



Unilever

2010 FIRST HALF YEAR RESULTS

VOLUME MOMENTUM SUSTAINED WHILST INVESTING FOR THE LONG TERM

Half year highlights

- **Turnover up 9.7% at €21.9 billion.**
- **Underlying volume growth 6.6%.** Underlying sales growth 3.8% and underlying price growth (2.6%); in-year pricing was stable.
- **Underlying operating margin up 30bps** with continuing strong gross margins offset by significant investment in advertising and promotional expenditure, up 180bps.
- **Net cash flow from operating activities €2.2 billion**, up €0.2 billion. Average trading working capital again reduced as a percentage of turnover and has now been negative for three successive quarters.
- **Fully diluted earnings per share €0.70** up 36% reflecting improved operating profit, lower restructuring and the favourable impact of foreign exchange.

Second Quarter highlights

- **Underlying volume growth 5.7%.** Underlying sales growth 3.6% with underlying price growth improving to (2.0%); in-quarter pricing was again stable.
- **Underlying operating margin up 10bps** with advertising and promotions spend up 140bps.

Chief Executive Officer

"We have delivered another quarter of robust volume growth with improved volume market shares in all of our regions. This is an encouraging result given the challenging economic and competitive environment and reflects the continuing investment behind our brands, better in-market execution, successful innovations and the extension of our brands into new markets. The consistent strong performance of our personal care business means that it became, in the quarter, our largest category.

We continue to operate under the assumption of slow economic growth, particularly in developed markets where consumer confidence remains fragile. We do not expect competitive pressures to ease and our ability to increase prices will remain constrained despite rising commodity costs in the second half. We still expect underlying price growth to turn positive towards the end of the year.

Notwithstanding this difficult environment and comparators which get tougher as the year progresses, the results confirm again that our strategy to focus on the consumer and to accelerate growth is working. Our priority remains to drive profitable volume growth and strong cash flow along with steady and sustainable improvement in operating margin for the year as a whole."

Second Quarter 2010		Key Financials (unaudited) Current rates	Half Year 2010	
€11,752m	+12.4%	Turnover	€21,895m	+9.7%
+3.6%		Underlying sales growth*	+3.8%	
€1,628m	+23%	Operating profit	€3,066m	+20%
€1,154m	+39%	Net profit	€2,209m	+35%
€0.36	+38%	Diluted Earnings per share	€0.70	+36%
Third Quarterly Interim Dividend		€0.208 per share		

(* Underlying sales growth is a non-GAAP measure, see note 2 on Page 11 for further explanation.