



## 2010 THIRD QUARTER AND NINE MONTHS RESULTS

### ANOTHER QUARTER OF SOLID PROGRESS

#### Third Quarter highlights

- **Underlying volume growth 4.8%.** Underlying sales growth 3.6% with underlying price growth improving to (1.2)%; in-quarter pricing was flat for the third successive quarter.
- **Advertising and promotions spend flat** at constant exchange rates.
- **Underlying operating margin up 20bps.** Lower gross margin, primarily due to increased commodity costs. Indirects significantly down, partly due to phasing which will reverse in the fourth quarter.

#### Nine Months highlights

- **Turnover up 10.9% at €33.4 billion.**
- **Underlying volume growth 6.0%.** Underlying sales growth 3.8% and underlying price growth (2.1)%.
- **Underlying operating margin up 30bps** with higher gross margins offset by significant investment in advertising and promotions, up 100bps.
- **Operating Profit up 21%** reflecting improved underlying operating profit, lower restructuring and the favourable impact of foreign exchange.
- **Fully diluted earnings per share €1.13 up 29%.**

#### Chief Executive Officer

"We have delivered another quarter of solid progress driven by our emerging markets business which again reported high levels of volume growth. This reflects the strength of our position in these markets where competitive activity is intense. Overall volume growth remained strong on the back of stronger innovations and the extension of our brands into new markets. In-quarter pricing was flat with increased prices in some categories offset by others where downward adjustments were needed to stay competitive. Over the course of the first nine months we have significantly increased the investment in our brands and are spending in line with the timing of our in-market activities.

These results confirm again that our strategy to focus on the consumer and to accelerate growth is working. Our priorities remain to drive profitable volume growth and strong cash flow along with steady and sustainable improvement in underlying operating margin for the year as a whole. We continue to expect underlying price growth to turn positive towards the end of the year."

Third Quarter 2010		Key Financials (unaudited) Current rates	Nine Months 2010	
€11,548m	+13.2%	Turnover	€33,443m	+10.9%
+3.6%		Underlying sales growth*	+3.8%	
€1,812m	+21%	Operating profit	€4,878m	+21%
€1,347m	+21%	Net profit	€3,556m	+29%
€0.43	+19%	Diluted Earnings per share	€1.13	+29%
<b>Fourth Quarterly Interim Dividend</b>		<b>€0.208 per share</b>		

(\*) Underlying sales growth is a non-GAAP measure, see note 2 on Page 11 for further explanation of non-GAAP measures used.