

Edgar Filing: UNILEVER PLC - Form 6-K

UNILEVER PLC  
Form 6-K  
May 04, 2006

FORM 6-K  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

REPORT OF FOREIGN ISSUER

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For the month of May, 2006

UNILEVER PLC  
(Translation of registrant's name into English)

UNILEVER HOUSE, BLACKFRIARS, LONDON, ENGLAND  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):\_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):\_\_\_\_\_

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ..... No .X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

Exhibit 99 attached hereto is incorporated herein by reference.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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UNILEVER PLC

/S/ S G WILLIAMS  
By S G WILLIAMS  
SECRETARY

Date: May 04, 2006

## EXHIBIT INDEX

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| EXHIBIT NUMBER | EXHIBIT DESCRIPTION   |
|----------------|---|
| 99             | Notice to London Stock Exchange dated<br>04 May 2006, 1st Quarter Results |

Exhibit 99

## FIRST QUARTER RESULTS 2006

Unilever on-track to meet objectives for 2006.

## FINANCIAL HIGHLIGHTS (unaudited)

EUR million

First Quarter 2006  
Current Current Constant  
rates rates rates

### Continuing operations:

|                                       |       |     |    |
|---------------------------------------|-------|-----|----|
| Turnover                              | 9 535 | 9%  | 2% |
| Operating profit                      | 1 410 | 7%  | 0% |
| Pre-tax profit                        | 1 310 | 10% | 5% |
| Net profit from continuing operations | 1 001 | 10% | 5% |
| Net profit from total operations      | 1 059 | 8%  | 3% |

|                                | NV (EUR) | PLC (EUR cents) |    |    |
|--------------------------------|----------|-----------------|----|----|
| EPS from continuing operations | 0.97     | 14.56           | 9% | 4% |
| EPS from total operations      | 1.03     | 15.47           | 7% | 2% |

## KEY FEATURES OF THE QUARTER

- Turnover ahead by 8.6%, benefiting from 6.3% favourable currency movement.

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- Underlying sales up by 2.9%, mostly volume, with pricing contributing 0.5 percentage points.
- Strong savings offset cost increases.
- Operating margin at 14.8%, 0.2 percentage points lower, with increased investment in advertising and promotions.
- Earnings per share from continuing operations up by 9%.

### GROUP CHIEF EXECUTIVE'S COMMENT

Our priorities for 2006 are to sustain top line growth and improve margins. With the first quarter performance we are on track to achieve these objectives and our aggregate market share remains broadly stable since the start of last year.

The business environment has developed largely as expected. Overall world consumer demand is robust, although Western Europe remains sluggish and we have seen a recent renewed upsurge in some commodity prices.

We are investing behind our priorities and this is reflected in good progress in the first quarter in Developing and Emerging markets, in personal care and from Vitality innovations.

In Western Europe, we are maintaining market share and there are some encouraging signs of improvement as work continues to return the business to sustainable growth.

The move to One Unilever organisation around the world is progressing well and increasingly contributing to faster decision making, better execution and an impressive overall delivery of cost reductions.

As I look forward to the rest of the year, a strong innovation programme, the actions we have been taking on pricing and the level of cost savings, all give me confidence that we will meet our outlook.

Patrick Cescau, Group Chief Executive

4 May 2006

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. These are the same accounting policies as those used for preparation of the Annual Report and Accounts for the year ended 31 December 2005. The condensed interim financial statements, which comply with IAS 34, are shown at current exchange rates, while percentage year-on-year changes are shown at both current and constant exchange rates to facilitate comparison.

In the following commentary, sales growth is stated on an underlying basis at constant exchange rates and excluding the effects of acquisitions and disposals. Turnover includes the impact of exchange rates and acquisitions and disposals.

Unilever uses 'constant rate' and 'underlying' measures primarily for internal performance analysis and targeting purposes. Unilever believes that such measures provide additional information for shareholders on underlying business performance trends. Such measures are not defined under IFRSs or US GAAP and are not intended to be a substitute for GAAP measures of turnover, profit and cash flow.

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The frozen foods businesses in Western Europe which are planned to be sold have been treated as discontinued operations, together with the results of Unilever Cosmetics International, which was sold in the middle of last year. Restated figures for all quarters of 2005 are available at [www.unilever.com/ourcompany/investorcentre](http://www.unilever.com/ourcompany/investorcentre).

### FIRST QUARTER FINANCIAL RESULTS

The commentary on financial results is on the basis of continuing operations, compared with the same quarter of last year, except where otherwise stated.

Turnover increased by 8.6%. Underlying sales grew by 2.9%, including an increasing contribution from pricing, which was up 0.5% in the quarter. Favourable currency movements added 6.3%, with disposals accounting for the remainder of the change in turnover.

Advertising and promotions as a percentage of turnover increased by 0.3 points. Pricing actions and a substantial level of savings from our cost improvement programmes compensated for higher commodity costs and general inflation.

Operating margin at 14.8% was 0.2 percentage points lower than a year ago. The margin this quarter included a favourable 0.6 percentage points from disposal profits less restructuring costs, slightly higher than the level in the same quarter last year. Before the impact of these items, and on a comparable basis, the operating margin would have been 0.3 percentage points lower than a year ago.

Net finance costs were lower than last year, with a benefit to pensions financing from higher asset values and a lower level of net debt.

The tax rate, at 24%, was only slightly higher than the 23% in the same quarter last year which benefited from a number of non-recurring items. The low rate this quarter included a better country mix and other improvements.

Net profit from continuing operations increased by 10%, while total net profit, including discontinued operations, grew by 8%.

Earnings per share from continuing operations increased by 9%, with a favourable 5% from currency movements.

### OUTLOOK

The outlook for the year is reconfirmed, notwithstanding the restatement of frozen foods businesses planned for sale as discontinued operations. Our priorities are to sustain top line growth and improve our margins. We continue to expect to increase operating margin to above 13.4%. This takes into account the impact of the change in discontinued operations, which lowers the 2005 operating margin to 13.2%, offset by the benefit of disposal profits in the first quarter of this year. We continue to expect gross restructuring costs of around one percentage point of sales.

Given the low tax rate achieved in the first quarter, the rate for the year is now expected to be around 26%.

### CASH FLOW

During the quarter there was a net increase in cash and cash equivalents of EUR0.3 billion. Net cash flow from operating activities was EUR0.2 billion lower, including a higher seasonal outflow of working capital compared with the same period last year. EUR0.2 billion lower net cash flow from investing activities was more than offset by EUR0.5 billion lower net cash flow used in financing activities, mainly due to purchases of treasury stock last year.

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### BALANCE SHEET

Goodwill and intangibles have decreased by EUR0.2 billion since the start of the year, mainly due to currency movements. Inventories and trade receivables were EUR0.6 billion higher, reflecting seasonal build-up in ice cream and the low position at the end of 2005, while trade payables decreased by EUR0.4 billion. Net debt was EUR10.3 billion, a decrease of EUR0.2 billion in the quarter.

Total equity has increased by EUR1.1 billion since the start of the year, consistent with the net profit for the quarter.

### FIRST QUARTER PERFORMANCE BY REGION (continuing operations)

#### EUROPE

Underlying sales declined by 0.5%. Volumes were slightly ahead but prices were lower by 0.6%.

In Western Europe consumption remains weak, while our aggregate market shares are in line with a year ago. In Central and Eastern Europe we continue to achieve good growth in buoyant markets.

Performance in the quarter was mixed. Vitality innovation drove growth in savoury and heart health spreads. There was a slow start in ice cream, which was not helped by the combination of a later Easter and cooler weather. Both personal care and household cleaning grew, but sales were weaker in laundry.

There was an improvement in most key countries. In the Netherlands, sales grew, supported by the move to One Unilever and the roll out of a customer management improvement programme. Sales in the UK were in line with last year. However France was held back by a reduction in trade stock levels, largely linked to the timing of price changes. Russia continues to move ahead strongly with double-digit growth.

The relaunch of Knorr bouillon cubes throughout the region has begun. The new platform communicates the naturalness of the ingredients. At the same time Knorr Vie 'one shot' fruit and vegetable drinks, launched last year, have been extended to a further two countries. In the Netherlands, 'fresh' soup in pouches has transformed a declining market into a growing one by attracting new users, and 'fresh' soups have also been launched in Poland and Russia. Low unit-priced bouillon cubes, already successful in Latin America, have now been introduced to Central and Eastern Europe.

The new Axe/Lynx fragrance, 'Click', has been rolled out across Europe, while Dove was further boosted by a 'summer glow' range in a number of countries. In household cleaning, the Cif brand has been brought to Russia for the first time and elsewhere Cif trigger and super cream were launched. We have just introduced Comfort Creme fabric conditioners, with new technology and a luxury positioning and, in France, new gel laundry tablets are making good progress.

Operating margin, at 16.8%, was 0.6 percentage points higher mainly through lower overhead costs.

#### THE AMERICAS

Underlying sales grew by 2.9%, with 1.3% coming from price increases we have taken.

In the US, consumer demand in home and personal care remains strong, while foods markets show modest growth. Underlying sales in the US were up by 1.1%, held back by an unusual level of trade de-stocking in home and personal care

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categories.

Elsewhere, the region continues to show solid growth despite slower markets in Mexico and Brazil and aggressive lower priced competition in foods.

Highlights of the regional performance included strong contributions from Country Crock side dishes and Bertolli frozen in the US, while sales of spreads suffered from low butter prices. In ice cream we continued to gain market share in the US, and Brazil benefited from new product introductions and good summer weather. Our recovery plan for Slim-Fast produced promising results in the quarter, with a growth in sales following the launch of new hunger control products.

Deodorants continued to grow strongly across the Americas. Laundry shares in South Latin America remain strong but sales in skin care declined as a result of down-trading to lower priced competition. In Mexico sales grew despite soft markets, boosted by sell-in ahead of the move to regionally harmonised systems.

New products in the quarter included five new dishes in the Bertolli range in the US and the introduction of similar products under the Knorr brand in Canada. An extensive innovation programme in ice cream in the US includes more creamy varieties of Breyers 'double churn', the introduction of 'cyclone', with pieces of confectionery in a swirl, and Ben & Jerry's sorbets and cones.

Knorr is being developed with further local recipe bouillons, such as grilled chicken flavour in a number of countries, and through soups in Canada.

Axe continues to go from strength to strength with the launch of exotic body wash products in the US and the roll-out of the global fragrance, 'Click', across the region.

The reshaping of the hair care portfolio in the US is progressing, with the launch of Dove moisturising and therapy ranges, products to care for coloured hair, and a revamp of the Suave range. The sale of the smaller Finesse and Aqua Net brands has just been announced.

Operating margin, at 14.6%, was 0.3 percentage points lower, reflecting higher restructuring costs and lower profits on disposals.

### ASIA AFRICA

Underlying sales grew by 8%, continuing the positive momentum established last year. Growth remains largely volume driven, but with positive pricing of 1% mainly reflecting increases we have taken in home and personal care to mitigate the effects of increased input costs.

Consumer demand remains buoyant and we are benefiting from our strong market positions.

The growth was broad-based across the region. China was particularly strong driven by a healthy combination of market growth and share gains from better distribution and the continuing success of innovations launched last year under brands such as Pond's and Zonghua. India and Indonesia both saw broad-based, double-digit growth. Other highlights included Vietnam, Egypt, Arabia, Turkey and South Africa.

The improved performance in the developed markets of Australia and Japan was sustained, with modest growth in both countries.

Across the region, all categories were ahead in the quarter, with notable contributions from skin care and laundry, which are the two largest.

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Recent innovations in India include the further revitalisation of the Lux brand, including the introduction of Lux Aqua Sparkle, and a new variant of Clinic.

The enhanced Lux Super Rich in Japan has been well received while in Indonesia the Pond's skin care range has been extended with whitening oil control and moisturiser detox products.

Australia has seen the launch of the latest global Axe/Lynx fragrance 'Click'.

In foods, low unit-priced Knorr bouillon cubes have been brought to the region and Green Tea innovations are being rolled out extensively. In South Africa, Rama is being relaunched with new communication supporting the healthy oils in the product.

Operating margin, at 12.4%, was one percentage point lower than a year ago, reflecting increased investment in advertising and promotions.

**SAFE HARBOUR STATEMENT:** This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'expects', 'anticipates', 'intends' or the negative of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, among others, competitive pricing and activities, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Boards. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report and Accounts on Form 20-F. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

CONDENSED FINANCIAL STATEMENTS  
INCOME STATEMENT  
(unaudited)

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| EUR million  | First Quarter |       |                         |                   |
|--|---------------|-------|-------------------------|-------------------|
|  | 2006          | 2005  | Increase/<br>(Decrease) |                   |
|  |               |       | Current<br>rates        | Constant<br>rates |
| Continuing operations:                             |               |       |                         |                   |
| Turnover   | 9 535         | 8 783 | 9%                      | 2%                |
| Operating profit                                   | 1 410         | 1 320 | 7%                      | 0%                |
| After (charging)/crediting:                        |               |       |                         |                   |
| Restructuring                                      | (61)          | (21)  |                         |                   |
| Business disposals and impairments                 | 119           | 71    |                         |                   |
| Net finance costs                                  | (121)         | (151) |                         |                   |
| Finance income                                     | 87            | 97    |                         |                   |
| Finance costs                                      | (216)         | (233) |                         |                   |
| Pensions and similar obligations                   | 8             | (15)  |                         |                   |
| Share in net profit/(loss) of joint ventures       | 18            | 10    |                         |                   |
| Share in net profit/(loss) of associates           | -             | -     |                         |                   |
| Other income from non-current investments          | 3             | 8     |                         |                   |
| Profit before taxation                             | 1 310         | 1 187 | 10%                     | 5%                |
| Taxation   | (309)         | (274) |                         |                   |
| Net profit from continuing operations              | 1 001         | 913   | 10%                     | 5%                |
| Net profit/(loss) from discontinued operations     | 58            | 68    |                         |                   |
| Net profit for the period                          | 1 059         | 981   | 8%                      | 3%                |
| Attributable to:                                   |               |       |                         |                   |
| Minority interests                                 | 69            | 47    |                         |                   |
| Shareholders' equity                               | 990           | 934   | 6%                      | 1%                |
| Combined earnings per share                        |               |       |                         |                   |
| From total operations                              |               |       |                         |                   |
| Per EUR 0.51 ordinary NV share (Euros)             | 1.03          | 0.96  | 7%                      | 2%                |
| Per 1.4p ordinary PLC share (Euro cents)           | 15.47         | 14.44 | 7%                      | 2%                |
| Per EUR 0.51 ordinary NV share - diluted (Euros)   | 0.99          | 0.93  | 7%                      | 2%                |
| Per 1.4p ordinary PLC share - diluted (Euro cents) | 14.87         | 13.94 | 7%                      | 2%                |
| From continuing operations                         |               |       |                         |                   |
| Per EUR 0.51 ordinary NV share (Euros)             | 0.97          | 0.89  | 9%                      | 4%                |
| Per 1.4p ordinary PLC share (Euro cents)           | 14.56         | 13.39 | 9%                      | 4%                |
| Per EUR 0.51 ordinary NV share - diluted (Euros)   | 0.93          | 0.86  | 8%                      | 3%                |
| Per 1.4p ordinary PLC share - diluted (Euro cents) | 14.00         | 12.93 | 8%                      | 3%                |



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### STATEMENT OF RECOGNISED INCOME AND EXPENSE (unaudited)

| EUR million   | First Quarter |       |
|---|---------------|-------|
|   | 2006          | 2005  |
| Fair value gains/(losses) on financial instruments net of tax | (191)         | 16    |
| Actuarial gains/(losses) on pension schemes net of tax        | 10            | (5)   |
| Currency retranslation gains/(losses) net of tax              | 183           | 88    |
| Net income/(expense) recognised directly in equity            | 2             | 99    |
| Net profit for the period                                     | 1 059         | 981   |
| Total recognised income and expense for the period            | 1 061         | 1 080 |
| Attributable to:  |               |       |
| Minority interests  | 69            | 67    |
| Shareholders' equity  | 992           | 1 013 |

### MOVEMENTS IN EQUITY (unaudited)

| EUR million  | First Quarter |       |
|--|---------------|-------|
|  | 2006          | 2005  |
| Equity at 1 January                                | 8 765         | 6 515 |
| Total recognised income and expense for the period | 1 061         | 1 080 |
| Conversion of preference shares                    | -             | 930   |
| (Purchase)/sale of treasury stock                  | (21)          | (162) |
| Share option credit                                | 28            | 41    |
| Dividends paid to minority shareholders            | (11)          | (22)  |
| Currency retranslation gains/(losses) net of tax   | (4)           | 8     |
| Other movements in equity                          | 7             | -     |
| Equity at the end of the period                    | 9 825         | 8 390 |

### BALANCE SHEET (unaudited)

| EUR million                                 | As at<br>1 April<br>2006 | As at<br>31 December<br>2005 | As at<br>2 April<br>2005 |
|---|--------------------------|------------------------------|--------------------------|
| Non-current assets                          |                          |                              |                          |
| Goodwill and intangible assets              | 17 892                   | 18 055                       | 17 334                   |
| Property, plant and equipment               | 6 428                    | 6 492                        | 6 231                    |
| Pension asset for funded schemes in surplus | 1 026                    | 1 036                        | 696                      |
| Deferred tax assets                         | 1 602                    | 1 703                        | 1 498                    |
| Other non-current assets                    | 1 061                    | 1 072                        | 1 582                    |
| Total non-current assets                    | 28 009                   | 28 358                       | 27 341                   |
| Assets held for sale                        | 403                      | 217                          | 156                      |
| Current assets                              |                          |                              |                          |

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|   |          |          |          |
|---|----------|----------|----------|
| Inventories                                     | 4 217    | 4 107    | 4 112    |
| Trade and other current receivables             | 5 318    | 4 830    | 4 616    |
| Other financial assets                          | 384      | 335      | 334      |
| Cash and cash equivalents                       | 1 969    | 1 529    | 1 721    |
| Total current assets                            | 11 888   | 10 801   | 10 783   |
| Current liabilities                             |          |          |          |
| Borrowings due within one year                  | (6 501)  | (5 942)  | (5 462)  |
| Trade payables and other current liabilities    | (8 249)  | (8 658)  | (8 234)  |
| Restructuring and other provisions              | (562)    | (644)    | (1 045)  |
| Total current liabilities                       | (15 312) | (15 244) | (14 741) |
| Net current assets/(liabilities)                | (3 424)  | (4 443)  | (3 958)  |
| Total assets less current liabilities           | 24 988   | 24 132   | 23 539   |
| Non-current liabilities                         |          |          |          |
| Borrowings due after one year                   | 6 250    | 6 457    | 7 062    |
| Pension liability for funded schemes in deficit | 2 342    | 2 415    | 2 411    |
| Pension liability for unfunded schemes          | 4 096    | 4 202    | 3 858    |
| Restructuring and other provisions              | 787      | 732      | 280      |
| Deferred tax liabilities                        | 931      | 933      | 816      |
| Other non-current liabilities                   | 574      | 602      | 713      |
| Total non-current liabilities                   | 14 980   | 15 341   | 15 140   |
| Liabilities held for sale                       | 183      | 26       | 9        |
| Equity  |          |          |          |
| Shareholders' equity                            | 9 365    | 8 361    | 7 976    |
| Minority interests                              | 460      | 404      | 414      |
| Total equity                                    | 9 825    | 8 765    | 8 390    |
| Total capital employed                          | 24 988   | 24 132   | 23 539   |

CASH FLOW STATEMENT  
(unaudited)

EUR million

First Quarter  
2006 2005

Operating activities

|   |       |       |
|---|-------|-------|
| Cash flow from operating activities     | 540   | 779   |
| Income tax paid                         | (237) | (308) |
| Net cash flow from operating activities | 303   | 471   |

Investing activities

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|  |           |           |
|--|-----------|-----------|
| Interest received  | 76        | 42        |
| Net capital expenditure                                    | (190)     | (182)     |
| Acquisitions and disposals                                 | 143       | 101       |
| Other investing activities                                 | (36)      | 210       |
| <br>Net cash flow from/(used in) investing activities      | <br>(7)   | <br>171   |
| <br>Financing activities                                   |           |           |
| Dividends paid on ordinary share capital                   | (70)      | (2)       |
| Interest and preference dividends paid                     | (152)     | (115)     |
| Change in borrowings and finance leases                    | 275       | (214)     |
| Purchase of treasury stock                                 | (19)      | (158)     |
| Other financing activities                                 | (9)       | (21)      |
| <br>Net cash flow from/(used in) financing activities      | <br>25    | <br>(510) |
| <br>Net increase/(decrease) in cash and cash equivalents   | <br>321   | <br>132   |
| <br>Cash and cash equivalents at the beginning of the year | <br>1 265 | <br>1 406 |
| <br>Effect of foreign exchange rate changes                | <br>(16)  | <br>(23)  |
| <br>Cash and cash equivalents at the end of period         | <br>1 570 | <br>1 515 |

### ANALYSIS OF NET DEBT (unaudited)

| EUR million   | As at<br>1 April<br>2006 | As at<br>31 December<br>2005 |
|---|--------------------------|------------------------------|
| Total borrowings  | (12 751)                 | (12 399)                     |
| Borrowings due within one year  | (6 501)                  | (5 942)                      |
| Borrowings due after one year   | (6 250)                  | (6 457)                      |
| Cash and cash equivalents as per balance sheet  | 1 969                    | 1 529                        |
| Cash and cash equivalents as per cash flow statement                                  | 1 570                    | 1 265                        |
| Add bank overdrafts deducted therein  | 399                      | 265                          |
| Less cash and cash equivalents in assets/<br>liabilities held for sale                | -                        | (1)                          |
| Other financial assets  | 384                      | 335                          |
| Derivatives and finance leases included in other<br>receivables and other liabilities | 145                      | 33                           |
| <br>Net debt  | <br>(10 253)             | <br>(10 502)                 |

### GEOGRAPHICAL ANALYSIS (unaudited)

#### Continuing operations - First Quarter

| EUR million | Europe | Americas | Asia Africa | Total |
|-------------|--------|----------|-------------|-------|
| Turnover    |        |          |             |       |

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|        |        |       |       |       |
|--------|--------|-------|-------|-------|
| 2005   | 3 506  | 2 948 | 2 329 | 8 783 |
| 2006   | 3 471  | 3 418 | 2 646 | 9 535 |
| Change | (1.0)% | 16.0% | 13.6% | 8.6%  |

### Impact of:

|                |        |        |        |        |
|----------------|--------|--------|--------|--------|
| Exchange rates | 0.5%   | 13.0%  | 6.5%   | 6.3%   |
| 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                  | 570  | 439    | 311    | 1 320 |
| 2006                  | 582  | 500    | 328    | 1 410 |
| Change current rates  | 2.2% | 13.9%  | 5.3%   | 6.8%  |
| 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

| EUR million | Europe | Americas | Asia Africa | Total |
|-------------|--------|----------|-------------|-------|
| 2005        | 80     | 16       | -           | 96    |
| 2006        | 81     | -        | -           | 81    |

### 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'.

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### Continuing operations - First Quarter

| EUR million                | Savoury,<br>dressings<br>and<br>spreads | Ice cream<br>and<br>beverages | Foods  | Personal<br>care | Home care<br>and<br>other | Home and<br>Personal<br>Care | Total  |
|----------------------------|---|-------------------------------|--------|------------------|---------------------------|------------------------------|--------|
| Turnover                   |   |                               |        |                  |                           |                              |        |
| 2005                       | 3 236                                   | 1 495                         | 4 731  | 2 378            | 1 674                     | 4 052                        | 8 783  |
| 2006                       | 3 399                                   | 1 630                         | 5 029  | 2 702            | 1 804                     | 4 506                        | 9 535  |
| Change                     | 5.0%                                    | 9.0%                          | 6.3%   | 13.6%            | 7.8%                      | 11.2%                        | 8.6%   |
| Impact of:                 |   |                               |        |                  |                           |                              |        |
| Exchange rates             | 4.6%                                    | 6.5%                          | 5.2%   | 8.0%             | 7.0%                      | 7.6%                         | 6.3%   |
| 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<br>growth | 1.8%                                    | 2.6%                          | 2.0%   | 5.6%             | 1.4%                      | 3.9%                         | 2.9%   |
| Operating profit           |   |                               |        |                  |                           |                              |        |
| 2005                       | 568                                     | 123                           | 691    | 435              | 194                       | 629                          | 1 320  |
| 2006                       | 574                                     | 161                           | 735    | 498              | 177                       | 675                          | 1 410  |
| Change current rates       | 1.0%                                    | 30.8%                         | 6.3%   | 14.7%            | (8.9)%                    | 7.4%                         | 6.8%   |
| 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%  |

### NOTES

(unaudited)

#### Discontinued operations

In line with the requirements of IFRS 5, the frozen foods businesses in Western Europe which are planned to be sold are treated as discontinued operations, together with the results of Unilever Cosmetics International, which was sold in the middle of last year.

Basic earnings per EUR0.51 NV ordinary share in respect of the discontinued operations were EUR0.06 for the quarter (2005: EUR0.07). Diluted earnings per EUR0.51 NV ordinary share in respect of the discontinued operations were EUR0.06 for the quarter (2005: EUR0.07).

Basic earnings per 1.4p PLC ordinary share in respect of the discontinued operations were 0.91 Euro cents for the quarter (2005: 1.05 Euro cents). Diluted earnings per 1.4p PLC ordinary share in respect of the discontinued operations were 0.87 Euro cents for the quarter

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(2005: 1.01 Euro cents).

The net cash flows attributable to the discontinued operations in respect of operating, investing and financing activities for the quarter were EUR(8) million, EUR5 million and EUR(1) million respectively (2005: EUR(28) million, EUR6 million and EUR(1) million).

### Acquisitions and disposals

On 20 March 2006 we announced that we had reached a definitive agreement with Ad van Geloven on the sale of our Mora business in the Netherlands and Belgium. The intention to sell this business, which has a turnover of around EUR100 million, was originally announced in September 2005.

On 2 May 2006, we announced the sale to Lornamead Brands Inc. of the Finesse hair care brand in the US and Canada and the Aqua Net brand in the US. These brands had a combined annual turnover in 2005 of US \$85 million.

### Issuances and repayments of debt

On 15 January 2006, we repaid a US \$300 million bond with a fixed interest rate of 6.15%.

### Exchange rate conventions

The income statement on page 5, the statement of recognised income and expense and the movements in equity on page 6 and the cash flow statement on page 8 are translated at rates current in each period.

The balance sheet on page 7 and the analysis of net debt on page 8 are translated at period-end rates of exchange.

Supplementary information in US dollars and sterling is available on our website at [www.unilever.com/ourcompany/investorcentre](http://www.unilever.com/ourcompany/investorcentre).

The financial statements attached do not constitute the full financial statements within the meaning of Section 240 of the UK Companies Act 1985. Full accounts for Unilever for the year ended 31 December 2005 have been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under Section 237(2) or Section 237(3) of the UK Companies Act 1985.

### EARNINGS PER SHARE

(unaudited)

#### Combined earnings per share

The combined earnings per share calculations are based on the average number of share units representing the combined ordinary shares of NV and PLC in issue during the period, less the average number of shares held as treasury stock.

The number of combined share units is calculated from the underlying NV and PLC shares using the exchange rate of GBP1 = EUR5.445, in accordance with the Equalisation Agreement.

In calculation of diluted earnings per share, a number of adjustments are made to the number of shares, principally the following: (i) conversion into PLC ordinary shares in the year 2038 of shares in a group company under the

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arrangements for the variation of the Leverhulme Trust; (ii) conversion of the EUR0.05 NV preference shares (up to the point of conversion); and (iii) the exercise of share options by employees.

Earnings per share for total operations for the first quarter

|   | 2006               | 2005      |
|---|--------------------|-----------|
| Combined EPS  | Thousands of units |           |
| Average number of combined share units of EUR0.51             | 960 261            | 970 260   |
| Average number of combined share units of 1.4p                | 6 401 741          | 6 468 403 |
|   | EUR million        |           |
| Net profit attributable to shareholders' equity               | 990                | 934       |
| Combined EPS per EUR0.51 (Euros)                              | 1.03               | 0.96      |
| Combined EPS per 1.4p (Euro cents)                            | 15.47              | 14.44     |
| Combined EPS - Diluted  | Thousands of units |           |
| Adjusted average number of combined share units of EUR0.51    | 998 757            | 1 007 820 |
| Adjusted average number of combined share units of 1.4p       | 6 658 379          | 6 718 801 |
|   | EUR million        |           |
| Adjusted net profit attributable to shareholders' equity      | 990                | 937       |
| Combined diluted EPS per EUR0.51 (Euros)                      | 0.99               | 0.93      |
| Combined diluted EPS per 1.4p (Euro cents)                    | 14.87              | 13.94     |
| Combined EPS - American shares                                |                    |           |
| Combined EPS per EUR0.51 NV New York Share                    | \$1.24             | \$1.26    |
| Combined EPS per 5.6p PLC American Depositary Receipt         | \$0.75             | \$0.76    |
| Combined diluted EPS per EUR0.51 NV New York Share            | \$1.19             | \$1.22    |
| Combined diluted EPS per 5.6p PLC American Depositary Receipt | \$0.72             | \$0.73    |

### DATES

The results for the second quarter and for the first half year 2006 will be published on 3 August 2006.

ENQUIRIES: UNILEVER PRESS OFFICE  
+44 (0) 20 7822 6805/6010

Internet: [www.unilever.com](http://www.unilever.com)  
E-mail: [press-office.london@unilever.com](mailto:press-office.london@unilever.com)

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