



# 2005 Roadshow Presentation



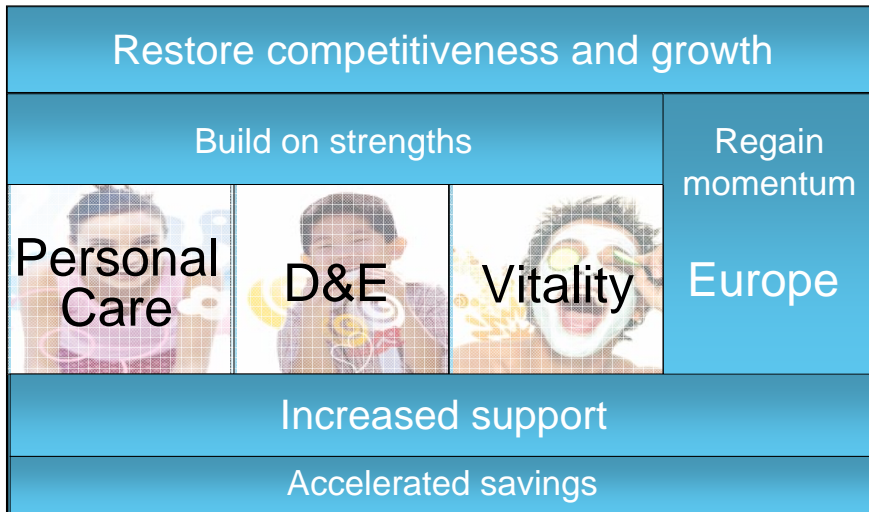
*Handout Version*

## Safe Harbour Statement



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.

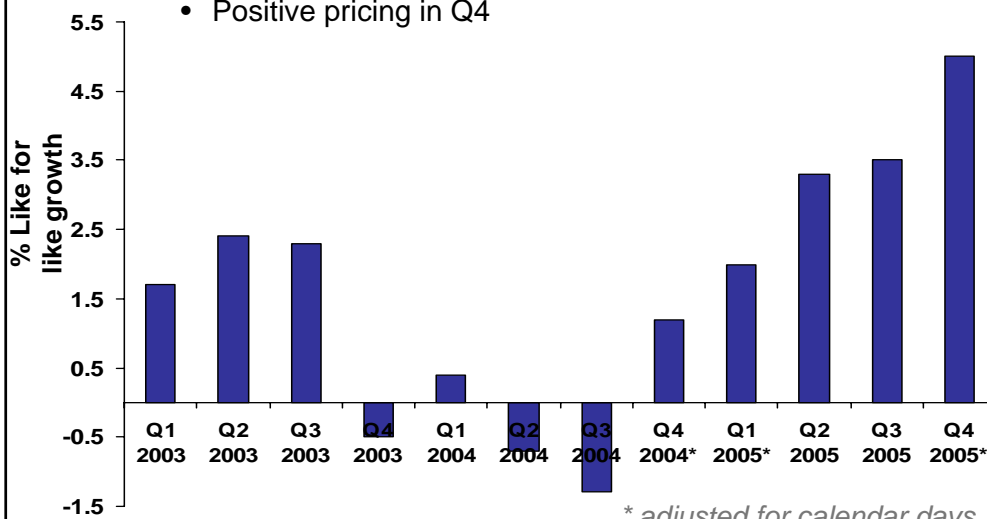
## 2005 – more weight behind fewer priorities



## 2005 – LFL sales growth



- 3.1% USG in 2005
- Growing momentum during the year
- Positive pricing in Q4



\* adjusted for calendar days

## Regional performance



	USG		LFL growth*
	2004	2005	Q4 05
Europe	(2.8)%	(0.8)%	2%
Americas	3.3%	4.1%	5%
Asia/Africa	1.9%	8.7%	10%
<b>Total</b>	<b>0.4%</b>	<b>3.1%</b>	<b>5%</b>

2004 as reported, pre-IFRS

\*Excludes estimated impact of six fewer days vs Q4 2004

## 2005 operating margin



	2004	2005	Change (bps)
Full Year Operating Margin	11.0%	13.4%	240
<i>Includes restructuring, disposals and impairments</i>	<i>(4.6)%</i>	<i>(1.4)%</i>	<i>(320)</i>
Change before these items			(80)
<u>Key drivers</u>			
Increased investment in A&P +€500m			(110)
Higher input costs + €600m			(150)
Savings programmes >€700m			180

## Key 2005 financials



- EPS
  - EPS on continuing operations +22%
    - Includes benefit from lower year-on-year restructuring, disposals and impairment
  - Total EPS +37%
    - Includes impact of UCI disposal
- Tax rate 26%
- €500m share buyback
- +5% increase in dividend

### Long term metrics

- Ungeared Free Cash Flow €4bn
- ROIC                      12.5%

## 2006 priorities



- Sustained growth
- Operating margin to increase from 13.4% in 2005
  - Progressively more favourable pricing and commodity cost environment
  - Competitive A&P investment behind growth priorities
  - Continued flow of savings
  - 100 bps restructuring

## Unilever's financial model



### Overarching ambition remains top one-third TSR

Long term targets:

- FCF €25-30bn during 2005-2010
- Improved ROIC

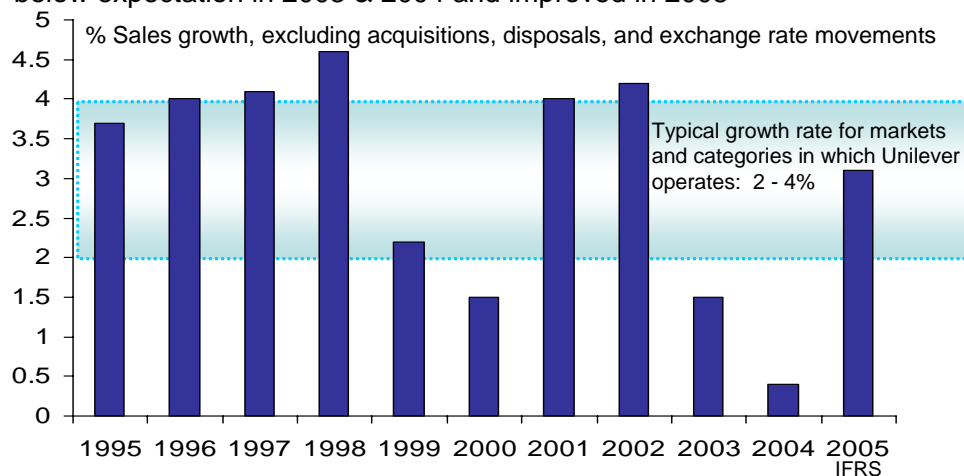
Through:

- Top-line growth ahead of markets which are expected to grow 2-4% *pa*
- Improved operating margin, allowing for 50-100 bps restructuring
- Improved capital efficiency
- Improved tax efficiency (sustainable rate of 28%)

## Underlying sales growth



Underlying sales growth averaged 3.5% p.a. between 1995 & 2002, was below expectation in 2003 & 2004 and improved in 2005



\* including acquisitions and disposals, at current exchange rates

# Unilever's Change Agenda



## Our portfolio

### Foods

- Savoury & Dressings
- Spreads
- Weight Management
- Tea
- Ice Cream

- World Number 1
- World Number 2
- Local strength

### Home & Personal Care

- Skin
- Deodorants
- Laundry - #1 in D&E
- Daily Hair Care - #1 in D&E
- Household Care
- Oral Care

### Our 12 €1bn brands



Source: Euromonitor, UL estimates

## Winning in key markets



**Win key markets**



Build a winning portfolio with more strong leadership positions

High growth spaces

Leading market positions

Sharper choices and resource allocation

Structure and discipline to execute

People and reward aligned

## Building capabilities



**Brand building**



A focus for 2006 - crafting and leveraging global brand mixes



Applying the same methods and standards to all our brands

## Building capabilities



Increasing the value that we can both gain by doing business together



Winning at the point of purchase



## Fit to compete



Complete One Unilever implementation:



A single management team in all markets  
Simplified, standardised business processes  
Majority of top 20 businesses reporting directly to the Unilever Executive  
Further reduction in top management structure



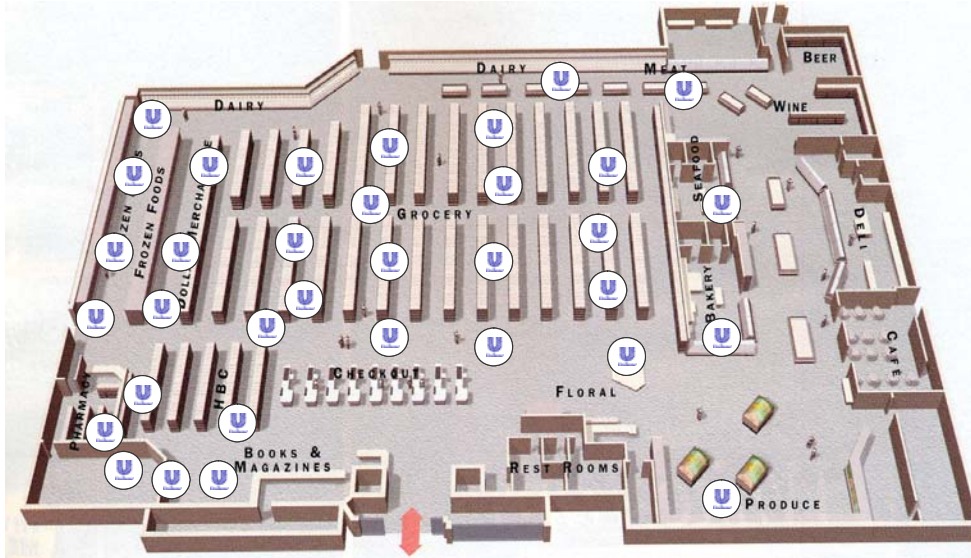
€700 million savings by end 2006  
€1bn savings by end 2007



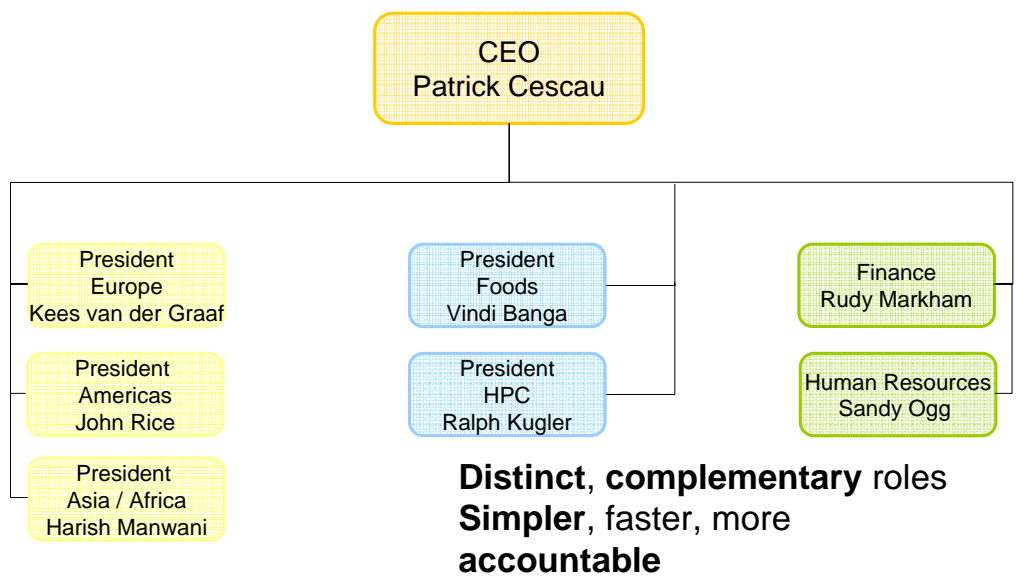
Scale, agility, one face to customers

## Scale, agility, one face to customers

Customer Management in the USA - our unique store reach



## The operating executive structure



## Organisation – categories & regions

### Clear, distinct and complementary roles

#### Categories

**Responsible for:**

Brand development  
Innovation  
Brand and category strategies

**Accountable for:**

Medium/long term market share  
Brand health  
Innovation metrics  
Category value creation

#### Regions

**Responsible for:**

Managing the business  
Deploying brands and innovations effectively  
Winning with customers

**Accountable for:**

Growth  
Profit  
Cash flows  
Short term market shares

## Regaining Momentum in Europe



## Regaining momentum in Europe



### **For consumers - value, choice and innovation**

- pricing in Frozen Food in UK and Home Care in the Netherlands
- value ice cream in Germany
- Heart Health blood pressure and cholesterol-reducing innovations, Sunsilk Colour Enhancing

### **For customers - improved value from doing business together**

- customer development improvement programme
  - increased promotional efficiency
  - strategic investment
  - one face to customers
- already delivering success in the Netherlands

### **For our organisation - increased agility, scale and cost efficiency**

- changes to leadership in Europe
- One Unilever implementation progressing
- new regional supply chain organisation
- outsourcing support services

## Some real improvement



- Underlying sales decline less than -1% against -3% in 2004
- Positive like-for-like sales growth of c.+2% in Q4
- Stabilised market shares in Foods – upward trend in Q4
- Stable HPC shares in second half

... still more to do

# Driving for Growth - Personal Care

In 2005

- Growth over 6%
- Broad-based share gain
- Strong profitability
- Global, regional and local brands all growing strongly



## Maximising the deodorant portfolio



**AXE**



Unlimited  
Global  
Launch

Lynx  
Advertising  
UK



**Rexona**



For Men - Stunt City  
award-winning advertising



Teens Latin America

**Dove**



Ultimate Clear

whether you wear cotton  
linen or wool



Silk Dry

## Optimising brand positions in hair



**Sunsilk - Truly understands your hair**



**Dove to Moisturise and Protect**

## Building on strength in skin - Dove and Ponds



**Dove Cool Moisture**  
 With pure cucumber extract and soothing green tea - for skin that feels smooth, hydrated and refreshed



**Ponds Rejuvenesse**  
 Premium anti-aging face care with an affordable price positioning

## Driving for Growth - D&E Markets

### In 2005

- Delivered c. 9% growth
- Major contribution to Unilever growth
- Broad-based progress across Foods and HPC
- Broad-based across countries



## Unilever in D&E - a sustainable growth story



- Organic growth c. 8% since 1990
- Proportion of sales from D&E up from 20% to 38% in 15 years
- Profitable growth, without margin dilution
- Unbroken value creation since the early 70's

## Drivers of growth in D&E - availability



Reaching shoppers in rural areas....



...and through the traditional and modern trade in urban areas

## Drivers of growth in D&E - affordability



**Rama**  
affordable dairy cream alternatives



**Blue Band**  
margarine sachets



**Rin/Surf**  
low price fabric cleaning sachets



**Knorr Cubitos**  
low unit-price seasoning cubes



**Sunsilk/Clinic**  
individual wash and care sachets



**Rexona Compact**  
low price roll-on deodorant

## Drivers of growth in D&E - consumer intimacy



**Lipton Milk Tea**  
(China)



**Omo Baby**  
hypoallergenic for babies' sensitive skin (Turkey)



**Knorr Salad Seasoning**  
Arabia

### Sunsilk - tailored solutions to local hair dramas



**Anti-Dandruff**  
solves dandruff without compromising on beauty (across Asia)



**Clean & Fresh**  
nourishes and deep cleanses, for women who wear a jilbab (Indonesia, Malaysia)



**For Hair That Breaks and Falls**  
for hair that grows sparse at the ends (Turkey)



**Anti Sponge**  
for Mestizo hair that is difficult to control (Latin America)

## Driving for Growth - Vitality in Foods



## Ways to a healthy heart - Flora/Becel pro.activ



We have expanded the **heart health** benefits of the brand from **cholesterol-reducing** in our core **spreads** category....



...to **milk and yoghurt**....

...and **daily yoghurt drinks**...



...and created a €300m-plus business in 3 years.

And now we are **first to market** with one-a-day drinks, with naturally occurring dairy peptides, to **help reduce blood pressure**.



pro.activ

## Bursting with fruit and vegetable goodness - Knorr Vie



A delicious “smoothie” style drink of **concentrated fruit and vegetable juices**

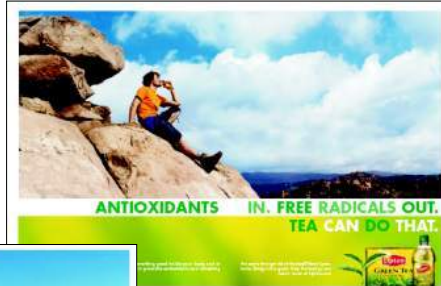


At least **half your daily recommended intake** of fruit and vegetables crammed into one mini bottle



# “Tea Can Do That” communication - Lipton

Lipton’s **unique combination of health benefits**, with antioxidants to fight free radicals

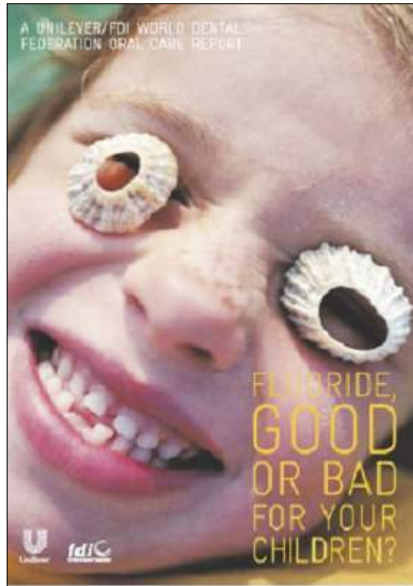


## Driving for Growth - Vitality in HPC





## Partnering the World Dental Federation - Signal



**Signal**

Encouraging oral health around the world through practical, sustainable programmes, activated locally. The 5c toothbrush also brings affordable quality to low income consumers



## Freedom from cleaning - Dirt is Good



The “**Dirt is Good**” campaign, rolled out across the world, brings home the message: **getting dirty is an important part of growing up**

