

STERLING SUPPLEMENT TO THE UNILEVER FIRST QUARTER RESULTS 2006

This document is a supplement to the Unilever first quarter 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 three months of 2006 and €1 = £0.69 for the first three months of 2005. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.70 at 1 April 2006, €1 = £0.69 at 31 December 2005 and €1 = £0.69 at 2 April 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)

£ million

	First Quarter			
	2006	2005	Increase/ (Decrease)	
			Current rates	Constant rates
Continuing operations:				
Turnover	6 543	6 083	8%	2%
Operating profit	968	914	6%	0%
After (charging)/crediting:				
Restructuring	(42)	(15)		
Business disposals and impairments	82	49		
Net finance costs	(83)	(105)		
Finance income	60	67		
Finance costs	(148)	(161)		
Pensions and similar obligations	5	(11)		
Share in net profit/(loss) of joint ventures	12	7		
Share in net profit/(loss) of associates	–	–		
Other income from non-current investments	2	6		
Profit before taxation	899	822	9%	5%
Taxation	(212)	(190)		
Net profit from continuing operations	687	632	9%	5%
Net profit/(loss) from discontinued operations	40	47		
Net profit for the period	727	679	7%	3%
Attributable to:				
Minority interests	47	32		
Shareholders' equity	680	647	5%	1%
Combined earnings per share				
From total operations				
Per 1.4p ordinary PLC share (pence)	10.62	10.00	6%	2%
Per 1.4p ordinary PLC share – diluted (pence)	10.21	9.66	6%	2%
From continuing operations				
Per 1.4p ordinary PLC share (pence)	9.99	9.27	8%	4%
Per 1.4p ordinary PLC share – diluted (pence)	9.61	8.96	7%	3%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	First Quarter	
	2006	2005
Fair value gains/(losses) on financial instruments net of tax	(131)	11
Actuarial gains/(losses) on pension schemes net of tax	7	(3)
Currency retranslation gains/(losses) net of tax	221	(55)
Net income/(expense) recognised directly in equity	97	(47)
Net profit for the period	727	679
Total recognised income and expense for the period	824	632
Attributable to:		
Minority interests	48	46
Shareholders' equity	776	586

MOVEMENTS IN EQUITY

(unaudited)

£ million

	First Quarter	
	2006	2005
Equity at 1 January	6 016	4 605
Total recognised income and expense for the period	824	632
Conversion of preference shares	–	644
(Purchase)/sale of treasury stock	(15)	(112)
Share option credit	19	28
Dividends paid to minority shareholders	(8)	(15)
Currency retranslation gains/(losses) net of tax	9	(16)
Other movements in equity	5	–
Equity at the end of the period	6 850	5 766

BALANCE SHEET

(unaudited)

£ million	As at 1 April 2006	As at 31 December 2005	As at 2 April 2005
Non-current assets			
Goodwill and intangible assets	12 474	12 393	11 910
Property, plant and equipment	4 482	4 456	4 281
Pension asset for funded schemes in surplus	715	711	479
Deferred tax assets	1 117	1 169	1 029
Other non-current assets	740	735	1 087
Total non-current assets	19 528	19 464	18 786
Assets held for sale	281	149	107
Current assets			
Inventories	2 940	2 819	2 825
Trade and other current receivables	3 708	3 315	3 171
Other financial assets	268	230	230
Cash and cash equivalents	1 373	1 050	1 183
Total current assets	8 289	7 414	7 409
Current liabilities			
Borrowings due within one year	(4 533)	(4 079)	(3 753)
Trade payables and other current liabilities	(5 751)	(5 942)	(5 657)
Restructuring and other provisions	(392)	(442)	(718)
Total current liabilities	(10 676)	(10 463)	(10 128)
Net current assets/(liabilities)	(2 387)	(3 049)	(2 719)
Total assets less current liabilities	17 422	16 564	16 174
Non-current liabilities			
Borrowings due after one year	4 358	4 432	4 852
Pension liability for funded schemes in deficit	1 632	1 658	1 656
Pension liability for unfunded schemes	2 856	2 884	2 651
Restructuring and other provisions	549	502	192
Deferred tax liabilities	649	641	561
Other non-current liabilities	400	413	490
Total non-current liabilities	10 444	10 530	10 402
Liabilities held for sale	128	18	6
Equity			
Shareholders' equity	6 530	5 739	5 481
Minority interests	320	277	285
Total equity	6 850	6 016	5 766
Total capital employed	17 422	16 564	16 174

CASH FLOW STATEMENT

(unaudited)

£ million

	First Quarter	
	2006	2005
<u>Operating activities</u>		
Cash flow from operating activities	370	539
Income tax paid	(162)	(213)
Net cash flow from operating activities	208	326
<u>Investing activities</u>		
Interest received	52	29
Net capital expenditure	(130)	(126)
Acquisitions and disposals	98	70
Other investing activities	(25)	146
Net cash flow from/(used in) investing activities	(5)	119
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(48)	(1)
Interest and preference dividends paid	(105)	(80)
Change in borrowings and finance leases	189	(148)
Purchase of treasury stock	(13)	(109)
Other financing activities	(6)	(14)
Net cash flow from/(used in) financing activities	17	(352)
Net increase/(decrease) in cash and cash equivalents	220	93
Cash and cash equivalents at the beginning of the year	868	994
Effect of foreign exchange rate changes	7	(46)
Cash and cash equivalents at the end of period	1 095	1 041

ANALYSIS OF NET DEBT

(unaudited)

£ million	As at 1 April 2006	As at 31 December 2005
	Total borrowings	(8 891)
Borrowings due within one year	(4 533)	(4 079)
Borrowings due after one year	(4 358)	(4 432)
Cash and cash equivalents as per balance sheet	1 373	1 050
Cash and cash equivalents as per cash flow statement	1 095	868
Add bank overdrafts deducted therein	278	183
Less cash and cash equivalents in assets/liabilities held for sale	–	(1)
Other financial assets	268	230
Derivatives and finance leases included in other receivables and other liabilities	101	23
Net debt	(7 149)	(7 208)

GEOGRAPHICAL ANALYSIS

(unaudited)

Continuing operations – First Quarter

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2005	2 429	2 041	1 613	6 083
2006	2 382	2 345	1 816	6 543
Change	(1.9)%	14.9%	12.6%	7.6%
Impact of:				
Exchange rates	(0.3)%	12.0%	5.6%	5.4%
Acquisitions	0.0%	0.1%	0.0%	0.0%
Disposals	(1.1)%	(0.4)%	(1.1)%	(0.8)%
Underlying sales growth	(0.5)%	2.9%	7.8%	2.9%
Price	(0.6)%	1.3%	1.0%	0.5%
Volume	0.1%	1.5%	6.7%	2.4%

Operating profit

2005	395	304	215	914
2006	400	343	225	968
Change current rates	1.2%	12.9%	4.3%	5.8%
Change constant rates	1.6%	(0.4)%	(1.2)%	0.3%

Operating margin

2005	16.2%	14.9%	13.4%	15.0%
2006	16.8%	14.6%	12.4%	14.8%

Includes restructuring, business disposals and impairments

2005	0.8%	(0.1)%	0.9%	0.5%
2006	1.0%	(0.5)%	1.5%	0.6%

Operating profit of discontinued operations – First Quarter

£ million	Europe	Americas	Asia Africa	Total
2005	55	11	–	66
2006	56	–	–	56

PRODUCT AREA ANALYSIS

(unaudited)

We have reviewed the segmental analysis of our foods operations in the light of the proposed sale of frozen foods businesses in Europe, now treated as discontinued operations. The new segments are as follows:

- Savoury, dressings and spreads: comprising the segments previously reported as 'savoury and dressings' and 'spreads and cooking products', together with the remaining frozen foods business.
- Ice cream and beverages: combining the segments previously reported as 'ice cream' and 'beverages'.

Continuing operations – First Quarter

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2005	2 242	1 035	3 277	1 647	1 159	2 806	6 083
2006	2 332	1 119	3 451	1 854	1 238	3 092	6 543
Change	4.1%	8.0%	5.3%	12.6%	6.8%	10.2%	7.6%
Impact of:							
Exchange rates	3.7%	5.5%	4.3%	7.1%	6.1%	6.7%	5.4%
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Disposals	(1.4)%	(0.2)%	(1.0)%	(0.4)%	(0.8)%	(0.6)%	(0.8)%
Underlying sales growth	1.8%	2.6%	2.0%	5.6%	1.4%	3.9%	2.9%
Operating profit							
2005	393	85	478	301	135	436	914
2006	394	111	505	342	121	463	968
Change current rates	0.1%	29.6%	5.3%	13.6%	(9.7)%	6.4%	5.8%
Change constant rates	(2.6)%	19.8%	1.5%	5.2%	(15.2)%	(1.0)%	0.3%
Operating margin							
2005	17.6%	8.2%	14.6%	18.3%	11.6%	15.5%	15.0%
2006	16.9%	9.9%	14.6%	18.4%	9.8%	15.0%	14.8%

EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE FIRST QUARTER

	<u>2006</u>	<u>2005</u>
Combined EPS	Thousands of units	
Average number of combined share units of 1.4p	6 401 741	6 468 403
	£ million	
Net profit attributable to shareholders' equity	680	647
Combined EPS per 1.4p (pence)	10.62	10.00
Combined EPS – Diluted	Thousands of units	
Adjusted average number of combined share units of 1.4p	6 658 379	6 718 801
	£ million	
Adjusted net profit attributable to shareholders' equity	680	649
Combined diluted EPS per 1.4p (pence)	10.21	9.66