

# Unilever Q3 and Year to Date 2008 Results

30 October 2008



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## Highlights

- Results in line with our goals for the year
- From actions we have taken over the last 3 years
- Strengthening our relative position

## Financial Highlights – Year to Date

- Strong organic growth 7.4%
- Additional A&P spend €100m – share of spend up
- Underlying growth in operating profit 9%
- Underlying improvement in operating margin +30bps
- Earnings per share +26%
- Strong balance sheet

## Strong Organic Growth

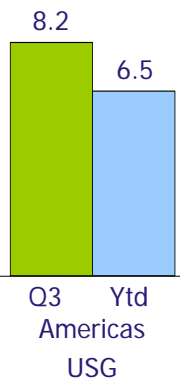
	Q3	Ytd
<b>Turnover</b>	<b>€10.4bn</b>	<b>€30.4bn</b>
Change	1.8%	0.2%
Acquisitions and disposals	(1.1)%	(1.0)%
Currency effect	(5.0)%	(5.8)%
<b>Underlying sales growth</b>	<b>8.3%</b>	<b>7.4%</b>
<i>Volume</i>	<i>0.6%</i>	<i>0.7%</i>
<i>Price</i>	<i>7.7%</i>	<i>6.7%</i>

## Europe



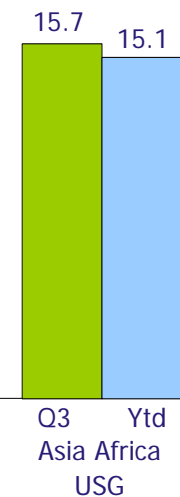
- Price driven growth in Western Europe
- Improved volume development in Q3
- Transformation programme progressing well
- Sustained double-digit growth in Central and Eastern Europe

## Americas



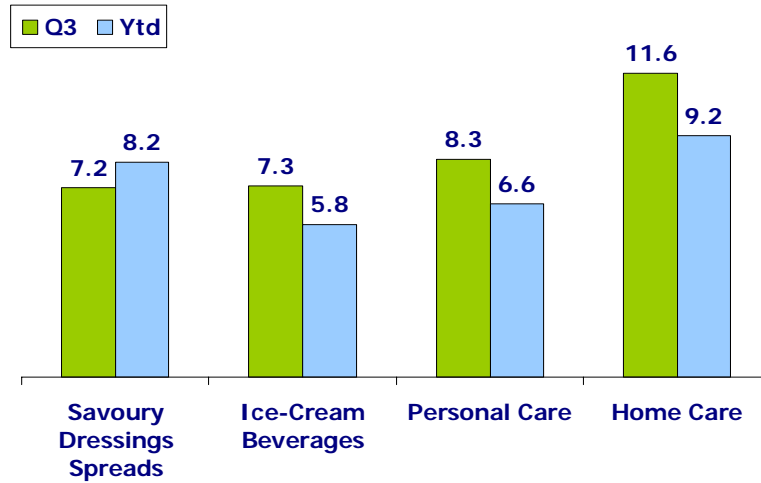
- US growth of +4% ytd
- Market share remains firm
- Latin America growth of +12% ytd
- Continued improvement in Brazil

## Asia Africa



- Strong broad-based growth – ahead of markets
- Volume growth of +5% ytd
- All major D&E countries growing well in both volume and value

## Underlying Sales Growth by Category



## Savoury, Dressings and Spreads

	Q3	Ytd
USG	7.2%	8.2%



## Ice Cream and Beverages

	Q3	Ytd
USG	7.3%	5.8%



Let Lipton tempt you with its stunning new range of infusions. Each of them bright and beautiful and brimming with fabulous flavours. Made with real pieces of luscious fruit, refreshing herbs and aromatic spices, they're simply gorgeous.

**New Lipton Infusions. Drink Gorgeous.**

Available infusions:  
 Red Fruit, Blue Fruit, Warming Lemon & Ginger, Crushed Peppermint, Natural Camomile, Green Tea with Tropical Fruit, Green Tea with Tangerine & Orange, Moroccan Mint & Spices, Caribbean Papaya & Hibiscus, Alpine Mint & Eucalyptus.

## Home Care

	Q3	Ytd
USG	11.6%	9.2%



## Personal Care

	Q3	Ytd
USG	8.3%	6.6%



## Winning in an Economic Downturn

Recessionary pressures impact categories in **different ways**

In Europe

- In-home meals generally thrives
- Hand & body prone to down-trading
- Deodorants unaffected
- Laundry using less product

Example: some actions we are taking in **margarines.....**

- Maintain or increase advertising investment
- Drive consumption moments - breakfast and home cooking
- Bigger packs.....smaller packs.....
- Position brands in other channels



## Reasserting the Value of Our Brands

Ah, we gaan vergelijken?



Er zijn natuurlijk maar merken pindakaas, maar er is maar één Calvé. En eigenlijk is 'ie overgelijkbare. Want in Calvé pindakaas proef je de meeste pinda's. Daarnaast bevat Calvé pindakaas geen toegevoegde suikers, zit hij boordevol met

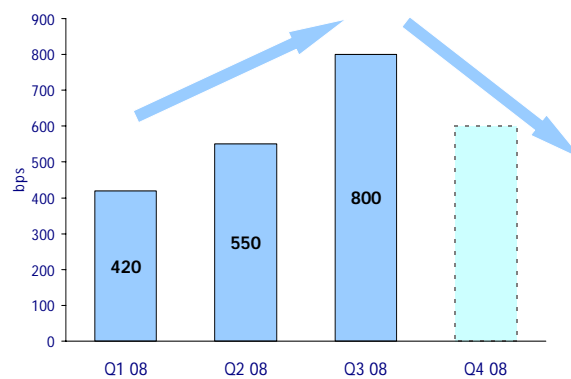
bouwstoffen en is hij rijk aan vitamine E. Bovendien blijft uit smeltvastigste smooktaten dat Calvé echt lekkerder is. Niet voor niets is Calvé pindakaas al 60 jaar de favoriet van Nederland! Calvé pindakaas, daar zit meer in dan je denkt!

Are we going to compare? - the real differences:

- The taste of more peanuts
- No added sugars
- Rich in Vitamin E

Calvé tastes better according to independent taste trials  
Calvé peanut butter has been Holland's favourite for 60 years

## Commodity Cost Impact on Margin

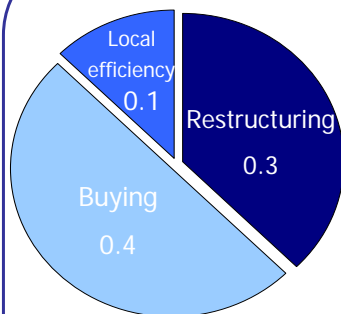


- Cost increase peaking in Q3
- 2008 full year estimate around 600bps
- More benign conditions in 2009

## Increased Marketing Investment

- €20m incremental A&P investment in Q3
- €100m incremental A&P investment ytd
- Benefiting from media efficiency programmes and lower media rates
- Share of advertising spend increased

## Savings Continue to Deliver Strongly

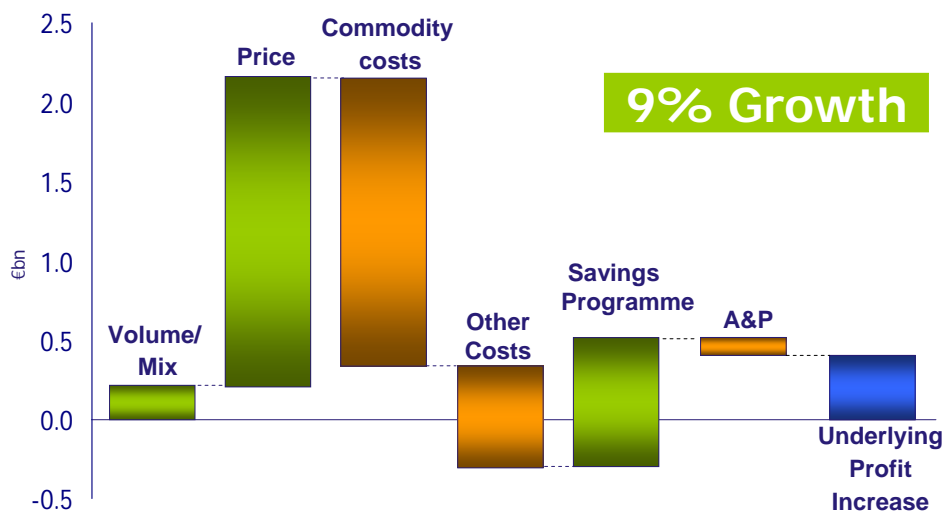


Year to date:

- €800m total savings
- €250m restructuring savings
- €490m restructuring costs

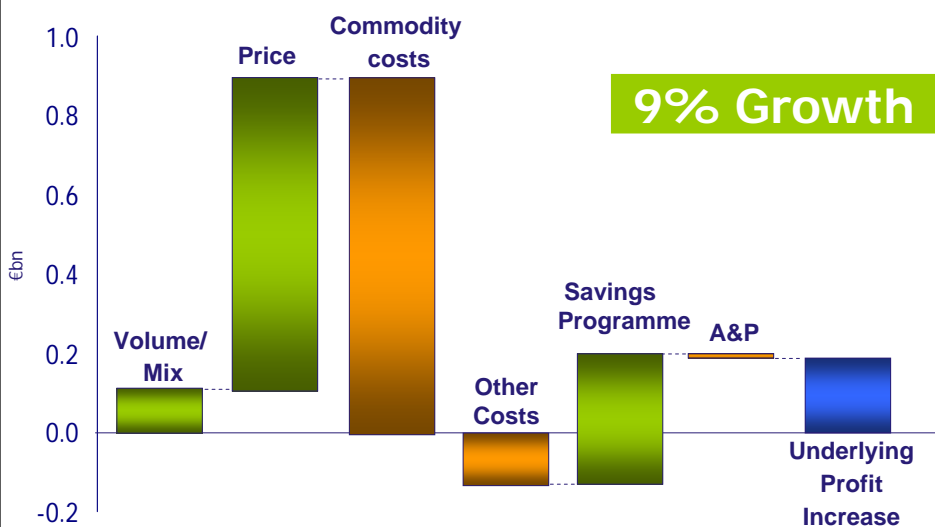
**On track to deliver >€1bn**

## Drivers of Operating Profit\* - Year to Date



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

## Drivers of Operating Profit\* - Q3



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

## Operating Margin Development – Year to Date

	Ytd 2007	Ytd 2008	Change
Operating margin	13.7%	18.8%	5.1%
Including RDIs*	(1.4)%	3.4%	4.8%
<b>Underlying change</b>			<b>0.3%</b>
<i>Key drivers:</i>	<i>Cost/price/mix</i>		<i>(2.9)%</i>
	<i>Savings</i>		<i>2.7%</i>
	<i>A&amp;P</i>		<i>0.5%</i>

\* Restructuring, disposals and one-off items

## Drivers of EPS Growth – Year to Date

	2007	2008	Change
<b>EPS (€)</b>	<b>1.10</b>	<b>1.38</b>	<b>26%</b>
Includes RDIs*, after tax (charge)/gain	(0.05)	0.24	
<i>Key drivers:</i>			<i>%</i>
<b>Underlying growth in operating profit</b>			<b>9</b>
Currency			(6)
Tax rate (before RDIs*)			(5)
RDIs*			26
Share buy-back			2
<b>TOTAL</b>			<b>26</b>

\* Restructuring, disposals and one-off items

## Cash Flow and Balance Sheet

- 'Strong single A' balance sheet
- Net debt reduced to €8.7bn
- Cashflow from operating activities €2.5bn
- Working capital improvement in Q3
- €1.5bn share buy-back

## 2008 Outlook

- Underlying sales growth now expected to be well in excess of our 3-5% long-term target range
- Underlying improvement in operating margin

# Questions



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An advertisement for POND'S age miracle skincare products. The background is a soft, warm gradient. On the left, a close-up of a woman's face with a gentle smile. On the right, a collection of POND'S age miracle products, including a red jar, a white tube, and a red tube. The text "NEW POND'S age miracle" is prominently displayed in white. Below the products, the text "Now with the best proven anti-ageing technology\*\*" is written in white. At the bottom, there is a small line of fine print: "In clinical trials, and in vivo studies, proven and recognized as the leading actives for treatment of aging. POND'S Age Miracle Skin Care contains active ingredients for skin care."/>

NEW  
POND'S  
age miracle

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