

STERLING SUPPLEMENT TO THE UNILEVER THIRD QUARTER AND NINE MONTHS RESULTS 2006 AND INTERIM DIVIDENDS

This document is a supplement to the Unilever third quarter and Nine Months results 2006 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 = £0.68 for the first nine months of 2006 and €1 = £0.68 for the first nine months of 2005. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.68 at 30 September 2006, €1 = £0.69 at 31 December 2005 and €1 = £0.68 at 1 October 2005. 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)

Third Quarter				£ million	Nine Months			
2006	2005	Increase/ (Decrease)			2006	2005	Increase/ (Decrease)	
		Current rates	Constant rates				Current rates	Constant rates
Continuing operations:								
6 875	6 788	1%	4%	Turnover	20 471	19 615	4%	3%
1 020	1 059	(4)%	(2)%	Operating profit	2 974	2 781	7%	5%
(60)	(55)			After (charging)/crediting:				
(3)	7			Restructuring	(161)	(89)		
				Business disposals and impairments	103	(168)		
(274)	(108)			Net finance costs	(435)	(316)		
22	15			Finance income	69	84		
(101)	(114)			Finance costs	(323)	(372)		
(204)	–			Preference shares provision	(204)	–		
9	(9)			Pensions and similar obligations	23	(28)		
11	9			Share in net profit/(loss) of joint ventures	35	22		
(1)	2			Share in net profit/(loss) of associates	3	(4)		
10	3			Other income from non-current investments	17	17		
766	965	(21)%	(19)%	Profit before taxation	2 594	2 500	4%	2%
(237)	(283)			Taxation	(686)	(688)		
529	682	(23)%	(21)%	Net profit from continuing operations	1 908	1 812	5%	4%
21	327			Net profit/(loss) from discontinued operations	87	406		
550	1 009	(45)%	(45)%	Net profit for the period	1 995	2 218	(10)%	(11)%
Attributable to:								
51	40			Minority interests	138	108		
499	969	(48)%	(48)%	Shareholders' equity	1 857	2 110	(12)%	(13)%
Combined earnings per share								
0.17	0.33	(48)%	(47)%	Total operations (Pounds)	0.64	0.72	(11)%	(12)%
0.17	0.32	(48)%	(47)%	Total operations – diluted (Pounds)	0.63	0.70	(11)%	(12)%
0.16	0.22	(25)%	(24)%	Continuing operations (Pounds)	0.61	0.58	5%	4%
0.16	0.22	(25)%	(24)%	Continuing operations – diluted (Pounds)	0.60	0.57	5%	4%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	Nine Months	
	2006	2005
Fair value gains/(losses) on financial instruments net of tax	(377)	14
Actuarial gains/(losses) on pension schemes net of tax	4	10
Currency retranslation gains/(losses) net of tax	142	107
Net income/(expense) recognised directly in equity	(231)	131
Net profit for the period	1 995	2 218
Total recognised income and expense for the period	1 764	2 349
Attributable to:		
Minority interests	140	132
Shareholders' equity	1 624	2 217

MOVEMENTS IN EQUITY

(unaudited)

£ million

	Nine Months	
	2006	2005
Equity at 1 January	6 016	4 605
Total recognised income and expense for the period	1 764	2 349
Dividends	(868)	(842)
Conversion of preference shares	–	637
(Purchase)/sale of treasury stock	1	(411)
Share option credit	63	85
Dividends paid to minority shareholders	(116)	(114)
Currency retranslation gains/(losses) net of tax	(13)	(8)
Other movements in equity	7	–
Equity at the end of the period	6 854	6 301

BALANCE SHEET

(unaudited)

£ million	As at 30 September 2006	As at 31 December 2005	As at 1 October 2005
Non-current assets			
Goodwill and intangible assets	11 874	12 393	12 270
Property, plant and equipment	4 199	4 456	4 450
Pension asset for funded schemes in surplus	764	711	512
Deferred tax assets	931	1 169	1 038
Other non-current assets	745	735	824
Total non-current assets	18 513	19 464	19 094
Assets held for sale	345	149	91
Current assets			
Inventories	2 662	2 819	2 951
Trade and other current receivables	3 155	3 315	3 472
Other financial assets	217	230	243
Cash and cash equivalents	976	1 050	1 408
Total current assets	7 010	7 414	8 074
Current liabilities			
Borrowings due within one year	(3 886)	(4 079)	(4 168)
Trade payables and other current liabilities	(5 358)	(5 942)	(5 736)
Restructuring and other provisions	(528)	(442)	(450)
Total current liabilities	(9 772)	(10 463)	(10 354)
Net current assets/(liabilities)	(2 762)	(3 049)	(2 280)
Total assets less current liabilities	16 096	16 564	16 905
Non-current liabilities			
Borrowings due after one year	3 404	4 432	4 662
Pension liability for funded schemes in deficit	1 390	1 658	1 600
Pension liability for unfunded schemes	2 705	2 884	2 760
Restructuring and other provisions	534	502	482
Deferred tax liabilities	631	641	551
Other non-current liabilities	418	413	540
Total non-current liabilities	9 082	10 530	10 595
Liabilities held for sale	160	18	9
Equity			
Shareholders' equity	6 576	5 739	6 021
Minority interests	278	277	280
Total equity	6 854	6 016	6 301
Total capital employed	16 096	16 564	16 905

CASH FLOW STATEMENT

(unaudited)

£ million

	Nine Months	
	2006	2005
Operating activities		
Cash flow from operating activities	2 621	2 745
Income tax paid	(491)	(825)
Net cash flow from operating activities	2 130	1 920
Investing activities		
Interest received	54	107
Net capital expenditure	(452)	(349)
Acquisitions and disposals	124	507
Other investing activities	38	243
Net cash flow from/(used in) investing activities	(236)	508
Financing activities		
Dividends paid on ordinary share capital	(915)	(842)
Interest and preference dividends paid	(273)	(323)
Change in borrowings and finance leases	(825)	(228)
Purchase of treasury stock	(3)	(548)
Other financing activities	(122)	(113)
Net cash flow from/(used in) financing activities	(2 138)	(2 054)
Net increase/(decrease) in cash and cash equivalents	(244)	374
Cash and cash equivalents at the beginning of the year	868	994
Effect of foreign exchange rate changes	206	(131)
Cash and cash equivalents at the end of period	830	1 237

ANALYSIS OF NET DEBT

(unaudited)

£ million	As at 30 September 2006	As at 31 December 2005
	Total borrowings	(7 290)
Borrowings due within one year	(3 886)	(4 079)
Borrowings due after one year	(3 404)	(4 432)
Cash and cash equivalents as per balance sheet	976	1 050
Cash and cash equivalents as per cash flow statement	830	868
Add bank overdrafts deducted therein	146	183
Less cash and cash equivalents in assets/liabilities held for sale	–	(1)
Other financial assets	217	230
Derivatives and finance leases included in other receivables and other liabilities	(112)	23
Net debt	(6 209)	(7 208)

GEOGRAPHICAL ANALYSIS

(unaudited)

Continuing operations – Third Quarter

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2005	2 599	2 330	1 859	6 788
2006	2 653	2 332	1 890	6 875
Change	2.0%	0.1%	1.7%	1.3%
Impact of:				
Exchange rates	(0.6)%	(3.3)%	(4.6)%	(2.7)%
Acquisitions	0.0%	0.2%	0.0%	0.1%
Disposals	(0.9)%	(0.8)%	(0.8)%	(0.8)%
Underlying sales growth	3.5%	4.1%	7.5%	4.8%
Price	0.3%	1.3%	2.3%	1.2%
Volume	3.1%	2.7%	5.0%	3.5%

Operating profit

2005	446	359	254	1 059
2006	402	371	247	1 020
Change current rates	(9.9)%	3.2%	(2.8)%	(3.8)%
Change constant rates	(9.3)%	5.2%	1.9%	(1.8)%

Operating margin

2005	17.2%	15.4%	13.7%	15.6%
2006	15.1%	15.9%	13.1%	14.8%
Includes restructuring, business disposals and impairments				
2005	(0.9)%	(0.6)%	(0.7)%	(0.7)%
2006	(1.1)%	(0.7)%	(0.5)%	(0.8)%

Continuing operations – Nine Months

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2005	7 753	6 614	5 248	19 615
2006	7 791	7 069	5 611	20 471
Change	0.5%	6.9%	6.9%	4.4%
Impact of:				
Exchange rates	0.1%	3.8%	0.0%	1.4%
Acquisitions	0.0%	0.1%	0.0%	0.0%
Disposals	(1.0)%	(0.6)%	(1.0)%	(0.9)%
Underlying sales growth	1.4%	3.5%	8.0%	3.9%
Price	(0.1)%	1.4%	1.6%	0.9%
Volume	1.5%	2.1%	6.3%	3.0%

Operating profit

2005	1 305	775	701	2 781
2006	1 172	1 096	706	2 974
Change current rates	(10.2)%	41.4%	0.6%	6.9%
Change constant rates	(10.2)%	35.8%	0.5%	5.5%

Operating margin

2005	16.8%	11.7%	13.4%	14.2%
2006	15.0%	15.5%	12.6%	14.5%
Includes restructuring, business disposals and impairments				
2005	0.0%	(4.0)%	0.1%	(1.3)%
2006	(0.6)%	(0.2)%	0.1%	(0.3)%

Operating profit of discontinued operations – Third Quarter

£ million	Europe	Americas	Asia Africa	Total
2005	29	–	–	29
2006	30	–	–	30

Operating profit of discontinued operations – Nine Months

£ million	Europe	Americas	Asia Africa	Total
2005	131	14	–	145
2006	125	–	–	125

PRODUCT AREA ANALYSIS

(unaudited)

Continuing operations – Third Quarter

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2005	2 270	1 422	3 692	1 887	1 209	3 096	6 788
2006	2 256	1 474	3 730	1 950	1 195	3 145	6 875
Change	(0.6)%	3.6%	1.0%	3.4%	(1.2)%	1.6%	1.3%
Impact of:							
Exchange rates	(2.4)%	(2.6)%	(2.5)%	(2.5)%	(3.3)%	(2.8)%	(2.7)%
Acquisitions	0.0%	0.1%	0.0%	0.3%	0.0%	0.2%	0.1%
Disposals	(1.2)%	(0.2)%	(0.8)%	(1.0)%	(0.5)%	(0.8)%	(0.8)%
Underlying sales growth	3.1%	6.5%	4.4%	6.8%	2.7%	5.2%	4.8%
Operating profit							
2005	342	269	611	337	111	448	1 059
2006	310	267	577	335	108	443	1 020
Change current rates	(9.4)%	(0.8)%	(5.6)%	(0.6)%	(3.4)%	(1.3)%	(3.8)%
Change constant rates	(6.9)%	0.1%	(3.8)%	1.7%	(0.7)%	1.1%	(1.8)%
Operating margin							
2005	15.1%	18.9%	16.6%	17.9%	9.2%	14.5%	15.6%
2006	13.7%	18.1%	15.5%	17.2%	9.0%	14.1%	14.8%

Continuing operations – Nine Months

£ million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover							
2005	6 728	4 020	10 748	5 296	3 571	8 867	19 615
2006	6 884	4 216	11 100	5 704	3 667	9 371	20 471
Change	2.3%	4.9%	3.3%	7.7%	2.7%	5.7%	4.4%
Impact of:							
Exchange rates	1.0%	1.1%	1.1%	1.8%	1.3%	1.6%	1.4%
Acquisitions	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%
Disposals	(1.4)%	(0.3)%	(1.0)%	(0.8)%	(0.5)%	(0.7)%	(0.9)%
Underlying sales growth	2.7%	4.1%	3.2%	6.5%	1.9%	4.7%	3.9%
Operating profit							
2005	1 088	403	1 491	922	368	1 290	2 781
2006	1 023	641	1 664	987	323	1 310	2 974
Change current rates	(6.0)%	59.0%	11.6%	7.1%	(12.3)%	1.6%	6.9%
Change constant rates	(6.6)%	58.8%	11.0%	4.4%	(14.3)%	(0.9)%	5.5%
Operating margin							
2005	16.2%	10.0%	13.9%	17.4%	10.3%	14.6%	14.2%
2006	14.9%	15.2%	15.0%	17.3%	8.8%	14.0%	14.5%

EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE NINE MONTHS

	<u>2006</u>	<u>2005</u>
Combined EPS		
	Thousands of units	
Average number of combined share units	2 882 122	2 920 224
	£ million	
Net profit attributable to shareholders' equity	1 857	2 110
Combined EPS (Pounds)	0.64	0.72
Combined EPS – Diluted		
	Thousands of units	
Adjusted average number of combined share units	2 968 519	3 015 309
	£ million	
Adjusted net profit attributable to shareholders' equity	1 857	2 112
Combined EPS - diluted (Pounds)	0.63	0.70