Good morning and welcome to Unilever’s first quarterly presentation of 2011.

As you know, this is the first time Unilever has issued a trading statement rather than a full set of financial results. We are increasing our disclosure on topline performance, and will continue to comment where appropriate on any other significant developments.

I will begin by reviewing our overall performance in the first quarter. I will then give a brief update on the integration of Sara Lee, before handing over to James Allison who will review our category performance. Finally, I will conclude with some reflections on our outlook for the rest of the year.

So let’s get going.

CHART 2: Safe Harbour Statement

First of all, I draw your attention to the usual disclaimer relating to forward looking statements and non-GAAP measures.

CHART 3: Q1’11 – strong turnover growth
Turnover for the quarter was €10.9 billion, up 7%. Forex was positive by 3.1%, but the impact of forex in the remainder of the year will reverse if rates remain where they are today.

Underlying Sales Growth for the quarter was 4.3%. Volume was once again the major contributor to our growth, but for the first time in seven quarters, price was also significantly positive at 1.8%.

Disposal impacts were marginally higher than acquisitions in the first quarter, by 0.5%. As with forex, we expect this effect to reverse, particularly from around the middle of the year when we hope to have completed the Alberto Culver acquisition.

**CHART 4: Q1’11 – underlying sales growth**

Underlying sales growth of 4.3% represents solid performance. It is the fifth consecutive quarter in which we have achieved growth broadly within our long-term target range of 4-6%.

This is broad-based growth, across all categories - without exception. It is also higher than the full year growth we have achieved for the last two years - more evidence of the consistent long term improvement we are aiming for.

**CHART 5: Q1’11 – continuing strong performance in D&E**

The key driver of this growth remains our strong performance in the emerging markets, which in the first quarter represented 56% of our turnover – a new high. First quarter underlying sales growth was 9.9%, with healthy volume growth of 6.5% and price growth of 3.2%. This is a clear reflection of our ability to increase prices in emerging markets whilst continuing to grow volumes strongly.
We expect the emerging markets to drive around 75% of our growth over the long term. With more of our business in these markets than any of our peers, this is a key reason why we believe Unilever is the emerging markets company.

Our strength and depth across these markets was demonstrated once again in the first quarter:

- In China we once again achieved double digit growth and share gains in most categories.
- In India we continued to see performance step up, with sustained strong volume growth and judicious price increases.
- In South Africa we have driven share gains and double digit growth – performance we have not seen in that market for some time.
- In Indonesia, after a slower second half in 2010 our business is back on top form, with strong double digit growth, well ahead of the market.
- And in many other markets we saw growth of more than 10%; Mexico, Argentina, Pakistan, Bangladesh, Nigeria and the Philippines, to name just a few.

In these markets our impressive portfolio of category leading positions, our deep distribution capabilities and our scale provide a strong foundation for our businesses. With per capita consumption still low, we are able to build on these foundations with market development programmes that drive consistently superior growth.

For all these reasons we remain confident that the emerging markets will continue to drive Unilever's growth for many years to come.

Let’s now look at our performance across the regions, starting with the heartland of our emerging market strength – Asia Africa CEE.

**CHART 6: Q1’11 – AAC : strong momentum continues**
Underlying sales growth was strong at 8.9%, with positive price contributing 1.9% and the balance coming from volume. A good performance, against a backdrop of geopolitical challenges in various parts of the region.

It is also broad based and consistent, with all categories seeing mid to high single digit volume growth and positive price.

Our growth in the region continues to be driven by success in our market development activities. In particular, the role played by our bigger, better, faster innovations and the rollout of our brands into new markets. The chart shows just a few of the many examples we have in the region. Be it;

- continued success from liquid detergents in East Asia;
- new launches of our fast-growing Surf brand, well on the way to becoming our next billion Euro brand;
- further expansion of brands such as Lifebuoy, Cif or Fruttare into new markets; or be it
- rapid rollout of the Dove Hair Damage Repair range into more Asian markets such as Japan or Indonesia,

From a country perspective, worthy of special mention are our businesses in Africa and the Middle East, where we saw double digit underlying sales growth. This is a tribute to the tenacity of our people on the ground, who continue to perform ahead of their markets despite the many challenges put in front of them by external events. The only area of relative sluggishness is CEE, where markets remain difficult.
Let me turn now to the Americas region. Here we saw underlying sales growth in the first quarter of 4.1%, of which 2.8% came from price, and 1.3% from volume. In highly competitive markets this is good performance, especially in Latin America where we saw particularly strong performance in Argentina, Chile and Mexico. Growth was also broad based across all categories with a healthy balance between volume and price.

In North America conditions were more difficult and underlying sales growth was marginally negative for the quarter. This is a tale of two cities, with continuing strength in personal care and more challenging conditions in food.

In personal care, growth was driven by particular strength in Deodorants and Hair, where recent share gains continued through the quarter. In food, growth was held back by our Spreads business, where pricing moves in response to commodity cost pressure have not yet been followed by competitors. Although some volume has been lost as a result, we do not expect these losses to persist over the longer term.

Innovation highlights for the quarter included the launch of Dove Men+Care deodorants in the US, the Rexona body splash range in Latin America and the high-profile launch of our Magnum ice cream brand into the US market. It is too early to assess the results of this major launch, but initial signs are very promising.

We also continue to work towards the completion of the Alberto Culver acquisition, which we expect before the end of the second quarter. We will update you in full on this with the half year results. Just a reminder; this acquisition will re-balance the portfolio in North America and Western Europe and enhance the Hair portfolio globally.
Turning finally to Western Europe, where markets continue to be sluggish, underlying sales growth in the quarter was negative 2.7%, with the decline driven fully by volume. Bright spots in the region were our UK and French businesses, both of which continue to prove resilient in driving growth despite tough trading conditions.

Albeit against a strong comparator and a difficult economic background, this clearly represents a slow start to the year. Let’s keep some perspective on this however. We are on track with our strategy for Europe. We have strengthened the organisation, stepped up the pace and quality of our innovation and acted to improve the portfolio through M&A.

With respect to the quarter itself, we led in terms of pricing in the food categories and are perhaps paying the price, at least in the short term. The pace of innovation will pick up as the year progresses and Savoury specifically had a slow start. And, as our competitors have referenced, Easter falls well into Q2 this year.

Our business in Western Europe has stabilised in recent quarters, and we remain confident that we are taking the right actions for the long term. The success of these actions will certainly be judged over periods far longer than the 90 days we have just completed.

**CHART 9: Sara Lee update**

One of the key actions we are taking in Western Europe is improving the portfolio mix. One aspect of this is the acquisition of the personal care business of Sara Lee.

I am pleased to report that the operational integration of the business has progressed well, with only three markets now outstanding and full transition to Unilever operational systems expected to be complete around the middle of the year.
We are on track to deliver cost synergies in line with our previous guidance, which to remind you was €75 million on a full year basis. Restructuring costs needed to drive these synergies will be around twice this level.

It is too early to read much into the performance of the business at this stage, but we are encouraged by mid single digit growth in the core Western European businesses in the first quarter. The Netherlands, France and the Nordics were the main drivers of this good start.

We are also pleased with what we are finding when we look at the brands in more detail. In some cases we see brands that have a unique positioning. However, they are brands that have not been fully exploited – either where they are present or further afield.

Finally, we expect to complete the disposal of Sanex around the middle of the year.

Let me now hand you over to James, who will review our category performance in the first quarter.

**CHART 10: Title chart**

*James Allison, Head of Investor Relations and M&A*

Thank you Jean-Marc, and good morning everyone.

Our category performance continues to be underpinned by bigger, better, faster innovations and new market launches. As I run through our four categories I will focus on this theme, using one major example from each category. I will emphasise in particular the use we are making of technology to differentiate our innovations more strongly, and in so doing give better value to our consumers.
I will begin with Personal Care, now the biggest of our 4 categories, where underlying sales growth in the quarter was 5.3%. Performance was once again led by deodorants, but growth was consistent and broad-based, with Skin, Oral and Hair also growing both volume and price in the quarter. Emerging markets once again performed strongly.

In Q1 we commenced the global re-launch of Rexona for Women. This features new breakthrough technology that we call ‘MotionSense’. This formula delivers longer lasting protection than ever before, and involves unique microcapsules that sit on the surface of the skin. Movement by the user causes these microcapsules to break and release bursts of freshness throughout the day. Add to this a new ergonomically designed can and we have an innovation that we expect to make a big impact in the year to come.

In Home Care, underlying sales growth was 6.0%, with price positive for the first time in several quarters at 1.4%. Emerging markets were again at the forefront, with several key markets including China, India, South Africa and Indonesia all seeing strong double digit growth.

In Western Europe performance was more subdued, particularly in the UK laundry business, where continued high levels of price promotion from competitors have seen us lose some short term volume as we led prices higher.

In Laundry, our technology advances are most evident in our Small and Mighty range. By helping consumers reduce both the temperature and the
cycle time of their washes we save them money and contribute to our sustainable living goals. We will continue to pursue similar initiatives throughout our Home Care range in the quarters and years ahead.

**CHART 13: Q1’11 – Savoury Dressings and Spreads**

Savoury Dressings and Spreads saw underlying sales growth of 2.1%, with volume slightly negative at minus 0.4%. Our business in the emerging markets continued to grow strongly, but this was more than offset by volume declines in Western Europe and North America where a series of price increases were implemented, particularly in Spreads.

Despite these short term challenges we remain focused on driving growth through innovation and new market launches. For example, the Knorr baking bag concept launched in Western Europe in 2010 is being rapidly rolled out to markets in all of our regions. Recent activity has focused on Brazil and CEE, with planned launch activity for later in the year including new markets in Western Europe, the Americas, Africa and the Middle East.

This initiative is well on the way to reaching the €50m level we look for in our major innovations, a good example of the speed and bias for action that is driving the new Unilever.

**CHART 14: Q1’11 – Ice cream and beverages**

Finally, in ice cream and beverages we saw underlying sales growth in the quarter of 4.7%, with 3.2% from volume and 1.5% from price. Emerging markets again delivered strong growth, particularly in ice cream where good performance in key southern hemisphere markets such as South Africa and Indonesia helped to drive double digit growth.

Tea performance was more mixed, with continuing strength in most emerging markets partly offset by more modest performance in Western Europe and North America.
An exception to this was the UK, where share gains and healthy growth have followed the launch of a major new innovation under the PG Tips brand. This makes use of new technology to modify the taste profile of tea, giving more sensations of freshness. Tea essence is extracted at source and released back into the leaves before packing, enhancing taste and allowing us to cater for different consumer preferences.

This innovation has come to market as a new range from PG Tips – the Fresh One, the Strong One and the Delicate One. Initial consumer reaction has been very positive, and shares have recently hit a 15 year high.

**CHART 15: White spaces**

We have also continued to take our brands into new markets. For example, in quarter one we have:

- Taken the soya beverage concept which has proved so successful in Latin America and extended this into India, under the Kissan brand.
- Continued rolling out the Lifebuoy Skin Cleansing brand, with new launches in the West African markets of Nigeria and Ghana.
- Reached more than 50 markets with Cif, after recent launches in the Philippines and Algeria.

With that, let me return you to Jean-Marc.

**CHART 16: Title Chart – Jean Marc Huët**

Thank you James.

I will now turn to the subject that I know is top of mind for many of you, that of commodity costs.
Firstly I will update on the basic facts as we see them today; what level of commodity cost inflation do we expect and why. Then I will explain why I believe we are better placed to manage in this environment than we were in 2008, when we last saw inflation on this scale.

Finally I will demonstrate how this cost pressure is pushing us to drive cost out of the business ever more aggressively. How the new Unilever is agile and responsive - fit to compete even in the most challenging of conditions.

**CHART 17: 2011 commodity cost update**

In February I indicated that we expected commodity cost inflation in 2011 of roughly 400 basis points of turnover. At the time, Brent crude oil was trading just above 100 US Dollars a barrel.

Three months later, Brent crude now trades above 120 US Dollars. With this impacting many of our raw and packaging materials, especially in the HPC and Spreads businesses, I now expect full year commodity cost inflation of between 500 and 550 basis points of turnover. This equates to 14-16% of our base commodity cost spend.

In this uncertain environment the ability to manage costs well is critical. Since 2008 we have made significant progress in this respect, and are now better able to respond quickly and decisively to ongoing volatility in commodity costs.

Let me give a few examples of actions we have taken to drive this:
Firstly, we have better visibility of our exposures:

- with simple and effective forecasting processes, globally standardised for the first time,
- and detailed tracking of covers for our entire global commodity cost base.

Secondly, we are more responsive and able to adapt more quickly to changing market conditions:

- with improved hedging tools in a number of areas,
- and a widening range of commodities now actively hedged.

Thirdly, we have further built expertise and increased accountability:

- with a number of external hires to bring in new capabilities,
- and a single global team advising on hedging strategies.

As well as being better able to manage commodity costs themselves, we are also continuing to drive costs out of the business by leveraging scale better, by doing things more simply and by focussing on the consumer and customer.

We will address the additional commodity costs through a combination of judicious pricing and accelerated savings initiatives.
I am confident we can step up our cost reduction programmes further, and now expect full year savings of around €1.3 billion.

Let me describe the actions that drive these savings in a little more detail. In doing so I will concentrate on our indirect costs and our marketing costs, since these are the areas where I am personally most involved in driving for continuous improvement.
CHART 18: Accelerating productivity - Indirects

Starting with indirect costs, let me share a few examples of the many actions we are taking to drive a continuous improvement mindset through the business:

- We are re-directing our resources towards the consumer and customer, with fewer support staff in the business and more of our resources now in external-facing roles.

- We are accelerating the globalisation of key activities to ensure we fully leverage our scale. For example, in procurement, we have moved to global contracts in professional services such as consultancy, and in areas of IT such as networking.

- We are instilling rigour and discipline in all that we do by standardising our business processes to a much greater extent than hitherto. ‘No purchase order no pay’ is just one simple example – driving discipline and efficiency into routine areas of our back office operations.

- Indeed we are driving standardisation and centralisation in many of our systems and processes. This is enabled by our new Enterprise Support organisation, launched only last year. In addition, by the end of this year our 3 regional ERP systems will cover more than 80% of the business.

- Finally we are expanding our use of agile working around the world, reducing both travel and real estate costs.

These are examples of the continuous improvement I am looking to drive throughout the business. Although we are closing the gap to best-in-class benchmark levels there is more to do, so still plenty of scope to reduce cost further, both in 2011 and in the longer-term.
Turning to marketing spend, our efforts are focussed on a programme we call ‘Return on Marketing Investment.

This is a global initiative and we are starting to see substantial benefits from many markets around the world. It is a great example of what Unilever can do when aligned around a clear priority action from the Compass framework. We have shown this in the past with working capital, and now we are starting to do the same with marketing investments.

In practice this programme includes a wide range of actions all designed to make our brand investments both more effective, and efficient. For example, we are accelerating in the following areas:

- Advertising – where we are reducing non-productive spend by leveraging our scale better, duplicating work less and getting more copy on air. This allows us to hold our overall media spend and remain fully competitive.

- Media buying – where we are making more use of our scale and buying power to drive savings.

- Promotional evaluation – where we are broadening our coverage and increasing the value we get from our promotional spend.

- Artwork – where we are optimising our approach to both reduce cost and bring new products to market quicker.

These indirects and marketing efficiency initiatives, alongside supply chain savings where our track record is strong, are critical components of the virtuous circle of growth that we are striving for. Success in cost reduction will allow us to invest more behind our innovations and new market launches, which in turn will drive higher growth and allow us to enjoy stronger volume leverage.
So to conclude, it has been a solid start to the year in an environment that continues to be challenging. Commodity cost pressure has certainly escalated, but we remain confident in our ability to steer the business through this period of volatility.

Although the moving parts in our Gross Margin may have changed since February, the overall position has not. The higher commodity costs that we will face will be balanced by improved savings and higher pricing, so that the net net position is broadly unchanged. As we indicated previously, with pricing lagging cost inflation we expect underlying operating margin to be down in H1 before improving in H2.

We are far from complacent, but look forward to another strong year for Unilever and to taking another step closer to the virtuous circle of growth. This confidence we feel in the future of our business is reflected in the decision we announced this morning to increase our next quarterly dividend payment by more than 8%.

Finally, let me stress that we remain unequivocal in viewing the brands as our most important asset. Whatever the rest of this volatile year may bring we will not take actions that could damage the health of our brands over the long term. Nor will we slow down in our pace of innovation, or in our new market launches.

Our long term focus continues to be on the achievement of volume growth ahead of our markets, strong cash flow and modest but steady margin expansion.

And with that we will now move to questions.