Driving Growth through Innovation

11th November 2008

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AGENDA

- Category Organisation
- Driving growth
- Delivering more & better innovation
Strong Organic Growth

Underlying sales growth

Leading Category Positions

- Savoury
- Dressings
- Tea
- Ice Cream
- Spreads
- Deodorants
- Mass Skin
- Laundry
- World Number 1
- World Number 2
- Daily Hair Care
- Oral Care
- Local Strength
- Household Cleaning

Adding Vitality to life
Big Global Brands

12 billion Euro + brands

Top 25 brands = \( \frac{3}{4} \) of Unilever’s sales

Category Goals

Profitable Growth through:

• superior innovation with differentiated technologies

• deep global/local consumer insight

• global category and brand strategies

• global communication platforms

• increased productivity of marketing investment
From Local to Global Organisation

Global Marketing

Global R&D

Category Organisation: 17 Brand Centres, 15 Design Centres

Category
January 2006

• “Not a question of resource – money or people”

• “Need to step-change productivity & delivery of innovation”

Our Commitment:
Delivering more, differentiated innovation

Actions Taken
- Embedded Role of Science
- Focused resources
- Fewer, Bigger projects
- Category Technology Strategies
- Embraced Open Innovation
- One Unilever S&T platforms
- Strengthened R&D leadership
How We Are Driving Growth

Adding Vitality to life

- New benefit
- New segment
- New format

Innovation: 40%

Franchise Expansion: 20%

- More users
- More consumption
- Trading up

Renovation: 40%

- Quality
- Packaging
- Communication
How We Are Driving Growth

- Innovation: 40%
- Franchise Expansion: 20%
- Renovation: 40%

Built Global/Local Consumer Understanding

Wide Variation in Tea Preparation Habits
Simplifying Brand Portfolios: From Local Past

Historic Laundry Portfolio

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Simplifying Brand Portfolios: Now Global

Global Laundry Brand Portfolio

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Laundry – Covering the Price Piano

- **Harmonization of Formulations**
- **Skin Cleansing**
  - 56 Base Formulas reduced to 4 Globally
  - Providing Cost Savings & Speed of Roll-Outs
Focused Funnel: Fewer, Bigger Innovations

- From 5000+ projects to 700
- Average project size increased 10x

Faster Roll-Outs To More Markets

- 25 markets
- 52 markets
- 8 markets
- 20 markets
- 30 markets
- 40 markets
- 16 markets
Delivering More, Better Innovation

Personal Care  D&E  Vitality

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Clinically proven to provide prescription strength moisturisation

Compelling Sensorials: “Wake Up. Go Fresh”

Superior skin whitening & anti-ageing technology

Packaging technology for superior usage, less plastics usage

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Developing & Emerging Markets

Foam cutting technology: single rinse instead of three

Mealmakers - formulation & processing technology

Low cost technology for liquid skin cleansing

Superior fragrance and sensorials

Ambient stability & low cost supply chain

Vitality: Making Healthier Foods

Bouillon jelly proprietary technology

Best tasting fat free ice cream

Light spread rich in vitamins (B3, B5, B6, D, E, A and B1)

Formulation & processing technology

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Vitality: Stronger Functional Claims

- **White Now!**
  Unique optical whitening technology

- **Clinical strength protection based on world class expertise**

- **Catechin rich tea helps to take care of your body shape**

- **Removes dandruff & nourishes the scalp through ClearTech**

Vitality: Driving Sustainability

- **Ben & Jerry’s Fairtrade Partnerships**

- **Rainforest Alliance certified tea**

- **Detergent concentration technology for less water, less transport, higher margins**
Consumer Dynamics in Challenging Times

Recession impact on overall volume

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<thead>
<tr>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
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<tbody>
<tr>
<td>Meals and Dishes</td>
<td>Bouillons</td>
<td>Soups</td>
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<tr>
<td>Margarine</td>
<td>“Trade up/Thrive”</td>
<td>“Trade down”</td>
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<tr>
<td>“Hold”</td>
<td>Deodorants</td>
<td>Sauces</td>
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<tr>
<td>Bouillons</td>
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<td>Dressings</td>
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Source: Nielsen; CMI Europe; McKinsey analysis

6Ps – Winning in Challenging Times

Proposition
Underline Value and Quality

Price
Range-up, Range-down
Better Products are still worth paying for...

Promotion
Protect Advertising
Investment and Spend More Wisely

Pack
Small Packs, Big Packs

Product
Do not cut Product Quality

Place
Catch the moving Shopper

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Key Messages

• Combining local insight with global scale and expertise
• Delivering fewer, bigger innovations
• Leveraging differentiated technology
• Faster roll-outs to more markets
• Action plans to win in challenging times

Raising the Bar
Unilever Investor Seminar
11th – 12th November 2008

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