



Unilever Presentation at CAGNY – Restoring Competitiveness and Growth
Patrick Cescau and Rudy Markham
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Patrick Cescau

Slide 0 - Restoring competitiveness and growth

Welcome everyone.

For those of you who were able to join us at the reception last night, I hope you enjoyed the little taste of Unilever we were delighted to share with you.

Rudy Markham, our CFO, and I will present for around 45 minutes and then we will take questions in the break-out afterwards.

Slide 1 - Safe harbour

First let's start as always with the safe harbour statement.

As usual, I'd like to point out that this discussion is subject to the usual disclaimer relating to forward looking statements and non-GAAP measures. This disclaimer is included here and will be posted with the text of this presentation on Unilever's web-site.

Slide 2 - Introducing Unilever

Now onto a brief reminder of who Unilever is.

Slide 3 - Brands people love

Unilever brands help people to look good, feel good and get more out of life - 150 million times a day, in 150 countries.

One in every two households in the world has a Unilever brand in their home.

Slide 4 - Powerful category positions and global brands

We have around 400 brands – including 12 one-billion Euro brands – and leading positions in Foods, Home Care and Personal Care categories.

Slide 5 - Global reach and scale

Unilever is a truly global company - the third largest consumer goods company in the world. Our turnover was €40 billion Euros – almost \$50 billion dollars - in 2005, with well-balanced sales across the three main regions of the world.

So far so good.

Slide 6 - But ...

But ...



In 2003 and 2004 Unilever's performance did not live up to our potential.

Our Path to Growth strategy delivered strong profitability, improved margins, capital efficiency and cash flows but *not* sustained growth. *And* we were losing market share.

In 2005, we tackled the issues that were undermining our performance.

We sharpened our choices and resource allocation, invested more behind our brands, improved important aspects of our execution and made major changes to our organisation.

It has been a year of change for Unilever - a lot of change in a short time.

Slide 7 - Re-introducing Unilever

So today we are able to *re-introduce* you to a *different* Unilever.

A Unilever that has not just the potential but also much more of the hardwiring we need to win.

Slide 8 - Agenda

We will talk about how we restored Unilever's competitiveness and growth in 2005.

About the momentum we have built for 2006.

Our ambition for Unilever.

And how we are turning ambition into action through our strategy and continuing change programme.

So now over to Rudy to take you through our results for 2005.

Rudy Markham

Slide 9 - 2005 - Restoring competitiveness and growth

Good morning everyone.

Slide 10 - 2005 - the task

As Patrick said, in 2005, we tackled the issues that were undermining our performance. Our strategy for unlocking Unilever's full potential is simple - to focus on the three things that matter:

1. Making our portfolio work harder for us, with sharper priorities and resource allocation
2. Strengthening our execution capabilities, especially in marketing and customer management.
3. Creating a simpler, more agile 'One Unilever' organisation - aligned behind a single strategy, with the right people in the right jobs delivering better quality and speed of execution.



But at the start of 2005, our most pressing task was to restore our competitiveness in the market and get our business growing again.

Slide 11 - Restore competitiveness and growth

To do this, we put more firepower behind fewer priorities.

We targeted for growth the market positions, innovations and brands with the best potential reward. We invested strongly behind them and accelerated our programmes to generate savings to help fund growth.

Investing in our strengths delivered the results we were aiming for and showed what we can achieve when we prioritise tightly and execute with discipline.

We got **Personal Care** back to growth levels that are up with the best at over 6%, with broad-based share gain and strong profitability.

In **developing and emerging markets**, we delivered organic growth of nearly 9%, with strong performance across the year in all major countries and across Foods, Home Care and Personal Care.

Across our entire portfolio, **Vitality** was the inspiration for innovation that helped to drive growth. Lipton tea, AdeS soy based fruit drinks, the Dove Campaign for Real Beauty, to name but a few examples.

Personal Care, D&E, Vitality. In all three of these areas, we have achieved what we set out to achieve – good growth and strengthened market positions.

We also made progress in **Europe** in 2005.

A healthy European business matters to Unilever.

It delivers a large proportion of our sales – 41% in 2005 – and is an important source of profit.

Europe is also a key source of insight into new consumer trends, innovation and talent that can be leveraged around the world.

Our issue is *Western Europe*. And the issue is *growth*, not profitability.

Western Europe is a tough competitive environment for reasons you know well. Turning this business around is not just about making a few tweaks – we are making fundamental changes.

For the consumer by making our products offer better value and improved performance.

For our trade customers by increasing the value that we can *both* gain by doing business together.

And to our organisation through substantial changes to the leadership in Europe and by pushing forward with the implementation of 'One Unilever'.

Many of these changes are a reflection of the larger change agenda that we are pursuing across Unilever. Patrick will say more about this later.



We have done a lot to address our issues in Europe and, as a result, we have delivered real improvement.

- We have reduced underlying sales decline in 2005 to less than minus 1%, against minus 3% in 2004.
- In the fourth quarter, we delivered positive like-for-like sales growth of around +2%.
- We stabilised market shares in Foods, with an upward trend in recent months. HPC market shares were down slightly in the year but stable in the second half.

So real improvement in a tough, highly competitive market.

Slide 12 - Decisive action on the portfolio

As well as working on the priorities I just talked about, we have also been taking decisive action on parts of our portfolio that no longer fit with our strategy.

In the middle of 2005, we sold **UCI** for \$800 million. We are very pleased with the value we gained.

We have also decided to divest the major part of our **European Frozen Foods** business.

We have made a considerable investment in European Frozen Foods over the past four years, restructuring it to deliver healthy profit levels.

But we have not yet been able to grow the business which is key to future value creation. To do that would require significant management and financial resources and we believe we have better opportunities elsewhere.

So 2005 was a year of significant change for Unilever. Let's look at the key features of the year in financial terms.

Slide 13 - Investment in A&P – quality and quantity

Driving hard behind our growth priorities required a step up in investment.

In 2005, we invested €500 million more in advertising and promotions than we did in 2004.

An 11% increase in year-on-year A&P spend represents a significant investment in competitiveness. How we have spent this money is as important as what we spent.

Around two thirds of the additional A&P was in advertising which is key to building long term brand equity.

The investment was not 'across the board' but was carefully targeted. For example, A&P behind some of our Personal Care categories in key markets was up by as much as 30% or more.

We have improved the efficiency and quality of our spend. Globally led innovation gives rise to globally inspired, cost-effective communication.

And our A&P spend has been more consistently weighted through the year.



This does not mean that spend is even from quarter to quarter, as innovation activities and indeed competitive activity are not smoothly spread. But it does mean that we are keeping our foot on the gas across the whole of the business cycle.

Slide 14 - Increased investment, focus on savings

As well as stepping up A&P spend, we invested significantly to reduce prices in selected categories and markets to defend and build key competitive positions.

And we faced a significant cost head-wind from higher commodity prices which added €600m to our input costs in 2005.

Our response? A relentless focus on cost savings.

In total, our savings programmes delivered well over €700 million Euros in 2005. Global procurement continues to deliver substantial savings, while our 'One Unilever' programme alone is well on the way to delivering €1 billion Euros of savings by the end of 2007.

Slide 15 - Operating margin development

Turning to the bottom line.

Full year operating margin is 13.4%, up from 11.0% in 2004.

Before the impact of restructuring, business disposals and impairments, operating margin would have been 80 basis points lower than in 2004.

The key reason for this was the additional A&P investment – a 110 basis points margin impact versus 2004.

Our savings were more than sufficient to cover the increased input costs and to fund part of the step-up in A&P.

Slide 16 – Like for like sales growth

Underlying sales growth in 2005 was 3.1%, significantly better than the flat sales we delivered in 2004 and in line with the growth of our markets.

Growth momentum has improved steadily since Q3 2004.

Growth in 2005 was entirely volume, although pricing turned positive in Q4 as increases taken to recover rising material costs started to come through.

Slide 17 - 2005 growth by region

I already mentioned our sales performance in Europe. Volumes grew slightly in 2005, but investment in pricing meant that underlying sales declined by nearly 1%.

In the Americas, we have seen a fairly consistent level of growth through the year. In the US, our sales grew by 3.2%, accelerating through the year, as we gained share in aggregate.

In contrast, we had a strong first half in both Brazil and Mexico but slightly weaker consumer demand and some share loss to local competitors in Foods led to a slower second half.



In Asia/Africa, we saw a strong bounce back from a weak 2004 performance. All our major D&E markets delivered strong growth. India recovered strongly, China grew by over 20%, Japan returned to growth in the year and Australia's performance improved in the 2nd half.

An encouraging aspect of our improved growth in 2005 is, therefore, that the improvement extends to most of our major markets and indeed most of our categories.

Slide 18 - Entering 2006 in much better shape

In 2005, our number one priority was restoring growth and we did so.

But we are under no illusions. We know that we must deliver both good growth *and* strong profitability to deliver Unilever's full potential value.

This is what we are planning to do.

We have done a lot in a short time. Overall, we are pleased with the progress we've made in 2005 which gives us a stronger platform from which to move forward.

We enter 2006 in much better shape and well placed to sustain our growth and improve our margins.

Slide 19 - 2006 outlook

As you know, we are not giving specific annual top or bottom line guidance for 2006.

We will drive growth by investing competitively in A&P behind our priorities and with a continued focus on effectiveness.

We anticipate a progressively more favourable pricing and commodity cost environment.

We expect a continued flow of savings from both our procurement programmes and 'One Unilever'.

We plan re-structuring costs of around 100 basis points of sales.

Overall, we expect operating margin to increase in 2006 from the 13.4% in 2005.

Slide 20 - Value creation to 2010

Looking further ahead, our overarching goal remains superior value creation for our shareholders. We aim to deliver total shareholder return in the top third of a peer group of 20 leading consumer products companies around the world.

We have set long term targets for the period 2005 to 2010 that are consistent with this goal

First, we aim to generate ungeared free cash flow of between €25 and €30 billion Euros over the period. €30 billion Euros is equivalent to almost half of Unilever's current enterprise value.

Second, we also target an increase in our return on invested capital from a 2004 base of around 11%. In 2005 we increased ROIC to 12.5%.



This measure includes all acquired goodwill in the capital base, regardless of impairments. As such, it gives a real insight into the effectiveness with which we invest our shareholders' money.

We plan to deliver this, over the period, through a combination of:

- Top-line growth ahead of our markets, which we estimate will grow at 2-4% p.a. That means winning market share.
- An improved operating margin against a 2004 base, allowing for a normal level of restructuring of 50-100 bps p.a.
- Further improvements in capital efficiency versus our 2004 base through reductions in fixed assets and working capital.
- Tax efficiency – we have been making structural improvements which allow us to lower our long-term guidance from around 30% to around 28%.

Patrick, back to you.

Patrick Cescau

Slide 21 - Unlocking the potential of our portfolio

So as Rudy has shown you, in 2005 we got back on track by making sharper choices, putting the right resources behind our winners and getting the organisation in shape to deliver.

It sounds like a simple recipe for success – as long as we have the portfolio we need to win *and* we make it work hard for us.

And we believe we *do* have a portfolio with which we can win.

Let's look at why.

Slide 22 – Unilever's market-weighted is in line with our peer group

As you can see on the chart, Unilever's market-weighted growth is in line with our peers.

When I say market-weighted growth, I mean the weighted growth of the categories in which we compete. Here you see a comparison with peer group companies.

One or two foods businesses have access to higher growth categories than we do, but others are in a worse position. And in HPC we are very well-placed. So growth in our markets is not the issue.

So are we suffering from over-exposure to mature markets?

Slide 23 - Not over-exposed in Europe

No. In Europe we are middle of the pack. We do have a large foods business in Europe, but relatively low exposure in HPC.

How well are we placed in the fast-growth spaces?



Slide 24 - Strong exposure to high-growth D&E geographies

In D&E, for example.

As you see, of the major Foods and HPC companies, we have about the best business in D&E markets.

Slide 25 - Strong global and local positions

Slide 26 - Strong global and local positions

Across both developed and developing and emerging markets, we have leading, competitive, global positions with attractive profitability.

In the faster-growing categories in which we compete, we have a strong track record. For example in most of Personal Care, Savoury, Ice Cream and Heart Health.

We also have strong regional and local positions we can and will defend.

For example in Laundry and Hair in D&E.

Slide 27 - Our issue is not our portfolio but what we do with it

So our portfolio is not the issue - we are strong where it counts.

The issue is *what we do* with our portfolio.

Slide 28 - Portfolio strategy

Our strategy is to grow ahead of our markets and drive more value from our portfolio by winning stronger market positions in high growth spaces.

We will do this by building on our existing strengths, which are:

- Vitality – particularly in Foods where the market for healthier foods is growing fast in every category.
- Personal Care, a vibrant part of Unilever's portfolio for many years
- And Developing and Emerging markets, where we have deep roots and an outstanding track record.

Slide 29 - How do we know this focus will deliver the results we want?

How do we know this focus will deliver the results we want?

Well it already does.

Where we focus on what we do best, we are winning.



Slide 30 - Vitality – opportunity

For example in Vitality - the business of helping people to look good, feel good and get more out of life.

Vitality offers profitable growth opportunities because it is on trend with the consumer as people increasingly focus on living longer, better quality lives.

The impact of this trend is highly visible in Foods.

The vitality segment of almost every foods category is consistently the fastest-growing.

This is a global phenomenon, increasingly relevant in developing and emerging markets as incomes rise.

It offers the opportunity to bring innovation and value-added product development across all foods categories.

Slide 31 - Vitality – Strengths

Vitality plays to Unilever's strengths.

Our unique combination of Foods and HPC in one portfolio means we can play across the vitality space – feeling good and looking good.

We understand what consumers mean by vitality – not health for health's sake but health combined with enjoyment of life and the occasional indulgence.

Our brands are all capable of delivering vitality and we have great vitality capabilities:

- Innovation and product development
- Underpinned by world class science and technology
- Vitality marketing, communication and education.
- Excellent partnerships with experts and key opinion formers.

Vitality is part of Unilever's DNA.

It also delivers great business results.

Slide 32 - Heart Health – building a €1 billion brand

Let's take Heart Health, for example.

It all started with the humble tub of margarine – a product originally sold as a cheaper, healthier version of butter.

Unilever developed the first heart health margarine in the 1950s. But the real breakthrough came in 2001, when we introduced new cholesterol-lowering technology under a new sub-brand - pro-activ.



We extended pro-activ first into our core spreads category, then into milk and yoghurt, then yoghurt drinks.

We built pro-activ's heart health credentials and its mass appeal, creating a €300 million Euro plus pro-activ business in 3 years.

In 2005, we were first to market with one-a-day drinks that help to reduce blood pressure.

Heart Health is now a €1 billion business, in more than 30 countries around the world.

Slide 33 - Heart Health vitality marketing

One reason for our success is our expertise in vitality marketing.

We understand that consumers want to focus on enjoying life, not health fears – so our communication is all about 'live with all your heart'.

We understand that they believe experts, not just adverts, so we make sure we build credibility through the medical profession.

We empower people to take better care of their hearts through education and PR.

And we bring the message to life locally, for example through Flora's sponsorship of the London marathon.

We work with customers on joint education promotions – for example here with Walmart.

Slide 34 - Lipton

Another vitality market showing rapid growth - Healthy, Refreshing Beverages.

In Lipton, we have a winning brand with a strong vitality positioning and an innovation programme using Unilever's strong health and nutrition capabilities to deliver on the promise.

Our Tea Can Do That campaign brings to life the health benefits of tea appealing to a youthful market.

Slide 35 – Lipton Tea Can Do That Advertising

Slide 36 - Tea can do that

Globally, Lipton has grown by 7% over the period you see on the chart – 10% in 2005 - with an increasingly strong contribution from vitality innovation and marketing.

Slide 37 - Personal Care – opportunity

Personal Care – another real source of strength for Unilever and a category we are targeting for high growth and strong market positions.

The opportunity is clear:

Market growth and expansion reflecting growing consumer demand.

And it's a category less vulnerable to penetration from private label.



Slide 38 - Personal Care – strength

Unilever has strong, global and local positions in Personal Care – for example in Skin, including Personal Wash, and Deodorants. We also have strong leadership positions in Hair in D&E.

We have powerful, iconic brands in the category and our track record of delivering growth and profit is outstanding.

Slide 39 - Dove – building a €2.3 billion brand

Dove is a good example.

Dove began as a soap with a real point of difference – it was medically proven to have more softening properties than other soaps.

A core benefit on which we have built.

First through geographic expansion - Unilever's first real example of aggressive and consistent roll out.

Now Dove is in 86 countries.

And we have extended and stretched Dove from bars to liquid wash to Deos, Hand and Body, Hair and Face.

Dove is now a €2.3 billion Euro global brand.

Slide 40 - Dove brand development

But against ever-tougher competition, a product that does what it says it will do is just not enough to win.

A truly powerful, iconic brand must have a meaningful and relevant take on the world.

Slide 41 – Dove brand development *The Campaign for Real Beauty*

This is the basis for Dove's Campaign for Real Beauty which celebrates real women the way they are.

This is based on the insight that women feel increasingly under pressure to conform to an unrealistic standard of beauty.

It starts early, as you can see from this ad which ran during the Superbowl earlier this month – winning best ad, incidentally.

Slide 42 – Dove brand development - 'Little Girls' advertising

I am sure everyone who has a young daughter can relate to that.

Consumers all over the world relate to it. As we have seen as we rolled out the Campaign for Real Beauty in Europe, Latin America, North America and now also in Asia.



Slide 43 - We love Dove's curves

And the results? We love Dove's curves.

Fast-growing turnover and profitability, matched by the brand contribution.

Slide 44 - Developing and emerging markets

Another great strength for Unilever and a key area of focus – developing and emerging markets.

You probably don't need me to remind you of the demographics that underpin the opportunity.

It's worth pointing out that consumer spending in D&E already outdoes consumer spending in developed markets on a ppp basis.

And growth is especially fast in the categories in which Unilever competes.

Slide 45 - D&E – strengths

Unilever has great strengths in D&E.

With both deep local roots in D&E markets and the global scale to win.

Our presence in many D and E markets goes back decades. In some cases like Brazil, back to the early part of the last century.

This gives a unique breadth and depth.

Slide 46 - Meeting the needs of consumers at every economic level

We have learned how to meet the needs of consumers at every economic level.

We tend to talk about 'D&E' as if it is one homogenous market but, of course, that's not true.

Not everybody can afford the kinds of branded goods most consumer goods companies sell.

A growing number are aspiring to lifestyles that include all the benefits of branded consumer goods, but struggle to afford them.

And the vast majority of people – we are talking billions – get by on about a dollar a day. Not much of which can be spared for anything other than the essentials.

In Unilever we understand that and we have developed the capabilities to deliver what consumers want and need.

Affordability – for example – with products available in affordable formats and sizes.

And availability - we have the products, brands, capabilities, distribution and supply chain to deliver to people at all levels of the pyramid.

Slide 47 - D&E – strengths

Our strengths in D&E show in our sustained performance.



8% organic sales growth over the past 15 years.

And good profitability without margin dilution.

D&E is a growing part of our portfolio. In 2005, our sales in D&E exceeded our sales in Western Europe for the first time.

Let's look at an example of how we leverage our strengths.

Slide 48 - Unilever in D&E - Laundry

Looking back to the late 1990s, our Laundry market positions in D&E were already strong with strong local franchises.

But our efforts were fragmented. To defend those positions and increase our growth potential, we needed to leverage our scale better.

Slide 49 - Driving local alignment

Across Laundry branding, packaging, suppliers, innovation and marketing, we drove alignment, streamlining and economies of scale.

Slide 50 - A single, cornerstone position

This culminated in a single, cornerstone position that embraces our entire laundry business across D&E.

The positioning is '*Dirt is Good*', based on the insight that people worry about their children living increasingly constricted lives, with no freedom to play outside and experiment as they once did.

Dirt is Good celebrates the learning and development that can be gained by allowing children that freedom.

It is a concept that travels and a positioning that works wherever consumers meet the brand.

Slide 51- A single, cornerstone position - Dirt is Good in India and Brazil

Slide 52 - Delivering results

As you can see, Omo is delivering strong growth across D&E markets and consistently improving brand health measures.

Slide 53 - Portfolio strategy – this focus delivers the results we want

As these examples show, when we focus on our strengths – in Vitality, Personal Care and D&E - to build or defend strong positions in high growth spaces, we win.

Slide 54 - Unilever's change agenda

So our change agenda is all about doing what it takes to do more of what we do best:

Driving more value from our portfolio by building on our strengths.



Ensuring we have world-class execution capabilities, particularly in brilliant consumer marketing and customer management.

And having the organization we need to deliver the strategy and compete more effectively in the marketplace.

Slide 55 - More value from the portfolio

Slide 56 - More value from the portfolio - sharpening our choices

Going into 2006, we have much greater clarity on what our priorities are – precisely which categories, segments and brands, in which countries, will drive growth.

Since many of our competitors are with us in the building today I don't want to be too specific.

But you won't be surprised to hear that, for example, within the high growth spaces of D&E, India, China and Russia are a big feature of our plans.

Or that vitality is shaping our initiatives in Heart Health, Savoury and Tea.

Or that, in Personal Care, we are building on our leading market positions in Deodorant and Personal Wash.

Slide 57 - Channelling resources

We are also deploying our investment resources – R&D, trade marketing investment, A&P and people – behind our priorities.

- Investing to win, as I have said, where the opportunity is greatest
- Investing to compete to maintain shares and positions that count on our competitive map. For example in tea-based beverages. Our core business in spreads. Or ice cream.
- Then there is a smaller part of our business whose role is primarily to deliver funds for growth.

Let me be clear, these are not 'tail brands' but businesses we need to maintain because they fulfil a key role in our portfolio.

So we are unlocking the potential in our portfolio - choosing where we want to win, building on our strengths and deploying our resources in a much more precise and disciplined way than we have in the past.

Slide 58 - Unilever's change agenda – the organisation to deliver

In 2005, we made some important changes to give us the organisation that would:

- Support our portfolio strategy and increase our ability to make top-down choices and allocation of resources.



- Leverage our global scale better.
- Speed decision-making and strengthen accountability.
- Deliver excellent execution capabilities.
- Give us a more competitive cost-structure.
- And, by no means least, increase our focus on consumers and customers.

Slide 59 - The right organisation to drive more value from the portfolio

We have simplified at the top – made it more clear who is responsible for portfolio choices, allocating resources and driving execution.

- We have moved from three executive groups

We have also flattened the structure, taking out layers.

- We have already streamlined our top management and we are going further this year, resulting in a one-third reduction in management numbers by the end of 2006.
- Of our top 20 businesses – which represent around 80% of our turnover – almost half already report directly to Unilever Executive members.

The new organisation has three pillars: Categories, Regions and Functions.

Between categories and regions, we have established distinct but complementary roles.

Slide 60 - Right organisation - categories

Categories are responsible for driving what needs to be done globally – brand development, brand and category strategies and getting more out of our science and innovation resources by focusing them against fewer, bigger ideas.

Slide 61 - Right organisation – regions

Regions specialise in what gets done locally.

They manage the business, deploy brands and innovations effectively in local markets and they live and breathe customer management.

Slide 62 – The right organisation to enable the change

A key enabler to all of this is One Unilever – the programme we are implementing to dramatically simplify our business and leverage our scale more effectively.

We made good progress in 2005.

- We have merged our operations in countries so that, at the end of 2005, over 80% of our turnover is managed through ‘One Unilever’ organisations.



- We have developed common practices and standards across Unilever's functions – 'One Unilever Way' – and we are making progress on out-sourcing transactional activities in finance, IT and HR.
- By the end of 2006, One Unilever will deliver €700 million Euros in savings, rising to €1 billion Euros by the end of 2007.

So our new structure is cheaper.

But the really big win for Unilever is that we now have an organisation that is closer to consumers and customers, faster, more agile and more disciplined – fit to compete.

Slide 63 – Unilever's change agenda - World class capabilities

We are also strengthening the world class capabilities we need to differentiate Unilever in an industry which is increasingly aiming at the same markets in the same ways.

In a world of 'equal strategies', growth and profitability will also be driven by distinctive competencies and superior executional skills.

In Unilever we already have many of these capabilities – at our best, we are world class.

In Marketing, we know how to deliver:

Slides 64 - Brands with a distinctive personality

Brands with a distinctive personality.

Slide 65 - Brands with enduring ideas

Brands with enduring ideas.

Slide 66 - Ideas that may provoke debate and social change

Ideas that may provoke debate and social change

Slide 67 - Brands that are driven by true insight

Brands that are driven by true insight

Slide 68 - That may be universal or local

That may be universal or local.

Slide 69 - Brands that have proprietary design

Brands that have proprietary design.

Slide 70 - Superior sensories

Superior sensories.

Slide 71 - Outstanding ergonomics

Outstanding ergonomics.



Slide 72 - Compelling claims

Compelling claims.

Slide 73 - And breakthrough science

And breakthrough science.

Slide 74 - Brands that open up new market segments

Brands that open up new market segments.

Slide 75 - Brands that talk both to the head

Brands that talk both to the head ...

Slide 76 - ... and the heart

... and the heart

Slide 77 – With ads you cannot miss – whether in print

With ads you cannot miss – whether in print.

Slide 78 - Or on tv

Or on tv - like this ad from Axe.

[Axe: Residue – Advertising]

Slide 79 - Brands rooted in a clear and consistent category strategy

Brands rooted in a clear and consistent category strategy.

Slide 80 - Big brand ideas brought to life in the marketplace

Big brand ideas brought to life in the marketplace.

Slide 81 - Activated in a way ...

Activated in a way ...

Slide 82 - ... that cannot be missed

... that cannot be missed.

Slide 83 - Brands that stand out on the street

Brands that stand out on the street.

Slide 84 - That go where the people go

That go where the people go.



Slide 85 -... that make you stop and look

That make you stop and look.

Slide 86 - Reach out into the community

Reach out into the community.

Slide 87 - Brands that are promoted creatively

Brands that are promoted creatively.

Slide 88 - Ignite the brands with drama

Ignite the brands with drama.

Slide 89 - And mount events with mass participation

And mount events with mass participation.

Slide 90 - Brands that go on line

Brands that go on line.

Slide 91 - And connect in novel ways

And connect in novel ways.

Slide 92 - That inspire customer co-operation

That inspire customer co-operation.

Slide 93 - Dominate the shelf

Dominate the shelf.

Slide 94 - Enliven the aisle

Enliven the aisle.

Slide 95 - And bring powerful in-store events

And bring powerful in-store events.

Slide 96 – Unilever’s change agenda - World class capabilities

So as you can see, we already have fantastic capabilities where it counts.

Our goal is to make sure we have these distinctive competencies and world class executional capabilities across all of Unilever, all of the time.

In marketing but, equally, in customer management.



Slide 97 - Winning with customers – our change programme

Winning with customers is about increasing the value we can both enjoy by doing business together.

- Improving capabilities and integrating marketers fully into the sales process to develop category thought leadership
- Improving trade spend and promotional effectiveness
- Going to market as One Unilever
- And delivering excellent customer service – delivering 100% availability

Slide 98 - Delivering results in the US

The programme is working and delivering results.

For example in Unilever US where we have been implementing a win with customers programme over the past couple of years.

Going to market as One Unilever gave us the scale we needed to make Unilever in the US a \$9.4 billion business.

This, combined with the improvement in our capabilities, partnerships with key customers and effectiveness in customer management has enabled us to jump up the customer rankings, as you see from our Cannondale rankings.

We have also successfully tested the programme in Northern Europe last year. This year, we will extend it into China, Turkey and the UK.

Slide 99 - Changing Unilever

So to summarise.

We have sharpened our choices and the way we allocate increased resources.

We are on the way to restoring this business to competitiveness. We have built a stronger platform from which to move forward. We have a portfolio with which we can compete and win and we are driving more value from it.

We are building on our strengths to grow ahead of the markets where we compete to win *and* build more strong market positions in high growth spaces.

We have the organisation we need to support our strategy.

And we are ensuring that we have the right, world class capabilities - across Unilever - to deliver excellent execution and compete more effectively.

A lot of change in a short time.

It hasn't always been easy and it's still work in progress, as I am sure you will appreciate.



But I have no doubt that the change is taking root in Unilever, that our people are embracing it and see it as the way we will win, create value and unlock Unilever's unique potential.

Slide 100 - We're changing Unilever

Thank you.

This presentation may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. 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. 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 presentation.

The presentation refers to certain non-GAAP measures such as underlying sales growth, ungeared free cash flow and return on invested capital. These measures are not intended to be a substitute for GAAP measures. Definitions and reconciliations to GAAP measures can be found at www.unilever.com/ourcompany/investorcentre/.