



Q1 2006 Results

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On Track to Meet 2006 Objectives

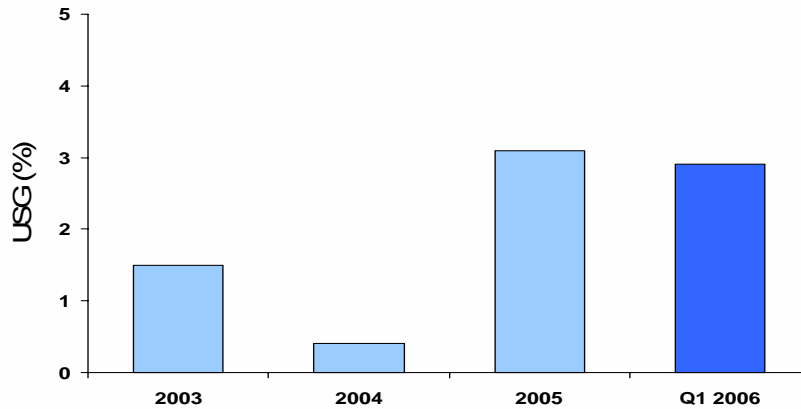


- Consumer demand as expected
 - D&E strong, North America solid, Western Europe somewhat sluggish
- Q1 underlying sales growth
 - Around the 3% level achieved in 2005
 - With a strong innovation programme yet to come
- Savings programmes continue to offset input cost rises

Q1 Sales Performance



2.9% USG in Q1



Q1 price growth of 0.5% includes

- Continuing year-on-year impact of price reductions
- Price increases to recover input costs

3

2006 Business Priorities



- Personal Care
 - 6% growth in the quarter
 - Strong programme, particularly in Skin and Deodorants
- D&E
 - 8% growth in the quarter
 - Broad-based
 - Double-digit growth in India, China and Russia
- Vitality
 - 10 out of 15 Foods priority projects directed at health and wellness

4

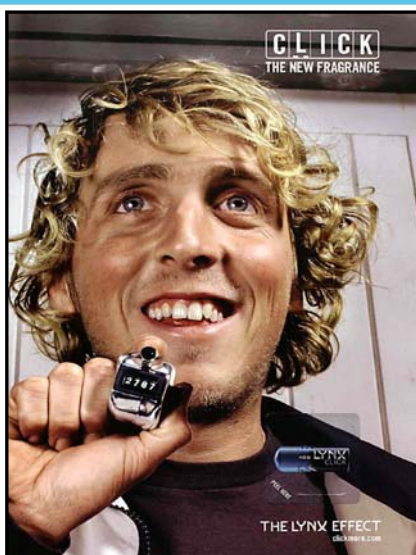
Progress in Europe



- USG (0.5)% in the quarter
- Good news in the quarter in a number of areas
 - UK sales stabilised
 - HPC sales stabilised
 - Good growth in Savoury and Heart Health
- Q1 impacted by
 - Slow start to European Ice Cream
 - Weak quarter in France

5

Innovation - HPC



6

Innovation - Foods



7

Q1 Operating Margin



	Q1 2005	Q1 2006	Change (bps)
Operating Margin	15.0%	14.8%	(20)
<i>Includes restructuring and disposals</i>	0.5%	0.6%	10
Change before these items			(30)
<u>Key drivers</u>			
A&P			(30)
Cost/price			(180)
Savings programmes			180

8

Q1 Key Financials



- Total EPS +7%
- Continuing operations EPS +9% (with 5% from exchange rates)
- Lower financing costs
 - lower debt
 - reduced pension financing costs
- 24% tax rate slightly higher than Q1 2005
- Net debt €10.3bn
- Net cash flow from operating activities €0.3bn

9

Summary



Q1 results keep us on track to meet our 2006 objectives

- We continue to grow in line with our markets
- Strong 2006 innovation programme
- Results from marketing investment behind fewer, bigger initiatives
- Cost structure under tight control

10