



## Unilever Q2 and First Half 2008 Roadshow

Unilever Q2 2008 and First Half 2008 Roadshow			
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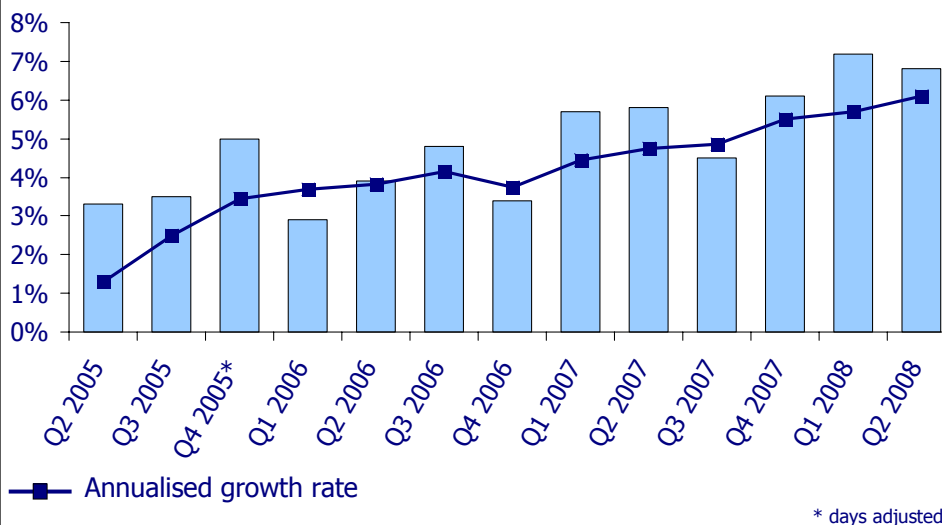
## Financial Performance

## Key Messages for First Half 2008

- 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

Underlying sales growth



## Strong Organic Growth

	Q2	H1
<b>Underlying sales growth</b>	<b>6.8%</b>	<b>7.0%</b>
<i>Price</i>	<i>7.4%</i>	<i>6.1%</i>
<i>Volume</i>	<i>(0.5)%</i>	<i>0.8%</i>

Includes:

- US SAP change end Q2 07
- Europe SAP, price pull-forward
- Lower ice-cream volumes



(70)bps

(20)bps

(70)bps

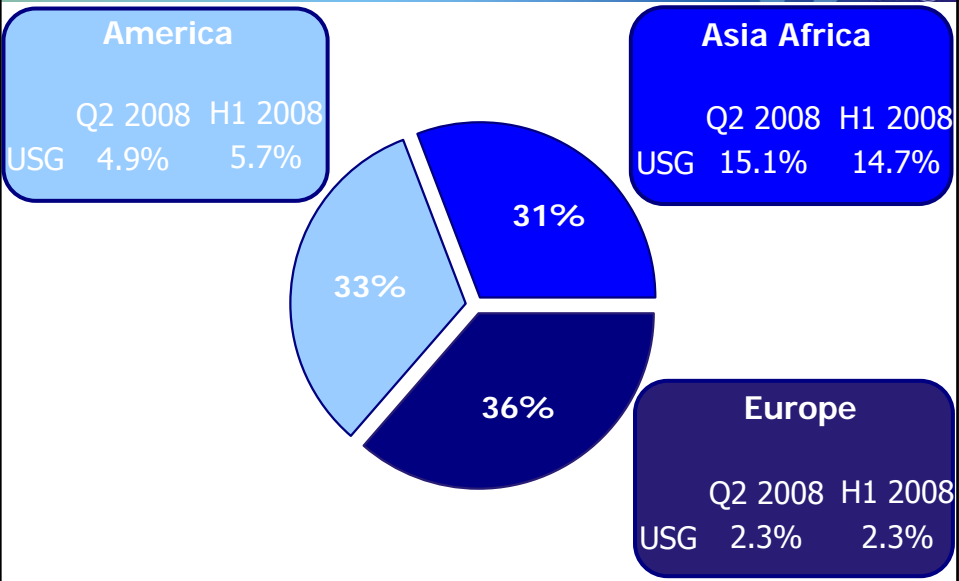


(35)bps

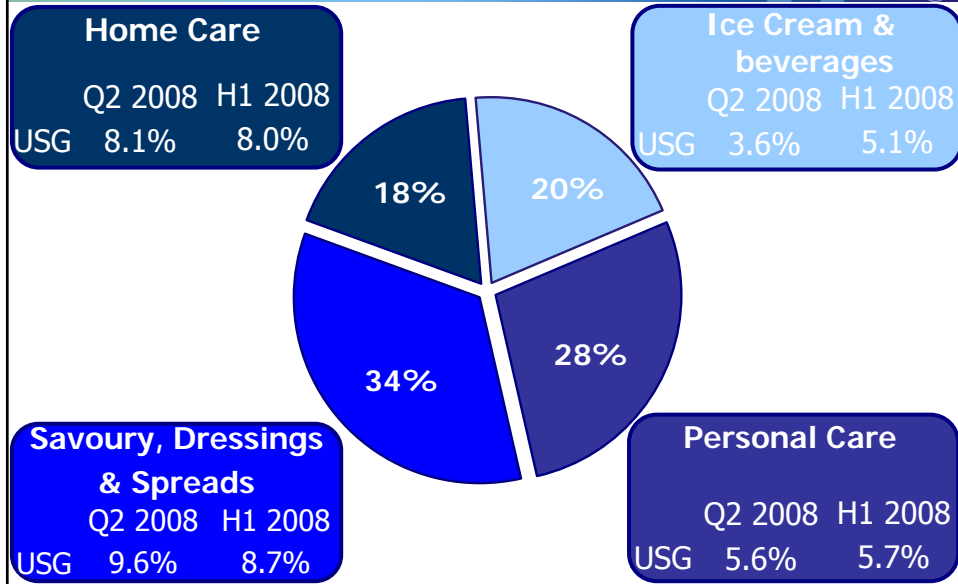
(10)bps

(40)bps

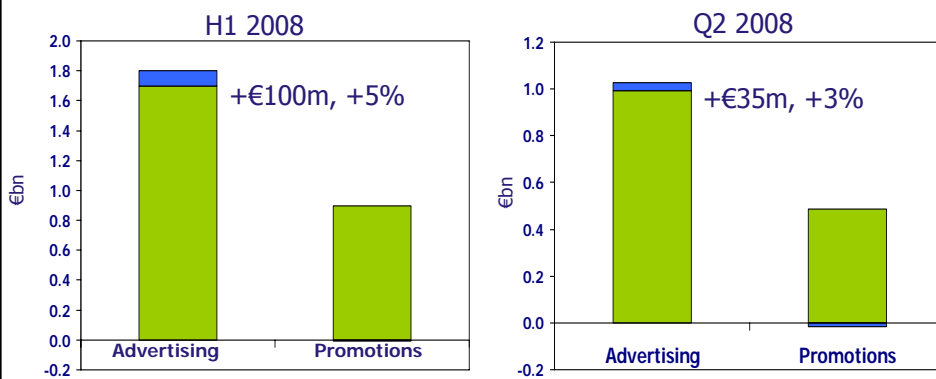
## Underlying Sales Growth by Region



## Underlying Sales Growth by Category



## Advertising and Promotions\*



- Additional €100m of advertising investment in H1 08, all invested in D&E
- Share of voice at least maintained
- Slightly lower promotional spending to allow new pricing to stick in market

\*Constant currency

## 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)%
<b>Underlying change</b>			<b>0.5%</b>
<i>Key drivers:</i>	<i>A&amp;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

## 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%
<b>Underlying change</b>			<b>0.4%</b>
<i>Key drivers:</i>	<i>A&amp;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

## H1 Drivers of EPS Growth

	2007	2008	Change
<b>EPS (€)</b>	<b>0.75</b>	<b>0.79</b>	<b>6%</b>
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)
<b>TOTAL</b>	<b>6</b>

\* Restructuring, disposals and one-off items

## Business Priorities

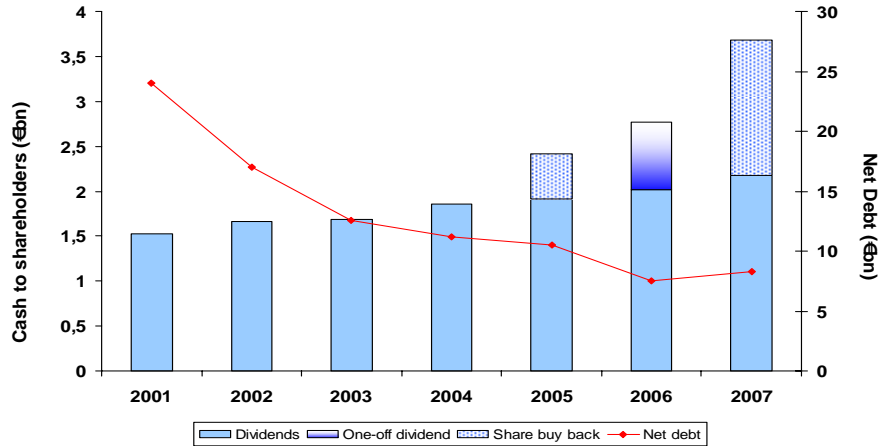
1. Delivering competitive growth
2. Drive for sustainable margin improvement
3. Invest selectively to gain market share

## 2008 Outlook

**2008 to mark a further step towards our 2010 goals**

- **2010 goals**
  - Operating margin > 15%
  - Consistent, competitive growth at 3-5% p.a.
- **2008 Outlook**
  - Underlying sales growth now expected to exceed 3-5% range
  - Underlying improvement in operating margin

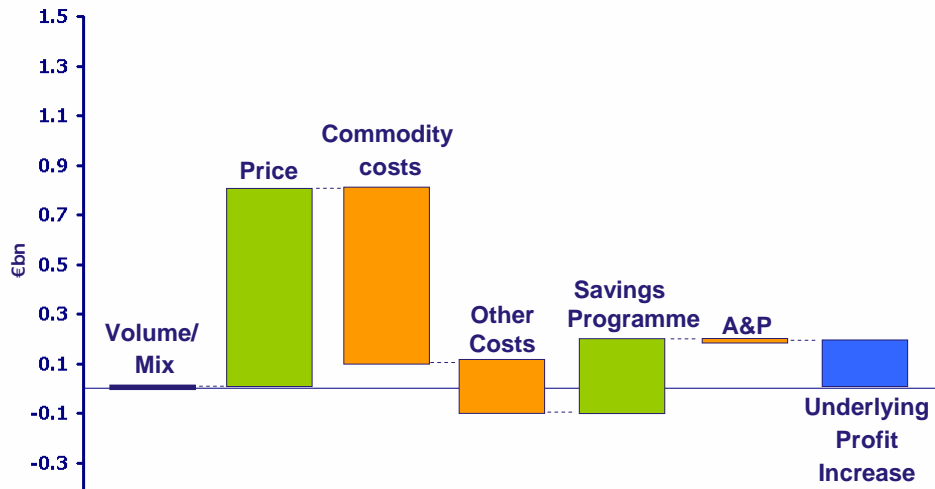
## Returning Cash to Shareholders



- Attractive dividends with payout ratio above 50% since 2000
- Share buy-back programme of at least €1.5bn planned for 2008
  - €1.5bn completed by end July

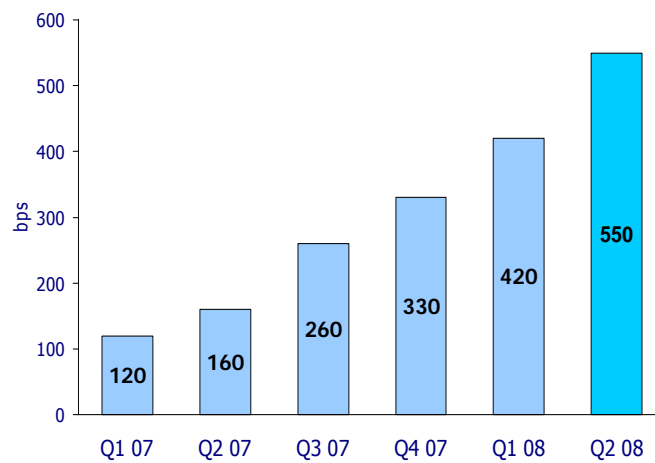
## Supplementary Financial Information

## Q2 Drivers of Operating Profit\*



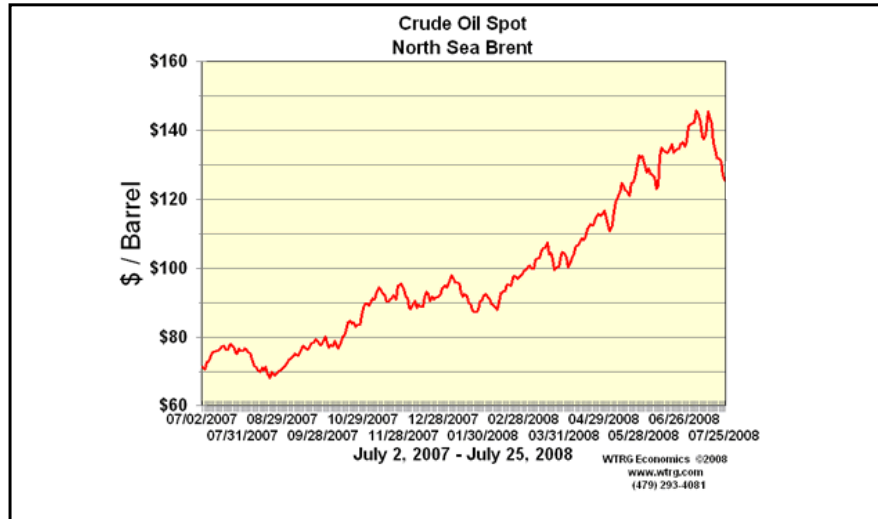
\*Excluding RDIs, constant currency, before acq/disp

## Commodity Cost Impact on Margin

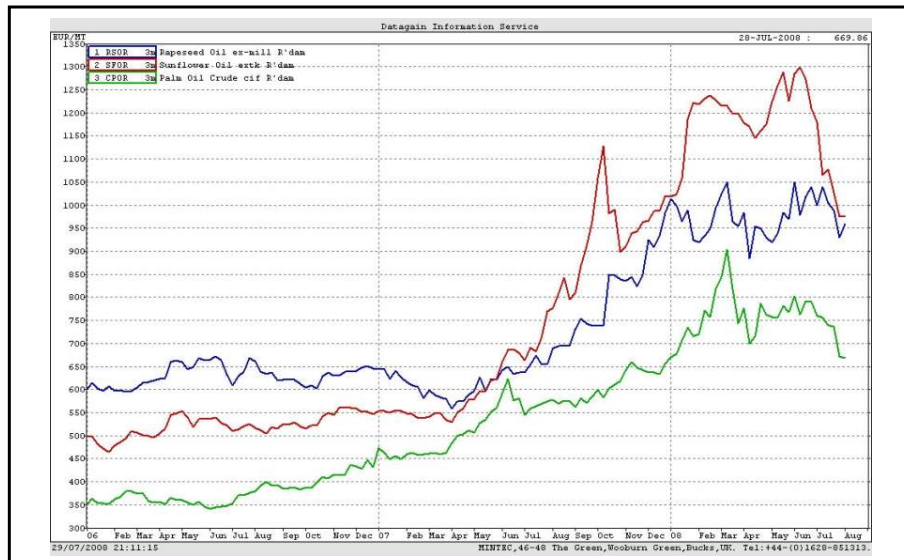


H1 2008 average 480bps; 2008FY outlook around 550bps

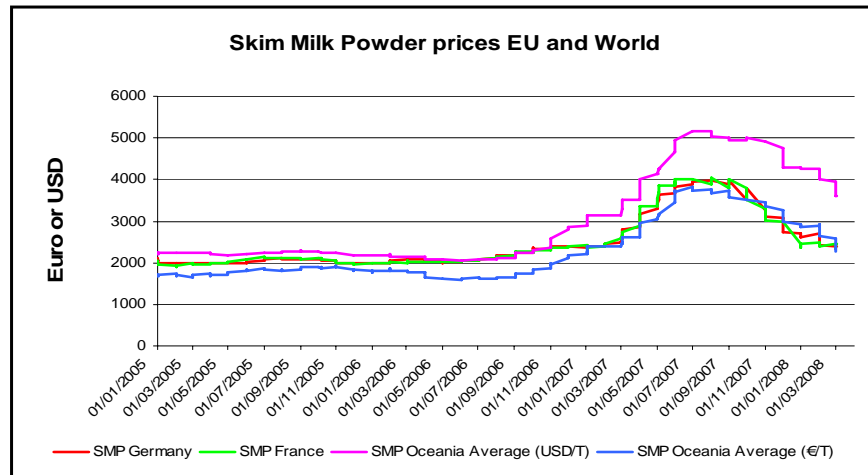
## Commodity Costs – Crude oil



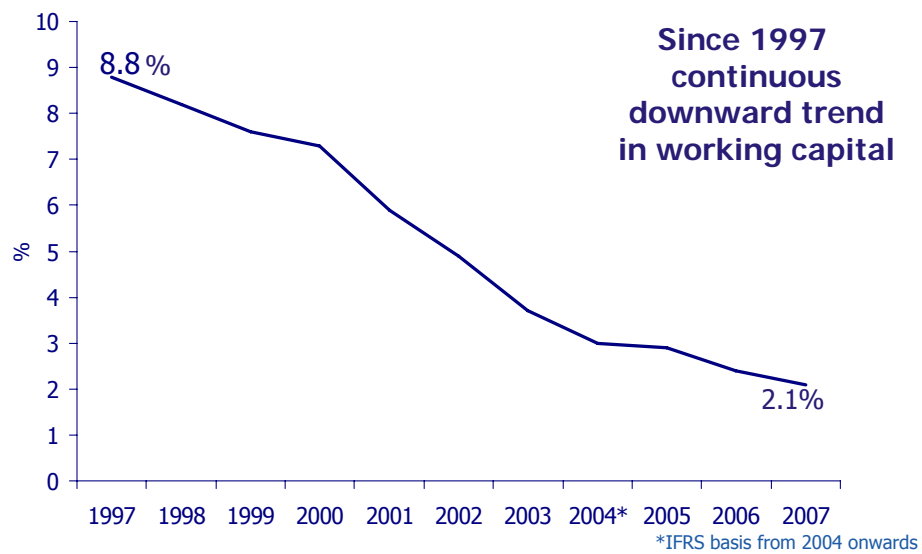
## Commodity Costs – Edible oils



## Commodity Costs – Skim Milk Powder



## Improved Working Capital % Turnover



# Growth Strategy

## Delivering Competitive Growth

### Relative pricing



- Larger economy sizes
- Price tiering
- Adapting promotions
- Innovation



### Communication



- Advertising up by €100m in H1
- Share of voice maintained
- Media & promotional efficiency
- 18 Cannes Awards

### Building Innovation Capabilities



- 30% gross innovation turnover
- Delivering Health and Wellness
- Deployment of superior technologies
- Rapid roll-outs across key markets

### Go-to-Market



- Ranked #1 in 10 of 12 countries in Asia – Nielsen
- Top 5 in US Canondale Survey
- Benefiting from One Unilever scale

## Strong Category Positions



## Big Global Brands

12 billion euro + brands



Top 25 brands =  $\frac{3}{4}$  of Unilever's sales

Of which 12 grew > 10% in H1 2008

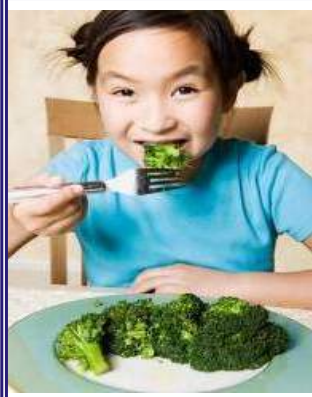
## Unilever's Strategic Priorities



**Personal Care**



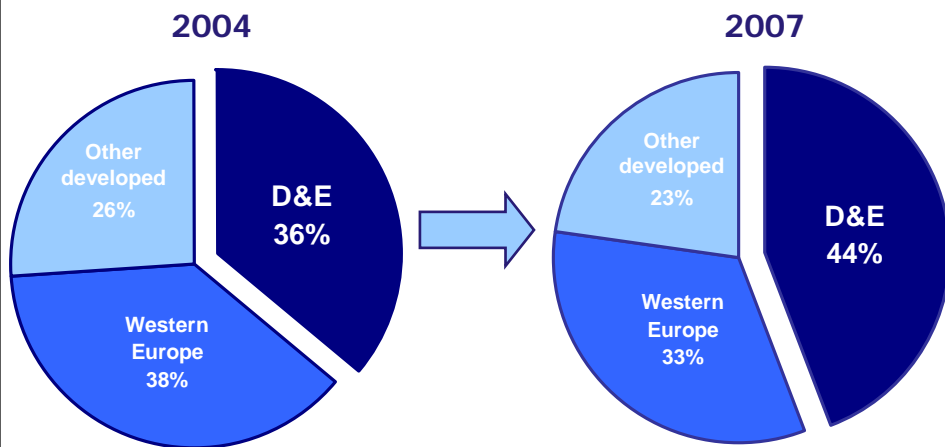
**D&E**



**Vitality**

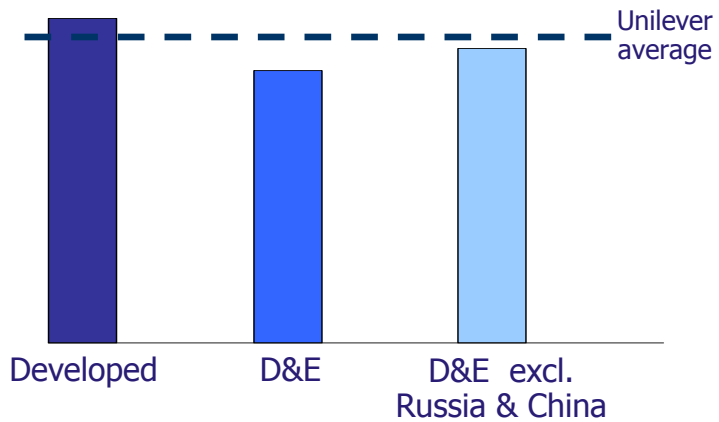
## Unilever in D&E

As % of Unilever total turnover



## D&E Growth is Profitable

### 2007 Operating margin before RDIs\*



\* Restructuring, disposals and one-off items

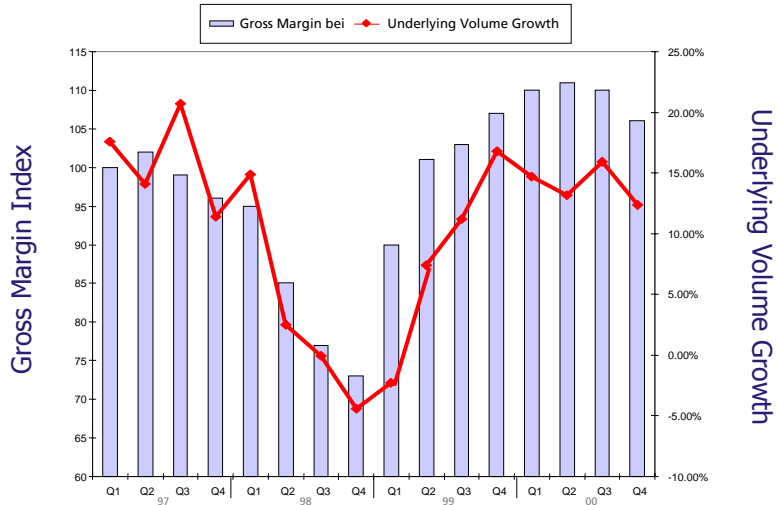
## Strong Track Record in D&E

Since 1990...

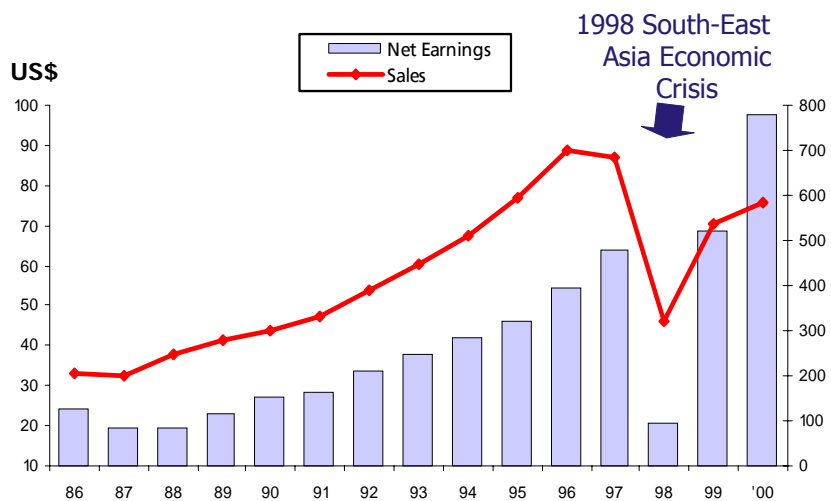
- Underlying sales growth **9%pa on average**
- Volume growth **5%pa on average**
- Volume and value growth in **every** year
- Positive economic profit in **every** year

\*Up to 2002 LATAM and Asia all D&E countries

## Performance through South East Asia 1998 Economic Crisis



## Unilever Indonesia: Fifteen Years of Real Growth



## Market Leadership Strengthened in Argentina throughout Crisis



### Market share %

Category	2001	2005	Change
Solution Wash	69	70	↑
Fabric Conditioners	68	78	↑
Hair	42	48	↑
Deodorants	67	69	↑
Skin Cleansing	47	49	↑
Bouillon	84	81	↓
Soups	89	93	↑
Mayonnaise	69	72	↑

## Accelerating the Transformation

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

## Shaping the Portfolio – Progress to Date



## Accelerated Restructuring Programme - Progress to Date

- **Organisational simplification**
  - One category feeding 29 MCOs
  - For example - MCOs in Europe
    - Belgium, Netherlands, Luxembourg
    - UK, Ireland
    - Germany, Austria, Switzerland
    - Czech Republic, Hungary
- **Supply chain rationalisation**
  - Factory announcements: 23 closures, 28 streamlines
  - Centralisation of European transport operations

## Accelerated Restructuring Programme - Progress to Date

- Savings from restructuring
  - Target of €1.5bn reduction p.a. by end 2010
  - Achieved c. €0.45bn so far
- Restructuring Costs
  - Target of c. 250bps p.a. over 2007-2009: c. €1bn p.a., €3bn total
    - €875m charged in 2007, cash outflow of c. €700m
  - c. €1bn restructuring charges expected in 2008
- Headcount Reduction
  - Target of 20,000 reduction by end of 2010
    - 5,300 reduction achieved during 2007
  - Turnover per employee up by 10% in 2007

## Innovation Driving Growth

- Health and wellness
- Deployment of superior technologies
- Rapid roll-outs across key markets

Clear

### Complete antidandruff and scalp care regime

Centrally developed, identically presented simultaneously across China, Brazil, Russia, Arabia and Turkey



ALL NEW CLEAR ANTIDANDRUFF SHAMPOO.  
REMOVES DANDRUFF AND PREVENTS IT FROM COMING BACK.\*

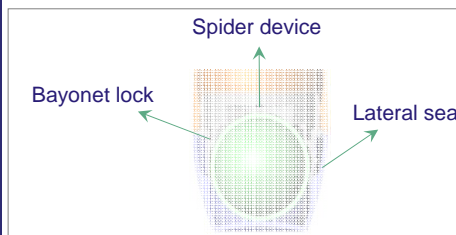
The advertisement shows four bottles of Clear Anticaspa shampoo in different scents: Nutri-Kollagen, Quilça Espinheira, Keratina e Biotina, and Cuidado Especial. To the right, a woman and a man are shown in profile, with the woman holding a bottle of Clear Anticaspa. The text 'CLEAR NO DANDRUFF.\*' is visible at the bottom right.

Upside down Rexona roll-on



### Introducing the world's smoothest roll on

Lateral seal technology and spider device so it never leaks, never gets stuck and provides our best ever formulation giving you the perfect amount from start to finish



## Rexona in China



Don't let body odour ruin the good impression you make.  
Always start your day with Rexona!



## Ponds Age Miracle

**Skin that looks and feels younger**

A revolutionary range of anti-ageing products designed specifically for the needs of Asian skin



# Dove Go Fresh

## Campaign for Real Beauty

A fragrance-driven collection of products aimed at women in their 20s



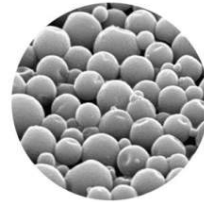
# go fresh

# Comfort Fresh Release



Do the moves to release the freshness

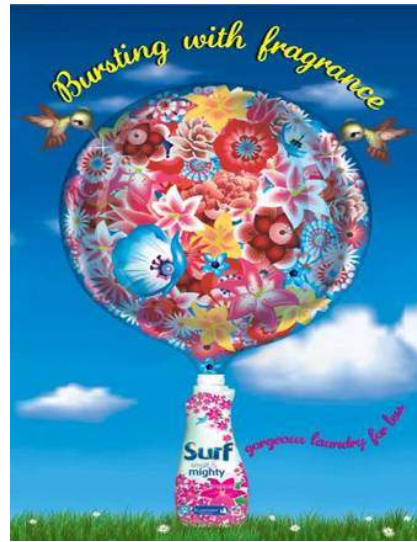
Breakthrough technology to outperform any fabric conditioner present in the marketplace



## Small & Mighty in Europe

### A revolutionary 3-times-more concentrated laundry detergent

A new breakthrough product with perceivably better cleaning, and better convenience, at the same price per wash  
Cleans a whole wash-load with just one small capful



## Knorr Bouillon Gel

### Launched in China with local insight into soup preparation



# Heart Health

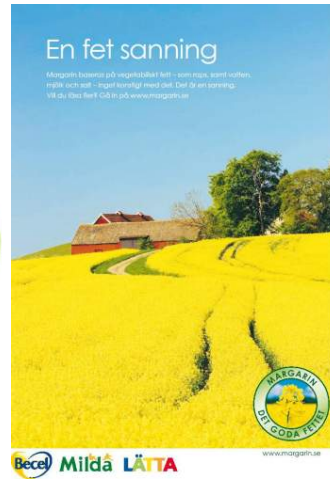
## "Goodness of Margarine"



**Omega 3 plus**  
Packed with more omega 3 than any other spread or minidrink



**pro.activ (Promise activ)**  
Spreads, milk, yoghurt and mini-drinks clinically proven to lower cholesterol



# Hellmann's Light

**Delicious extra light mayonnaise now with only 3% fat**



**With unique citrus fibre technology**

# Lipton

A unique slimming tea twice as rich in catechins to help maintain your silhouette



Sustainably sourced tea certified by the Rainforest Alliance

# Moo

Delicious ice cream for kids with as much calcium as two glasses of milk



# Magnum Temptation

IL MIO NOME È EVA.  
COME POTREI RESISTERE  
ALLA TENTAZIONE?



An unrivalled multi-sensorial  
experience using cold roller technology

