

STERLING SUPPLEMENT TO THE UNILEVER SECOND QUARTER AND HALF YEAR RESULTS 2006

This document is a supplement to the Unilever second quarter and half year results 2006 and is prepared for reference purposes only, Unilever's reporting currency is the Euro. The income statement, statement of recognised income and expense, movement in equity and cash flow statement are translated at rates current in each period. These rates were €1 = £0.69 for the first six months of 2006 and €1 = £0.69 for the first six months of 2005. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.69 at 1 July 2006, €1 = £0.69 at 31 December 2005 and €1 = £0.68 at 2 July 2005. Certain items in the income statement and statement of recognised income and expense, notably currency retranslation recognised on the disposal of businesses, will not reflect the result which would arise if the reporting currency were to be sterling.

INCOME STATEMENT

(unaudited)

Second Quarter				£ million	Half Year			
2006	2005	Increase/ (Decrease) Current Constant rates rates			2006	2005	Increase/ (Decrease) Current Constant rates rates	
Continuing operations:								
7 053	6 744	5%	3%	Turnover	13 596	12 827	6%	3%
986	808	22%	21%	Operating profit	1 954	1 722	14%	10%
(69)	(19)			After (charging)/crediting:				
24	(224)			Restructuring	(111)	(34)		
				Business disposals and impairments	106	(175)		
(78)	(103)			Net finance costs	(161)	(208)		
(13)	2			Finance income	47	69		
(74)	(97)			Finance costs	(222)	(258)		
9	(8)			Pensions and similar obligations	14	(19)		
12	6			Share in net profit/(loss) of joint ventures	24	13		
4	(6)			Share in net profit/(loss) of associates	4	(6)		
5	8			Other income from non-current investments	7	14		
929	713	30%	29%	Profit before taxation	1 828	1 535	19%	16%
(237)	(215)			Taxation	(449)	(405)		
692	498	39%	38%	Net profit from continuing operations	1 379	1 130	22%	19%
26	32			Net profit/(loss) from discontinued operations	66	79		
718	530	35%	34%	Net profit for the period	1 445	1 209	19%	17%
Attributable to:								
40	36			Minority interests	87	68		
678	494	37%	36%	Shareholders' equity	1 358	1 141	19%	16%
Combined earnings per share								
0.24	0.17	40%	38%	Total operations (Pounds)	0.47	0.39	21%	18%
0.23	0.16	41%	39%	Total operations – diluted (Pounds)	0.46	0.38	21%	18%
0.23	0.15	44%	42%	Continuing operations (Pounds)	0.45	0.36	23%	20%
0.22	0.15	45%	43%	Continuing operations – diluted (Pounds)	0.44	0.35	24%	21%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	Half Year	
	2006	2005
Fair value gains/(losses) on financial instruments net of tax	4	8
Actuarial gains/(losses) on pension schemes net of tax	5	8
Currency retranslation gains/(losses) net of tax	(196)	157
Net income/(expense) recognised directly in equity	(187)	173
Net profit for the period	1 445	1 209
Total recognised income and expense for the period	1 258	1 382
Attributable to:		
Minority interests	87	93
Shareholders' equity	1 171	1 289

MOVEMENTS IN EQUITY

(unaudited)

£ million

	Half Year	
	2006	2005
Equity at 1 January	6 016	4 605
Total recognised income and expense for the period	1 258	1 382
Dividends	(870)	(842)
Conversion of preference shares	–	638
(Purchase)/sale of treasury stock	(10)	(197)
Share option credit	43	58
Dividends paid to minority shareholders	(67)	(73)
Currency retranslation gains/(losses) net of tax	(2)	(13)
Other movements in equity	4	–
Equity at the end of the period	6 372	5 558

BALANCE SHEET

(unaudited)

£ million	As at 1 July 2006	As at 31 December 2005	As at 2 July 2005
Non-current assets			
Goodwill and intangible assets	12 079	12 393	12 125
Property, plant and equipment	4 255	4 456	4 375
Pension asset for funded schemes in surplus	762	711	488
Deferred tax assets	1 018	1 169	1 107
Other non-current assets	741	735	843
Total non-current assets	18 855	19 464	18 938
Assets held for sale	338	149	253
Current assets			
Inventories	2 698	2 819	2 904
Trade and other current receivables	3 495	3 315	3 642
Other financial assets	206	230	252
Cash and cash equivalents	1 102	1 050	1 081
Total current assets	7 501	7 414	7 879
Current liabilities			
Borrowings due within one year	(4 116)	(4 079)	(5 091)
Trade payables and other current liabilities	(5 537)	(5 942)	(5 841)
Restructuring and other provisions	(344)	(442)	(667)
Total current liabilities	(9 997)	(10 463)	(11 599)
Net current assets/(liabilities)	(2 496)	(3 049)	(3 720)
Total assets less current liabilities	16 697	16 564	15 471
Non-current liabilities			
Borrowings due after one year	4 236	4 432	4 127
Pension liability for funded schemes in deficit	1 598	1 658	1 647
Pension liability for unfunded schemes	2 725	2 884	2 714
Restructuring and other provisions	543	502	248
Deferred tax liabilities	659	641	580
Other non-current liabilities	404	413	516
Total non-current liabilities	10 165	10 530	9 832
Liabilities held for sale	160	18	81
Equity			
Shareholders' equity	6 092	5 739	5 278
Minority interests	280	277	280
Total equity	6 372	6 016	5 558
Total capital employed	16 697	16 564	15 471

CASH FLOW STATEMENT

(unaudited)

£ million

	Half Year	
	2006	2005
<u>Operating activities</u>		
Cash flow from operating activities	1 301	1 459
Income tax paid	(299)	(533)
Net cash flow from operating activities	1 002	926
<u>Investing activities</u>		
Interest received	34	54
Net capital expenditure	(302)	(230)
Acquisitions and disposals	127	81
Other investing activities	31	205
Net cash flow from/(used in) investing activities	(110)	110
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(820)	(749)
Interest and preference dividends paid	(191)	(250)
Change in borrowings and finance leases	34	224
Purchase of treasury stock	(9)	(196)
Other financing activities	(51)	(69)
Net cash flow from/(used in) financing activities	(1 037)	(1 040)
Net increase/(decrease) in cash and cash equivalents	(145)	(4)
Cash and cash equivalents at the beginning of the year	868	994
Effect of foreign exchange rate changes	194	(65)
Cash and cash equivalents at the end of period	917	925

ANALYSIS OF NET DEBT

(unaudited)

£ million	As at	As at
	1 July 2006	31 December 2005
Total borrowings	(8 352)	(8 511)
Borrowings due within one year	(4 116)	(4 079)
Borrowings due after one year	(4 236)	(4 432)
Cash and cash equivalents as per balance sheet	1 102	1 050
Cash and cash equivalents as per cash flow statement	917	868
Add bank overdrafts deducted therein	185	183
Less cash and cash equivalents in assets/liabilities held for sale	–	(1)
Other financial assets	206	230
Derivatives and finance leases included in other receivables and other liabilities	(128)	23
Net debt	(7 172)	(7 208)

GEOGRAPHICAL ANALYSIS

(unaudited)

Continuing operations – Second Quarter

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2005	2 725	2 243	1 776	6 744
2006	2 756	2 392	1 905	7 053
Change	1.1%	6.6%	7.3%	4.6%
Impact of:				
Exchange rates	1.0%	3.6%	(0.2)%	1.6%
Acquisitions	0.0%	0.0%	0.0%	0.0%
Disposals	(0.9)%	(0.7)%	(1.1)%	(0.9)%
Underlying sales growth	1.0%	3.6%	8.7%	3.9%
Price	(0.2)%	1.6%	1.4%	0.8%
Volume	1.2%	1.9%	7.2%	3.0%
Operating profit				
2005	464	112	232	808
2006	370	382	234	986
Change current rates	(20.1)%	242.8%	0.8%	22.2%
Change constant rates	(21.0)%	237.5%	0.6%	20.8%
Operating margin				
2005	17.0%	5.0%	13.0%	12.0%
2006	13.5%	16.0%	12.3%	14.0%
Includes restructuring, business disposals and impairments				
2005	0.1%	(11.0)%	0.2%	(3.6)%
2006	(1.6)%	0.4%	(0.5)%	(0.6)%

Continuing operations – Half Year

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2005	5 154	4 284	3 389	12 827
2006	5 138	4 737	3 721	13 596
Change	(0.3)%	10.6%	9.8%	6.0%
Impact of:				
Exchange rates	0.4%	7.7%	2.5%	3.4%
Acquisitions	0.0%	0.0%	0.0%	0.0%
Disposals	(1.0)%	(0.5)%	(1.1)%	(0.9)%
Underlying sales growth	0.3%	3.2%	8.3%	3.4%
Price	(0.4)%	1.5%	1.2%	0.7%
Volume	0.7%	1.7%	7.0%	2.7%
Operating profit				
2005	859	416	447	1 722
2006	770	725	459	1 954
Change current rates	(10.3)%	74.6%	2.5%	13.5%
Change constant rates	(10.7)%	60.7%	(0.2)%	9.8%
Operating margin				
2005	16.7%	9.7%	13.2%	13.4%
2006	15.0%	15.3%	12.3%	14.3%
Includes restructuring, business disposals and impairments				
2005	0.4%	(5.8)%	0.6%	(1.6)%
2006	(0.4)%	0.0%	0.5%	0.0%

Operating profit of discontinued operations – Second Quarter

£ million	Europe	Americas	Asia Africa	Total
2005	47	3	–	50
2006	39	–	–	39

Operating profit of discontinued operations – Half Year

£ million	Europe	Americas	Asia Africa	Total
2005	102	14	–	116
2006	95	–	–	95

PRODUCT AREA ANALYSIS

(unaudited)

Continuing operations – Second Quarter

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2005	2 216	1 563	3 779	1 762	1 203	2 965	6 744
2006	2 296	1 623	3 919	1 900	1 234	3 134	7 053
Change	3.5%	3.9%	3.7%	7.8%	2.6%	5.7%	4.6%
Impact of:							
Exchange rates	1.8%	1.3%	1.6%	1.8%	1.5%	1.6%	1.6%
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Disposals	(1.5)%	(0.4)%	(1.0)%	(1.1)%	(0.3)%	(0.7)%	(0.9)%
Underlying sales growth	3.2%	3.0%	3.1%	7.1%	1.4%	4.8%	3.9%
Operating profit							
2005	353	49	402	284	122	406	808
2006	319	263	582	310	94	404	986
Change current rates	(9.4)%	440.3%	45.3%	9.3%	(23.2)%	(0.5)%	22.2%
Change constant rates	(10.9)%	502.0%	45.3%	6.6%	(25.3)%	(3.0)%	20.8%
Operating margin							
2005	15.9%	3.1%	10.6%	16.1%	10.2%	13.7%	12.0%
2006	13.9%	16.2%	14.9%	16.3%	7.6%	12.9%	14.0%

Continuing operations – Half Year

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2005	4 458	2 598	7 056	3 409	2 362	5 771	12 827
2006	4 628	2 742	7 370	3 754	2 472	6 226	13 596
Change	3.8%	5.5%	4.4%	10.1%	4.7%	7.9%	6.0%
Impact of:							
Exchange rates	2.8%	2.9%	2.8%	4.3%	3.7%	4.1%	3.4%
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Disposals	(1.5)%	(0.3)%	(1.0)%	(0.8)%	(0.5)%	(0.7)%	(0.9)%
Underlying sales growth	2.5%	2.8%	2.6%	6.4%	1.4%	4.4%	3.4%
Operating profit							
2005	746	134	880	585	257	842	1 722
2006	713	374	1 087	652	215	867	1 954
Change current rates	(4.4)%	178.9%	23.5%	11.5%	(16.2)%	3.1%	13.5%
Change constant rates	(6.5)%	179.2%	21.3%	5.9%	(20.0)%	(2.0)%	9.8%
Operating margin							
2005	16.7%	5.2%	12.5%	17.2%	10.9%	14.6%	13.4%
2006	15.4%	13.6%	14.7%	17.4%	8.7%	13.9%	14.4%

EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE HALF YEAR

	<u>2006</u>	<u>2005</u>
Combined EPS		
Average number of combined share units	Thousands of units 2 881 632	2 922 018
Net profit attributable to shareholders' equity	£ million 1 357	1 141
Combined EPS (Pounds)	0.47	0.39
Combined EPS – Diluted		
Adjusted average number of combined share units	Thousands of units 2 966 729	3 019 830
Adjusted net profit attributable to shareholders' equity	£ million 1 357	1 143
Combined EPS - diluted (Pounds)	0.46	0.38