



## 2009 FULL YEAR AND FOURTH QUARTER RESULTS

### STRONG GROWTH MOMENTUM DESPITE A CHALLENGING ENVIRONMENT

#### Full year Highlights

- **Underlying Sales Growth 3.5%.** Underlying volume growth at 2.3% accelerated through the year, reaching 5.0% in the fourth quarter. The increase in volume growth was achieved in most of our key categories and countries and translated into improved share performance in all regions as the year progressed.
- **Operating margin before RDIs up 20bps.** Advertising and promotional expenditure increased by 80bps. Margin development was underpinned by volume efficiencies and savings of €1.4 billion from lower supply chain costs and a leaner organisational structure.
- **Cashflow from operating activities** up by €1.4 billion driven by significant improvement in working capital, and after a €0.5 billion increase in cash contributions to pension funds.

#### Fourth Quarter highlights

- **Underlying Sales Growth 1.8%** with positive volume growth of 5%, widespread across countries and categories. Underlying price growth of -3.1% reflects the fall in commodity costs after the spike in 2008.
- **Operating margin before RDIs up 100bps.** Advertising and promotional expenditure up by 240bps.
- **Operating profit** in the fourth quarter 2008 included profits on disposals of €611 million pre-tax.
- **Strong cash delivery** sustained in the fourth quarter.

**Paul Polman, Chief Executive Officer:** "We made good progress in challenging market conditions. Our market share improvements were broad-based and improved throughout the year. Our brands are stronger, driven by better quality innovation and a step-change in advertising and promotional expenditure. We have further strengthened our leading positions in developing and emerging markets and made encouraging progress in re-establishing volume growth in Western Europe. The organisation is moving fast towards a stronger performance culture. We are faster and more agile and focused on serving over 2 billion consumers every day.

We expect continued pressure on consumer spending power and heightened levels of competitive activity in 2010. We will continue to focus on volume growth as the main driver of long term value creation, whilst delivering steady and sustainable year-on-year improvement in operating margin and strong cashflow."

Fourth Quarter 2009		Key Financials (unaudited) (at current rates. Includes non-GAAP measures marked *, see Page 2 for further explanation)	Full Year 2009	
9,659	(4.8)%	Turnover (€ million)	39,823	(1.7)%
	1.8 %	Underlying sales growth*		3.5 %
972	(33)%	Operating profit (€ million)	5,020	(30)%
1,258	4 %	Operating profit before RDIs* (€ million)	5,888	0 %
906	(24)%	Net profit (€ million)	3,659	(31)%
830	(3)%	Net profit before RDIs* (€ million)	4,014	(6)%
0.30	(27)%	Earnings per share (€)	1.21	(33)%
0.27	(6)%	Earnings per share before RDIs* (€)	1.33	(7)%

**Dividends:** First Quarterly Interim Dividend €0.195