlying sales growth (%)	6.4	2.7
Effect of acquisitions (%)	-	-
Effect of disposals (%)	(2.3)	(2.8)
Turnover growth (%)	4.1	(0.2)