

Treatment of hyperinflationary countries in Underlying Sales Growth (USG)

Until Q2 2019 our definition of Underlying Sales Growth (USG) included the impact of volume and excluded the impact of price growth in Argentina and Venezuela, as consumer price inflation (CPI) rates had escalated to extreme levels.

After a full year of hyperinflationary conditions in Argentina, one of our larger markets, it became clear that these conditions would persist for some time. As a result, we announced with our second quarter results that we would review our definition of USG. Following the review, a new definition of USG for all countries with hyperinflationary economies will be adopted from Q3 2019 onwards, including a change to historical comparators. A normalised level of price growth will be included in USG, which will be capped at an annual rate that is equivalent to approximately 2% per month compounded. This cap is derived from one of the indicators of hyperinflation cited in IAS 29 and ensures that any price growth above this level will be excluded from USG.

This definition allows the full volume impact and limited price growth to be included in USG but avoids the distortion of hyperinflationary pricing beyond the capped level. We believe the new definition better reflects our normal pricing actions, distinct from those taken to respond to hyperinflationary conditions. This also brings our definition of USG more in-line with peer group companies.

The below tables show USG and UPG for the last four years restated on the new basis and a comparison with the previously reported numbers. There is no impact on turnover or any other line of the income statement.

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Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; Unilever's ability to innovate and remain competitive; Unilever's investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth including to plastic packaging; the effect of climate change on Unilever's business; significant changes or deterioration in customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain and distribution; increases or volatility in the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; execution of acquisitions, divestitures and business transformation projects; economic, social and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Annual Report on Form 20-F 2018 and the Unilever Annual Report and Accounts 2018.

	UNDERLYING SALES GROWTH				UNDERLYING PRICE GROWTH			
	Beauty & Personal Care	Foods & Refreshment	Home Care	Total Unilever	Beauty & Personal Care	Foods & Refreshment	Home Care	Total Unilever
2016 Full Year								
As previously reported (%)	4.2	2.7	4.9	3.7	2.6	2.6	3.6	2.8
Restated (%)	4.2	2.5	4.9	3.6	2.6	2.4	3.6	2.7
2017 Full Year								
As previously reported (%)	2.9	2.7	4.4	3.1	1.5	3.0	2.3	2.3
Restated (%)	2.9	2.1	4.4	2.8	1.5	2.3	2.3	2.0
2018 H1								
As previously reported (%)	2.7	1.8	3.5	2.5	(0.2)	0.6	0.3	0.2
Restated (%)	2.7	1.8	3.5	2.5	(0.2)	0.6	0.3	0.2
2018 H2								
As previously reported (%)	3.5	2.3	4.9	3.4	1.5	1.0	3.6	1.7
Restated (%)	4.0	2.7	5.8	3.9	2.0	1.4	4.5	2.3
2018 Full Year								
As previously reported (%)	3.1	2.0	4.2	2.9	0.6	0.7	1.9	0.9
Restated (%)	3.4	2.2	4.7	3.2	0.9	0.9	2.4	1.2
2019 H1								
As previously reported (%)	3.3	1.3	7.4	3.3	1.6	1.4	4.5	2.1
Restated (%)	3.6	1.4	7.9	3.6	1.8	1.5	5.0	2.4

	UNDERLYING SALES GROWTH			UNDERLYING PRICE GROWTH		
	The Americas	LATAM	Emerging Markets	The Americas	LATAM	Emerging Markets
2016 Full Year						
As previously reported (%)	6.0	11.4	6.5	6.3	13.3	5.4
Restated (%)	5.7	10.8	6.4	6.0	12.7	5.3
2017 Full Year						
As previously reported (%)	2.4	5.3	5.9	2.2	4.9	4.2
Restated (%)	1.6	3.5	5.4	1.4	3.1	3.7
2018 H1						
As previously reported (%)	(0.8)	(2.6)	4.1	(0.3)	(0.4)	0.8
Restated (%)	(0.8)	(2.5)	4.1	(0.3)	(0.4)	0.8
2018 H2						
As previously reported (%)	0.9	0.5	5.1	1.3	1.9	2.6
Restated (%)	2.5	4.1	6.0	3.0	5.5	3.6
2018 Full Year						
As previously reported (%)	-	(1.0)	4.6	0.5	0.7	1.7
Restated (%)	0.8	0.8	5.0	1.3	2.6	2.1
2019 H1						
As previously reported (%)	2.1	4.9	6.2	2.2	4.4	3.6
Restated (%)	3.0	7.0	6.7	3.1	6.5	4.1

		UNDERLYING SALES GROWTH				UNDERLYING PRICE GROWTH			
		Beauty & Personal Care	Foods & Refreshment	Home Care	Total Unilever	Beauty & Personal Care	Foods & Refreshment	Home Care	Total Unilever
2016 Q1	As previously reported (%)	5.8	2.7	7.0	4.7	1.9	2.0	2.4	2.0
	Restated (%)	5.8	2.6	7.0	4.6	1.9	1.9	2.4	2.0
2016 Q2	As previously reported (%)	5.6	3.5	6.0	4.7	2.2	2.7	4.5	2.8
	Restated (%)	5.6	3.3	6.0	4.6	2.2	2.5	4.5	2.8
2016 Q3	As previously reported (%)	3.1	3.1	3.9	3.2	3.3	3.2	5.1	3.6
	Restated (%)	3.1	2.9	3.9	3.1	3.3	2.9	5.1	3.5
2016 Q4	As previously reported (%)	2.5	1.4	3.0	2.2	3.0	2.4	2.3	2.6
	Restated (%)	2.5	1.1	3.0	2.0	3.0	2.0	2.3	2.5
2017 Q1	As previously reported (%)	3.1	2.2	4.1	2.9	2.8	3.4	2.6	3.0
	Restated (%)	3.1	1.6	4.1	2.7	2.8	2.8	2.6	2.7
2017 Q2	As previously reported (%)	2.2	3.9	2.5	3.0	2.5	3.7	2.4	3.0
	Restated (%)	2.2	3.3	2.5	2.8	2.5	3.1	2.4	2.7
2017 Q3	As previously reported (%)	1.8	2.3	4.6	2.6	0.9	3.3	3.3	2.4
	Restated (%)	1.8	0.9	4.6	1.9	0.9	1.9	3.3	1.8
2017 Q4	As previously reported (%)	4.4	2.3	6.5	4.0	-	1.3	1.1	0.7
	Restated (%)	4.4	2.4	6.5	4.0	-	1.4	1.1	0.8
2018 Q1	As previously reported (%)	3.9	2.3	4.9	3.4	(0.2)	0.2	0.1	0.1
	Restated (%)	3.9	2.3	4.9	3.4	(0.2)	0.2	0.1	0.1
2018 Q2	As previously reported (%)	1.6	1.3	2.2	1.6	(0.3)	0.8	0.6	0.3
	Restated (%)	1.6	1.3	2.2	1.6	(0.3)	0.8	0.6	0.3
2018 Q3	As previously reported (%)	4.0	3.2	4.5	3.8	1.2	0.7	3.0	1.4
	Restated (%)	4.5	3.6	5.5	4.4	1.7	1.1	3.9	1.9
2018 Q4	As previously reported (%)	3.0	1.3	5.3	2.9	1.7	1.4	4.1	2.1
	Restated (%)	3.5	1.7	6.2	3.5	2.2	1.8	5.0	2.7
2019 Q1	As previously reported (%)	3.1	1.5	6.0	3.1	1.2	1.0	4.8	1.9
	Restated (%)	3.4	1.7	6.4	3.4	1.4	1.2	5.2	2.2
2019 Q2	As previously reported (%)	3.5	1.0	8.9	3.5	1.9	1.6	4.3	2.3
	Restated (%)	3.8	1.2	9.4	3.8	2.2	1.8	4.7	2.5

		UNDERLYING SALES GROWTH			UNDERLYING PRICE GROWTH		
		The Americas	LATAM	Emerging Markets	The Americas	LATAM	Emerging Markets
2016 Q1	As previously reported (%)	8.5	17.9	8.3	7.3	15.1	4.4
	Restated (%)	8.4	17.5	8.2	7.2	14.8	4.4
2016 Q2	As previously reported (%)	6.4	11.8	7.7	7.3	15.2	5.4
	Restated (%)	6.1	11.3	7.6	7.0	14.6	5.3
2016 Q3	As previously reported (%)	5.8	9.7	5.6	8.0	15.5	6.6
	Restated (%)	5.5	9.1	5.5	7.7	14.8	6.5
2016 Q4	As previously reported (%)	3.7	7.2	4.6	2.8	8.1	5.1
	Restated (%)	3.2	6.3	4.3	2.4	7.1	4.9
2017 Q1	As previously reported (%)	1.2	3.5	6.1	3.4	7.1	5.3
	Restated (%)	0.4	1.9	5.7	2.6	5.4	4.9
2017 Q2	As previously reported (%)	3.7	6.3	4.8	2.8	5.1	5.0
	Restated (%)	2.8	4.4	4.3	1.9	3.2	4.5
2017 Q3	As previously reported (%)	1.4	6.6	6.3	2.9	7.0	4.4
	Restated (%)	(0.5)	2.4	5.2	0.9	2.8	3.4
2017 Q4	As previously reported (%)	3.4	4.6	6.3	-	1.0	2.0
	Restated (%)	3.6	5.0	6.4	0.2	1.4	2.1
2018 Q1	As previously reported (%)	2.5	2.2	5.1	(1.0)	(1.5)	0.8
	Restated (%)	2.5	2.2	5.1	(1.0)	(1.4)	0.8
2018 Q2	As previously reported (%)	(3.8)	(6.9)	3.1	0.3	0.6	0.8
	Restated (%)	(3.8)	(6.9)	3.1	0.3	0.7	0.8
2018 Q3	As previously reported (%)	1.7	1.5	5.6	1.5	1.4	2.1
	Restated (%)	3.4	5.2	6.5	3.2	5.1	3.1
2018 Q4	As previously reported (%)	-	(0.4)	4.5	1.1	2.3	3.2
	Restated (%)	1.7	3.1	5.4	2.8	5.9	4.1
2019 Q1	As previously reported (%)	0.4	0.4	5.0	2.1	4.6	3.2
	Restated (%)	1.3	2.4	5.5	3.0	6.7	3.7
2019 Q2	As previously reported (%)	3.7	9.3	7.4	2.3	4.1	4.0
	Restated (%)	4.6	11.6	7.9	3.3	6.4	4.5