

Unilever

Report and
Accounts

1970



UNILEVER



Report and

accounts

1970

UNILEVER N.V.

Directors

| | |
|------------------------------------|------------------------|
| H. S. A. Hartog, chairman | H. F. van den Hoven |
| E. G. Woodroofe, vice-chairman | P. A. Macrory |
| G. D. A. Klijnsstra, vice-chairman | D. J. Mann |
| A. I. Anderson | J. J. H. Nagel |
| M. R. Angus | D. A. Orr |
| E. Brough | R. H. Siddons |
| A. W. J. Caron | E. Smit |
| J. G. Collingwood | A. W. P. Stenham |
| R. H. Del Mar | J. P. Stubbs |
| J. M. Goudswaard | S. G. Sweetman |
| G. E. Graham | The Viscount Trenchard |
| C. T. C. Heyning | K. H. Veldhuis |

Advisory directors

K. Blessing
J. H. van Roijen
F. J. Tempel
G. E. van Walsum

Secretaries

A. A. Haak
H. A. Holmes

Auditors

Price Waterhouse & Co.
Cooper Brothers & Co.

*This is a translation of the original Dutch report.
French and German translations, with the figures
remaining in guilders, are also published.*

The report and accounts as usual combine the results and operations of **Unilever N.V.** ("N.V.") and **Unilever Limited** ("Limited"). The report and accounts of **Limited**, which are written in the English language with the figures expressed in sterling, contain the same information as this document.

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Salient figures

All figures relate to N.V. and Limited Groups combined

| Fl. million | 1969 | 1970 |
|---|-----------|----------|
| Sales to third parties | 21,829 | 24,917 |
| Operating profit | 1,443 | 1,433 |
| Interest on loan capital | 93 | 100 |
| Profit of the year before taxation | 1,406 | 1,353 |
| Taxation on profit of the year | 663 | 659 |
| Consolidated profit of the year | 709 | 668 |
| Profit of the year accruing to ordinary capital | 691 | 650 |
| Ordinary dividends | 305* | 307 |
| Profit of the year retained | 345 | 343 |
| Capital employed | 9,320 | 9,908 |
| Net liquid funds | 552 | 461 |
| Capital expenditure | 881 | 993 |
| Depreciation | 572 | 666 |
| Ordinary dividends | | |
| N.V. (per Fl. 20 of capital) | Fl. 5.43* | Fl. 5.43 |
| Limited (per 25p of capital) | 9.375p* | 9.415p |

Salient figures, together with Combined earnings per share are shown on page 50 in certain other currencies.

* In addition to the ordinary dividends shown above, special ordinary dividends of Fl. 0.73 per Fl. 20 capital of N.V. and 1.25p per 25p capital of Limited, amounting to Fl. 41 million were paid with the final ordinary dividends for 1969.

Report for the year 1970

*to be submitted at the annual
general meeting of shareholders
to be held at the
company's offices,
Burgemeester s'Jacobplein 1,
Rotterdam,
on 10th May, 1971.*

The year in brief

Sales in 1970 were 14% higher than in 1969. The biggest sales increases were in foods, toilet preparations, and the United Africa Group.

There was a welcome and substantial recovery in the profits from detergents and a good improvement in profits from the United Africa Group and plantations. However, total profits were affected throughout the year by very large increases in the prices of oils and fats and continuing and substantial increases in nearly all other costs; and the effect of these was compounded in many countries by government price control which, however fairly administered, tends to keep selling prices a step behind the latest round of cost increases. Altogether operating profit for the year was a little below the level for 1969. Although interest on loan capital increased only slightly there was a significant adverse movement in other interest and a virtually unchanged total charge for tax on lower taxable profits. As a result the profit accruing to ordinary capital fell by about 6%.

Sales to third parties, profit and capital employed by geographical areas 1961 and 1970

Sales to third parties

| | Total Fl. million | Percentages | | | |
|------|-------------------|--------------|-----------------|-------------|-------------------|
| | | Amounts | | | |
| | | Europe | N. & S. America | Africa | Rest of the world |
| 1970 | 24,917 | 64 16,039 | 15 3,611 | 14 3,405 | 7 1,862 |
| 1961 | 14,763 | 58 8,630 | 16 2,342 | 18 2,689 | 8 1,102 |

Profit¹⁾

| | Total Fl. million | Percentages | | | |
|------|-------------------|-------------|-----------------|-----------|-------------------|
| | | Amounts | | | |
| | | Europe | N. & S. America | Africa | Rest of the world |
| 1970 | 748 | 59 445 | 16 119 | 19 139 | 6 45 |
| 1961 | 524 | 67 354 | 14 74 | 10 51 | 9 45 |

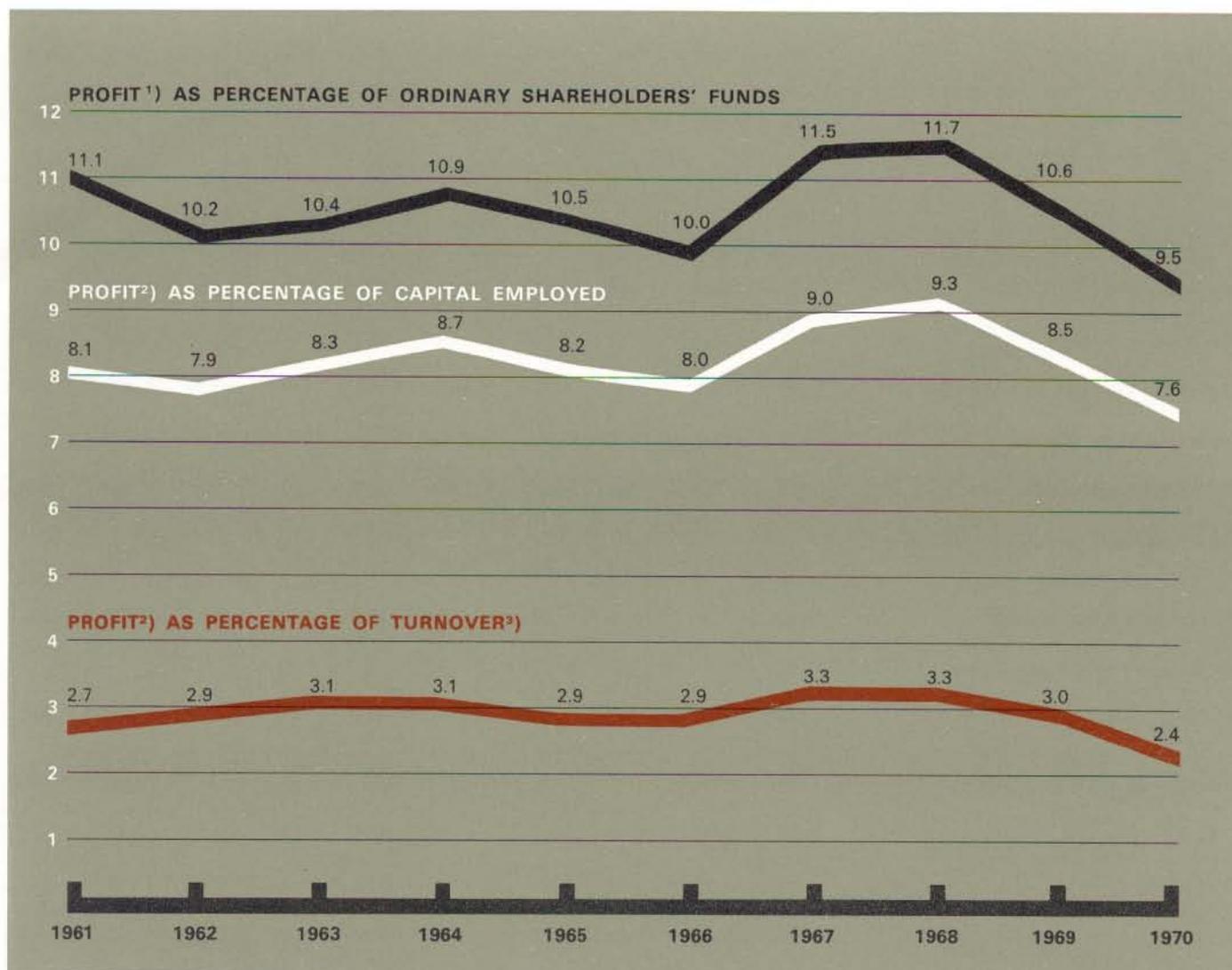
Capital employed

| | Total Fl. million | Percentages | | | |
|------|-------------------|-------------|-----------------|-------------|-------------------|
| | | Amounts | | | |
| | | Europe | N. & S. America | Africa | Rest of the world |
| 1970 | 9,908 | 66 6,593 | 14 1,344 | 14 1,354 | 6 617 |
| 1961 | 6,507 | 60 3,908 | 11 749 | 22 1,412 | 7 438 |

Africa includes all our operations in that continent—namely the United Africa Group operations, the manufacturing businesses and the plantations interests.

¹⁾ Profit after taxation but before loan interest.

Return on ordinary shareholders' funds, capital employed and turnover 1961-1970



¹⁾ Based on profit accruing to ordinary capital.

²⁾ Based on profit after taxation but before loan interest.

³⁾ Turnover includes internal sales as shown on page 13.

Summary of combined figures 1961–1970

N.V. and Limited and their subsidiaries

| Fl. million | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 ¹⁾ | 1968 | 1969 | 1970 |
|--|--------|--------|--------|--------|--------|--------|--------------------|--------|--------------------|--------|
| Sales to third parties | 14,763 | 14,972 | 15,557 | 17,115 | 18,464 | 19,189 | 19,714 | 20,032 | 21,829 | 24,917 |
| Internal sales | 4,558 | 4,251 | 4,121 | 4,634 | 5,117 | 5,054 | 4,875 | 4,961 | 5,062 | 5,914 |
| Turnover | 19,321 | 19,223 | 19,678 | 21,749 | 23,581 | 24,243 | 24,589 | 24,993 | 26,891 | 30,831 |
| Operating profit | 1,020 | 1,044 | 1,164 | 1,220 | 1,190 | 1,223 | 1,411 | 1,494 | 1,443 | 1,433 |
| Interest on loan capital | 15 | 21 | 24 | 25 | 40 | 81 | 104 | 96 | 93 | 100 |
| Profit of the year before taxation | 1,045 | 1,080 | 1,203 | 1,257 | 1,186 | 1,200 | 1,380 | 1,476 | 1,406 | 1,353 |
| Taxation on profit of the year | 528 | 540 | 608 | 588 | 522 | 541 | 634 | 698 | 663 | 659 |
| Consolidated profit of the year | 537 | 525 | 566 | 635 | 646 | 627 | 698 | 746 | 709 | 668 |
| Profit of the year accruing to ordinary capital | 497 | 485 | 526 | 594 | 606 | 597 | 680 | 728 | 691 | 650 |
| Ordinary dividends—gross ²⁾ | 186 | 195 | 223 | 239 | 237 | 236 | 254 | 264 | 305 ⁴⁾ | 307 |
| United Kingdom income tax retained | 33 | 34 | 39 | 42 | 42 | — | — | — | — | — |
| Profit of the year retained | 344 | 324 | 342 | 397 | 411 | 361 | 426 | 464 | 345 | 343 |
| Per Fl. 12 or £1 of ordinary capital ³⁾ : | Fl. | Fl. | Fl. | Fl. |
| Earnings | 5.27 | 5.14 | 5.58 | 6.30 | 6.48 | 6.39 | 7.28 | 7.78 | 7.38 | 6.92 |
| Cost of dividends | 1.58 | 1.65 | 1.89 | 2.07 | 2.08 | 2.53 | 2.72 | 2.82 | 3.26 ⁴⁾ | 3.27 |
| Dividends as % of earnings | 30 | 32 | 34 | 33 | 32 | 40 | 37 | 36 | 44 ⁴⁾ | 47 |
| Preferential capital | 811 | 815 | 815 | 836 | 836 | 317 | 310 | 310 | 310 | 310 |
| Ordinary shareholders' funds | 4,490 | 4,757 | 5,048 | 5,425 | 5,750 | 5,955 | 5,919 | 6,221 | 6,515 | 6,826 |
| Outside interests | 246 | 251 | 262 | 225 | 199 | 194 | 205 | 209 | 214 | 250 |
| Loan capital | 392 | 570 | 541 | 688 | 859 | 1,570 | 1,491 | 1,452 | 1,477 | 1,634 |
| Deferred liabilities | 569 | 600 | 653 | 678 | 735 | 769 | 708 | 770 | 804 | 888 |
| Capital employed | 6,508 | 6,993 | 7,319 | 7,852 | 8,379 | 8,805 | 8,633 | 8,962 | 9,320 | 9,908 |

¹⁾ Sterling devaluation on 18th November, 1967, lowered the exchange rate from £1 = Fl. 10.136 to £1 = Fl. 8.688.

²⁾ Up to the year 1965 United Kingdom income tax deducted from dividends of Limited was retained by the Company. With the change to corporation tax, income tax deducted from dividends has to be handed to the Revenue and the cost of dividends is consequently the gross amount.

³⁾ See note on Combined earnings per share and dividend on page 50. The figures for earnings and cost of dividends have been adjusted for scrip issues.

⁴⁾ The special ordinary dividends, paid with the final 1969 dividends, amounting to Fl. 41 million, are not included.

The background

General

Business conditions in 1970 were difficult. In the developed world generally, restrictive government measures to deal with overheated economies, including tight money policies in a number of countries, succeeded in restraining growth but unfortunately not inflation. This reduced profitability and cash flows for many businesses.

In the United States rising unemployment induced a relaxation of monetary restrictions. There was no growth in the economy there until the latter part of 1970, and because of the difficult economic conditions a number of industries are seeking protection from foreign competition.

In continental Europe growth was appreciable, but with marked signs of a slow-down in the second half of the year, notably in Western Germany. In the United Kingdom price and wage developments were similar to those in continental Europe but the rate of real growth was less favourable.

While the prices of oils and fats continued to rise world prices of many commodities fell during the year. On balance the effect on export revenues of the developing countries was unfavourable; nevertheless real growth rates in most of these countries remained high. There were greater pressures for nationalisation of, or local participation in, foreign-owned enterprises in several African, Asian and Latin American countries.

European Integration

The opening of negotiations for the entry into the European Economic Community of the United Kingdom, Denmark, Norway and the Republic of Ireland was a welcome development. It is to be hoped that the negotiations will be successful.

The European Commission's memorandum on industrial policy published early in 1970 is an important document. It is clear from the memorandum that the Commission is aware of the value industry attaches to free access to world commodity markets and it is, therefore, regrettable that in relation to fats and oils proposals have nevertheless been made which threaten to undermine the application of this principle.

An industrial policy aimed at liberalising world trade implies that the E.E.C. and other industrialised countries should continuously and actively co-operate in efforts to remove tariffs and other trade barriers. It is, therefore, disturbing to see developments on both sides of the Atlantic that might lead to increased protection.

The Commission has been active in the fields of company law and taxation. Harmonisation of the company laws of the different member countries will be an advance provided it does not consist of simply adding together the sum of the existing national laws. Taxation, however, is a much greater barrier to trade across national frontiers than differences in company law. Harmonisation of the taxation systems is therefore much more important, not only for the big international companies but also for the small and medium-sized businesses.

Unfortunately, despite much activity, there has been little real progress with harmonisation of food legislation. Furthermore, no decisions have been taken concerning the plans published in 1968 and the subsequent proposals for improving the structure of agriculture. In consequence no permanent solution has yet been found for the problem of agricultural surpluses, including that of butter.

Netherlands company law

In 1970 the long deliberations on the revision of the Netherlands company laws, which began with the setting up of a Committee on Company Law by the Minister of Justice in 1960, rapidly started to bear fruit. The first two Bills on the subject—that on company accounts and that on rights of inquiry—became law on 10th September, 1970. When this report went to press three other Bills, namely, that amending the Act on Works Councils, that introducing a new legal form of private company, and the new sweeping Bill on the structural reform of big joint stock and private companies, had passed through most of their parliamentary stages.

Another development affecting company practice was the establishment by the Social Economic Council of a Code on Take-overs and Mergers.

Although Netherlands company law has been virtually unchanged for more than forty years, it was flexible enough to adapt itself to diverse and fundamental changes in the business world during that period. The changes in law now taking place—caused by equally fundamental social developments—will inevitably result in a loss of flexibility. It is encouraging, however, that the Social Economic Council, whose advice played an important part in these changes, as

well as government and parliament, have kept an open mind on the practical problems involved. We hope that this series of Bills, all based on the advice of the Social Economic Council, will end the dissatisfaction which has been widely felt with the existing state of the law. It is very desirable that a standstill period should follow, so as to enable all concerned to adjust themselves to such dramatic changes, particularly since harmonisation of company laws within the E.E.C. will certainly call for further changes in years to come.

Taxation

The rates of taxation on business profits were changed in a number of countries. The rate of United Kingdom corporation tax was reduced to its 1968 level of 42½%. However, rates of taxation in some other countries were higher than in 1969, a larger proportion of our total profits was earned in countries with high tax rates and certain losses of subsidiaries could not be set off against profits. As a result the average rate of taxation on all our profits was higher than in the previous year.

In the Netherlands the Company Tax Act 1969 which came into force on 1st January, 1970 was an important development. Though the

new Act has some disadvantages, a major benefit is that in general profits on transfers of shares in subsidiary companies are no longer taxable. This is enabling N.V. to rationalise the pattern of its holdings in subsidiaries. Another improvement is that the cost of financing acquisitions in the Netherlands or of financing issues of new capital by existing Netherlands subsidiaries is now deductible for tax in the holding company. This eliminates what amounted to double taxation. It is unfortunate that a similar arrangement has not been made in relation to acquisitions and subsidiaries outside the Netherlands.

Apart from the fact that the Tax Court at Düsseldorf in a comparable case confirmed our interpretation of the Netherlands-German tax convention, there was no material progress in the dispute with the tax authorities in Germany referred to in previous Annual Reports regarding the rate of German dividend tax applicable to a number of our subsidiaries. The tax authorities were not prepared to concur with us in an application to have the dispute referred direct to the highest Court—a procedure which would have brought a speedier decision.

Analysis of sales and operating profit

| Fl. million | | | | Fl. million | | |
|--|--------|------------------|---|------------------|--------|---------|
| Limited | N.V. | 1969 Combined | | 1970 Combined | N.V. | Limited |
| Sales to third parties and total turnover | | | | | | |
| 3,793 | 6,974 | 10,767 | Foods | 12,513 | 8,312 | 4,201 |
| 1,772 | 3,738 | 5,510 | Detergents and toilet preparations | 5,955 | 3,992 | 1,963 |
| 778 | 726 | 1,504 | Paper, plastics and packaging, chemicals and other interests | 1,730 | 882 | 848 |
| 1,259 | 331 | 1,590 | Animal feeds | 1,715 | 388 | 1,327 |
| 2,344 | 114 | 2,458 | Merchandise and other activities of the United Africa Group and plantations | 3,004 | 119 | 2,885 |
| 9,946 | 11,883 | 21,829 | Sales to third parties | 24,917 | 13,693 | 11,224 |
| 1,917 | 3,145 | 5,062 | Internal sales (mainly oils and fats) | 5,914 | 3,498 | 2,416 |
| 11,863 | 15,028 | 26,891 | Total turnover | 30,831 | 17,191 | 13,640 |
| Operating profit | | | | | | |
| 224 | 582 | 806 | Foods | 677 | 505 | 172 |
| 119 | 152 | 271 | Detergents and toilet preparations | 388 | 221 | 167 |
| 69 | 129 | 198 | Paper, plastics and packaging, chemicals and other interests | 145 | 76 | 69 |
| 23 | 8 | 31 | Animal feeds | 26 | 6 | 20 |
| 115 | 22 | 137 | Merchandise and other activities of the United Africa Group and plantations | 197 | 28 | 169 |
| 550 | 893 | 1,443 | Total operating profit | 1,433 | 836 | 597 |

Where by-products, such as oil-cake and glycerine, are sold without further processing, the proceeds are included with the sales and profits of the main product from which the by-product is derived.

Internal sales represent supplies of marketable products—for use as raw materials—and services by one industry to other industries within the organisation. Operating profit resulting from these sales is included in the profit of the supplying industry, and is proportionately significant only in the case of paper, plastics and packaging.

Foods

Margarine, other fats and oils

Continuing the trend of recent years, world consumption of edible fats and oils rose by about 3% in 1970. The rise occurred mainly in developing countries; consumption in most West European countries was static or even slightly declining. World butter consumption increased a little mainly because of the disposal of surplus butter at low prices by the E.E.C. countries where stocks were reduced for the time being from 350,000 to 130,000 tons.

The edible fats and oils industry had to face spectacular increases in the prices of its raw materials which, with world stock levels falling, were on average 30% higher than in 1969. In addition, the industry in most countries had to contend with heavy increases in wages and salaries.

These high costs had two results. First, the traditional gap between butter and margarine prices has been considerably narrowed. In the United Kingdom the retail price of Soft Blue Band is now on a level with that of butter. Second, price control in most European countries has prevented us from keeping pace with all the cost increases by timely price adjustments and our margins have been squeezed, particularly in France. Altogether, our profits from margarines, other fats and oils were lower than in the previous year, in spite of better profits from our oil

mills which benefited from the relative shortage of raw materials.

The fall in profitability would have been more serious if specialised margarines had not continued to make good progress. Intensive research has enabled us to tailor margarines, fats and oils to specific household uses.

Our health margarines, sold under the brand name Becel in the Netherlands, Belgium and Germany and Flora in the United Kingdom and elsewhere, continued to do well. Soft margarines which can be spread at the temperature at which they are taken from the refrigerator have gained in popularity in a growing number of countries. These margarines combine softness with the health benefit of poly-unsaturated oils.

Margarines based on sunflower oil are well established in the Netherlands, Belgium and Germany. In the Netherlands, our low calorie spread Era, with half the calorie content of margarine, is in steady demand.

The tub is already the favourite type of margarine package in Germany and the United States and the use of this form of packaging can be expected to develop further. In Brazil we opened a margarine factory and entered the market with a new brand of tub margarine which was well received.

Unfortunately, we are still hampered in many countries by restrictive legislation. In the E.E.C. the harmonisation of margarine laws made little progress in 1970. The consuming public everywhere would benefit from more liberal legislation. For example, low calorie spreads such as Era are still forbidden in E.E.C. countries other than the Netherlands.

Our sales of household fats and oils increased during the year, especially in Germany and France. Sales to bakeries and other industrial users have, however, suffered under pressure from cheap E.E.C. butter.

In view of the growing demand for soya bean oil a major oil extraction unit will be built in the United Kingdom at Erith in Kent, and should come into operation early in 1972. The extraction plant at Mannheim, destroyed by fire in 1969, was rebuilt and entirely modernised and resumed production on schedule in August.

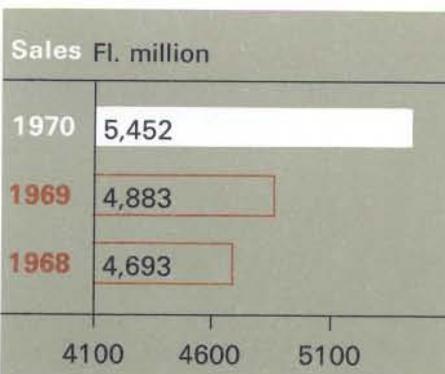
Other foods

Growth in total demand for quick-frozen foods and ice-cream in the markets where we operate was less than in previous years. Our sales increased considerably, though this was partly due to the merger of our quick-frozen food and ice-cream businesses in Austria, Germany and Italy with those of Nestlé Alimentana S.A. (Findus/Jopa) in these countries.

The prices of our quick-frozen foods had to be increased substantially in order to cover rising costs of raw materials including fish and meat, and the inflation of wages, salaries and other costs. These price changes have been a factor in the slower expansion of our sales but this was partly off-set by the introduction of new products, including a range of vegetables with sauce, fish in sauce and desserts. Generally, such products as these, prepared or partly prepared for the table, are accounting for an increasing proportion of our range of quick-frozen foods.

In the United Kingdom Birds Eye had lower profits for the year, but the second half year was better than the first. In Germany the rise in demand for quick-frozen foods slackened after the upsurge of 1969; our Iglo company maintained a share of the market equal to its own and that of Findus in the previous year but results were not up to expectation. In Italy the market continued to expand rapidly. Our quick-frozen foods business in the Netherlands was affected by strong competition. Good progress was made in Austria, and the business in Belgium continued to improve.

Margarine, other fats and oils



The weather in 1970 was reasonably helpful to the ice-cream industry in the United Kingdom and Italy, but other European countries suffered a spell of bad weather at the height of the holiday season. In the Netherlands, the crucial month of July was particularly bad. In the United Kingdom Wall's had another good year; an increase in their selling prices was referred to the Prices and Incomes Board which found the increases to be fully justified. In Germany Langnese's sales and profits were less than hoped. In Italy we strengthened our position by increasing the number of outlets. Outside Europe most of our ice-cream businesses did better than in 1969. Sales of ice-cream as a dessert continued to increase in most countries.

General economic conditions and rising costs and prices were unfavourable to the growth in demand for 'convenience' foods of other kinds in a number of countries. While sales of some



(ABOVE) Cookeen is popular with the home pastrycooks of the United Kingdom.

(BELOW) These French children are enjoying our yoghurt.





products continued to make good progress, the market for our canned, dried and other packaged foods expanded generally at a slower rate than we expected. In the United Kingdom Batchelors were particularly affected, and, while they maintained their position as leading manufacturers of dried soups and meals, their profits were lower. Results from our operations in the Netherlands, Belgium and Germany improved.

Lipton in the United States maintained its successful progress, achieving particularly good results with instant tea and iced tea mixes. The Lipton company in Canada acquired Langis Foods Limited, a company mainly dealing in supplies to the catering industry.

The processed cheese market was static in most countries; we were able to increase the volume of our sales but profits suffered from severe competition and rising costs. However, good results were achieved in Italy and South Africa.

The market for fresh dairy products continued to grow rapidly in most European countries. In Belgium, France and Germany considerable gains in sales were made, but our recent investment in this market has not yet started to yield profits. A number of steps were taken to accelerate the introduction of new products and to strengthen our organisation.

Our meat companies had a mixed year. Cost inflation in all countries and high raw material prices in the



(ABOVE) Batchelors soups are the brand leaders in the United Kingdom. Cooking aids, of which dried mixed vegetables is one, are among their products.

(BELOW) Nordsee Quick fish restaurants have been successfully established in Germany. In the Netherlands three similar restaurants were opened in 1970.

United Kingdom were accompanied by difficulty in raising selling prices; and when price increases were made some loss of trade resulted. In the United Kingdom the results of the Wall's meat company were not satisfactory but the acquisition of the Richmond Sausage Company Limited, now being integrated with Wall's, and the application of research and development in the form of new products and mechanisation should improve results within the next few years. Mattessons with their continental style products did well. In the Netherlands where the Zwanenberg business was acquired from Akzo N.V. results improved substantially compared with the 1969 loss. The Zwanenberg business in Belgium was also acquired and their individual pre-packed salami sausage, the Bi-Fi, made spectacular progress. In Germany, results again improved.

"Nordsee" Deutsche Hochseefischerei G.m.b.H., in which we have a majority interest, continued to make good progress. With demand for frozen fish outstripping supply, prices were higher and better profits were again earned from the trawling activities. A number of new factory ships are being ordered to replace some of the smaller freezer trawlers which are less economic to operate. The results of Nordsee's canning business were also better, partly because of the success of their high quality products sold in special 'easy to open' cans. The specialist Nordsee fish shops did very well; the chain of fish restaurants produced satisfactory profits and was further extended.

During most of the year the price of canned salmon in the United Kingdom was very high owing to the poor catch of 1969 and the consequent worldwide shortage. These high prices led to considerable resistance on the part of buyers during the first six months, and the resulting fall in John West's sales and profits was not fully recovered during the rest of the year.

Mac Fisheries in the United Kingdom increased their supermarket sales.



Unox canned meats have an appeal for the whole family, out of doors no less than in the home.

Other foods

| Sales Fl. million | |
|-------------------|--------------------------|
| 1970 | 7,061 |
| 1969 | 5,884 |
| 1968 | 5,208 |
| | 4100 5100 6100 |

Detergents and toilet preparations

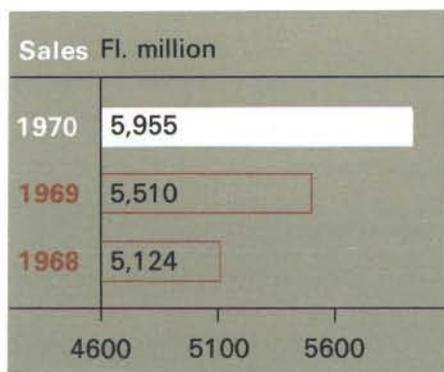
Detergents

After the hectic competitive introduction of new washing powders, based on the use of enzymes, in nearly all major countries in the two previous years, conditions in the detergent industry were quieter in 1970, and there was a substantial recovery in our profits.

Our new products in most cases made a firm place for themselves in the market, though their sales stabilised at lower levels than we expected. On the other hand, our older brands, with or without the addition of smaller amounts of enzymes, showed more buoyancy than expected. The reason appears to be that, while the housewife appreciates the increased efficiency of these new ingredients, they cost money and she does not find the extra expense necessary for every washing job. It remains our aim to provide her with the choice she wants, while striving through research to develop further product improvements.

We again increased our share of the market for toilet soaps, where we have long held a strong position. With the help of improved scourers, progress was made in our sales of household cleaning products. We have not, however, succeeded in improving our liquid detergents for dishwashing sufficiently to give them a satisfactory footing in this difficult sector of the market.

Detergents and toilet preparations



In developed countries there is a growing market for rinse conditioners—products added at the final stage of the washing process to give the fabrics a softer feel. Our sales of such products advanced sharply.

Our business in industrial detergents made progress. We acquired two small specialist companies, operating in this field in the Netherlands and Germany, to complement our range of products and services.

In most countries our detergent companies have been under great pressure from rising costs. Tallow—the most important soap making material—stood at the end of 1970 at Fl. 770 per ton, compared with Fl. 640 at the end of 1969 and Fl. 480 two years ago. We also face lesser increases for other detergent ingredients and packing materials, and there have been substantial rises in wage and salary rates. In consequence, in spite of improvements in efficiency—often the result of capital investment—it has not usually been possible to prevent cost increases which could only be recouped, if at all, by raising selling prices.

Public concern particularly in North America and Scandinavia has continued about the nutrient effect of materials containing phosphates in causing excessive growth of vegetation in lakes. Detergent phosphates play a part in this, though human waste and fertilisers have a greater role and consequently no solution will be effective without adequate sewage treatment. However, the detergent industry could help by developing substitute ingredients, always provided that these gave proper washing performances. We continue to devote a major scientific effort towards solving this problem, bearing in mind the need for the substitutes to be harmless in other directions.

Further attention has been given to improving the operating procedures in our factories in order to make doubly sure of safety in handling enzyme products. We have co-operated with the authorities in investigations of the subject in several countries. In the United Kingdom, a valuable report has been compiled by the Soap and Detergent Industry Association. Our experts took part in its preparation in the appropriate technical and medical committees, as did representatives of H.M. Factory Inspectorate.

A royalty agreement was made with the most important detergents company in Yugoslavia whereby we agreed to place production and marketing knowledge and experience at their disposal.

Toilet preparations

World consumer expenditure on toilet preparations increased by about 8% in 1970, the fastest growth being seen in continental Europe and in South America. Our own sales expanded at an even faster rate and our share of the total world market shows significant improvement.

We had a major success in North America with the launch of a new red translucent toothpaste, Close-Up, specially formulated to give whiter teeth and fresher breath. Sales were even better than were hoped for and continue to improve.

Elsewhere we held our position in the increasingly competitive toothpaste market and generally both sales and profits improved. Our hair preparations did well and our sales of deodorants were extremely buoyant.



Our toilet preparations businesses in the United Kingdom and Germany achieved record results and we are currently investing in new production capacity in both countries. In France we had good sales and in spite of increased costs and stringent price control, profits increased. Our position in Italy—where we had been weak for some years—was greatly improved.

The Atkinson perfumery business did well in Italy. Harriet Hubbard Ayer, our French cosmetics business, increased its sales both in France and elsewhere.

Vim is a household word all over the world.



The name of the Unilever washing powder 'all' indicates the range of its usefulness as a washing product. The market for the rinse conditioner Comfort is growing rapidly.



Signal toothpaste is manufactured in thirty countries and marketed in many more.

In the E.E.C. countries steps are being taken to re-structure our sales organisation and rationalise production.

Chemicals

The year 1970 was one of further expansion for our chemical businesses and sales to third parties reached a total of Fl. 760 million.

At the beginning of 1970 a fatty acids division was set up to co-ordinate our wholly owned fatty acid companies, and the German companies have been combined under the name of Unichema G.m.b.H. Similarly, a polymers division now co-ordinates the resin and emulsion companies acquired in the last four years.

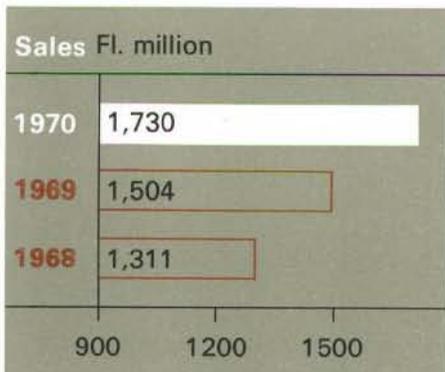
For our fatty acid companies the year was a difficult one. Margins were affected by high raw material prices which, because of competitive forces, could not be fully passed on in the prices of end products. The polymers division companies, however, had a generally successful year.

During the year Unilever signed agreements with Ashland Chemical Company and Reichhold Chemicals Inc., two important American chemical companies who are particularly strong in synthetic resins. The agreements entitle Unilever to use the technology of these companies in certain defined fields in several European countries, including the United Kingdom, the Benelux countries, France and Germany.

In the United Kingdom the slow growth of the market and severe cost inflation made it another difficult year for Joseph Crosfield & Sons. However, results, though still unsatisfactory, showed some improvement over 1969. Proprietary Perfumes Limited had another excellent year and expanded its sales.

Paper, plastics and packaging

Paper, plastics, packaging and chemicals



Sales of this product group continued to increase in 1970 but profits were not as good as in 1969, mainly because of disappointing results in Germany. Our business there had a difficult year owing to over-capacity in the paper industry and the slow-down in economic growth during the second half of the year. Compared with 1969, sales increased only slightly and profits were lower.

In the United Kingdom Thames Board Mills and Thames Case increased their sales but only just maintained their profits.

Animal feeds

Unilever-Emery, in the Netherlands, our joint venture with Emery Industries, Inc. of Cincinnati, had problems with rising raw material prices. Profits were below the record 1969 level, but were nevertheless satisfactory.

In the Netherlands sales of compound animal feeds continued to increase and profits were again higher. The main contribution to these improved results came from higher sales to pig rearers. Sales of poultry feeds also increased, but profits from these were reduced owing to very low egg prices, for which we had to compensate egg producers under guarantee contracts. In view of the better outlook we decided to build a fifth plant, at Helmond, and construction has already started.

In the United Kingdom rising costs forced us to increase selling prices several times. Our sales fell slightly in volume but profits improved. More measures were taken to rationalise our business, reduce costs and raise efficiency by supplying a reduced range of products incorporating even

Animal feeds



greater benefits to the farmer. The intended merger of The British Oil and Cake Mills and Silcock & Lever Feeds into a single company BOCM Silcock Limited, announced early in 1971, will be a further stage in this process.

(BELOW) The *Glastron Swinger* and the *Glastron Nautilite Houseboat* are made from glass reinforced plastic incorporating polyester resin supplied by Synthetic Resins Limited, a Unilever chemical company.



The United Africa Group

The United Africa Group had a good year in 1970. Sales to third parties increased by 25%, and profits were substantially higher. Part of this improvement was due to the excellent results of the newly acquired Leverton business in the United Kingdom, which operates the franchise for the Caterpillar Tractor Company in certain parts of the country. The streamlining and increased specialisation of the Group's activities also contributed to an increase in Group profits. Exchange controls and increasing government regulations in Africa are, however, tending to make a rational and economic deployment of resources more difficult. The authorities in Nigeria permitted the transfer across the exchanges of some accumulated dividends, but in Ghana no dividend transfers were authorised.

The earth moving equipment and technical businesses did exceptionally well, and the motors ventures also had a good year although they had to contend with acute supply problems. Palm Line faced many problems, mainly as a result of port congestion in Nigeria, the dock strike in the United Kingdom and rising costs of all services and ship repairs. The textiles businesses achieved excellent results; as did the timber ventures in Nigeria, Ghana and the Solomon Islands. The department stores and chemists companies and the general trading activities were generally profitable.

The Group as a whole did well in Nigeria; the profit position in Ghana was largely unchanged but results were slightly disappointing in Sierra Leone and the Gambia. The Group's substantial interests in French-speaking Africa continued to thrive in a fairly stable political atmosphere, and in the Congolese Republic (Kinshasa) reasonable profits were made.

Plantations

Total profits were substantially higher than those of 1969. Higher prices for palm oil and palm kernels, together with increased production, were the main contributing factors. Our copra, cocoa and tea estates also benefited from good prices and crops, and returned worthwhile results. Rubber prices declined from the high levels reached in 1969, so that although the average price for the year was still satisfactory and production was higher, profits were less than last year.

A. J. Seward companies in West Africa manufacture toiletries and beauty preparations for the African consumer. This Ghanaian customer's choice is Skin Tone cream, one of the Monica Smart specialist range of cosmetic products.



Exports

Our products are exported from about 30 countries to nearly every country in the world. In some instances products are made by local agents to our standards and specifications under the supervision of our export organisations in the Netherlands and the United Kingdom.

The value of our shipments from the two main exporting countries

and from all other countries from 1968 onwards was as follows:

| Fl. million | 1968 | 1969 | 1970 |
|-----------------|------|------|------|
| Netherlands | 562 | 698 | 915 |
| United Kingdom | 548 | 646 | 760 |
| Other countries | 654 | 715 | 875 |

Shipments from the Netherlands increased sharply. Exports of meat products were substantially higher, aided to a large extent by the

inclusion of exports by Zwanenberg. Most other exports also increased, including satisfactory rises in shipments of fats and oils, merchandise and chemicals.

Exports from the United Kingdom in 1970 showed yet another good increase, chiefly as a result of higher exports of merchandise by the United Africa Group and generally higher sales of foods, detergents and toilet preparations and chemicals.

Personnel

The total number of Unilever employees world-wide is 333,000 of whom 1,580 are senior managers and 13,600 managers.

In view of continuing inflation in many countries, even more attention has had to be given to the efficient employment of manpower at all levels. A number of our subsidiary companies as well as the Head Offices in Rotterdam and London reduced their staffs during the year.

Unilever personnel policy is now moving towards appraising the performance of individual managers against business targets. We are also concentrating on implementing a more flexible remuneration policy, the continuous improvement of recruitment and selection methods relating training more closely to the needs of the business and identifying promotable managers as early as possible.

The general aim is to create the conditions and organisation that

will permit full use to be made of the initiative and abilities of employees and thus contribute to the maximum efficiency and profitability of the business.

Unilever's pension contributions for its own and other pension schemes, including state pensions, and other payments for employees' retirement and death benefits amounted in 1970 to Fl. 400 million. The assets of the Unilever pension and provident funds throughout the world increased to Fl. 3,380 million.

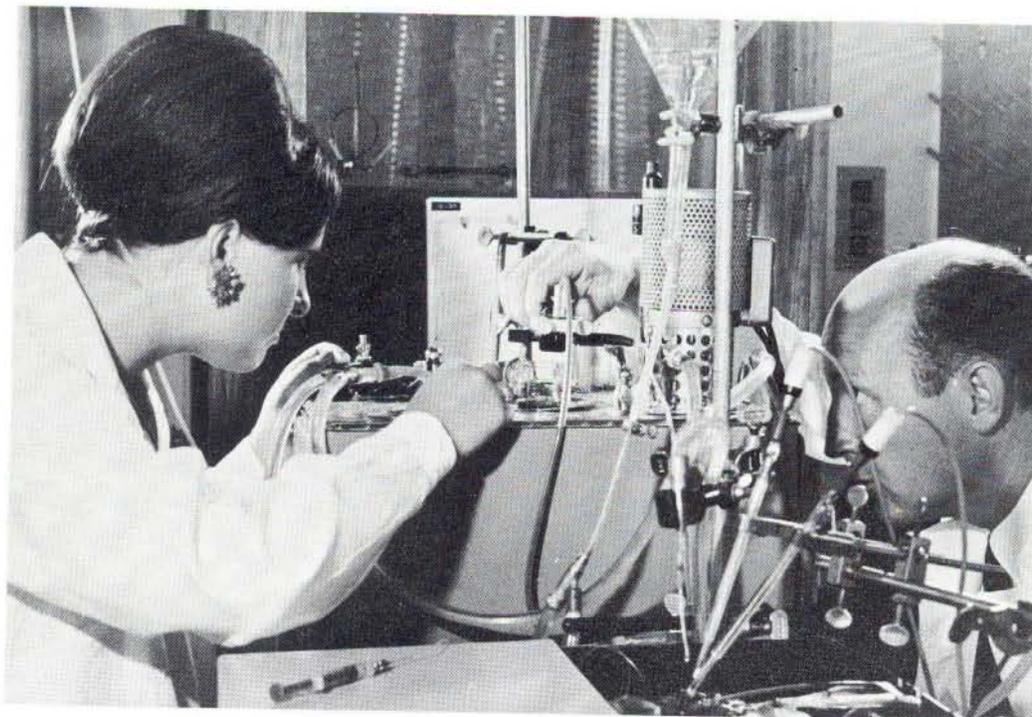
Research

Much of our research is naturally directed towards ensuring that all our products are safe for the consumer to use. For example, we have for many years maintained a large biological assessment unit, equipped to test the safety of products which are ingested or come into contact with the skin. It is incumbent on us also to keep a constant watch on the effects of our products on the environment. At present the effect of phosphates in detergents is the most important aspect of this subject, and the major effort we are devoting to the discovery of acceptable substitutes is referred to elsewhere in this Report.

Maintaining the highest possible quality in the whole range of Unilever products is of the utmost importance, and calls for research into all the fields of science which are relevant to them. Improvements in a product apparently as simple as a softer margarine, or a packet of dehydrated vegetables, require a comprehensive scientific effort, involving biochemists, microbiologists, agronomists, physical chemists and engineers, not to mention biologists and plant pathologists. As improvements are constantly being sought for the whole range of products, it is understandable that the greater part of the research effort is devoted to

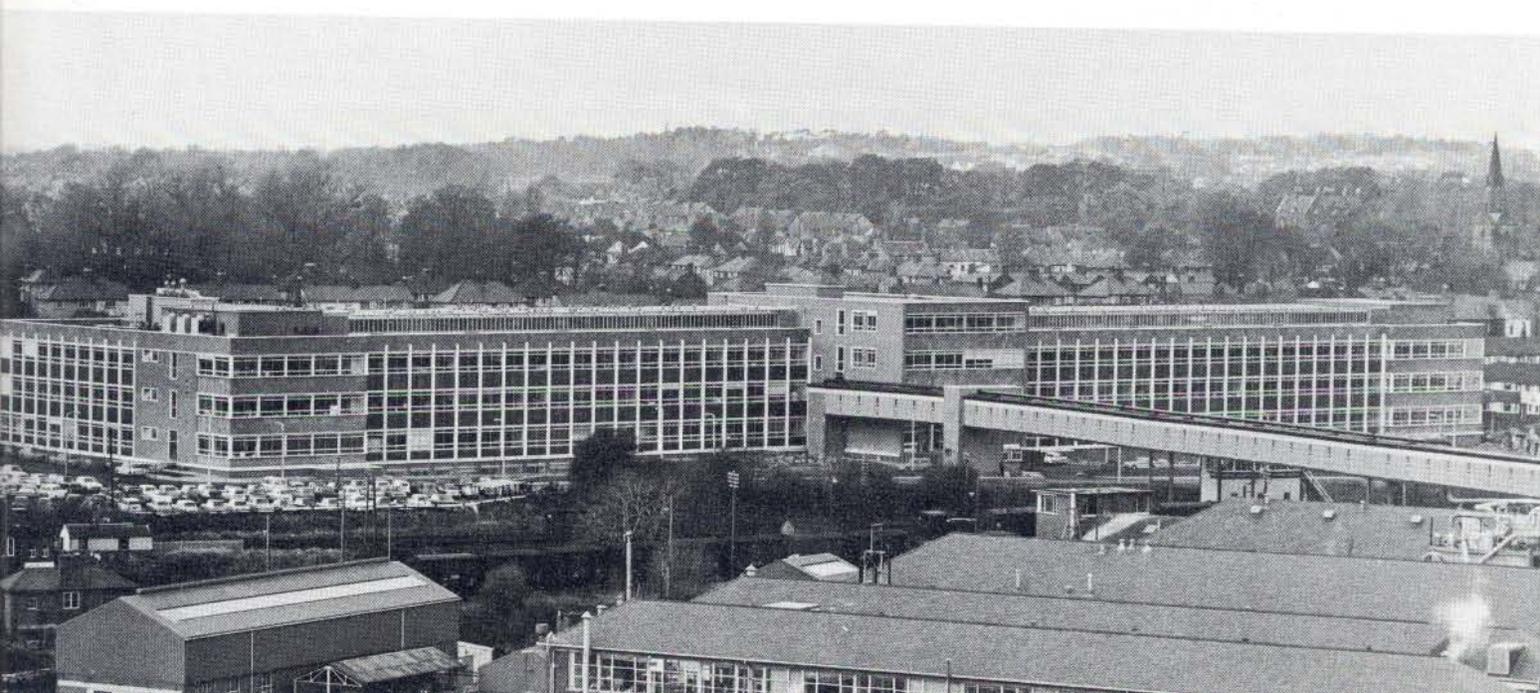
this purpose. In the toilet preparations field a new high intensity hair colouring system has been developed, and improved anti-perspirants and aerosol hair spray products have been introduced. New varieties of vegetables have been introduced and the means to protect them from plant diseases discovered. Soft margarines with improved nutritional qualities have been referred to earlier, and a number of new dairy products have been developed and put on the market. We have been at pains to modernise all our detergent products to maintain their leading position.

Our fish farming project in the United Kingdom has been an interesting example of our work on new ventures. For the first few years feasibility trials were carried out to find which species was most likely to provide the basis for a profitable venture. Crustacea, flat fish, salmon and trout have all been studied, and salmon has so far proved to be the most promising. The problems of breeding and acclimatisation of the young smolts have largely been overcome, and suitable methods devised for feeding them with specially formulated foods in the clean water of a Scottish loch. The problems still remaining include the achievement of a uniform and faster growth rate for all the fish.



The biological department of the Vlaardingen research laboratory in the Netherlands. The work in progress is part of a study of the effects of prostaglandins on the cardiovascular system.

The extension to the research laboratories at Port Sunlight in the United Kingdom, officially opened during the year.



Finance

Details of increase/*decrease* in funds during year.
Fl. million; *figures in italics represent deductions*

| | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Source of funds | | | | | | |
| Profit of the year re-invested in the business | 411 | 361 | 426 | 464 | 345 | 343 |
| Depreciation charged against profit | 453 | 500 | 498 | 523 | 572 | 666 |
| Proceeds of disposal of fixed assets | 69 | 61 | 79 | 54 | 103 | 87 |
| Changes in share and loan capital | 74 | 192 | 68 | <i>15</i> | 25 | 182 |
| | 1,007 | 1,114 | 1,071 | 1,026 | 1,045 | 1,278 |
| Use of funds | | | | | | |
| <i>Capital expenditure</i> | <i>673</i> | <i>605</i> | <i>616</i> | <i>716</i> | <i>881</i> | <i>993</i> |
| <i>Additional/reduced working capital other than cash</i> | <i>410</i> | <i>8</i> | 175 | <i>315</i> | <i>445</i> | <i>246</i> |
| <i>Subsidiaries acquired</i> | <i>129</i> | <i>105</i> | <i>54</i> | <i>259</i> | <i>132</i> | <i>230</i> |
| <i>Trade investments</i> | <i>14</i> | <i>46</i> | <i>8</i> | <i>9</i> | <i>20</i> | <i>9</i> |
| | 1,226 | 764 | 503 | 1,299 | 1,478 | 1,460 |
| Other sources/uses | 20 | 41 | 125 | 88 | 22 | 91 |
| Increase/<i>decrease</i> during year | 199 | 309 | 443 | 185 | 411 | 91 |
| Net liquid funds 1st January | 595 | 396 | 705 | 1,148 | 963 | 552 |
| Net liquid funds 31st December | 396 | 705 | 1,148 | 963 | 552 | 461 |

Net liquid funds consist of marketable and short-term securities, and cash and bank balances, less bank advances.

The outflow of funds in 1970 has been substantially reduced compared with 1968

and 1969. Continued expansion of the business and inflation in most of the countries in which we operate have caused substantial further pressure on our working capital; in spite of this the increase was less than in the two previous years.

Acquisitions in 1970, principally the Zwanenberg businesses in the Netherlands and Belgium and the Leverton Group in the United Kingdom, have been financed by increases in loan and share capital.

Capital projects

Expenditure of Fl. 943 million was approved in 1970.

The geographical pattern was as follows:

| | % | Fl. million |
|-------------------------|------------|-------------|
| Europe | 77 | 730 |
| North and South America | 9 | 82 |
| Africa | 10 | 91 |
| Rest of World | 4 | 40 |
| | <u>100</u> | <u>943</u> |

The more important items are listed below:

| | Fl. million |
|---|-------------|
| Margarine, other fats and oils | 98 |
| Extensions to margarine factories in Germany and Sweden. Additional margarine tub filling lines in the United Kingdom and in the United States. Additional warehousing facilities in Germany. | |
| Other foods | 370 |
| Additional facilities for ice-cream production, storage and distribution in Austria and Germany. Expansion of facilities for quick freezing of peas and sprouts in the United Kingdom and of ready meals and vegetables in Germany. Expansion of facilities for processing quick-frozen fish in Germany. Additional production facilities for dairy products in France. Fitting out additional supermarkets for Mac Fisheries in the United Kingdom and modernisation of Nordsee shops in Germany. Production facilities for sour and jellied milk in Germany. Extension of cheese factory in South Africa. Six trawlers for Nordsee in Germany. | |
| Detergents and toilet preparations | 114 |
| Detergent production facilities in the Congolese Republic (Kinshasa), India, Italy, Malawi and Spain. Factory site and warehouse in Austria. Mechanisation of multi-kilo detergent powder packing lines in Germany. Toilet preparations production facilities in Italy and the United States. | |
| Paper, plastics, packaging, chemicals and other interests | 237 |
| Expansion of white lined chip board capacity in the United Kingdom. Expansion of fatty acid derivatives capacity in the Netherlands and Germany. Additional production facilities for polyvinyl acetate emulsions in the United Kingdom. Additional production facilities for PVC film in Germany. Compound animal feeds factory in the Netherlands. Expansion into weaving in Nigeria. Extension of brewery—Republic of Chad. | |
| General | 124 |
| Office accommodation in the United Kingdom, Indonesia and Nigeria. Expansion of frozen food road haulage fleet in the United Kingdom. Expansion of oil seed transport fleet on the Rhine, Germany. Motor vehicles, less sales of old vehicles. | |
| | <u>943</u> |

Interests in Land

N.V. and Limited have interests in land in Europe, North and South America, Africa, Asia and Australasia. Such interests are developed either as purpose designed factories, warehouses and trading establishments with ancillary offices and laboratories or as plantations. Substantially all the land and buildings are fully used in the business and their continued suitability

for these purposes is kept under review. In these circumstances it is considered that an assessment of the market value of all interests in land throughout the world would not produce information of significance to members or debenture or unsecured loan stock holders in terms of Section 16 of the United Kingdom Companies Act 1967.

Quarterly results

Profit accruing to ordinary capital

| Total Fl. million | | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
|-------------------|-----|-------------|-------------|-------------|-------------|
| 1970 | 650 | 134 21% | 195 30% | 173 27% | 148 22% |
| 1969* | 691 | 151 22% | 181 26% | 176 25% | 183 27% |
| 1968 | 728 | 165 23% | 203 28% | 170 23% | 190 26% |

* Adjusted to reflect the effect of German revaluation.

Capital and membership

There were no changes in the share capital of **N.V.** in 1970. **Limited's** issued share capital was increased by £250,000 by the issue of 1,000,000 ordinary shares of 25p each in part consideration for the acquisition of Leverton Group Limited.

On 1st December, 1970, **N.V.** issued Fl. 75,000,000 8% 5-year notes for cash. In December 1970, **N.V.** announced its intention to make an offer for the 5½% cumulative preference shares and the ordinary A shares of Van den

Bergh's en Jurgens' Fabrieken N.V. In connection with the offer, which was declared unconditional on 16th February, 1971, further 5-year notes identical with those mentioned above will be issued up to a maximum of Fl. 45,530,700.

At the year end **Limited** had 89,226 ordinary and 1,395 preferential shareholdings, and 116,672 debenture and unsecured loan stockholdings. As **N.V.'s** share and loan capital is held by the public largely in the form of bearer scrip, the exact number of holders cannot be ascertained.

Articles of association – Limited

At the Annual General Meeting of **Limited** a special resolution will be proposed for the purpose of bringing certain provisions of the Articles of Association up to date. The proposed changes relate mainly to alterations required by the change-over to decimal currency in the United Kingdom. They will not affect the existing rights of holders of share or loan capital of any class.

Dividends

The proposed appropriations of the profits of **N.V.** and **Limited** are shown in the consolidated profit and loss accounts on page 32.

The final dividends for 1970 recommended by the Boards on the ordinary capitals are at the rates of Fl. 2.92 per Fl. 20 of ordinary capital of **N.V.** and 5.04p per 25p ordinary share of **Limited**, bringing total dividends for 1970 to Fl. 5.43 per Fl. 20 of ordinary capital of **N.V.** (1969: Fl. 5.43) and 9.415p per 25p ordinary share of **Limited** (1969: 9.375p). The dividends are equivalent in value under the terms of the Equalisation Agreement.

It is intended to make the final dividends for 1970 on the ordinary shares of both Companies payable as from 21st May, 1971 except that the dividends on the New York Shares of **N.V.** and on the American Depositary Receipts representing ordinary capital of **Limited** will be paid on 10th June, 1971.

After payment of the ordinary dividends for 1970, it is proposed to set aside Fl. 37,589,000 (**N.V.** Fl. 15,000,000, **Limited** £2,600,000 or Fl. 22,589,000) to reserve for replacement of fixed assets (on behalf of subsidiaries).

Directors

In accordance with Article 21 of the Articles of Association all the Directors retire at the Annual General Meeting on 10th May, 1971 and, with the exception of Mr. H. S. A. Hartog, Mr. R. H. Siddons and Mr. P. A. Macrory, offer themselves for re-election.

Mr. Hartog has been Chairman of **N.V.** and a Vice-Chairman of **Limited** since 1966. He joined Unilever in 1931, and became a Director of **N.V.** and **Limited** in 1948, having earlier served in Poland, Denmark and France, as well as in the two home countries. In an organisation based on Anglo-Dutch collaboration, he has made a special contribution to good relations between the two countries. His colleagues wish to place on record their gratitude for his wise guidance, and to pay tribute to his outstanding services to Unilever. They are glad to note that he has agreed to continue as an Advisory Director of **N.V.**

Their colleagues also wish to pay tribute to the distinguished services rendered to the Unilever Group by Mr. Siddons and Mr. Macrory. Mr. Siddons joined **Limited** in 1929. After service with Unilever in the United Kingdom, the Netherlands, Poland, Germany, Switzerland and Belgium, he became a Director of **N.V.** and **Limited** in 1955. Mr. Macrory joined **Limited** in 1947 as a member of its Legal Department; he became Secretary of **Limited** in 1956 and also a Secretary of **N.V.** in 1962, and a Director of **N.V.** and **Limited** in 1968.

It is intended to elect Mr. G. D. A. Klijnstra to succeed Mr. Hartog as Chairman of **N.V.** and as a Vice-Chairman of **Limited**, and to elect Mr. A. W. J. Caron to succeed Mr. Klijnstra as a Vice-Chairman of **N.V.**

At the Annual General Meetings in 1970, Mr. A. I. Anderson, Mr. M. R. Angus, Mr. G. E. Graham, Mr. H. F. van den Hoven and Mr. A. W. P. Stenham were elected as Directors of **N.V.** and **Limited**.

Mr. J. M. Honig, who had been an Advisory Director of **N.V.** for nearly thirty years, and Mr. F. J. M. A. H. Houben, an Advisory Director of **N.V.** since 1966, retired on grounds of age during 1970. Lord Roberthall, who was appointed an Advisory Director of **Limited** in 1961, will retire for the same reason at the Annual General Meeting. Unilever has benefited greatly from the advice and assistance of all these gentlemen, and the Directors wish to thank them for their valuable services.

Auditors

The auditors, Price Waterhouse & Co. and Cooper Brothers & Co., retire and offer themselves for reappointment.

Rotterdam, 16th March, 1971.

ON BEHALF OF THE BOARD,

E. SMIT Director
H. A. HOLMES Secretary

Combined results

for the year ended 31st December

Figures in italics represent deductions

Fl. million

| | 1969 | 1970 |
|--|--------|---------------|
| Sales to third parties | 21,829 | 24,917 |
| Operating profit | 1,443 | 1,433 |
| Financial items | 37 | 80 |
| Profit of the year before taxation | 1,406 | 1,353 |
| Taxation on profit of the year | 663 | 659 |
| Profit of the year after taxation | 743 | 694 |
| Outside interests and preference dividends | 52 | 44 |
| Profit of the year accruing to ordinary capital | 691 | 650 |
| Ordinary and deferred dividends | 305 | 307 |
| Special ordinary dividends | 41 | — |
| Profit of the year retained* | 345 | 343 |

* Other movements in Profits retained are shown on page 32.

The figures above and on page 31 are arrived at by combining the figures in the consolidated accounts of **N.V.** and **Limited** and should be read in conjunction with these accounts and the first paragraph of page 34.

Combined assets and liabilities

as at 31st December

Figures in italics represent deductions

Fl. million

| | 1969 | 1970 |
|--|-------|--------------|
| Capital Employed | | |
| Preferential capital | 310 | 310 |
| Ordinary shareholders' funds | 6,515 | 6,826 |
| Outside interests in subsidiaries | 214 | 250 |
| Loan capital | 1,477 | 1,634 |
| Deferred liabilities | 804 | 888 |
| | <hr/> | <hr/> |
| | 9,320 | 9,908 |
| | <hr/> | <hr/> |
| Employment of Capital | | |
| Land, buildings and plant | 5,003 | 5,439 |
| Trade investments | 214 | 199 |
| Long-term debtors | 174 | 187 |
| Net current assets | 3,929 | 4,083 |
| | <hr/> | <hr/> |
| | 9,320 | 9,908 |
| | <hr/> | <hr/> |

Consolidated profit and loss accounts

for the year ended 31st December

Figures in italics represent deductions

Fl. 000's

| Limited | N.V. | 1969 Combined | | 1970 Combined | N.V. | Limited |
|--------------------------------------|-------------------|-------------------|--|-------------------|-------------------|-------------------|
| 9,945,668 | 11,883,168 | 21,828,836 | Sales to third parties | 24,917,239 | 13,692,691 | 11,224,548 |
| <i>9,395,822</i> | <i>10,989,414</i> | <i>20,385,236</i> | Costs | <i>23,484,098</i> | <i>12,856,398</i> | <i>10,627,700</i> |
| 549,846 | 893,754 | 1,443,600 | Operating profit | 1,433,141 | 836,293 | 596,848 |
| 12,824 | 15,809 | 28,633 | Income from trade investments | 41,114 | 23,677 | 17,437 |
| <i>60,321</i> | <i>32,304</i> | <i>92,625</i> | Interest on loan capital | <i>100,256</i> | <i>38,224</i> | <i>62,032</i> |
| 10,773 | 16,384 | 27,157 | Other interest | <i>20,808</i> | <i>24,535</i> | <i>3,727</i> |
| 513,122 | 893,643 | 1,406,765 | Profit of the year before taxation | 1,353,191 | 797,211 | 555,980 |
| <i>255,749</i> | <i>407,283</i> | <i>663,032</i> | Taxation on profit of the year | <i>658,960</i> | <i>370,961</i> | <i>287,999</i> |
| 257,373 | 486,360 | 743,733 | Profit of the year after taxation | 694,231 | 426,250 | 267,981 |
| <i>11,702</i> | <i>23,107</i> | <i>34,809</i> | Outside interests in results of subsidiaries | <i>26,631</i> | <i>15,106</i> | <i>11,525</i> |
| 245,671 | 463,253 | 708,924 | Consolidated profit of the year | 667,600 | 411,144 | 256,456 |
| <i>3,484</i> | <i>14,694</i> | <i>18,178</i> | Preference dividends | <i>18,178</i> | <i>14,694</i> | <i>3,484</i> |
| 242,187 | 448,559 | 690,746 | Profit of the year accruing to ordinary capital | 649,422 | 396,450 | 252,972 |
| <i>131,111</i> | <i>173,805</i> | <i>304,916</i> | Ordinary and deferred dividends | <i>306,700</i> | <i>173,805</i> | <i>132,895</i> |
| <i>17,480</i> | <i>23,366</i> | <i>40,846</i> | Special ordinary dividends | — | — | — |
| 93,596 | 251,388 | 344,984 | Profit of the year retained | <i>342,722</i> | 222,645 | 120,077 |
| Movements in profits retained | | | | | | |
| 9,053 | 7,615 | 1,438 | Exceptional items not applicable to current trading | 15,188 | 41,652 | 26,464 |
| 2,146 | 86,545 | 84,399 | Goodwill on acquisition of new subsidiaries after deducting surplus on revaluation of fixed assets | 30,846 | 14,365 | 16,481 |
| 16,177 | 51,525 | 35,348 | Effect of exchange rate changes | 11,291 | 15,678 | 4,387 |
| 93,596 | 251,388 | 344,984 | Profit of the year retained of which fixed assets replacement reserve | 342,722 | 222,645 | 120,077 |
| <i>26,064</i> | <i>33,000</i> | <i>59,064</i> | | <i>37,589</i> | 15,000 | 22,589 |
| 70,512 | 223,983 | 294,495 | Net addition to profits retained | 285,397 | 150,950 | 134,447 |
| 2,637,798 | 2,442,079 | 5,079,877 | Profits retained—1st January | 5,374,372 | 2,666,062 | 2,708,310 |
| 2,708,310 | 2,666,062 | 5,374,372 | Profits retained—31st December | 5,659,769 | 2,817,012 | 2,842,757 |

Consolidated balance sheets

as at 31st December

Figures in italics represent deductions

Fl. 000's

| Limited | N.V. | 1969 Combined | | 1970 Combined | N.V. | Limited |
|-----------------------|------------------|------------------|--|------------------|------------------|------------------|
| Capital Employed | | | | | | |
| 44,683 | 265,060 | 309,743 | Preferential capital | 309,743 | 265,060 | 44,683 |
| 3,157,115 | 3,358,393 | 6,515,508 | Ordinary shareholders' funds | 6,826,430 | 3,509,343 | 3,317,087 |
| 546,204 | 640,165 | 1,186,369 | Ordinary capital | 1,189,369 | 640,165 | 549,204 |
| 2,610,911 | 2,718,228 | 5,329,139 | Profits retained and other reserves | 5,637,061 | 2,869,178 | 2,767,883 |
| 80,173 | 133,901 | 214,074 | Outside interests in subsidiaries | 250,339 | 165,110 | 85,229 |
| 892,605 | 584,840 | 1,477,445 | Loan capital | 1,633,344 | 733,658 | 899,686 |
| 444,131 | 359,497 | 803,628 | Deferred liabilities | 888,595 | 441,506 | 447,089 |
| 56,688 | <i>56,688</i> | — | Inter-Group—N.V./Limited | — | <i>44,547</i> | 44,547 |
| 4,675,395 | 4,645,003 | 9,320,398 | | 9,908,451 | 5,070,130 | 4,838,321 |
| Employment of Capital | | | | | | |
| 2,493,256 | 2,510,292 | 5,003,548 | Land, buildings and plant | 5,438,493 | 2,849,374 | 2,589,119 |
| 106,698 | 107,744 | 214,442 | Trade investments | 199,063 | 94,416 | 104,647 |
| 34,213 | 138,779 | 172,992 | Long-term debtors | 187,093 | 143,809 | 43,284 |
| 2,041,228 | 1,888,188 | 3,929,416 | Net current assets | 4,083,802 | 1,982,531 | 2,101,271 |
| 1,845,131 | 1,907,257 | 3,752,388 | Stocks | 4,335,598 | 2,208,306 | 2,127,292 |
| 1,350,992 | 1,275,198 | 2,626,190 | Debtors | 2,871,385 | 1,414,051 | 1,457,334 |
| <i>1,006,409</i> | <i>1,290,518</i> | <i>2,296,927</i> | Creditors | <i>2,796,119</i> | <i>1,559,764</i> | <i>1,236,355</i> |
| <i>319,414</i> | <i>208,242</i> | <i>527,656</i> | Provision for taxation | <i>609,858</i> | <i>287,585</i> | <i>322,273</i> |
| <i>72,093</i> | <i>104,167</i> | <i>176,260</i> | Dividends | <i>177,624</i> | <i>103,828</i> | <i>73,796</i> |
| 264,793 | 287,496 | 552,289 | Marketable and short-term securities | 397,977 | 264,173 | 133,804 |
| 282,212 | 521,769 | 803,981 | Cash and bank balances | 875,473 | 510,620 | 364,853 |
| 303,984 | 500,605 | 804,589 | Bank advances | 813,030 | 463,442 | 349,588 |
| 4,675,395 | 4,645,003 | 9,320,398 | | 9,908,451 | 5,070,130 | 4,838,321 |

General notes to the accounts

Equalisation Agreement

N.V. and **Limited** are linked by a series of agreements of which the principal is the Equalisation Agreement. Inter alia this equalises the rights of the ordinary capitals of the two Companies as to dividends and, on liquidation, as to capital value, on the basis of Fl. 12 nominal of **N.V.**'s ordinary capital being equivalent to £1 of **Limited**'s ordinary capital.

Treatment of foreign currencies

Limited's figures have been converted to guilders at the official parity of £1 = Fl. 8.688, except **Limited**'s ordinary capital which has been converted at the rate of £1 = Fl. 12, the consequential adjustment being included in Profits retained and other reserves. Other foreign currencies have been converted at the official parities or other rates of exchange current at the year-end, except that Sales to third parties have been converted to guilders at the rates of exchange ruling at the end of each quarter.

The degree of restriction which affects the transfer of some currencies varies from year to year. After making provisions, the net assets and net profits presently subject to severe restrictions are not large in relation to the total.

Subsidiaries consolidated

Subsidiary companies are those companies in which **N.V.** and **Limited**, directly or indirectly, either hold more than 50% of the equity (i.e. ordinary) capital or, being shareholders, control the composition of a majority of the board of directors.

Recognising the seasonal nature of their operations, some companies having substantial interests in Africa close their financial year on 30th September. Their accounts, at this date, are included in the consolidated accounts.

A list of subsidiaries, which it is considered have principally affected the results or assets in terms of the Companies Act 1967, is given on pages 48 and 49.

Goodwill

In accordance with the practice established in 1953 the excess of the price paid for new interests over net tangible assets acquired has been eliminated by deduction from Profits retained.

Bases of valuation

In the main, land, buildings and plant are stated at cost. Less than 10% represents assets in some countries where revaluations, following local devaluation of currencies, have had the effect of maintaining the original guilder/sterling values. Depreciation is charged mainly on the basis of fixed percentages of cost at rates appropriate to each country.

In **N.V.**, trade investments are shown principally at cost. In **Limited**, they are shown at net book amount at 31st December, 1947 with additions at cost or valuation, less Fl. 10,486,000 written off.

A list of investments, which it is considered have principally affected the results or assets in terms of the Companies Act 1967, is given on page 49.

Stocks are consistently stated on the basis of the lower of cost—mainly averaged cost—and net realisable value, less provisions for obsolescence.

Debtors are after deducting adequate provisions for doubtful debts.

Unfunded retirement benefits, included in Deferred liabilities, represent the estimated present value of the future liability for retirement and death benefits to past and present employees other than benefits provided through pension and provident funds.

In the balance sheet of **N.V.**, shares in subsidiaries are stated at cost.

In the balance sheet of **Limited**, shares in subsidiaries are stated at Directors' valuation made on re-arrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off.

Taxation

The close company provisions of the United Kingdom Finance Act 1965 do not apply to **Limited**.

United Kingdom corporation tax on the profits of 1970 and foreign taxes, which are not due before 1st January, 1972, together with Deferred taxation, are included under Deferred liabilities. Deferred taxation arises mainly from the charge made to profits in respect of the tax postponed through fixed assets being written off in some countries more rapidly for tax than for commercial purposes, less the estimated future taxation relief on the provisions for unfunded retirement benefits.

The provision for Deferred taxation at 31st December, 1969, has been adjusted to take account of changes in rates of tax, the difference being included in Taxation adjustments previous years.

Other taxation adjustments relating to previous years arise mainly from refunds of taxes and release of provisions no longer required and together they are taken to Profits retained.

A dispute with the German tax authorities gives rise to a contingent liability of Fl. 135 million, comprising Fl. 91 million for refunds of dividend tax for 1963 and subsequent years already received and Fl. 44 million for refunds claimed in respect of 1967 to 1970 and included in debtors. Leading German tax experts who have been consulted remain of the opinion that the authorities' case cannot be upheld.

Dividends waived

The Trustees of the Leverhulme Trust have waived their right to that part ($62\frac{1}{2}\%$) of the 1969 and 1970 **Limited** Ordinary dividends which flows back to the Company.

Notes to the consolidated profit and loss accounts

Figures in italics represent deductions

Fl. 000's

| Limited | N.V. | 1969 Combined | | 1970 Combined | N.V. | Limited |
|-----------|-----------|------------------|---|------------------|-----------|-----------|
| | | | Costs include: | | | |
| 244,342 | 327,278 | 571,620 | Depreciation | 666,100 | 401,307 | 264,793 |
| 3,901 | 2,999 | 6,900 | Emoluments of Directors as managers including contributions to pension funds for superannuation | 6,858 | 2,827 | 4,031 |
| 921 | 270 | 1,191 | Superannuation of former Directors | 2,389 | 651 | 1,738 |
| 1,642,188 | 2,243,632 | 3,885,820 | Remuneration of employees including social security contributions | 4,507,667 | 2,677,931 | 1,829,736 |
| 3,015 | 3,224 | 6,239 | Auditors' remuneration | 6,970 | 3,530 | 3,440 |
| 78 | 35 | 43 | Profit/loss on disposal of trade investments | — | — | — |
| 44,613 | 44,261 | 88,874 | Hire of plant and machinery | 102,298 | 56,530 | 45,768 |
| 12,824 | 15,809 | 28,633 | Income from trade investments | 41,114 | 23,677 | 17,437 |
| 2,381 | 2,542 | 4,923 | Quoted shares | 6,549 | 2,900 | 3,649 |
| 9,635 | 12,616 | 22,251 | Unquoted shares | 25,426 | 13,515 | 11,911 |
| 808 | 651 | 1,459 | Interest on loans | 1,501 | 589 | 912 |
| — | — | — | Profit/loss on disposal | 7,638 | 6,673 | 965 |
| 1,877 | 1,989 | 3,866 | Interest on loan capital includes: | | | |
| | | | Interest on loans, the final repayment of which will be made within 5 years | 9,711 | 5,289 | 4,422 |
| 10,773 | 16,384 | 27,157 | Other interest | 20,808 | 24,535 | 3,727 |
| 21,816 | 39,675 | 61,491 | Interest paid on bank advances | 106,479 | 80,875 | 25,604 |
| 32,589 | 56,059 | 88,648 | Interest received | 85,671 | 56,340 | 29,331 |
| 255,749 | | | Taxation on profit of the year for Limited is made up of: | | | 287,999 |
| 183,343 | | | U.K. corporation tax | | | 165,550 |
| 76,411 | | | less: Foreign tax relief | | | 77,340 |
| 148,817 | | | plus: Foreign taxes | | | 199,789 |
| 9,053 | 7,615 | 1,438 | Exceptional items not applicable to current trading | 15,188 | 41,652 | 26,464 |
| 18,193 | 6,939 | 11,254 | Taxation adjustments previous years | 26,257 | 4,893 | 21,364 |
| 3,970 | 2,162 | 6,132 | Nationalisation of interests, war damage, disposal and closing of units | 5,629 | 4,743 | 886 |
| 252 | 9,444 | 9,696 | Adjustment to provision for unfunded retirement benefits | 44,365 | 41,802 | 2,563 |
| 21,520 | 12,282 | 33,802 | Other profits | 8,549 | — | 8,549 |
| 8,158 | — | 8,158 | Other losses | — | — | — |

Notes to the consolidated balance sheets

Figures in italics represent deductions

1969 1970
Authorised

| Fl. 000's | 1969 | 1970 |
|----------------|----------------|----------------|
| 75,000 | 75,000 | 75,000 |
| 200,000 | 200,000 | 200,000 |
| 75,000 | 75,000 | 75,000 |
| 350,000 | 350,000 | 350,000 |
| £000's | 1969 | 1970 |
| 172 | 172 | 172 |
| 3,503 | 3,503 | 3,503 |
| 1,218 | 1,218 | 1,218 |
| 250 | 250 | 250 |
| 5,143 | 5,143 | 5,143 |

| Fl. 000's | 1969 | 1970 |
|-----------|-----------|-----------|
| 1,002,400 | 1,002,400 | 1,002,400 |
| £000's | 1969 | 1970 |
| 136,176 | 136,176 | 136,176 |
| 100 | 100 | 100 |

The increase in ordinary capital of **Limited** is due to the issue of 1,000,000 shares in connection with the acquisition of Leverton Group Limited.

The 4% cumulative preference capital of **N.V.** is redeemable at par at the Company's option either wholly or in part.

| Fl. 000's | 1969 | 1970 |
|------------------|------------------|------------------|
| Limited | N.V. | Combined |
| 2,610,911 | 2,718,228 | 5,329,139 |
| 53,353 | 52,166 | 105,519 |
| 150,752 | — | 150,752 |
| 2,708,310 | 2,666,062 | 5,374,372 |
| — | — | — |
| 125,107 | 121,000 | 246,107 |

Share capital

Preferential capital (Fl. 000's)

| | |
|--------------------------|--------------------------------|
| N.V. | |
| 7% Cumulative Preference | } Ranking } pari } passu |
| 6% Cumulative Preference | |
| 4% Cumulative Preference | |

Limited

| | |
|---|-------|
| 5% First Cumulative Preference | 172 |
| 7% First Cumulative Preference | 3,503 |
| 8% Second Cumulative Preference | 1,218 |
| 20% Third Cumulative Preferred Ordinary | 250 |

Guilder equivalent (000's)

Ordinary capital (Fl. 000's)

| | |
|---|--------------|
| N.V. | |
| Ordinary | 642,565 |
| Internal holdings eliminated in consolidation | 2,400 |
| | 640,165 |

Limited

| | |
|----------------------------|----------------|
| Ordinary (in 25p shares) | 45,517 |
| Guilder equivalent (000's) | 546,204 |
| Deferred | 100 |

Fl. 1,200,000 of ordinary capital of **N.V.** is held by a subsidiary of **N.V.** and Fl. 1,200,000 by a subsidiary of **Limited**. These holdings are eliminated in consolidation. These subsidiaries have waived their rights to dividends.

Profits retained and other reserves at 31st December

| | |
|---|----------------|
| Premiums on capital issued | 128,872 |
| Adjustment on conversion of Limited's ordinary capital at £1 = Fl. 12 | 151,580 |
| Profits retained | 5,659,769 |
| Premiums on capital issued include the amount arising in 1970 on acquisition of Leverton Group Limited. | 23,353 |
| Profits retained include cumulative fixed assets replacement reserve | 283,696 |

1969 1970
Issued and fully paid

309,743 309,743

| Fl. 000's | 1969 | 1970 |
|-------------------|-------------------|-------------------|
| 29,000 | 29,000 | 29,000 |
| 161,060 | 161,060 | 161,060 |
| 75,000 | 75,000 | 75,000 |
| 265,060 | 265,060 | 265,060 |
| £000's | 1969 | 1970 |
| 172 | 172 | 172 |
| 3,503 | 3,503 | 3,503 |
| 1,218 | 1,218 | 1,218 |
| 250 | 250 | 250 |
| 5,143 | 5,143 | 5,143 |
| Fl. 44,683 | Fl. 44,683 | Fl. 44,683 |

1,186,369 1,189,369

| Fl. 000's | 1969 | 1970 |
|--------------------|--------------------|--------------------|
| 642,565 | 642,565 | 642,565 |
| 2,400 | 2,400 | 2,400 |
| 640,165 | 640,165 | 640,165 |
| £000's | 1969 | 1970 |
| 45,517 | 45,767 | 45,767 |
| Fl. 546,204 | Fl. 549,204 | Fl. 549,204 |
| 100 | 100 | 100 |

Half of the deferred stock of **Limited** is held by a subsidiary of **Limited** and half by a subsidiary of **N.V.** These holdings are eliminated in consolidation. A nominal dividend of 1/4% was paid on this stock.

1970
5,637,061 2,869,178 2,767,883

| 1970 | N.V. | Limited |
|------------------|------------------|------------------|
| 5,637,061 | 2,869,178 | 2,767,883 |
| 128,872 | 52,166 | 76,706 |
| 151,580 | — | 151,580 |
| 5,659,769 | 2,817,012 | 2,842,757 |
| 23,353 | — | 23,353 |
| 283,696 | 136,000 | 147,696 |

Notes to the consolidated balance sheets

Figures in italics represent deductions

1969

1,477,445

Fl. 000's

300,000

—

300,000

119,026

8,319

—

22,555

—

72,400

62,540

584,840

£000's

7,183

10,101

11,713

2,188

54,735

85,920

750

1,029

300

3,673

1,389

2,800

1,167

1,120

1,517

—

3,075

102,740

Fl. 892,605

Loan capital (Fl. 000's)

N.V.

6% Notes 1972/91

8% Notes 1975

Subsidiaries

Netherlands: 4 1/2% Loans 1986/87

3 3/4% / 4% Loan 1989

Belgium: Revolving credit 1973 at variable rates (1970: 8% / 9%)

Germany: 3% / 4 1/2% Mortgages on factory ships repayable period to 1985

8% Loan

U.S.A.: 4 5/8% 20 year Notes 1973/82

Others

Limited

3 3/4% Debenture stock 1955/75

4% Debenture stock 1960/80

6 3/4% Debenture stock 1985/88

5 1/2% Unsecured loan stock

1991/2006

7 3/4% Unsecured loan stock

1991/2006

Subsidiaries

United Kingdom: 6% Debenture stock 1980/85

6% Debenture

5 1/2% Unsecured loan 1971/78

Canada: 6% Debenture Series A 1985

India: 7 3/4% Debentures 1977/80

Australia: 7 3/4% Debentures 1982/87

South Africa: 7 1/2% Loan 1971

New Zealand: 5 3/4% / 7% Debenture loans 1971/83

Nigeria: 8% Debenture stock 1976/80

Ivory Coast: 6 1/2% Debentures 1972/74

Others

Guilder equivalent (000's)

1970

1,633,344

Fl. 000's

300,000

75,000

375,000

115,368

8,040

—

40,278

22,095

17,804

72,400

82,673

733,658

£000's

7,183

10,101

11,713

2,188

54,735

85,920

750

1,029

1,400

3,336

1,389

2,800

—

1,041

1,517

751

3,622

103,555

Fl. 899,686

The three issues of debenture stock of **Limited** are secured by a floating charge on the assets of the Company.

Fl. 000's

1969
Limited N.V. **Combined**

32,189 125,867 158,056

102,336 179,990 282,326

246,644 241,352 487,996

511,436 37,631 549,067

868,661 565,754 1,434,415

1970
Combined N.V. **Limited**

381,856 287,218 94,638

318,370 180,300 138,070

399,398 243,726 155,672

533,720 22,414 511,306

1,402,360 590,162 812,198

The repayments fall due as follows:

After 1 year but within 5 years

After 5 years but within 10 years

After 10 years but within 20 years

After 20 years

of which:

Loans on which the final repayment will

be made after 5 years amount to:

Notes to the consolidated balance sheets

Figures in italics represent deductions

Fl. 000's

| | | | 1969 | | | 1970 | | |
|----------------|----------------|----------------|--|------------------|------------------|------------------|--|---------|
| Limited | N.V. | Combined | | Combined | N.V. | Limited | | Limited |
| 444,131 | 359,497 | 803,628 | Deferred liabilities | 888,595 | 441,506 | 447,089 | | |
| 138,687 | 96,891 | 235,578 | Taxation not due before 1st January, 1972 | 216,529 | 93,907 | 122,622 | | |
| 143,395 | 29,072 | 172,467 | Deferred taxation | 141,195 | 905 | 140,290 | | |
| 162,049 | 233,534 | 395,583 | Unfunded retirement benefits | 530,871 | 346,694 | 184,177 | | |
| | | | | | | | | |
| 386,251 | 135,546 | 521,797 | Security has been issued in respect of: | 540,768 | 149,417 | 391,351 | | |
| 337,381 | 71,460 | 408,841 | Loan capital | 419,286 | 81,227 | 338,059 | | |
| 13,023 | 46,930 | 59,953 | Bank advances | 96,190 | 44,418 | 51,772 | | |
| 35,847 | 17,156 | 53,003 | Creditors | 25,292 | 23,772 | 1,520 | | |
| | | | | | | | | |
| 120,468 | 35,302 | 155,770 | Contingent liabilities are not expected to give rise to any material loss. | | | | | |
| | | | The Parent companies have given guarantees in respect of subsidiary companies' liabilities included in the consolidated accounts. | | | | | |
| | | | Other guarantees amount to: | 112,600 | 48,239 | 64,361 | | |
| | | | | | | | | |
| 23,489 | 78,633 | 102,122 | Bills discounted at 31st December amount to: | 113,204 | 94,047 | 19,157 | | |
| | | | | | | | | |
| | | | Long-term commitments in respect of leaseholds, rental agreements, hire purchase contracts, etc., are not material. | | | | | |
| | | | Inter-Group consists of several accounts between N.V. and Limited and includes loans of £2,300,000 by Limited to N.V. secured on shares of subsidiaries of N.V. | | | | | |
| | | | Land, buildings and plant | 5,438,493 | 2,849,374 | 2,589,119 | | |
| | | | Land and buildings—freehold | 2,107,446 | 1,185,006 | 922,440 | | |
| | | | —leasehold—long-term (50 years or over) | 279,394 | 22,212 | 257,182 | | |
| | | | —leasehold—short-term | 133,546 | 25,172 | 108,374 | | |
| | | | Plant and equipment | 2,564,881 | 1,462,113 | 1,102,768 | | |
| | | | Ships and motor vehicles | 353,226 | 154,871 | 198,355 | | |

Notes to the consolidated balance sheets

Figures in italics represent deductions
Fl. 000's

At 31st December, 1970 capital expenditure authorised by the Boards and still not spent was—N.V. Fl. 499,792,000 (1969: Fl. 446,532,000), Limited Fl. 307,755,000 (1969: Fl. 409,413,000). Of these amounts commitments had been entered into for N.V. Fl. 237,880,000 (1969: Fl. 175,597,000), Limited Fl. 108,852,000 (1969: Fl. 166,532,000).

In Limited investment grants receivable in the United Kingdom estimated at Fl. 40,851,000 (1969: Fl. 35,438,000) have been deducted in stating the expenditure for the year.

Land, buildings and plant (continued)

Cost—31st December, 1970

1st January, 1970
Expenditure
Proceeds of disposals
New subsidiaries
Disposals, revaluations and other adjustments

Depreciation—31st December, 1970

1st January, 1970
New subsidiaries
Disposals, revaluations and other adjustments
Charged to profit and loss accounts

Combined N.V. Limited

10,336,844 5,698,634 4,638,210

9,373,317 4,989,691 4,383,626

992,889 607,959 384,930

86,991 **38,043** **48,948**

290,558 273,669 16,889

232,929 **134,642** **98,287**

4,898,351 2,849,260 2,049,091

4,369,769 2,479,399 1,890,370

113,537 112,138 1,399

251,055 **143,584** **107,471**

666,100 401,307 264,793

| | 1969 | |
|---------|---------|----------|
| Limited | N.V. | Combined |
| 106,698 | 107,744 | 214,442 |

| | | |
|--------|--------|---------|
| 27,072 | 44,764 | 71,836 |
| 52,363 | 50,199 | 102,562 |
| 27,263 | 12,781 | 40,044 |

| | | |
|--------------|---------------|---------------|
| 20,695 | 11,520 | 32,215 |
| 6,403 | 20,139 | 26,542 |

| | | |
|--------|--------|---------|
| 97,836 | 45,022 | 142,858 |
|--------|--------|---------|

| | | |
|---------|--------|---------|
| 103,318 | 96,422 | 199,740 |
|---------|--------|---------|

Trade investments—long-term investments in businesses with which the companies have a trade relationship:

Quoted shares
Unquoted shares
Loans

| 1970 | | |
|----------|--------|---------|
| Combined | N.V. | Limited |
| 199,063 | 94,416 | 104,647 |

| | | |
|--------|--------|--------|
| 70,052 | 45,161 | 24,891 |
| 91,669 | 40,132 | 51,537 |
| 37,342 | 9,123 | 28,219 |

Movements during the year:

Additions
Disposals and other adjustments

| | | |
|---------------|---------------|--------------|
| 8,951 | 1,888 | 7,063 |
| 24,330 | 15,216 | 9,114 |

Market value quoted shares

| | | |
|---------|--------|--------|
| 120,822 | 37,391 | 83,431 |
|---------|--------|--------|

Directors' valuation of unquoted shares—
on the basis of underlying net assets

| | | |
|---------|--------|---------|
| 166,965 | 62,891 | 104,074 |
|---------|--------|---------|

Notes to the consolidated balance sheets

Figures in italics represent deductions
Fl. 000's

| | | | 1969 | | | 1970 | | |
|--|------------------|------------------|--|------------------|------------------|------------------|------|---------|
| Limited | N.V. | Combined | | N.V. | Limited | Combined | N.V. | Limited |
| Long-term debtors are debtors not due for repayment within one year | | | | | | | | |
| 1,845,131 | 1,907,257 | 3,752,388 | Stocks | 4,335,598 | 2,208,306 | 2,127,292 | | |
| 764,118 | 1,097,009 | 1,861,127 | Raw materials and stocks in process | 2,140,894 | 1,241,660 | 899,234 | | |
| 479,091 | 734,335 | 1,213,426 | Finished products | 1,371,979 | 885,668 | 486,311 | | |
| 601,922 | 75,913 | 677,835 | Merchandise and other stocks | 822,725 | 80,978 | 741,747 | | |
| Debtors include: | | | | | | | | |
| 1,046,617 | 873,483 | 1,920,100 | Trade debtors | 2,109,480 | 965,079 | 1,144,401 | | |
| Creditors include: | | | | | | | | |
| 645,527 | 604,779 | 1,250,306 | Debts to suppliers | 1,546,432 | 739,404 | 807,028 | | |
| 2,120 | 11,460 | 13,580 | Short-term portion of loan capital | 58,904 | 47,149 | 11,755 | | |
| 17,246 | 13,945 | 31,191 | Short-term portion of unfunded retirement benefits | 34,409 | 14,644 | 19,765 | | |
| Marketable and short-term securities | | | | | | | | |
| 264,793 | 287,496 | 552,289 | represent liquid funds temporarily invested: | 397,977 | 264,173 | 133,804 | | |
| 202,300 | 86,689 | 288,989 | Quoted—mainly dated stocks | 175,714 | 87,904 | 87,810 | | |
| 62,493 | 200,807 | 263,300 | Unquoted—mainly municipal and other short-term loans | 222,263 | 176,269 | 45,994 | | |
| 198,999 | 91,019 | 290,018 | Market value of quoted | 177,475 | 90,916 | 86,559 | | |

Unilever N.V. balance sheet

as at 31st December

Figures in italics represent deductions

Fl. 000's

| 1969 | | | 1970 |
|------------------|----------------|--------------------------------------|------------------|
| | | Capital employed | |
| 265,060 | | Preferential capital | 265,060 |
| | | Ordinary capital and reserves | |
| | 642,565 | Ordinary capital | 642,565 |
| | 52,166 | Premiums on capital issued | 52,166 |
| | 511,712 | Profits retained and other reserves | 561,873 |
| 1,206,443 | | | 1,256,604 |
| 300,000 | | Loan capital | 375,000 |
| | | Inter-Group—Limited | <i>1,597</i> |
| <i>2,119</i> | | | <u>1,895,067</u> |
| <u>1,769,384</u> | | | |
| | | Employment of capital | |
| | | Interests in subsidiaries | |
| | 260,375 | Shares | 260,375 |
| | 1,513,046 | Advances | 1,765,425 |
| | <i>189,998</i> | Deposits | <i>177,933</i> |
| 1,583,423 | | | 1,847,867 |
| 15,753 | | Long-term debtors | 18,890 |
| | | Net current assets | |
| | 26,970 | Debtors and payments in advance | 26,329 |
| | <i>65,632</i> | Creditors | <i>54,966</i> |
| | <i>47,892</i> | Provision for taxation | <i>72,996</i> |
| | <i>102,126</i> | Dividends due or proposed | <i>102,160</i> |
| | 98,534 | Marketable and short-term securities | 88,923 |
| | 260,354 | Cash and bank balances | 143,180 |
| 170,208 | | | 28,310 |
| <u>1,769,384</u> | | | <u>1,895,067</u> |

On behalf of the Board,

H. S. A. HARTOG, Chairman
E. G. WOODROOFE, Vice-Chairman

Notes to Unilever N.V. Balance sheet

Figures in italics represent deductions

Fl. 000's

| 1969 | | 1970 |
|---|---|---|
| 452,658 | | 511,712 |
| 18,456 | | — |
| | 252,463 | |
| | <i>14,694</i> | |
| | <i>173,805</i> | |
| | <u>23,366</u> | |
| 40,598 | | 50,161 |
| 33,000 | | 15,000 |
| <u>511,712</u> | | <u>561,873</u> |
| 121,000 | | 136,000 |
| Profits retained and other reserves | | |
| | 1st January | |
| | Revaluation of advances to subsidiaries | |
| | Profit of the year | 238,660 |
| | Preferential dividends | <i>14,694</i> |
| | Ordinary dividends | <i>173,805</i> |
| | Special ordinary dividend | — |
| | Profit of the year retained | |
| | of which: | |
| | Fixed assets replacement reserve | |
| | (on behalf of subsidiaries) | 15,000 |
| | 31st December | |
| | of which: | |
| | Fixed assets replacement reserve | 136,000 |
| The profit of the year consists of: | | |
| 227,576 | Income from subsidiaries | 221,821 |
| 30,788 | Interest | 37,886 |
| 12,498 | Sundries | 4,094 |
| <i>2,201</i> | General expenses | <i>3,797</i> |
| <i>16,198</i> | Taxation | <i>21,344</i> |
| <u>252,463</u> | | <u>238,660</u> |

Long-term debtors are mainly deposits with financial institutions which are not due for repayment within one year.

Debtors include payments in advance Fl. 624,000 (1969: Fl. 599,000).

Creditors include debts to suppliers Fl. 2,378,000 (1969: Fl. 2,360,000).

Marketable and short-term securities represent liquid funds temporarily invested and are mainly short-term deposits with financial institutions.

Unilever Limited balance sheet

as at 31st December

Figures in italics represent deductions
£000's

| 1969 | | | 1970 |
|----------------|---------|---|----------------|
| | | Capital employed | |
| 5,143 | | Preferential capital | 5,143 |
| | | Ordinary and deferred capital and reserves | |
| | 45,517 | Ordinary capital | 45,767 |
| | 100 | Deferred capital | 100 |
| | 6,141 | Premiums on capital issued | 8,829 |
| | 166,187 | Profits retained and other reserves | 171,561 |
| 217,945 | | | 226,257 |
| 85,920 | | Loan capital | 85,920 |
| | | Deferred liabilities | 7,122 |
| 6,621 | | Inter-Group—N.V. | 3,171 |
| 2,733 | | | 327,613 |
| <u>318,362</u> | | | |
| | | Employment of capital | |
| | | Land, buildings and plant | 12,204 |
| 12,268 | | Trade investments | 2,534 |
| | | Interests in subsidiaries | |
| | 169,145 | Shares | 179,960 |
| | 188,925 | Advances | 183,450 |
| | 78,594 | Deposits | 63,188 |
| 279,476 | | | 300,222 |
| | | Net current assets | |
| | 4,698 | Debtors | 5,532 |
| | 8,969 | Creditors | 9,263 |
| | 1,165 | Provision for taxation | 1,723 |
| | 8,248 | Dividends due or proposed | 8,363 |
| | 21,092 | Marketable and short-term securities | 8,610 |
| | 16,870 | Cash and bank balances | 17,860 |
| 24,278 | | | 12,653 |
| <u>318,362</u> | | | <u>327,613</u> |

E. G. WOODROOFE, Chairman
H. S. A. HARTOG, Vice-Chairman

Notes to Unilever Limited Balance sheet

Figures in italics represent deductions
£000's

| 1969 | | 1970 |
|---------------|---|--------------|
| 662 | Trade investments: | |
| 1,129 | Quoted shares | 662 |
| 549 | Unquoted shares | 1,263 |
| <u>2,340</u> | Loans | <u>609</u> |
| | | <u>2,534</u> |
| 6,570 | Market value of quoted shares | 4,683 |
| | Directors' valuation of unquoted shares— on the basis of underlying net assets | <u>2,376</u> |
| <u>2,202</u> | | |
| | Marketable and short-term securities represent liquid funds temporarily invested: | |
| 21,083 | Quoted—mainly dated stocks | 8,609 |
| <u>21,036</u> | Market value | <u>8,490</u> |
| | Unquoted | <u>1</u> |
| 9 | | <u>8,610</u> |
| <u>21,092</u> | | |
| | Profit of the year is after charging Auditors' remuneration | <u>17</u> |
| 14 | | |

Emoluments of Directors and senior employees

Excluding the Chairman the following numbers of Directors received remuneration as follows:

| 1969 | 1970 |
|-------------------|-----------|
| 4 Up to £2,500 | 3 |
| — £2,501—£5,000 | 3 |
| 1 £7,501—£10,000 | 1 |
| 2 £10,001—£12,500 | 5 |
| 1 £12,501—£15,000 | — |
| 1 £15,001—£17,500 | 2 |
| 6 £17,501—£20,000 | 1 |
| 3 £20,001—£22,500 | 5 |
| 2 £22,501—£25,000 | 3 |
| 1 £27,501—£30,000 | 1 |
| 1 £30,001—£32,500 | 1 |
| <u>22</u> | <u>25</u> |

All contracts of service of Directors with the Company or any of its subsidiaries are determinable by the employing company without payment of compensation at less than one year's notice.

The undernoted number of employees employed wholly or mainly in the United Kingdom, receiving remuneration in excess of £10,000 includes chairmen and directors of wholly owned subsidiary companies.

| 1969 | 1970 |
|--------------------|-----------|
| 30 £10,000—£12,500 | 51 |
| 18 £12,501—£15,000 | 21 |
| 7 £15,001—£17,500 | 10 |
| 2 £17,501—£20,000 | 4 |
| — £20,001—£22,500 | 1 |
| — £22,501—£25,000 | 1 |
| <u>57</u> | <u>88</u> |

During 1970 there were eight Directors who served for only part of the year (1969: one).

As Chairman Lord Cole received remuneration of £3,333 in 1970 (1969: £40,000).

Dr. Woodroffe received total remuneration of £40,000 in 1970, of which £26,667 (1969: Nil) was attributable to his period of office as Chairman.

Reports of the Auditors

N.V. Group

To the Members of Unilever N.V.

In our opinion the accounts and the notes relevant thereto set out on pages 30 to 43 and 48 and 49 together give a true and fair view of the state of affairs at 31st December, 1970 and of the profit for the year ended on that date of the Company and the Group.

London/The Hague
London/Rotterdam
16th March, 1971

**Price Waterhouse & Co.
Cooper Brothers & Co.**

Limited Group

*The following is the auditors' report on the accounts of **Limited** and the **Limited** group which are expressed in sterling.*

To the Members of Unilever Limited.

In our opinion the accounts and the notes relevant thereto set out on pages 30 to 41, 44 to 46 and 48 and 49 together give a true and fair view of the state of affairs at 31st December, 1970 and of the profit for the year ended on that date of the Company and the Group and comply with the Companies Acts, 1948 and 1967.

London
16th March, 1971

**Cooper Brothers & Co.
Price Waterhouse & Co.**

Principal Subsidiaries

N.V.'s principal subsidiaries are held indirectly through subsidiaries with the exception of Van den Bergh's en Jurgens' Fabrieken, Lipoma, Marga, Mavibel, Noorda, Saponia and Wemado, in the Netherlands.

Limited's principal subsidiaries are held directly with the exception of Commercial Plastics in the United Kingdom and the interests in Africa, Australasia, Ceylon and

Malaysia. The more important subsidiaries are shown below. Where holdings are less than 100% of the equity capital percentages are stated after rounding off.

| | % of equity held | | % of equity held | | % of equity held |
|--|---------------------|---|---------------------|---|---------------------|
| Europe | | | | | |
| Belgium —N.V. group | | | | | |
| Hartog's Levensmiddelen N.V. | 99 | "Lipoma", Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V. | | Birds Eye Foods Ltd. | |
| Iglo-Ola N.V. | 99 | "Marga", Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V. | | The British Oil and Cake Mills Ltd. | |
| Lever N.V. | 99 | Mavibel (Maatschappij voor Internationale Beleggingen) N.V. | | Chemical and Industrial Investment Company Ltd. | |
| Union N.V. | 99 | N.V. Mengvoeder U.T.-Delfia Safial N.V. | 75 | Commercial Plastics Industries Ltd. | |
| Zwanenberg's Levensmiddelenbedrijf | 99 | "Saponia", Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V. | | C.W.A. Holdings Ltd. | |
| Denmark —N.V. group | | | | | |
| Uni-Dan A/S | | Scado-Archer-Daniels N.V. | | Joseph Crosfield & Sons Ltd. | |
| Germany —N.V. group | | | | | |
| Deutsche Lebensmittelwerke G.m.b.H. | | Sheby-Kemi N.V. | 64 | Gibbs Proprietaries Ltd. | |
| Elida-Gibbs G.m.b.H. | | Unilever-Emery N.V. | 50 | Lever Brothers Ltd. | |
| Folienfabrik Forchheim G.m.b.H. | | Unilever Export N.V. | | Leverton Group Ltd. | |
| Langnese-Iglo G.m.b.H. | 75 | Unox N.V. | | Mac Fisheries Ltd. | |
| Margarine-Union G.m.b.H. | | "Wemado", Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V. | | Midland Poultry Holdings Ltd. | |
| Heinrich Nicolaus G.m.b.H. | | Zwanenberg's Fabrieken N.V. | | Palm Line Ltd. | |
| "Nordsee" Deutsche Hochseefischerei G.m.b.H. | 68 | Austria —N.V. group | | | |
| R. Rube & Co. G.m.b.H. | | "Apollo" Seifen und Waschmittel G.m.b.H. | | Price's Chemicals Ltd. | |
| Papierfabrik Seilmans G.m.b.H. | | "Elida" Gesellschaft m.b.H. | | Proprietary Perfumes Ltd. | |
| Sunlicht G.m.b.H. | | Eskimo-Iglo G.m.b.H. | 75 | Reichhold Chemicals Ltd. | |
| Spain —N.V. group | | | | | |
| Agra S.A. | | "Kunerol" Nahrungsmittel G.m.b.H. | | Silcock & Lever Feeds Ltd. | |
| Lever Ibérica S.A. | | Österreichische Unilever G.m.b.H. | | S.P.D. Ltd. | |
| France —N.V. group | | | | | |
| Astra-Calvé | 97 | Portugal —N.V. group | | | |
| Savonneries Lever | 99 | Industrias Lever Portuguesa Lda. | 60 | Thames Board Mills Ltd. | |
| Sheby | 80 | Switzerland —N.V. group | | | |
| Thibaud Gibbs et Cie | 99 | "Astra", Fett- & Oelwerke A.G. | 79 | U.K. Compound Feeds Ltd. | |
| Greece —N.V. group | | | | | |
| Industrie Hellénique de Détergents S.A. (E.V.A.) | 79 | Oel- und Fettwerke "Sais" A.G. | 99 | Unilever Export Ltd. | |
| Republic of Ireland —Limited group | | | | | |
| Lever Brothers (Ireland) Ltd. | | Sunlight A.G. | | Unilever (Commonwealth Holdings) Ltd. | |
| W. & C. McDonnell Ltd. | | Finland —N.V. group | | | |
| Paul and Vincent Ltd. | | S.W. Paasivaara-Yhtymä Oy. | | The United Africa Company Ltd. | |
| Italy —N.V. group | | | | | |
| Algel S.p.A. | 75 | Turun Saippua Oy. | | U.A.C. Holdings Ltd. | |
| Sages S.p.A. | 75 | Sweden —N.V. group | | | |
| Unil-It S.p.A. | | AB Centrava | | T. Wall & Sons Ltd. | |
| Netherlands —N.V. group | | | | | |
| Van den Bergh's en Jurgens' Fabrieken N.V. | | AB Liva Fabriker | | John West Foods Ltd. | |
| Calvé-De Betuwe N.V. | | AB Sunlight | | North and South America | |
| Handelmaatschappij Noorda N.V. | | Canada | | | |
| Iglo N.V. | | Lever Brothers Ltd.—Limited group | | | |
| Lever's Zeep-Maatschappij N.V. | | Thomas J. Lipton Ltd.—N.V. group | | | |
| Turkey —N.V. group | | | | | |
| United Kingdom —Limited group | | | | | |
| Batchelors Foods Ltd. | | | | | |
| Van den Berghs and Jurgens Ltd. | | | | | |
| Mexico —N.V. group | | | | | |
| Lever de Mexico S.A. de C.V. | | | | | |
| United States of America —N.V. group | | | | | |
| Lever Brothers Company | | | | | |
| Thomas J. Lipton Inc. 99 | | | | | |
| Argentina —N.V. group | | | | | |
| Lever Hermanos Limitada S.A. Comercial e Industrial 99 | | | | | |
| Brazil —N.V. group | | | | | |
| Industrias Gessy Lever S.A. 99 | | | | | |
| Trinidad —Limited group | | | | | |
| Lever Brothers West Indies Ltd. 98 | | | | | |
| Venezuela —N.V. group | | | | | |
| Lever S.A. | | | | | |

| | % of equity held | | % of equity held | | % of equity held |
|---|---------------------|---|---------------------|---|---------------------|
| Africa | | | | | |
| Cameroons —Limited group Pamol (Cameroons) Ltd. | | Nigeria —Limited group African Timber and Plywood (Nigeria) Ltd. Kingsway Stores of Nigeria Ltd. Lever Brothers (Nigeria) Ltd. Pamol (Nigeria) Ltd. The United Africa Company of Nigeria Ltd. | | Indonesia —N.V. group Van den Bergh's Fabrieken Indonesia N.V. Maatschappij ter Exploitatie der Colibri-Fabrieken N.V. Lever's Zeepfabrieken Indonesia N.V. | |
| Congolese Republic (Kinshasa) Plantations Lever au Congo S.C.A.R.L.—N.V. group | 98 | Rhodesia —Limited group Lever Brothers (Pvt.) Ltd. | | Japan —N.V. group Hohnen-Lever Company Ltd. | 70 |
| Sedec S.C.A.R.L.—Limited group | 99 | Sierra Leone —Limited group The United Africa Company of Sierra Leone Ltd. | | Malaysia —Limited group Lever Brothers (Malaysia) Sdn. Bhd. Pamol (Malaya) Sdn. Bhd. Pamol (Sabah) Ltd. | |
| Société des Margarineries et Savonneries Congolaises "Marsavco" S.C.A.R.L.—N.V. group | 99 | South Africa —Limited group Unilever South Africa (Pty.) Ltd. | | Pakistan —Limited group Lever Brothers Pakistan Ltd. | 70 |
| Ghana —Limited group Kingsway Stores of Ghana Ltd. Lever Brothers Ghana Ltd. The United Africa Company of Ghana Ltd. | 89 51 | Zambia —Limited group Lever Brothers Zambia Ltd. | | Philippines —N.V. group Philippine Refining Company, Inc. | |
| Ivory Coast —Limited group Compagnie Française de la Côte d'Ivoire S.A. | 99 | Rest of World | | Thailand —N.V. group Lever Brothers (Thailand) Ltd. | |
| Kenya —Limited group East Africa Industries Ltd. Gailey & Roberts Ltd. | 54 | Ceylon —Limited group Lever Brothers (Ceylon) Ltd. | | Australia —Limited group Rosella Foods Pty. Ltd. Streets Ice Cream Pty. Ltd. Unilever Australia Pty. Ltd. | |
| Malawi —Limited group Lever Brothers (Malawi) Ltd. | | India —Limited group Hindustan Lever Ltd. | 85 | New Zealand —Limited group Unilever New Zealand Ltd. | |

Unilever principal investments

| | % of equity held | | % of equity held | | % of equity held |
|---|---------------------|---|---------------------|---|---------------------|
| Germany —N.V. group Fritz Homann G.m.b.H. | 50 | United Kingdom —Limited group Allied Suppliers Ltd. | 12 | Nigeria —Limited group Guinness (Nigeria) Ltd. Nigerian Breweries Ltd. | 29 33 |
| Netherlands —N.V. group Hatéma-Texoprint N.V. | 43 | | | | |

Combined earnings per share and dividend

| 1970 above 1969 | Dutch Guilders | Sterling New pence | Austrian Schillings | Belgian Francs | French Francs | German Marks | Swiss Francs | U.S. Dollars |
|--------------------------------------|-----------------------|-------------------------|------------------------|-------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| Earnings ¹⁾ | | | | | | | | |
| Per Fl. 12 or £1 of ordinary capital | 6.92 7.38 | 79.66 84.95 | 49.72 53.02 | 95.59 101.95 | 10.62 11.32 | 7.00 7.46 | 8.36 8.92 | 1.91 2.04 |
| Per Fl. 20 of ordinary capital | 11.53 12.30 | 132.77 141.58 | 82.86 88.37 | 159.32 169.91 | 17.70 18.87 | 11.66 12.44 | 13.93 14.86 | 3.19 3.40 |
| Dividend ²⁾ | | | | | | | | |
| Per Fl. 20 of ordinary capital | 5.43 5.43 | 62.77 62.50 | 39.01 39.01 | 75.00 75.00 | 8.33 8.33 | 5.49 5.49 | 6.56 6.56 | 1.50 1.50 |

¹⁾ The figure of earnings per share should not be considered as more than a guide for comparing the combined profits from year to year, and should not be taken as the amount that would be paid to the ordinary shareholders, if all the profits for the year were distributed as dividend. Reference is

made to the booklet, Equalisation Agreement and Earnings per Share, which is available on request. In calculating the earnings per share 62 1/2% of the 33,775,626 (1969: 33,775,626) **Limited** ordinary shares held by the Leverhulme

Trust has been excluded from the profit participation.

²⁾ For special ordinary dividend, paid together with the final dividend for 1969, see note on page 6.

Salient figures in other currencies

All figures relate to **N.V.** and **Limited** groups combined.

The Salient figures given on page 6 are shown below in the currencies indicated.

| Million—1970 above 1969 | Sterling £ | Austrian Schillings | Belgian Francs | French Francs | German Marks | Swiss Francs | U.S. Dollars |
|---|-----------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Sales to third parties | 2,868 2,512 | 178,992 156,807 | 344,161 301,503 | 38,231 33,492 | 25,193 22,070 | 30,085 26,357 | 6,883 6,030 |
| Operating profit | 165 166 | 10,295 10,370 | 19,795 19,939 | 2,199 2,215 | 1,449 1,460 | 1,730 1,743 | 396 399 |
| Interest on loan capital | 12 11 | 720 665 | 1,385 1,279 | 154 142 | 101 94 | 121 112 | 28 26 |
| Profit of the year before taxation | 156 162 | 9,721 10,105 | 18,690 19,431 | 2,076 2,158 | 1,368 1,422 | 1,634 1,699 | 374 389 |
| Taxation on profit of the year | 76 76 | 4,734 4,763 | 9,102 9,158 | 1,011 1,017 | 666 670 | 796 801 | 182 183 |
| Consolidated profit of the year | 77 82 | 4,796 5,093 | 9,221 9,792 | 1,024 1,088 | 675 717 | 806 856 | 184 196 |
| Profit of the year accruing to ordinary capital | 75 80 | 4,665 4,962 | 8,970 9,541 | 996 1,060 | 657 698 | 784 834 | 180 191 |
| Ordinary dividends | 35 35 | 2,203 2,190 | 4,236 4,212 | 470 468 | 310 308 | 370 368 | 85 84 |
| Profit of the year retained | 40 40 | 2,462 2,478 | 4,734 4,765 | 526 529 | 347 349 | 414 417 | 95 95 |
| Capital employed | 1,140 1,073 | 71,177 66,953 | 136,857 128,735 | 15,203 14,300 | 10,018 9,423 | 11,964 11,254 | 2,737 2,575 |
| Net liquid funds | 53 64 | 3,307 3,963 | 6,359 7,620 | 706 846 | 466 558 | 556 666 | 127 152 |
| Capital expenditure | 114 101 | 7,132 6,328 | 13,714 12,166 | 1,523 1,351 | 1,004 891 | 1,199 1,064 | 274 243 |
| Depreciation | 77 66 | 4,785 4,106 | 9,200 7,895 | 1,022 877 | 673 578 | 804 690 | 184 158 |

The figures shown above for both years have been converted at the appropriate rates for the country concerned, except that those in sterling are the same as in **Limited's** Report and Accounts.

Dates for Unilever N.V. shareholders to note

Dividends

| | | |
|---------------------------------|-------------|---|
| Ordinary | Interim | Announced mid-November. Payable mid-December (New York shares: second half of December). |
| | Final | Proposed end of February. Payable mid-May (New York shares: about end of May). |
| 7% and 6% Cumulative Preference | First half | Payable 1st July. |
| | Second half | Payable 2nd January. |
| 4% Cumulative Preference | First half | Payable 1st October. |
| | Second half | Payable 1st April. |

Interim announcement of results

| | |
|----------------------------------|------------------|
| First quarter results | Mid-May. |
| First half-year results | Mid-August. |
| Nine months results | Mid-November. |
| Provisional results for the year | End of February. |