

Q2 and First Half 2009 Results

6 August 2009



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Safe Harbour Statement



This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'expects', 'anticipates', 'intends', 'believes' or the negative of these terms and other similar expressions of future performance or results, including any financial objectives, and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, among others, competitive pricing and activities, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, the ability to complete planned restructuring activities, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Boards. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report & Accounts on Form 20-F. These forward-looking statements speak only as of the date of this announcement.

Q2 Highlights



- Underlying sales growth +4.1%
- Restored volume growth +2.0%
- Step up in A&P investments +50bps
- Underlying operating margin down 60bps, in line with expectations
- Cash flow improved €1.6bn in H1



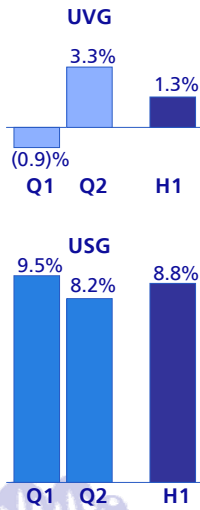
Q2 and H1 Sales



	Q2 2009	H1 2009
Turnover	€10.5bn	€20.0bn
Change	0.8%	0.1%
Currency effect	0.0%	(0.9)%
Acquisitions and disposals	(3.2)%	(3.2)%
Underlying sales growth	4.1%	4.4%
Price	2.1%	4.2%
Volume	2.0%	0.2%



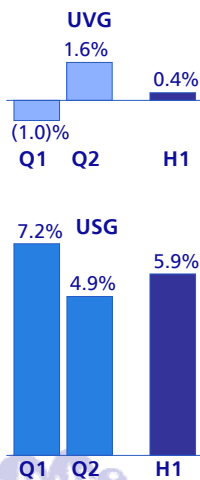
Asia Africa CEE



- Most economies resilient and growing
- Broad based volume growth
- Central Europe remains weak
- Q2 Underlying margin up +130 bps



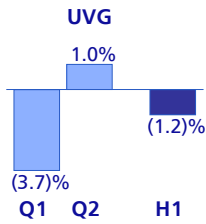
Americas



- Consumer confidence remains weak
- Positive volume growth continues in US consumer business
- Good performance in Latin America
- Q2 Underlying margin up +10 bps

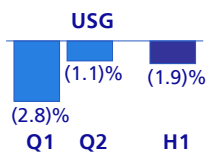


Western Europe



- Markets remain challenging

- Positive volume trend in key countries



- Q2 Underlying margin down (340) bps



Savoury, Dressings and Spreads



	Q2	H1
USG	(0.2)%	1.4%



Ice Cream and Beverages



	Q2	H1
USG	4.9%	4.5%



Home Care



	Q2	H1
USG	9.2%	9.9%



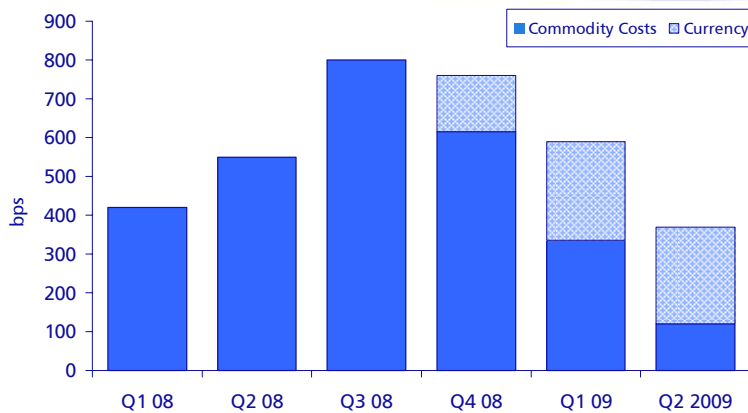
Personal Care



	Q2	H1
USG	5.4%	4.6%



Commodity Cost Development



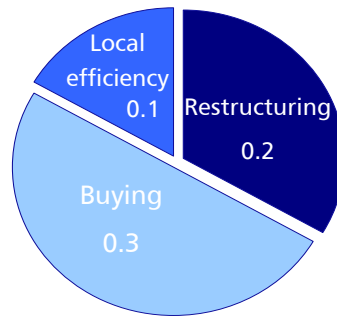
- Commodity costs tailwinds in H2
- FY2009 commodity costs (including currency) up vs last year

*Note: Before Q4 08 currency effects were insignificant

Strong Savings Delivery



- €0.6bn total savings delivered in H1



On track to deliver c. €1bn in this year



Pricing



- Full year price 'carry-over' 2-3%
- Prices adjustments:
 - Aligning with the market where necessary
 - Reflecting anticipated easing of commodity costs
- H2 price growth flat or slightly negative



Q2 Drivers of Operating Profit*



Q2 Operating Margin



	Q2 2008	Q2 2009	Change
Operating margin	13.2%	12.6%	(0.6)%
Including RDIs*	(2.0)%	(2.0)%	(0.0)%
Operating margin before RDIs	15.2%	14.6%	(0.6)%
Key drivers:			
Gross margin			(0.2)%
Overheads			0.1%
A&P			(0.5)%

Includes margin dilution from disposals of (0.3)%

*Restructuring, disposals and one-off items

H1 Drivers of EPS Growth



	H1 2008	H1 2009	Change
EPS (€)	0.79	0.53	(33)%
Includes RDIs*, after tax	0.07	(0.10)	
EPS before RDIs*	0.72	0.63	(13)%

Key drivers (%)

Dilution from disposals	(3)
Pensions finance charge	(6)
Tax rate (before RDIs*)	(3)

*Restructuring, disposals and one-off items

Reducing Cash Conversion Cycle



	<u>Q2 2008</u>	<u>Q2 2009</u>	<u>Improvement</u>
Stock days	74	61	13
Debtor days	44	41	3
Creditor days	(77)	(77)	0
Total days	41	26	15

Balance Sheet and Cash Flow



- Strong cash flow delivery - up €1.6bn in H1
- Net debt €8.9bn
- New bonds issued at attractive rates
- Acquisitions: TiGi, Baltimor, Vietnam minorities



Paul Polman
Chief Executive Officer



Quality of Our Results



- ✓ Market share momentum in 60% of our business
- ✓ Widespread growth across categories & countries
- ✓ Underpinned by innovation and A&P support
- ✓ More competitive cost structure



Key drivers of business performance



Stronger claims



Examples:

US Soft Spreads
'No hydrogenated oils'



Asia Pond's Anti Ageing Creams
'Younger skin in 7 days'



US Dove Body Wash
'Clinically proven to reverse dryness'



Faster roll-out to more markets



Examples:



17 Markets



33 Markets



37 Markets



56 Markets



Improving product quality



Examples:



Amora - France



Klondike - US



DiG - Asia



Playing the full price piano



Example: Russia Tea

Premium



Mid-Tier



Value



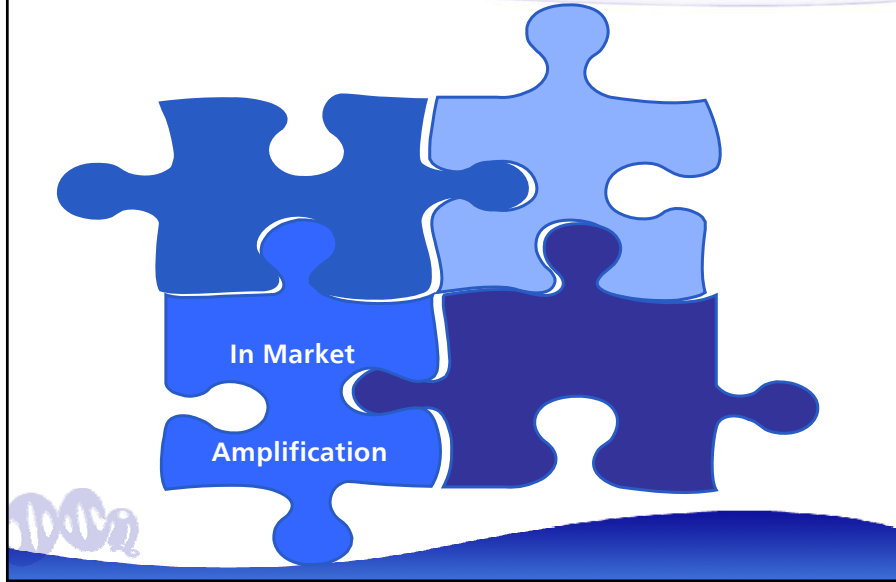
- Roll-out of fruit pyramid teas

- New advertising campaign

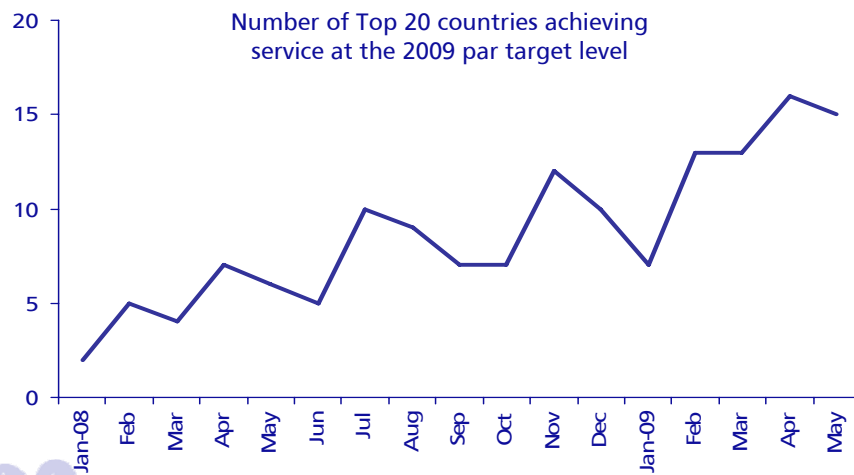
- Launch of herbal infusions



Key drivers of business performance



Positive Customer Service Trend



Customer Insight and Innovation Center



The Customer Insight & Innovation Centre in the US will be showcased at our Investor Event in 23-24 November 2009



Key drivers of business performance



Key drivers of business performance



Aligning the organisation



Priorities for 2009



1. Restore volume growth
2. Protect cash and margin for the full year



Questions



Appendices



H1 Drivers of Operating Profit*



*Excl RDIs, constant currency

H1 Operating Margin



	H1 2008	H1 2009	Change
Operating margin	16.0%	12.8%	(3.2)%
Including RDIs*	0.9%	(1.8)%	(2.7)%
Operating margin before RDIs	15.1%	14.6%	(0.5)%

Key drivers:

Gross margin	(1.0)%
Overheads	0.2%
A&P	0.3%

Includes margin dilution from disposals of (0.3)%

*Restructuring, disposals and one-off items