Unilever

FOURTH QUARTER AND ANNUAL RESULTS 2005

Unilever enters 2006 in much better shape, with increased competitiveness and growth.

FINANCIAL HIGHLIGHTS

(unaudited)

Fourth Quarter		€ million	Full Year			
2005 Current rates	**2004** Current rates		**2005** Current rates	**2004** Current rates	Current rates	Constant rates
		Continuing operations:				
10 081	9 755	Turnover	39 672	38 566	3%	2%
1 063	(288)	Operating profit/(loss)	5 314	4 239	25%	24%
916	(398)	Pre-tax profit/(loss)	4 751	3 704	28%	27%
726	(124)	Net profit from continuing operations	3 502	2 894	21%	20%
		Total operations:				
0.71	(0.16)	EPS NV (Euros)	3.88	2.83	37%	35%
10.68	(2.33)	EPS PLC (Euro cents)	58.17	42.46	37%	35%

KEY FEATURES OF THE YEAR

- **Underlying sales up 3.1%, improving trend throughout the year and a strong fourth quarter.**

- **Market shares stable overall.**

- **Earnings per share up 37%, with 22% from continuing operations, benefiting from lower restructuring, disposal and impairment charges.**

- **Increased investment behind growth priorities, including additional €500 million advertising and promotions.**

- **Operating margin at 13.4%. Productivity improvements and better mix more than offset higher input costs.**

- **Share buy-back programme of €500 million completed. Proposed final dividend of €1.32 per NV ordinary share and 13.54p per PLC ordinary share, raising the total dividend per share by 5% for NV and by 6% for PLC.**

FROZEN FOODS

- **Previously announced review completed. Majority of European frozen foods to be sold.**

CHIEF EXECUTIVE'S COMMENT AND OUTLOOK

2005 was a year of change and investment in the business. The priority was to restore competitiveness and to grow our top line. We made good progress on both, stabilising our market shares and improving growth through the year.

We have refocused and simplified the organisation, and increased investment behind our growth priorities. We have sold our fragrance business and announced today the planned sale of most of the frozen foods business. Our savings programmes are delivering well and have been successful in containing the impact of higher input costs.

We have seen a return to strong growth in personal care and in developing and emerging markets. Performance in Europe improved compared with last year, especially in Foods. There was some pick up in the fourth quarter, but there is still work to do to return Europe to full competitiveness and growth. This will be a key priority for 2006.

The manner in which we ended 2005 gives me confidence as we enter 2006. Unilever is a simpler and more agile business, more responsive to customer and consumer needs, with a clear value creation agenda.

OUTLOOK

For 2006, our priorities are to sustain our top-line growth and improve our margins. We expect a sustained flow of savings from our current programmes, and a progressively more favourable pricing and commodity cost environment. We will continue to invest competitively behind our growth priorities and expect an increase in operating margin from the 13.4% of 2005. In 2006 we plan restructuring costs of around one percent of sales, at the top end of our long term guidance.

We are on track to deliver our targeted savings from the 'One Unilever' programme of €0.7 billion by the end of 2006, and see scope to increase this to €1 billion by the end of 2007.

Looking further ahead, I remain confident that we can deliver our value creation objectives to 2010.

Patrick Cescau

Group Chief Executive

9 February 2006

With effect from 1 January 2005, Unilever has adopted International Financial Reporting Standards (IFRS) as adopted by the EU. These apply to both the prior year comparators and the current year results. In addition, the condensed financial statements are now shown only at current exchange rates, while percentage year-on-year changes are shown at both current and constant exchange rates to facilitate comparison. Further information on the impact of the adoption of IFRS can be found on page 12 and on the Unilever web site at www.unilever.com/ourcompany/investorcentre/.

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. We also use the movements in Ungeared Free Cash Flow (as defined on page 12) and Return On Invested Capital to measure progress against our longer-term value creation goals. Unilever believes that such measures provide additional information for shareholders on underlying business performance trends. Such measures are not defined under IFRS or US GAAP and are not intended to be a substitute for GAAP measures of turnover, profit and cash flow.

FOURTH QUARTER AND ANNUAL FINANCIAL RESULTS

Underlying sales grew by 3.1% in the year, all coming from volume. Like-for-like growth in the fourth quarter was 5% after allowing for the estimated effect of six fewer days than in the same quarter of 2004. (As previously explained, the first quarter had five additional days).

Including the effect of disposals and favourable currency movements, turnover was ahead by 2.9% in the year.

Operating margin for the full year was 13.4%, compared with an operating margin of 11.0% in 2004. Before the impact of net costs of restructuring, business disposals and impairments, the operating margin for 2005 would have been 0.8 percentage points lower than the previous year. Advertising and promotions were 1.1 percentage points of sales higher than last year. Cost savings and an improved mix more than offset the effect of an increase of nearly €600 million in input costs.

In the fourth quarter, the operating margin was 10.6%, compared with a negative 3.0% in the prior year. Before the impact of changes in restructuring, disposals and impairment the operating margin would have been 1.3 percentage points lower than the same quarter of the previous year. Advertising and promotions in the quarter were only slightly higher than the average for the year, but significantly up on the fourth quarter of 2004. Continued higher input costs were offset by cost savings and an improved mix, while positive pricing started to contribute to margin.

There were also gains in the quarter in US health care plans and from currency effects on capital reductions in the Americas.

Operating profit increased by 25% in the year.

Net finance costs were 2% lower in the year through a lower level of net debt.

The effective tax rate was 26% for the year, compared with 22% in the previous year. As a result of structural improvements we are lowering our longer term expectation for the tax rate from around 30% to around 28%. In the quarter, the tax rate was 21%, reflecting the resolution of some outstanding issues in various countries.

Net profit and EPS from continuing operations both increased by 21% and 22% respectively in the year.

Net profit from discontinued operations included a gain of €458 million on the disposal of Unilever Cosmetics International (UCI). Including this, total earnings per share increased by 37% in the year.

FINAL DIVIDENDS

The Boards will recommend to the Annual General Meetings a final dividend of €1.32 per €0.51* ordinary share** of Unilever N.V. and a final dividend of 13.54p per 1.4p ordinary share of Unilever PLC. This will bring the total dividend to €1.98 per €0.51* ordinary share, an increase of 5% over last year and 20.31p per 1.4p ordinary share, an increase of 6% over last year.

* This amount is a representation in euros on the basis of Article 67c Book 2 of the Dutch Civil Code, rounded to two decimal places, of underlying Dutch guilders, as these have not been converted into euros in Unilever N.V.'s Articles of Association.
** Unilever N.V. ordinary shares and Unilever N.V. depositary receipts for ordinary shares.

SHARE BUY-BACK

In 2005 we completed a share buy-back program of €0.5 billion. This was in addition to the purchase of €0.8 billion of shares to partially replenish treasury stock used for the conversion of the €0.05 NV preference shares.

For 2006 we plan a further share buy-back of around €0.5 billion. We may review this in the light of any tactical acquisitions, disposal proceeds including frozen foods, and the development of credit metrics.

CASH FLOW

Cash and cash equivalents were flat for the year. Net cash flow from operating activities, at €4.4 billion, was €1.2 billion lower than in the previous year. This includes the effects of additional marketing investment (€0.5 billion), a lower inflow from working capital

(€0.4 billion) compared with last year, and higher cash costs of restructuring, pensions and tax.

Net cash flow from investing activities was €0.6 billion higher than last year, reflecting higher disposal receipts (including €0.6 billion from the sale of UCI) and net movements in investments with maturity greater than three months. Net cash flow used in financing activities fell by €1.1 billion, reflecting borrowing activity offset by increased purchases of own shares.

Ungeared Free Cash Flow was €4.0 billion.

RETURN ON INVESTED CAPITAL

Return On Invested Capital increased to 12.5% from 10.7% in 2004.

BALANCE SHEET

Goodwill and intangible assets have increased by €1.0 billion against 2004. Currency movements added €1.6 billion, offset by *Slim·Fast* impairment and disposals. Inventories and current trade receivables were €1.0 billion higher, reflecting currency movements and the low position achieved at the end of 2004.

Closing net debt was €10.5 billion, a decrease of €0.7 billion since 1 January. Purchases of treasury stock were €1.3 billion (including the share buy-back program of €0.5 billion) and proceeds of business disposals were €0.8 billion. The €1.4 billion net debt reduction on conversion of the €0.05 preference shares was largely offset by currency movements.

Total equity has increased by €2.7 billion since 1 January. Net profit added €4.0 billion and currency retranslation €0.2 billion. Treasury stock, which is deducted from equity, was used for the conversion of the €0.05 preference shares. This reduced borrowings by €1.4 billion and increased equity by the same amount. Subsequent purchases of treasury stock and parent company dividends reduced equity by €1.3 billion and €1.9 billion respectively.

VALUE CREATION TO 2010

Our long term ambition for financial performance remains ‘Top 1/3’ Total Shareholder Return and our long term targets reflect this:

- Ungeared Free Cash Flow of €25-€30 billion during the period 2005 - 2010; and
- Improved Return on Invested Capital from the 2004 base of around 11%.

We plan to deliver this over the period through:

- Top-line growth ahead of our markets, which are expected to grow at 2-4% per annum;
- Improvement in operating margin against the 2004 base allowing for a ‘normal’ level of restructuring of 50-100 bps per annum;
- Improved capital efficiency compared with our 2004 base; and
- Improved tax efficiency, leading to a sustainable tax rate of around 28%.

FULL YEAR PERFORMANCE BY REGION

EUROPE

Our priority in Europe is to regain momentum and improve competitiveness. The focus has been on enhancing the value to consumers of our products through keener pricing, improved quality and more and better innovation.

Marketing support has been raised to a more competitive level with additional spend deployed against our best opportunities. The organisation is being streamlined and we are building up stronger capabilities in customer management.

We have made progress over the last year: volume has been slightly positive (compared with a 2% decline in 2004), but investment in pricing meant that underlying sales declined by 0.8% in the year.

Central and Eastern Europe performed well, notably in Russia which was ahead by nearly 20%, in buoyant markets.

Western Europe was challenging, with continued weak consumer demand. Our businesses grew in the Netherlands and Spain, but declined by around 2% in France and Germany and by nearly 4% in the UK.

In Foods, we have held overall market share through the course of the year, with growth across all key categories apart from frozen foods.

In Home and Personal Care we had a disappointing year and we have lost market share, particularly in the UK.

Overall, there was some pick-up in the fourth quarter, with around 2% growth on a like-for-like basis, but we are not yet where we want to be.

New product launches this year have included *Knorr Vie* shots, extensions of the *pro.activ* heart health range, soups fortified with vitamins and low fat soups.

We have introduced a *Rexona* sport variant in deodorants, *Axe* shower gel and *Sunsilk* hair styling products. We have further improved our home care product range with launches that address specific consumer needs, such as 'no-need-to-pre-treat' laundry detergents, *Sun* 4-in-1 dishwash and *Domestos* drain unblocker.

The operating margin, at 14.2%, was 0.4 percentage points higher than last year. Increased advertising and promotions and pricing investment together with higher input costs were partly offset by productivity gains. Net restructuring, disposal and impairment costs, at 0.8% were 1.5 percentage points lower than in 2004.

THE AMERICAS

Underlying sales grew by 4%, all coming from volume gains, broadly based across the region, underpinned by a successful innovation programme. In the fourth quarter, like-for-like sales growth was 5%.

Consumer demand in the US showed a sustained recovery. Our sales in the US grew by 3.2%, accelerating through the year, and we gained market share in aggregate.

In Brazil and Mexico, a strong first half was followed by relatively weaker demand in the second half of the year. We grew in line with our markets in Home and Personal Care, but saw some share loss in Foods.

Growth in personal care across the region has been driven by good consumer response to our initiatives, including Vitality innovation and consistent support. This has been particularly evident in the deodorants and personal wash categories, with strong double-digit growth for *Axe*, now the number one deodorant in the US, and for the *Dove* and *Rexona* brands.

Another strong Foods performance in the US was driven by further share gains in ice cream, continued good results from the extension of the *Country Crock* and *Bertolli* brands into new categories, and from *Lipton Ready-to-Drink* and speciality teas. *Slim·Fast* continued to regain share, but in a much contracted weight management market and sales were well below the previous year.

New launches in the US included the well received *Dove 'cool moisture'* range and the extension of *Axe* into male shower gels. In Latin America our brands have also been very successful in connecting with younger consumers through *Rexona 'teens'* and innovative communication for *Axe*.

In the US we introduced *all 'small and mighty'* laundry detergent, offering the convenience of the same cleaning power in a smaller bottle. We have re-launched our *Radiant* laundry brands in Chile and Argentina delivering outstanding whiteness performance.

In Foods, we strengthened the Vitality credentials of our brands in the US with *Promise* heart health spread, *Ragú* organic and support for the anti-oxidant properties of *Lipton* teas. *AdeS* continued to build across Latin America with the distinctive nutrition benefits of 'soy with fruit'.

The operating margin was 13.0%, 5.7 percentage points higher than in 2004. Net charges for restructuring, disposal and impairment were 3.4%, which was 5.8 percentage points lower than in the prior year. Cost savings offset a higher level of advertising and promotions and increased input costs. There were also gains from the sale of an office in the US, in US health care plans and from currency effects on capital reductions.

ASIA AFRICA

We have capitalised on our leading positions and buoyant consumer demand across most of the region, growing underlying sales by 9%, in a competitive environment, and increasing market share in key battle grounds. In the fourth quarter, like-for-like sales growth was 10%.

The growth was broad-based in terms of both categories and geographies. There were notable performances in all major developing and emerging countries, including a strong recovery in India with market share gains, and significant contributions from China, which was up by over 20%, and from South East Asia, Turkey and Arabia. Japan returned to growth. After a weak first half, Australia improved in the second half of the year.

Most of the increase came from volume, but price growth gained momentum through the year, as we moved to selectively recover increased commodity costs, especially in home care.

Growth was underpinned by a range of innovations. In skin care in India, *Lux* has been strengthened with new soap bars from the global range and the introduction of limited editions. Innovations in *Pond's* included a new 'mud' range in China.

In hair care we launched *Dove* in Indonesia, a *Sunsilk* summer range across South East Asia, a new variant for *Lux Super Rich* in China and a strengthened *Sunsilk* range across several key markets in Africa and the Middle East.

New formulations for our laundry products include improved whiteness delivery for *Surf* in Indonesia and *Omo* for sensitive skin in Turkey.

In tea, we have substantially strengthened the *Brooke Bond* brand in India, while *Lipton* is benefiting from strong regional innovations, including Earl Grey and Green Tea variants in markets such as Turkey and Arabia.

The operating margin was 12.6%, 1.8 percentage points higher than in 2004. Increased investment in advertising and promotions was partly offset by productivity gains. The remaining difference was due to net restructuring, disposal and impairment charges which were insignificant in 2005 compared with a net charge of 2.9% in 2004.

CONDENSED FINANCIAL STATEMENTS

INCOME STATEMENT
(unaudited)

Fourth Quarter 2005	Fourth Quarter 2004	Increase/(Decrease) Current rates	Increase/(Decrease) Constant rates	€ million	Full Year 2005	Full Year 2004	Increase/(Decrease) Current rates	Increase/(Decrease) Constant rates
				Continuing operations:				
10 081	9 755	3%	(1)%	**Turnover**	39 672	38 566	3%	2%
1 063	(288)			**Operating profit/(loss)**	5 314	4 239	25%	24%
				After charging:				
(4)	(791)			Impairment of *Slim·Fast*	(363)	(791)		
–	(169)			Provision for Brazilian sales tax	–	(169)		
(152)	(137)			Net finance costs	(618)	(630)		
8	28			Finance income	130	145		
(147)	(165)			Finance costs	(693)	(717)		
(13)	–			Pensions and similar obligations	(55)	(58)		
15	8			Share in net profit/(loss) of joint ventures	47	39		
(19)	–			Share in net profit/(loss) of associates	(25)	2		
9	19			Other income from non-current investments	33	54		
916	(398)			**Profit/(loss) before taxation**	4 751	3 704	28%	27%
(190)	274			Taxation	(1 249)	(810)		
726	(124)			**Net profit/(loss) from continuing operations**	3 502	2 894	21%	20%
10	19			Net profit/(loss) from discontinued operations	473	47		
736	(105)			**Net profit/(loss) for the period**	3 975	2 941	35%	34%
				Attributable to:				
52	39			Minority interests	209	186		
684	(144)			Shareholders' equity	3 766	2 755	37%	35%
				Combined earnings per share				
				<u>From total operations</u>				
0.71	(0.16)			Per € 0.51 ordinary NV share (Euros)	3.88	2.83	37%	35%
10.68	(2.33)			Per 1.4p ordinary PLC share (Euro cents)	58.17	42.46	37%	35%
0.69	(0.15)			Per € 0.51 ordinary NV share – diluted (Euros)	3.76	2.72	38%	37%
10.37	(2.20)			Per 1.4p ordinary PLC share – diluted (Euro cents)	56.40	40.78	38%	37%
				<u>From continuing operations</u>				
0.70	(0.18)			Per € 0.51 ordinary NV share (Euros)	3.39	2.78	22%	20%
10.52	(2.64)			Per 1.4p ordinary PLC share (Euro cents)	50.87	41.72	22%	20%
0.68	(0.17)			Per € 0.51 ordinary NV share – diluted (Euros)	3.29	2.67	23%	21%
10.21	(2.49)			Per 1.4p ordinary PLC share – diluted (Euro cents)	49.33	40.08	23%	21%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

€ million	Full Year 2005	Full Year 2004
Fair value gains/(losses) on financial instruments and cash flow hedges net of tax	346	n/a
Actuarial gains/(losses) on pension schemes net of tax	(49)	(480)
Currency retranslation gains/(losses) net of tax	181	80
Net income/(expense) recognised directly in equity	478	(400)
Net profit for the year	3 975	2 941
Total recognised income and expense for the year	4 453	2 541
Attributable to:		
Minority interests	249	167
Shareholders' equity	4 204	2 374

BALANCE SHEET

(unaudited)

€ million	As at 31 December 2005	As at 31 December 2004
Non-current assets		
Goodwill and intangible assets	18 055	17 007
Property, plant and equipment	6 492	6 181
Pension asset for funded schemes in surplus	1 036	625
Deferred tax assets	1 703	1 491
Other non-current assets	1 072	1 064
Total non-current assets	28 358	26 368
Assets held for sale	217	n/a
Current assets		
Inventories	4 107	3 756
Trade and other receivables due within one year	4 830	4 131
Financial assets	335	1 013
Cash and cash equivalents	1 529	1 590
Total current assets	10 801	10 490
Current liabilities		
Borrowings due within one year	(5 942)	(5 155)
Trade payables and other current liabilities	(8 658)	(8 232)
Restructuring and other provisions	(644)	(799)
Total current liabilities	(15 244)	(14 186)
Net current assets/(liabilities)	(4 443)	(3 696)
Total assets less current liabilities	24 132	22 672
Non-current liabilities		
Borrowings due after one year	6 457	6 893
Pension liability for funded schemes in deficit	2 360	2 291
Pension liability for unfunded schemes	4 257	3 788
Restructuring and other provisions	732	565
Deferred tax liabilities	933	789
Other non-current liabilities	602	717
Total non-current liabilities	15 341	15 043
Liabilities held for sale	26	n/a
Equity		
Shareholders' equity	8 361	7 264
Minority interests	404	365
Total equity	8 765	7 629
Total capital employed	24 132	22 672

MOVEMENTS IN EQUITY

(unaudited)

€ million	Full Year 2005	Full Year 2004
Equity at 31 December 2004	7 629	n/a
IFRS transition adjustment for financial instruments (including preference shares)	(1 564)	n/a
Equity at 1 January	6 065	7 175
Total recognised income and expense for the period	4 453	2 541
Dividends	(1 867)	(1 747)
Conversion of preference shares	1 380	–
(Purchase)/sale of treasury stock	(1 260)	(324)
Share option credit	186	222
Dividends paid to minority shareholders	(217)	(203)
Currency retranslation gains/(losses) net of tax	13	(5)
Other movements in equity	12	(30)
Equity at 31 December	8 765	7 629

CASH FLOW STATEMENT

(unaudited)

€ million	Full Year 2005	Full Year 2004
Operating activities		
Cash flow from operating activities	5 924	6 925
Income tax paid	(1 571)	(1 378)
Net cash flow from operating activities	4 353	5 547
Investing activities		
Interest received	130	168
Net capital expenditure	(813)	(869)
Acquisitions and disposals	784	316
Other investing activities	414	265
Net cash flow from/(used in) investing activities	515	(120)
Financing activities		
Dividends paid on ordinary share capital	(1 804)	(1 720)
Interest and preference dividends paid	(643)	(787)
Change in borrowings and finance leases	(880)	(2 890)
Purchase of own shares	(1 276)	(332)
Other financing activities	(218)	(209)
Net cash flow from/(used in) financing activities	(4 821)	(5 938)
Net increase/(decrease) in cash and cash equivalents	47	(511)
Cash and cash equivalents at the beginning of the year	1 406	1 428
Effect of foreign exchange rate changes	(188)	489
Cash and cash equivalents at the end of the year	1 265	1 406

ANALYSIS OF NET DEBT

(unaudited)

€ million	As at 31 December 2005	As at 1 January 2005
Cash and cash equivalents as per cash flow statement	1 265	1 406
Add: bank overdrafts deducted therein	265	184
Less: cash and cash equivalents in assets/liabilities held for disposal	(1)	(8)
Cash and cash equivalents as per balance sheet	1 529	1 582
Financial assets	335	533
Borrowings due within one year	(5 942)	(6 448)
Borrowings due after one year	(6 457)	(7 221)
Derivatives and finance leases included in other receivables and other liabilities	33	369
Net debt	(10 502)	(11 185)

GEOGRAPHICAL ANALYSIS
(unaudited)

Continuing operations – Fourth Quarter

€ million	Europe	Americas	Asia Africa	Total
Turnover				
2004	4 132	3 160	2 463	9 755
2005	3 942	3 521	2 618	10 081
Change	(4.6)%	11.4%	6.3%	3.3%
Impact of:				
Exchange rates	0.8%	11.3%	2.2%	4.6%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.0)%	(0.1)%	(1.3)%	(1.2)%
Underlying sales growth	(3.6)%	0.3%	5.4%	(0.1)%
Price	(0.8)%	0.0%	2.4%	0.3%
Volume	(2.9)%	0.3%	2.9%	(0.4)%
Operating profit/(loss)				
2004	189	(559)	82	(288)
2005	210	586	267	1 063
Change current rates	11.2%			
Change constant rates	9.3%			
Operating margin				
2004	4.6%	(17.7)%	3.3%	(3.0)%
2005	5.3%	16.7%	10.2%	10.6%

Continuing operations – Full Year

€ million	Europe	Americas	Asia Africa	Total
Turnover				
2004	16 650	12 296	9 620	38 566
2005	16 211	13 179	10 282	39 672
Change	(2.6)%	7.2%	6.9%	2.9%
Impact of:				
Exchange rates	0.4%	3.6%	0.0%	1.3%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.3)%	(0.7)%	(1.6)%	(1.6)%
Underlying sales growth	(0.8)%	4.1%	8.7%	3.1%
Price	(1.0)%	0.2%	1.5%	0.0%
Volume	0.2%	3.9%	7.1%	3.1%
Operating profit/(loss)				
2004	2 303	896	1 040	4 239
2005	2 304	1 719	1 291	5 314
Change current rates	0.0%	91.9%	24.1%	25.3%
Change constant rates	(0.2)%	83.6%	24.7%	23.6%
Operating margin				
2004	13.8%	7.3%	10.8%	11.0%
2005	14.2%	13.0%	12.6%	13.4%
Includes restructuring, business disposals and impairments				
2004	(2.3)%	(9.2)%	(2.9)%	(4.6)%
2005	(0.8)%	(3.4)%	(0.0)%	(1.4)%

Operating profit/(loss) of discontinued operations – Fourth Quarter

€ million	Europe	Americas	Asia Africa	Total
2004	18	9	3	30
2005	–	–	–	–

Operating profit/(loss) of discontinued operations – Full Year

€ million	Europe	Americas	Asia Africa	Total
2004	22	47	4	73
2005	1	20	1	22

CATEGORY ANALYSIS

(unaudited)

Continuing operations – Fourth Quarter

€ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover									
2004	2 253	1 240	763	1 218	5 474	2 561	1 720	4 281	9 755
2005	2 305	1 191	800	1 221	5 517	2 752	1 812	4 564	10 081
Change	2.3%	(3.9)%	4.8%	0.2%	0.8%	7.5%	5.3%	6.6%	3.3%
Impact of:									
Exchange rates	4.3%	2.4%	5.6%	4.0%	4.0%	5.8%	4.6%	5.3%	4.6%
Acquisitions	0.0%	0.0%	0.0%	0.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Disposals	(1.6)%	(2.9)%	(0.7)%	(1.6)%	(1.8)%	(0.4)%	(0.7)%	(0.5)%	(1.2)%
Underlying sales growth	(0.3)%	(3.4)%	(0.1)%	(2.6)%	(1.5)%	2.0%	1.3%	1.7%	(0.1)%
Operating profit/(loss)									
2004	224	137	(805)	(62)	(506)	221	(3)	218	(288)
2005	277	166	92	(30)	505	448	110	558	1 063
Change current rates	23.8%	21.6%		(52.8)%		102.7%		155.8%	
Change constant rates	19.0%	17.9%		(46.1)%		85.4%		128.1%	
Operating margin									
2004	10.0%	11.0%	(105.4)%	(5.1)%	(9.2)%	8.6%	(0.2)%	5.1%	(3.0)%
2005	12.0%	14.0%	11.5%	(2.4)%	9.2%	16.3%	6.1%	12.2%	10.6%

Continuing operations – Full Year

€ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover									
2004	8 172	4 494	3 012	6 286	21 964	9 780	6 822	16 602	38 566
2005	8 369	4 364	3 054	6 373	22 160	10 485	7 027	17 512	39 672
Change	2.4%	(2.9)%	1.4%	1.4%	0.9%	7.2%	3.0%	5.5%	2.9%
Impact of:									
Exchange rates	1.6%	1.1%	1.3%	0.7%	1.2%	1.3%	1.8%	1.5%	1.3%
Acquisitions	0.0%	0.0%	0.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Disposals	(2.1)%	(4.6)%	(1.1)%	(1.4)%	(2.3)%	(0.5)%	(1.2)%	(0.8)%	(1.6)%
Underlying sales growth	2.9%	0.7%	1.1%	1.7%	1.9%	6.3%	2.4%	4.7%	3.1%
Operating profit/(loss)									
2004	1 226	681	(508)	709	2 108	1 508	623	2 131	4 239
2005	1 286	756	48	767	2 857	1 801	656	2 457	5 314
Change current rates	4.9%	11.0%		8.3%	35.5%	19.4%	5.2%	15.2%	25.3%
Change constant rates	3.8%	10.7%		7.5%	34.2%	17.7%	2.1%	13.1%	23.6%
Operating margin									
2004	15.0%	15.2%	(16.9)%	11.3%	9.6%	15.4%	9.1%	12.8%	11.0%
2005	15.4%	17.3%	1.6%	12.0%	12.9%	17.2%	9.3%	14.0%	13.4%

Discontinued operations

Operating profit/(loss) of discontinued operations for the fourth quarter of 2005 was €– million (2004: €30 million), and operating profit/(loss) for the full year was €22 million (2004: €73 million). These amounts relate wholly to the Personal Care category.

NOTES

(unaudited)

Adoption of IFRS

With effect from 1 January 2005 Unilever has adopted International Financial Reporting Standards (IFRS) as adopted by the EU. Our transition date is 1 January 2004 as this is the start date of the earliest period for which we will present full comparative information under IFRS in our 2005 Annual Report and Accounts.

These condensed financial statements are prepared under the historical cost convention as modified by the revaluation of biological assets, financial assets 'available-for-sale investments' and 'at fair value through profit or loss', and derivatives.

IFRS 1 mandates that most standards are applied fully retrospectively, meaning that the opening balance sheet at 1 January 2004 is restated as if those accounting policies had always been applied. There are certain limited exemptions to this requirement. A reconciliation from old GAAP to IFRS of the balance sheet as at 31 December 2004 and the income statements for the quarter and the year then ended is given on pages 14 to 16. A more detailed review of the changes to our accounting policies and a reconciliation of financial statements from old GAAP to IFRS is available on our website at www.unilever.com/ourcompany/investorcentre/.

From 1 January 2005 Unilever implemented the following additional changes in accounting policies. These changes have been applied prospectively from 1 January 2005.

Financial instruments (including preference shares)

From 1 January 2005 Unilever has applied IAS 32 and IAS 39. These standards have many detailed consequences, however the key areas of impact for Unilever are described below.

Under IAS 32, Unilever must present the NV preference share capital as a liability rather than as part of equity. All of the dividends paid on these preference shares are recognised in the income statement as interest expense. The carrying value of the preferential share capital of NV as at 1 January 2005 was €1 502 million.

IAS 39 requires certain non-derivative financial assets to be held at fair value with unrealised movements in fair value recognised directly in equity. Non-derivative financial liabilities continue to be measured at amortised cost, unless they form part of a fair value hedge accounting relationship when they are measured at amortised cost plus the fair value of the hedged risk.

IAS 39 requires recognition of all derivative financial instruments on the balance sheet and that they are measured at fair value. The standard also places significant restrictions on the use of hedge accounting and changes the hedge accounting methodology from that previously applied. As a result Unilever recognises all derivative financial instruments on balance sheet at fair value and applies the new hedge accounting methodology to all significant qualifying hedging relationships.

Non-current assets and asset groups held for sale

Application of IFRS 5 has resulted in reclassifications of non-current assets and asset groups held for sale in the balance sheet as at 1 January 2005. It did not significantly affect the asset values themselves.

Turnover definition

From 1 January 2005 Unilever changed its treatment of promotional couponing and trade communications. From 1 January 2005 these costs are deducted from turnover together with other trade promotion costs which are already deducted from turnover. Comparatives have been restated to reflect this change, which has no impact on operating profit or net profit.

Ungeared Free Cash Flow

Unilever uses the movement in Ungeared Free Cash Flow (UFCF) to measure progress against our longer-term value creation goals.

This measure has been redefined to map to the financial statements prepared under IFRS. In doing this we have decided to use the income statement charges for share-based compensation and pensions, rather than cash payments. In this way the measure is made independent of financing decisions for these items.

The new definition is: cash flow from group operating activities, less capital expenditure, less charges to operating profit for share-based compensation and pensions, and less tax (adjusted to reflect an ungeared position), but before the financing of pensions.

For 2005, the UFCF was €4.0 billion, and would have been €4.1 billion if cash costs had been used for these items.

The calculation of this measure for 2004 and 2005, and information about other non-GAAP measures (Return On Invested Capital, Underlying Sales Growth and Net Debt) can be found on the Unilever website at www.unilever.com/ourcompany/investorcentre.

Issuances and repayments of debt

There was one repayment of 6.875% notes during the quarter of US $1.5 billion.

Share buy-back

On 3 October 2005 Unilever announced the commencement of a share buy-back programme. Between October and December, this resulted in the purchase of 4.9 million NV shares and 25.7 million PLC shares, with a combined value of approximately €500 million. This was in addition to the replenishment by Unilever N.V. of treasury shares used for the conversion of its €0.05 preference shares, announced in February 2005.

Acquisitions and Disposals

In December 2004 Unilever announced the restructuring of its Portuguese foods business. The deal was completed at the end of March 2005. Before the restructuring Unilever Portugal held a 40% stake in the FimaVG foods business, a joint venture with Jerónimo Martins Group, in addition to its wholly owned Bestfoods business acquired in 2000. As a result of the deal the two foods businesses – FimaVG and Unilever Bestfoods Portugal – were unified and the joint venture stakes re-balanced so that Unilever now holds 49% of the combined foods business and Jerónimo Martins Group 51%.

On 11 July 2005, we announced the completion of the sale of our Prestige fragrance business, Unilever Cosmetics International (UCI), to Coty Inc. of the United States. Unilever received US $800 million in cash, with the opportunity for further deferred payments contingent upon future sales.

On 20 December 2005, Unilever announced its intention to sell its Mora business to Ad van Geloven in the Netherlands, for an undisclosed sum. The agreement is subject to approval by competition authorities and advice from work councils. The proposed transaction relates to the Mora brand and to factories in Maastricht and Mol (Belgium).

Subsequent to the year end we have announced our intention to sell the majority of our frozen foods business in Europe.

Discontinued operations

Following the announcement of the disposal of UCI, results for this business have been presented in our income statement as discontinued operations, in line with the requirements of IFRS 5. The amount reported for 2005 represents the profits and losses arising on these operations up to the time of disposal together with the profit arising on disposal.

Basic earnings per €0.51 NV ordinary share in respect of the discontinued operations were €0.01 for the quarter and €0.49 for the year (2004: €0.02 and €0.05 respectively). Diluted earnings per €0.51 NV ordinary share in respect of the discontinued operations were €0.01 for the quarter and €0.47 for the year (2004: €0.02 and €0.05 respectively).

Basic earnings per 1.4p PLC ordinary share in respect of the discontinued operations were 0.16 Euro cents for the quarter and 7.30 Euro cents for the year (2004: 0.31 Euro cents and 0.74 Euro cents respectively). Diluted earnings per 1.4p PLC ordinary share in respect of the discontinued operations were 0.16 Euro cents for the quarter and 7.07 Euro cents for the year (2004: 0.29 Euro cents and 0.70 Euro cents respectively).

The net cash flows attributable to the discontinued operations in respect of operating, investing and financing activities for the year were €(102) million, €623 million and €– million respectively (2004: €94 million, €(2) million and €– million).

Exchange rate conventions

The income statement on page 7, the statement of recognised income and expense on page 8, the movements in equity on page 9 and the cash flow statement on page 9 are translated at average rates current in each period.

The balance sheet on page 8 and the analysis of net debt on page 9 is 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/.

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 2004 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.

Reconciliation of profit for the year ended 31 December 2004
(unaudited)

	Previously reported under old GAAP € million	Goodwill and indefinite lived intangible assets € million	Software € million	Biological assets € million	Pensions and similar obligations € million	Deferred tax restatement effect € million	Tax reclassifying effect € million	Joint ventures and associates € million	Dividends € million	Other € million	Total effect of transition to IFRS € million	Change relating to turnover definition € million	Restated under IFRS € million
Turnover	40 366	–	–	–	–	–	–	(197)	–	–	(197)	(1 061)	39 108
Turnover of joint ventures	(197)	–	–	–	–	–	–	197	–	–	197	–	–
Operating costs	(36 758)	815	66	7	–	–	–	–	–	14	902	1 061	(34 795)
Share of operating profit of joint ventures	44	–	–	–	–	–	–	(44)	–	–	(44)	–	–
Operating profit/(loss)	3 455	815	66	7	–	–	–	(44)	–	14	858	–	4 313
After charging:													
Impairment of *Slim·Fast*	(591)	(200)	–	–	–	–	–	–	–	–	(200)	–	(791)
Provision for Brazilian sales tax	(169)	–	–	–	–	–	–	–	–	–	–	–	(169)
Share of operating profit of associates	42	7	–	–	–	–	–	(49)	–	–	(42)	–	–
Finance costs	(628)	–	–	–	–	–	–	47	–	10	57	–	(571)
Other finance income/(cost) – pensions and similar obligations	(61)	–	–	–	1	–	–	–	–	–	1	–	(60)
Share of net profit of joint ventures	–	–	–	–	–	–	–	39	–	–	39	–	39
Share of net profit of associates	–	–	–	–	–	–	–	2	–	–	2	–	2
Income from other non-current investments	31	–	–	–	23	–	–	–	–	–	23	–	54
Profit/(loss) before taxation	2 839	822	66	7	24	–	–	(5)	–	24	938	–	3 777
Taxation	(782)	17	(17)	(2)	(8)	(16)	–	5	–	(33)	(54)	–	(836)
Profit/(loss) for the period	2 057	839	49	5	16	(16)	–	–	–	(9)	884	–	2 941
Attributable to:													
Minority interests	181	2	1	2	–	–	–	–	–	–	5	–	186
Shareholders' equity	1 876	837	48	3	16	(16)	–	–	–	(9)	879	–	2 755

Reconciliation of profit for the fourth quarter ended 31 December 2004
(unaudited)

	Previously reported under old GAAP € million	Goodwill and indefinite lived intangible assets € million	Software € million	Biological assets € million	Pensions and similar obligations € million	Deferred tax restatement effect € million	Tax reclassifying effect € million	Joint ventures and associates € million	Dividends € million	Other € million	Total effect of transition to IFRS € million	Change relating to turnover definition € million	Restated under IFRS € million
Turnover	10 233	–	–	–	–	–	–	(50)	–	–	(50)	(258)	9 925
Turnover of joint ventures	(50)	–	–	–	–	–	–	50	–	–	50	–	–
Operating costs	(10 520)	30	35	–	–	–	–	–	–	14	79	258	(10 183)
Share of operating profit of joint ventures	9	–	–	–	–	–	–	(9)	–	–	(9)	–	–
Operating profit/(loss)	(328)	30	35	–	–	–	–	(9)	–	14	70	–	(258)
After charging:													
Impairment of *Slim·Fast*	(591)	(200)	–	–	–	–	–	–	–	–	(200)	–	(791)
Provision for Brazilian sales tax	(169)	–	–	–	–	–	–	–	–	–	–	–	(169)
Share of operating profit of associates	8	2	–	–	–	–	–	(10)	–	–	(8)	–	–
Finance costs	(159)	–	–	–	–	–	–	12	–	10	22	–	(137)
Other finance income/(cost) – pensions and similar obligations	–	–	–	–	(1)	–	–	–	–	–	(1)	–	(1)
Share of net profit of joint ventures	–	–	–	–	–	–	–	8	–	–	8	–	8
Share of net profit of associates	–	–	–	–	–	–	–	–	–	–	–	–	–
Income from other non-current investments	5	–	–	–	14	–	–	–	–	–	14	–	19
Profit/(loss) before taxation	(474)	32	35	–	13	–	–	1	–	24	105	–	(369)
Taxation	258	52	(9)	–	(5)	2	–	(1)	–	(33)	6	–	264
Profit/(loss) for the period	(216)	84	26	–	8	2	–	–	–	(9)	111	–	(105)
Attributable to:													
Minority interests	39	–	–	–	–	–	–	–	–	–	–	–	39
Shareholders' equity	(255)	84	26	–	8	2	–	–	–	(9)	111	–	(144)

Reconciliation of equity at 31 December 2004
(unaudited)

	Previously reported under old GAAP € million	Goodwill and indefinite lived intangible assets € million	Software € million	Biological assets € million	Pensions and similar obligations € million	Deferred tax restatement effect € million	Tax reclassifying effect € million	Joint ventures and associates € million	Dividends € million	Other € million	Total effect of transition to IFRS € million	Restated under IFRS € million
Non-current assets												
Goodwill	11 508	600	–	–	–	–	–	–	–	–	600	12 108
Intangible assets	3 830	903	166	–	–	–	–	–	–	–	1 069	4 899
Property, plant and equipment	6 271	–	–	(36)	–	–	–	–	–	(54)	(90)	6 181
Biological assets	–	–	–	33	–	–	–	–	–	–	33	33
Joint ventures and associates	54	–	–	–	–	–	–	–	–	–	–	54
Other non-current investments	148	–	–	–	174	–	–	–	–	376	550	698
Pension asset for funded schemes in surplus	456	–	–	–	(39)	–	208	–	–	–	169	625
Trade and other receivables due after more than one year	1 198	–	–	–	–	–	(973)	–	–	54	(919)	279
Deferred tax assets	–	–	–	–	–	–	1 491	–	–	–	1 491	1 491
Total non-current assets	23 465	1 503	166	(3)	135	–	726	–	–	376	2 903	26 368
Current assets												
Inventories	3 758	–	–	–	–	–	–	–	–	(2)	(2)	3 756
Trade and other receivables due within one year	4 505	–	–	–	–	–	–	–	–	(374)	(374)	4 131
Financial assets	1 016	–	–	–	–	–	–	–	–	(3)	(3)	1 013
Cash and cash equivalents	1 587	–	–	–	–	–	–	–	–	3	3	1 590
Total current assets	10 866	–	–	–	–	–	–	–	–	(376)	(376)	10 490
Current liabilities												
Creditors due within one year	(14 570)	–	–	–	–	–	686	–	1 215	–	1 901	(12 669)
Borrowings	(5 155)	–	–	–	–	–	–	–	–	–	–	(5 155)
Trade and other payables	(9 415)	–	–	–	–	–	686	–	1 215	–	1 901	(7 514)
Current tax liabilities	–	–	–	–	–	–	(686)	–	–	(32)	(718)	(718)
Net current assets/(liabilities)	(3 704)	–	–	–	–	–	–	–	1 215	(408)	807	(2 897)
Total assets less current liabilities	19 761	1 503	166	(3)	135	–	726	–	1 215	(32)	3 710	23 471
Non-current liabilities												
Creditors due after more than one year	7 610	–	–	–	–	–	–	–	–	–	–	7 610
Borrowings	6 893	–	–	–	–	–	–	–	–	–	–	6 893
Trade and other payables	717	–	–	–	–	–	–	–	–	–	–	717
Provisions for liabilities and charges (excluding pensions and similar obligations)	1 370	(6)	–	–		–	–	–	–	–	(6)	1 364
Restructuring and other provisions	1 348	–	–	–		–	–	–	–	–	–	1 348
Interest in associates	22	(6)	–	–	–	–	–	–	–	–	(6)	16
Liabilities for pensions and similar obligations	4 374	–	–	–	186	–	1 519	–	–	–	1 705	6 079
Pension liability for funded schemes in deficit	1 633	–	–	–	43	–	615	–	–	–	658	2 291
Pension liability for unfunded schemes	2 741	–	–	–	143	–	904	–	–	–	1 047	3 788
Deferred tax liabilities	511	(33)	50	1	(15)	1 068	(793)	–	–	–	278	789
Total non-current liabilities	13 865	(39)	50	1	171	1 068	726	–	–	–	1 977	15 842
Shareholders' equity												
Called up share capital	642	–	–	–	–	–	–	–	–	–	–	642
Share premium account	1 530	–	–	–	–	–	–	–	–	–	–	1 530
Other reserves	(2 735)	–	–	–	–	–	–	–	–	–	–	(2 735)
Retained profit	6 097	1 540	115	(4)	(36)	(1 068)	–	–	1 215	(32)	1 730	7 827
Total shareholders' equity	5 534	1 540	115	(4)	(36)	(1 068)	–	–	1 215	(32)	1 730	7 264
Minority interests	362	2	1	–	–	–	–	–	–	–	3	365
Total equity	5 896	1 542	116	(4)	(36)	(1 068)	–	–	1 215	(32)	1 733	7 629
Total capital employed	19 761	1 503	166	(3)	135	–	726	–	1 215	(32)	3 710	23 471

DIVIDENDS

The Boards have resolved to recommend to the Annual General Meetings of NV and PLC, to be held on 8 May 2006 and 9 May 2006 respectively, the declaration of final dividends in respect of 2005 on the ordinary capitals at the following rates which are equivalent in value at the rate of exchange applied in terms of the Equalisation Agreement between the two companies.

As required under IAS 10, final dividends for 2005 are not reflected in the financial statements for the year ended 31 December 2005, since they had not been approved by shareholders at the balance sheet date.

Unilever N.V.

€1.32 per ordinary share (2004: €1.26), bringing the total of NV's dividend for 2005 to €1.98 per ordinary share (2004: €1.89).

Unilever PLC

13.54p per ordinary share (2004: 12.82p), bringing the total of PLC's dividend for 2005 to 20.31p per ordinary share (2004: 19.15p).

Subject to AGM approval, the NV final dividend will be paid on 12 June 2006, to shareholders registered at close of business on 9 May 2006.

Subject to AGM approval, the PLC final dividend will be paid on 12 June 2006, to shareholders registered at close of business on 19 May 2006.

Dividend on New York shares of NV

US dollar checks for the final dividend on the New York Shares of €0.51* nominal amount after deduction of Netherlands withholding tax at the appropriate rate, converted at the euro/dollar European Central Bank rate of exchange on 8 May 2006 will be mailed on 11 June 2006 to holders of record at the close of business on 12 May 2006. If converted at the euro/dollar rate of exchange on 8 February 2006, the NV final dividend would be US $1.577136 per New York share (2004 final dividend: US $1.619604 actual payment) before deduction of Netherlands withholding tax. With the interim dividend in respect of 2005 of US $0.791472 at the actual euro/dollar conversion rate, already paid, this would result in a total for interim and final dividends in respect of 2005 of US $2.368608 per New York Share (2004: US $2.424996 actual payment).

* This amount is a representation in euros on the basis of Article 67c Book 2 of the Dutch Civil Code, rounded to two decimal places, of underlying Dutch guilders, as these have not been converted into euros in Unilever N.V.'s Articles of Association.

Dividend on American Depositary Receipts of PLC

US Dollar checks for the final dividend on the American Depositary Receipts in PLC converted at the sterling/dollar rate of exchange current in London on 9 May 2006 will be mailed on 11 June 2006 to holders of record at the close of business on 19 May 2006. Each American Depositary Receipt in PLC represents four 1.4p ordinary shares in PLC. The PLC final dividend will therefore be 54.16p per American Depositary Receipt in PLC. If converted at the sterling/dollar rate of exchange on 8 February 2006, the PLC final dividend would be US $0.9438 per American Depositary Receipt in PLC (2004 final dividend: US $0.9658 actual payment). With the interim dividend in respect of 2005 of US $0.4779 at the actual sterling/dollar conversion rate, already paid, this would result in a total for interim and final dividends in respect of 2005 of US $1.4217 per American Depositary Receipt in PLC (2004: US $1.4312 actual payment).

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 £1 = €5.445, in accordance with the Equalisation Agreement.

In the 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 arrangements for the variation of the Leverhulme Trust; (ii) conversion of the €0.05 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 full year

	2005	2004
Combined EPS	Thousands of units	
Average number of combined share units of € 0.51	970 990	963 407
Average number of combined share units of 1.4p	6 473 266	6 422 715
	€ million	
Net profit attributable to shareholders' equity	3 766	2 755
Less: preference dividends	n/a	(28)
Net profit attributable to shareholders' equity for basic earnings per share calculation	3 766	2 727
Combined EPS per € 0.51 (Euros)	3.88	2.83
Combined EPS per 1.4p (Euro cents)	58.17	42.46
Combined EPS – Diluted	Thousands of units	
Adjusted average number of combined share units of € 0.51	1 002 303	1 010 885
Adjusted average number of combined share units of 1.4p	6 682 023	6 739 234
	€ million	
Adjusted net profit attributable to shareholders' equity	3 769	2 748
Combined diluted EPS per € 0.51 (Euros)	3.76	2.72
Combined diluted EPS per 1.4p (Euro cents)	56.40	40.78
Combined EPS – American shares		
Combined EPS per € 0.51 NV New York Share	$4.82	$3.50
Combined EPS per 5.6p PLC American Depositary Receipt	$2.89	$2.10
Combined diluted EPS per € 0.51 NV New York Share	$4.68	$3.37
Combined diluted EPS per 5.6p PLC American Depositary Receipt	$2.81	$2.02

DATES

The Annual Report and Accounts 2005 will be published on 29 March 2006. The results for the first quarter 2006 will be published on 4 May 2006.

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