

CONSOLIDATED PROFIT AND LOSS ACCOUNT – CONSTANT EXCHANGE RATES (unaudited)

Note: A description of the exchange rate conventions used is given on page 14.

Fourth Quarter			£ Millions – constant rates	Full Year		
2003	2002 Restated	% Incr./ (Decr.)		2003	2002 Restated	% Incr./ (Decr.)
7,489	7,770	(4)%	TURNOVER	29,956	30,621	(2)%
(39)	(70)		Less: Share of turnover of joint ventures	(175)	(308)	
7,450	7,700	(3)%	Group turnover	29,781	30,313	(2)%
1,006	440	128%	Group operating profit	3,777	3,143	20%
6	15		Add: Share of operating profit of joint ventures	33	53	
1,012	455	122%	OPERATING PROFIT	3,810	3,196	19%
1,245	1,018	22%	Operating profit beia *	4,711	4,429	6%
(23)	(372)		Exceptional items	(86)	(441)	
(210)	(191)		Amortisation of goodwill and intangibles	(815)	(792)	
10	5		Share of operating profit of associates	19	21	
8	4		Other income from fixed investments	1	(4)	
(163)	(184)		Interest	(645)	(737)	
(29)	17		Other finance income/(cost) – pensions and similar obligations	(118)	68	
838	297	182%	PROFIT BEFORE TAXATION	3,067	2,544	21%
(277)	(69)		Taxation	(1,040)	(1,007)	
561	228	146%	PROFIT AFTER TAXATION	2,027	1,537	32%
(52)	(58)		Minority interests	(179)	(196)	
509	170	199%	NET PROFIT	1,848	1,341	38%
725	592	22%	Net profit beia *	2,686	2,450	10%
COMBINED EARNINGS PER SHARE (Constant rates)						
7.84	2.59	203%	- per 1.4p ordinary PLC share (pence)	28.34	20.19	40%
11.17	9.08	23%	- per 1.4p ordinary PLC share – beia * (pence)	41.31	37.22	11%
7.61	2.51	202%	- per 1.4p ordinary PLC share – diluted (pence)	27.51	19.59	40%

* Before exceptional items and amortisation of goodwill and intangibles

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 15).

NET PROFIT AND EARNINGS PER SHARE – CURRENT EXCHANGE RATES (unaudited)

Net profit and earnings per share given below are stated at current exchange rates i.e. the results in both years have been translated at the exchange rates prevailing during the appropriate period.

For further details of the results at current exchange rates and impact of exchange rate movements see notes on page 14.

Fourth Quarter			£ Millions – current rates	Full Year		
2003	2002	% Incr./		2003	2002	% Incr./
	Restated	(Decr.)			Restated	(Decr.)
7,310	7,512	(3)%	TURNOVER	29,682	30,621	(3)%
(39)	(68)		Less: Share of turnover of joint ventures	(172)	(308)	
<u>7,271</u>	<u>7,444</u>	(2)%	Group turnover	<u>29,510</u>	<u>30,313</u>	(3)%
982	411	139%	Group operating profit	3,790	3,143	21%
6	14		Add: Share of operating profit of joint ventures	32	53	
988	425	132%	OPERATING PROFIT	3,822	3,196	20%
1,203	980	23%	Operating profit beia *	4,681	4,429	6%
(15)	(371)		Exceptional items	(69)	(441)	
(200)	(184)		Amortisation of goodwill and intangibles	(790)	(792)	
8	5		Share of operating profit of associates	17	21	
6	4		Other income from fixed investments	(2)	(4)	
(147)	(172)		Interest	(586)	(737)	
(27)	17		Other finance income/(cost) – pensions and similar obligations	(114)	68	
828	279	196%	PROFIT BEFORE TAXATION	3,137	2,544	23%
(271)	(61)		Taxation	(1,056)	(1,007)	
557	218	155%	PROFIT AFTER TAXATION	2,081	1,537	35%
(49)	(57)		Minority interests	(172)	(196)	
508	161	214%	NET PROFIT AT EXCHANGE RATES	1,909	1,341	42%
			CURRENT IN EACH PERIOD			
710	575	23%	Net profit beia *	2,712	2,450	11%
COMBINED EARNINGS PER SHARE						
(Current rates)						
7.82	2.46	217%	- per 1.4p ordinary PLC share (pence)	29.26	20.19	45%
10.95	8.83	24%	- per 1.4p ordinary PLC share – beia * (pence)	41.69	37.22	12%
7.58	2.39	217%	- per 1.4p ordinary PLC share – diluted (pence)	28.40	19.59	45%
			Preference dividends	(19)	(27)	
			Dividends on ordinary capital	(1,163)	(1,042)	
			Result for the year retained	<u>727</u>	<u>272</u>	

* Before exceptional items and amortisation of goodwill and intangibles

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

£ Millions – current rates

	Full Year	
	2003	2002 Restated
Net profit	1,909	1,341
Unrealised gain on partial disposal of a group company	-	35
Pensions – actuarial gains/(losses) net of tax	(20)	(1,765)
Currency retranslation	403	(720)
Total recognised gains/(losses) for the period	2,292	(1,109)
Adjustment related to prior year restatement	(758)	
Total recognised gains/(losses) since last annual accounts	1,534	

MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)

£ Millions – current rates

	Full Year	
	2003	2002 Restated
Shareholders' equity as at 1 January ⁽¹⁾	3,058	5,154
Net profit	1,909	1,341
Dividends	(1,182)	(1,069)
Goodwill written back on disposals	93	288
Unrealised gain on partial disposal of a group company		35
Currency retranslation	464	(693)
Change in number of shares or certificates of shares held in connection with share options	(276)	(349)
Pension – actuarial gains/(losses) net of tax	(20)	(1,765)
Share option credit	144	116
Shareholders' equity as at 31 December	4,190	3,058

SUMMARY BALANCE SHEET (unaudited)

£ Millions – current rates

	As at 31 December	
	2003	2002 Restated
Goodwill and intangible assets	12,535	13,188
Other fixed assets	4,850	5,279
Stocks	2,955	2,927
Debtors	4,162	4,274
Cash and current investments	2,367	1,889
Trade and other creditors	(7,292)	(7,585)
	19,577	19,972
Borrowings	11,252	12,925
Provisions for liabilities and charges (excluding pensions and similar obligations)	1,164	1,026
Net pension asset for funded schemes in surplus	(347)	(248)
Net pension liability in respect of funded schemes in deficit and unfunded schemes	3,007	2,808
Minority interests	311	403
Capital and reserves	4,190	3,058
	19,577	19,972

Restatements relate to the implementation of FRS 17 'Retirement Benefits', a change in the accounting policy for share option costs and in the presentation of securities held as collateral (see notes on page 15).

£ Millions – current rates

	As at 1 January	
	2003	2002
⁽¹⁾ Shareholders' equity as previously reported	3,816	4,272
Change in accounting policy – pensions	(805)	882
Change in accounting policy – share options	47	-
Shareholders' equity as restated	3,058	5,154

CASH FLOW STATEMENT (unaudited)

£ Millions – current rates

	Full Year	
	2003	2002
		Restated
Cash flow from group operating activities	4,689	4,951
Dividends from joint ventures	36	52
Returns on investments and servicing of finance	(816)	(871)
Taxation	(983)	(1,141)
Capital expenditure and financial investment	(708)	(1,071)
Acquisitions and disposals	429	1,102
Dividends paid on ordinary share capital	(1,186)	(992)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	1,461	2,030
Management of liquid resources	(29)	(372)
Financing	(2,016)	(1,933)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(584)	(275)

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT (unaudited)

£ Millions – current rates

	Full Year	
	2003	2002
		Restated
NET DEBT AT 1 JANUARY	(11,036)	(14,173)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(584)	(275)
Cash flow from (increase) / decrease in borrowings	2,011	1,938
Cash flow from increase / (decrease) in liquid resources	29	372
Change in net debt resulting from cash flows	1,456	2,035
Borrowings within group companies acquired	(18)	(48)
Borrowings within group companies sold	3	12
Liquid resources within group companies sold	(2)	(1)
Non cash movements	477	921
Currency retranslation	235	218
MOVEMENT IN NET DEBT IN THE PERIOD	2,151	3,137
NET DEBT AT 31 DECEMBER	(8,885)	(11,036)

GEOGRAPHICAL ANALYSIS (unaudited)

Fourth Quarter			£ Millions	Full Year			
Constant Rates				Current Rates	Constant Rates		
2003	2002 Restated	% Incr./ (Decr)		2003	2003	2002 Restated	% Incr./ (Decr.)
7,489	7,770	(4)%	TURNOVER	29,682	29,956	30,621	(2)%
2,849	3,030	(6)%	Europe	12,647	11,812	12,345	(4)%
1,814	1,926	(6)%	North America	6,822	7,354	7,893	(7)%
548	535	3%	Africa, Middle East & Turkey	2,282	2,129	2,025	5%
1,304	1,308	0%	Asia and Pacific	4,903	5,072	4,939	3%
974	971	0%	Latin America	3,028	3,589	3,419	5%
1,245	1,018	22%	OPERATING PROFIT – beia *	4,681	4,711	4,429	6%
408	354	15%	Europe	2,096	1,948	1,724	13%
419	327	28%	North America	1,147	1,241	1,300	(5)%
74	39	93%	Africa, Middle East & Turkey	303	282	219	29%
193	171	13%	Asia and Pacific	707	732	703	4%
151	127	19%	Latin America	428	508	483	5%
16.6%	13.1%		OPERATING MARGIN – beia *	15.8%	15.7%	14.5%	
14.3%	11.7%		Europe	16.6%	16.5%	14.0%	
23.1%	17.0%		North America	16.8%	16.9%	16.5%	
13.6%	7.2%		Africa, Middle East & Turkey	13.3%	13.3%	10.8%	
14.8%	13.0%		Asia and Pacific	14.4%	14.4%	14.2%	
15.6%	13.1%		Latin America	14.1%	14.2%	14.1%	

* Before exceptional items and amortisation of goodwill and intangibles

OPERATIONAL ANALYSIS (unaudited)

Fourth Quarter			£ Millions	Full Year			
Constant Rates				Current Rates	Constant Rates		
2003	2002 Restated	% Incr./ (Decr.)		2003	2003	2002 Restated	% Incr./ (Decr.)
7,489	7,770	(4)%	TURNOVER	29,682	29,956	30,621	(2)%
4,026	4,284	(6)%	Foods	16,727	16,623	17,201	(3)%
1,627	1,663	(2)%	Savoury and Dressings	5,950	5,955	5,968	0%
920	1,064	(14)%	Spreads and Cooking Products	3,475	3,403	3,904	(13)%
612	657	(7)%	Health & Wellness and Beverages	2,468	2,545	2,647	(4)%
867	900	(4)%	Ice Cream and Frozen Foods	4,834	4,720	4,682	1%
1,277	1,287	(1)%	Home Care	4,998	5,045	5,388	(6)%
2,095	2,081	1%	Personal Care	7,709	8,029	7,689	4%
91	118	(23)%	Other Operations	248	259	343	(25)%
1,245	1,018	22%	OPERATING PROFIT – beia *	4,681	4,711	4,429	6%
673	596	13%	Foods	2,696	2,654	2,439	9%
351	324	8%	Savoury and Dressings	1,034	1,031	931	11%
178	182	(2)%	Spreads and Cooking Products	598	572	606	(6)%
115	110	5%	Health & Wellness and Beverages	364	379	378	0%
29	(20)	245%	Ice Cream and Frozen Foods	700	672	524	28%
153	95	62%	Home Care	632	626	576	9%
419	312	34%	Personal Care	1,357	1,434	1,387	3%
-	15	(97)%	Other Operations	(4)	(3)	27	(109)%
16.6%	13.1%		OPERATING MARGIN – beia *	15.8%	15.7%	14.5%	
16.7%	13.9%		Foods	16.1%	16.0%	14.2%	
21.5%	19.5%		Savoury and Dressings	17.4%	17.3%	15.6%	
19.4%	17.2%		Spreads and Cooking Products	17.2%	16.8%	15.5%	
18.8%	16.7%		Health & Wellness and Beverages	14.8%	14.9%	14.3%	
3.4%	(2.2)%		Ice Cream and Frozen Foods	14.5%	14.2%	11.2%	
12.0%	7.4%		Home Care	12.6%	12.4%	10.7%	
20.0%	15.0%		Personal Care	17.6%	17.9%	18.1%	
0.4%	12.5%		Other Operations	(1.9)%	(0.9)%	7.8%	

* Before exceptional items and amortisation of goodwill and intangibles

Earnings per share in Sterling for the year

	<u>Constant rates</u>		<u>Current rates</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
		<u>Restated</u>		<u>Restated</u>
	Thousands of units			
Average number of combined share units of 1.4p	6,459,377	6,511,620	6,459,377	6,511,620
	£ Millions			
<u>COMBINED EPS</u>				
Net profit	1,848	1,341	1,909	1,341
Less: Preference dividends	(17)	(27)	(19)	(27)
Net profit attributable to ordinary capital	<u>1,831</u>	<u>1,314</u>	<u>1,890</u>	<u>1,314</u>
Combined EPS per 1.4p	<u>28.34</u>	<u>20.19</u>	<u>29.26</u>	<u>20.19</u>
	£ Millions			
<u>COMBINED EPS – beia *</u>				
Net profit	1,848	1,341	1,909	1,341
Add back exceptional items net of tax	60	346	47	346
Add back amortisation of goodwill / intangibles net of tax	778	763	756	763
Net profit beia *	<u>2,686</u>	<u>2,450</u>	<u>2,712</u>	<u>2,450</u>
Less: Preference dividends	(17)	(27)	(19)	(27)
Net profit attributable to ordinary capital – beia *	<u>2,669</u>	<u>2,423</u>	<u>2,693</u>	<u>2,423</u>
Combined EPS – beia * per 1.4p	<u>41.31</u>	<u>37.22</u>	<u>41.69</u>	<u>37.22</u>
	Thousands of units			
<u>COMBINED EPS – Diluted</u>				
Adjusted average combined share units of 1.4p	6,654,276	6,710,844	6,654,276	6,710,844
	£ Millions			
Net profit attributable to ordinary capital	<u>1,831</u>	<u>1,314</u>	<u>1,890</u>	<u>1,314</u>
Combined diluted EPS per 1.4p	<u>27.51</u>	<u>19.59</u>	<u>28.40</u>	<u>19.59</u>

* Before exceptional items and amortisation of goodwill and intangibles