



INTERIM MANAGEMENT REPORT FOR HALF YEAR TO JUNE 2008

KEY FINANCIALS

(unaudited)

Second Quarter 2008			€million	Half Year 2008		
Current rates	Increase/(Decrease) Current rates	Constant rates		Current rates	Increase/(Decrease) Current rates	Constant rates
Continuing operations:						
10 374	(1)%	6 %	Turnover	19 945	(1)%	6 %
1 369	(5)%	3 %	Operating profit	3 184	16 %	24 %
1 353	(4)%	4 %	Pre-tax profit	3 135	14 %	21 %
Total operations:						
978	(19)%	(12)%	Net profit	2 385	5 %	10 %
0.32	(18)%	(12)%	EPS (Euros)	0.79	6 %	12 %

GOOD PERFORMANCE CONTINUES IN A CHALLENGING ENVIRONMENT. OUTLOOK CONFIRMED.

Financial Highlights of the Half Year

- Underlying sales growth of 7.0% in the first half year.
- Operating margin of 16.0% in the first half year, with an underlying improvement of 0.4 percentage points.
- Earnings per share up by 6%, or 12% at constant exchange rates. The first quarter benefited from disposal profits, while the second quarter was affected by higher restructuring charges and a particularly low tax rate last year.

Operational Highlights

- Broad-based growth in every category.
- Continued strong growth in Developing and Emerging (D&E) countries from both volume and pricing.
- Price-driven growth in Western Europe and North America.
- Cost increases recovered through determined pricing action and accelerating savings. Efficiency programmes on track to deliver €1 billion of savings this year.
- Further significant progress with disposal programme, including *Bertolli* olive oil and North American laundry.

GROUP CHIEF EXECUTIVE

“Our performance in the first half year has been good in what has been a challenging environment. We have delivered 7% underlying sales growth and an underlying improvement in profitability while maintaining competitiveness. The changes already implemented in the business have made us nimbler and better able to respond to the market conditions. We are doing so against our clear priorities of maintaining competitiveness, improving margins and investing selectively to gain market share.

Looking to the future, our strategy leverages our strong brands, broad geographic footprint and products that meet everyday needs across a wide range of price points. Our innovation programme focuses on opportunities in health and wellness, the use of superior technology, and rapid deployment into new markets. This continues to be the best route to long-term value creation.

For this year we confirm our outlook for delivering growth ahead of our 3-5% target range, with an underlying improvement in operating margin.”

Patrick Cescau, Group Chief Executive

31 July 2008