

STERLING SUPPLEMENT TO THE UNILEVER FIRST QUARTER RESULTS 2007

This document is a supplement to the Unilever first quarter results 2007 and is prepared for reference purposes only, Unilever's reporting currency is the Euro. The income statement, statement of recognised income and expense, movement in equity and cash flow statement are translated at rates current in each period. These rates were €1 = £0.67 for the first three months of 2007 and €1 = £0.69 for the first three months of 2006. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.68 at 31 March 2007, €1 = £0.67 at 31 December 2006 and €1 = £0.70 at 1 April 2006. Certain items in the income statement and statement of recognised income and expense, notably currency retranslation recognised on the disposal of businesses, will not reflect the result which would arise if the reporting currency were to be sterling.

INCOME STATEMENT

(unaudited)

£ million

	First Quarter			
	2007	2006	Increase/ (Decrease)	
			Current rates	Constant rates
Continuing operations:				
Turnover	6 388	6 543	(2)%	5 %
Operating profit	873	968	(10)%	(3)%
After (charging)/crediting:				
Restructuring	(81)	(42)		
Business disposals and impairments	23	82		
Net finance costs	(47)	(83)		
Finance income	18	60		
Finance costs	(88)	(148)		
Pensions and similar obligations	23	5		
Share in net profit/(loss) of joint ventures	18	12		
Share in net profit/(loss) of associates	33	–		
Other income from non-current investments	17	2		
Profit before taxation	894	899	(1)%	5 %
Taxation	(188)	(212)		
Net profit from continuing operations	706	687	3 %	9 %
Net profit/(loss) from discontinued operations	14	40		
Net profit for the period	720	727	(1)%	5 %
Attributable to:				
Minority interests	41	47		
Shareholders' equity	679	680	0 %	5 %
Combined earnings per share				
Continuing operations (Pounds)	0.23	0.22	4 %	9 %
Continuing operations – diluted (Pounds)	0.22	0.22	4 %	10 %
Discontinued operations (Pounds)	0.00	0.02		
Discontinued operations – diluted (Pounds)	0.01	0.01		
Total operations (Pounds)	0.23	0.24	0 %	5 %
Total operations – diluted (Pounds)	0.23	0.23	0 %	6 %

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	First Quarter	
	2007	2006
Fair value gains/(losses) on financial instruments net of tax	1	(131)
Actuarial gains/(losses) on pension schemes net of tax	301	7
Currency retranslation gains/(losses) net of tax	100	221
Net income/(expense) recognised directly in equity	402	97
Net profit for the period	720	727
Total recognised income and expense for the period	1 122	824
Attributable to:		
Minority interests	41	48
Shareholders' equity	1 081	776

MOVEMENTS IN EQUITY

(unaudited)

£ million

	First Quarter	
	2007	2006
Equity at 1 January	7 834	6 016
Total recognised income and expense for the period	1 122	824
Movement in treasury stock	(330)	(15)
Share-based payment credit	20	19
Dividends paid to minority shareholders	(4)	(8)
Currency retranslation gains/(losses) net of tax	1	9
Other movements in equity	67	5
Equity at the end of the period	8 710	6 850

BALANCE SHEET

(unaudited)

£ million	As at 31 March 2007	As at 31 December 2006	As at 1 April 2006
Non-current assets			
Goodwill and intangible assets	11 657	11 549	12 474
Property, plant and equipment	4 194	4 213	4 482
Pension asset for funded schemes in surplus	1 210	1 139	715
Deferred tax assets	792	849	1 117
Other non-current assets	843	755	728
Total non-current assets	18 696	18 505	19 516
Current assets			
Inventories	2 816	2 549	2 940
Trade and other current receivables	3 287	2 854	3 459
Current tax assets	109	84	100
Other financial assets	181	184	529
Cash and cash equivalents	1 044	697	1 373
Non-current assets held for sale	11	9	281
Total current assets	7 448	6 377	8 682
Current liabilities			
Financial liabilities	(3 470)	(2 992)	(4 584)
Trade payables and other current liabilities	(5 507)	(5 261)	(5 421)
Current tax liabilities	(452)	(388)	(379)
Provisions	(594)	(677)	(392)
Liabilities associated with non-current assets held for sale	–	–	(128)
Total current liabilities	(10 023)	(9 318)	(10 904)
Net current assets/(liabilities)	(2 575)	(2 941)	(2 222)
Total assets less current liabilities	(16 121)	15 564	17 294
Non-current liabilities			
Financial liabilities due after one year	2 961	2 938	4 464
Pensions and post-retirement healthcare benefits liabilities:			
Funded schemes in deficit	534	925	1 632
Unfunded schemes	2 248	2 281	2 856
Provisions	599	555	549
Deferred tax liabilities	754	673	649
Other non-current liabilities	315	358	294
Total non-current liabilities	7 411	7 730	10 444
Equity			
Shareholders' equity	8 321	7 537	6 530
Minority interests	389	297	320
Total equity	8 710	7 834	6 850
Total capital employed	16 121	15 564	17 294

CASH FLOW STATEMENT

(unaudited)

£ million

	First Quarter	
	2007	2006
Operating activities		
Cash flow from operating activities	302	370
Income tax paid	(166)	(162)
Net cash flow from operating activities	136	208
Investing activities		
Interest received	7	52
Net capital expenditure	(130)	(130)
Acquisitions and disposals	9	98
Other investing activities	44	(25)
Net cash flow from/(used in) investing activities	(70)	(5)
Financing activities		
Dividends paid on ordinary share capital	(106)	(48)
Interest and preference dividends paid	(57)	(105)
Change in financial liabilities	434	189
Movement on treasury stock	(53)	(13)
Other financing activities	(24)	(6)
Net cash flow from/(used in) financing activities	194	17
Net increase/(decrease) in cash and cash equivalents	260	220
Cash and cash equivalents at the beginning of the year	477	868
Effect of foreign exchange rate changes	52	7
Cash and cash equivalents at the end of period	789	1 095

RECONCILIATION OF NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

(unaudited)

£ million

	First Quarter	
	2007	2006
Net profit	720	727
Taxation	189	227
Share of net profit of joint ventures/associates and other income from non-current investments	(67)	(15)
Net finance costs	47	84
Operating profit (continuing and discontinued operations)	889	1 023
Depreciation, amortisation and impairment	162	151
Changes in working capital	(641)	(663)
Pensions and similar provisions less payments	(52)	(29)
Restructuring and other provisions less payments	(42)	(35)
Elimination of (profits)/losses on disposals	(37)	(102)
Non-cash charge for share-based compensation	24	19
Other adjustments	(1)	6
Cash flow from operating activities	302	370

ANALYSIS OF NET DEBT

(unaudited)

	As at 31 March 2007	As at 31 December 2006
Total financial liabilities	(6 431)	(5 930)
Financial liabilities due within one year	(3 470)	(2 992)
Financial liabilities due after one year	(2 961)	(2 938)
Cash and cash equivalents as per balance sheet	1 044	697
Cash and cash equivalents as per cash flow statement	789	477
Add bank overdrafts deducted therein	255	220
Financial assets	181	184
Net debt	(5 206)	(5 049)

GEOGRAPHICAL ANALYSIS

(unaudited)

Continuing operations – First Quarter

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2006	2 382	2 345	1 816	6 543
2007	2 376	2 166	1 846	6 388
Change	(0.2)%	(7.6)%	1.7 %	(2.4)%
Impact of:				
Exchange rates	(1.9)%	(9.9)%	(8.7)%	(6.8)%
Acquisitions	0.3 %	0.0 %	0.2 %	0.2 %
Disposals	(2.1)%	(0.6)%	(0.6)%	(1.2)%
Underlying sales growth	3.6 %	3.2 %	11.8 %	5.7 %
Price	(0.7)%	0.8 %	2.9 %	0.8 %
Volume	4.3 %	2.3 %	8.6 %	4.8 %

Operating profit

2006	400	343	225	968
2007	342	312	219	873
Change current rates	(14.5)%	(9.0)%	(2.6)%	(9.8)%
Change constant rates	(12.8)%	1.3 %	7.4 %	(3.3)%

Operating margin

2006	16.8 %	14.6 %	12.4 %	14.8 %
2007	14.4 %	14.4 %	11.9 %	13.7 %

Includes restructuring, business disposals and impairments

2006	1.0 %	(0.5)%	1.5 %	0.6 %
2007	(1.3)%	(0.6)%	(0.7)%	(0.9)%

Operating profit of discontinued operations – First Quarter

£ million	Europe	Americas	Asia Africa	Total
2006	47	–	–	47
2007	–	–	–	–

PRODUCT AREA ANALYSIS

(unaudited)

Continuing operations – First Quarter

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2006	2 332	1 119	3 451	1 854	1 238	3 092	6 543
2007	2 263	1 082	3 345	1 843	1 200	3 043	6 388
Change	(3.0)%	(3.3)%	(3.1)%	(0.6)%	(3.0)%	(1.6)%	(2.4)%
Impact of:							
Exchange rates	(5.8)%	(6.8)%	(6.2)%	(7.4)%	(7.0)%	(7.4)%	(6.8)%
Acquisitions	0.0 %	0.3 %	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %
Disposals	(0.8)%	(1.4)%	(1.0)%	(1.2)%	(1.6)%	(1.3)%	(1.2)%
Underlying sales growth	3.8 %	4.9 %	4.2 %	8.4 %	5.8 %	7.4 %	5.7 %
Operating profit							
2006	394	111	505	342	121	463	968
2007	307	76	383	363	127	490	873
Change current rates	(22.1)%	(31.0)%	(24.0)%	6.2 %	4.6 %	5.8 %	(9.8)%
Change constant rates	(17.5)%	(24.6)%	(19.1)%	14.3 %	13.3 %	14.1 %	(3.3)%
Operating margin							
2006	16.9 %	9.9 %	14.6 %	18.4 %	9.8 %	15.0 %	14.8 %
2007	13.6 %	7.1 %	11.5 %	19.7 %	10.6 %	16.1 %	13.7 %

EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE FIRST QUARTER

	<u>2007</u>	<u>2006</u>
Combined EPS		
Average number of combined share units	Thousands of units 2 890 542	2 880 783
Net profit attributable to shareholders' equity	£ million 679	680
Combined EPS (Pounds)	0.23	0.24
Combined EPS – Diluted		
Adjusted average number of combined share units	Thousands of units 2 984 902	2 996 271
Combined EPS - diluted (Pounds)	0.23	0.23