

FOURTH QUARTER AND ANNUAL RESULTS 2004

(Unaudited and provisional, at constant 2003 average exchange rates unless stated)

The business developed to plan in the fourth quarter. Full year EPS beia grew by 5%. Changes in organisation and increased market competitiveness are directed at restoring sustainable top line growth.

FINANCIAL HIGHLIGHTS

€ Millions

Fourth Quarter 2004		Constant 2003 average exchange rates	Full Year 2004		Current exchange rates	
					Full Year 2004	
10,759	+ 1 %	Turnover	42,023	- 2 %	40,366	- 6 %
1,470	- 16 %	Operating profit – beia*	6,386	- 6 %	6,138	- 9 %
(519)	- 143 %	Pre-tax profit/(loss)	2,900	- 36 %	2,839	- 37 %
(283)	- 139 %	Net profit/(loss)	1,900	- 31 %	1,876	- 32 %
1,016	- 1 %	Net profit – beia*	4,090	+ 4 %	3,969	+ 1 %
1.05	- 1 %	EPS NV – beia * (Euros)	4.22	+ 5 %	4.09	+ 2 %
15.75	- 1 %	EPS PLC – beia * (Euro cents)	63.25	+ 5 %	61.37	+ 2 %

* Before exceptional items and amortisation of goodwill and intangibles

KEY FEATURES

FOURTH QUARTER

- Underlying sales grew by 3.2%, and leading brands by 3.7%, including the benefit of two additional days.
- Operating margin (beia) was 270 basis points lower including increased investment in market competitiveness and high commodity costs in the quarter.
- Exceptional items of €1.5 billion include planned step-up in restructuring and an impairment charge for *Slim-Fast* goodwill.

FULL YEAR 2004

- Underlying sales grew by 0.4% and leading brands by 0.9%. Sales declined in Western Europe with share losses in some categories in weaker markets. In Asia, it was a year of intense competition.
- Operating margin (beia) was 60 bps lower. EPS beia grew 5%, boosted by lower tax and financing costs.
- Strong cash generation and currency movements have reduced net debt to €9.7 billion at year-end exchange rates, down by €2.9 billion over the year.
- Proposed final dividend of €1.26 per NV ordinary share and 12.82p per PLC ordinary share, increases the total dividend per share by 9% for NV and by 6% for PLC.

ORGANISATION CHANGES

- Dual chairman structure to be replaced by single CEO and non-executive Chairman.
- Simplification of management structure with fewer layers and greater consumer and customer focus.
- Corporate structure to be reviewed.

CHAIRMEN'S COMMENT & OUTLOOK

The 'Path to Growth' transformation programme undertaken over the past five years has produced a stronger portfolio. We have powerful geographic and category positions, a much more focused stable of brands and a greatly improved cost and capital base. However, initial market share gains for the business as a whole in the early years of the programme have not been sustained. While it is certainly the case that markets have been tougher in the past eighteen months than we had expected, we have also lost some share during that time.

There are two fundamental reasons for the recent poor top line performance. Firstly, we let a range of targets limit our flexibility and did not adjust our plans quickly enough to a more difficult business environment. Secondly, we took our eye off our competitiveness and our execution could have been sharper.

In a separate announcement this morning we explained important changes we are making to the Unilever organisational structure. These changes will significantly simplify the organisation, speed-up decision making and ensure clear focus and accountability for the execution of our strategic agenda. At the same time we explained that the Corporate structure will be reviewed and that this review is independent of the organisational changes being made.

We are determined to restore sustainable, profitable, growth and the changes in organisation will re-inforce the actions taken to improve market competitiveness. The fourth quarter results include an increased level of support, targeted pricing action and the first stage in the implementation of the simplification programme announced in mid 2004.

OUTLOOK TO 2010

The Vitality mission set out in 2004 guides the strategic agenda over the coming years. Our over-arching financial ambition of top third Total Shareholder Return over time is reconfirmed. We have reviewed our target for ungeared free cash flow in the light of market conditions and concluded that it is now prudent to assume between €25 and €30 billion over the next 6 years, while aiming for the top end of this range. At the same time we expect a significant improvement in return on invested capital.

OUTLOOK FOR 2005

The number one priority is to restore sustainable top line growth. The step up in market competitiveness begun in the fourth quarter of 2004 will be sustained and carefully targeted at specific categories and regions. In addition our plans are based on a sharpening of innovation, better portfolio management of brands to drive categories and winning with customers by further improving the way we go to market. Productivity gains will be accelerated through the implementation of the simplification programme. Net restructuring costs in the year are expected to be within the ongoing range of 0.5% to 1% of sales and will be treated as non-exceptional, as previously indicated. We anticipate an easing of some commodity cost pressures through the year.

RETURN OF CASH TO SHAREHOLDERS

The continued strong cash flow in 2004, together with the effect of the weaker US dollar, has brought net debt at year-end closing rates to below €10 billion. Following the conversion of the €0.05 preference shares separately announced this morning, we will buy in shares to replenish the stock used for the conversion. Having done this, we expect to use surplus cash generation to start a share buy-back programme. Barring sharp changes in exchange rates, we expect to initiate this in 2005 with an amount of up to €500 million.

Antony Burgmans

Patrick Cescau

Chairmen of Unilever

10 February 2005