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Certain sections of the Unilever Annual Report & Accounts and Form 20-F 2003 have been audited. Sections that have been audited are set out on pages 73 to 125, 131 to 147 and 149 to 150. The auditable part of the Directors' Remuneration report as set out on page 68 has also been audited.

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21 Called up share capital

Number of shares authorised	€ million Authorised 2003	€ million Authorised 2002	Preferential share capital NV	Nominal value per share	Number of shares issued	€ million Issued, called up and fully paid 2003	€ million Issued, called up and fully paid 2002
75 000	34	34	7% Cumulative Preference	€453.78	29 000	13	13
200 000	91	91	6% Cumulative Preference	€453.78	161 060	73	73
750 000	34	34	4% Cumulative Preference	€45.38	750 000	34	34
650 000 000	29	29	5 euro cents Cumulative Preference	€0.05	211 473 785	10	10
	188	188				130	130
			Ordinary share capital NV				
1 000 000 000	508	508	Ordinary	€0.51	571 575 900	290	290
2 400	1	1	Ordinary (Shares numbered 1 to 2 400 – 'Special Shares')	€453.78	2 400	1	1
	–	–	Internal holdings eliminated on consolidation (€453.78 shares)			(1)	(1)
	509	509				290	290
			Total NV share capital			420	420
Number of shares authorised	£ million 2003	£ million 2002	Ordinary share capital PLC			£ million 2003	£ million 2002
9 726 834 428	136.2	136.2	Ordinary	1.4p	2 911 458 580	40.8	40.8
100 000	0.1	0.1	Deferred	£1 stock	100 000	0.1	0.1
	–	–	Internal holdings eliminated on consolidation (£1 stock)			(0.1)	(0.1)
	136.3	136.3	Total PLC share capital			40.8	40.8
			Euro equivalent in millions (at £1 = €5.445)			222	222

For NV share capital, the euro amounts shown above and elsewhere in this document are representations in euros on the basis of Article 67c of Book 2 of the Civil Code in the Netherlands, rounded to two decimal places, of underlying amounts of share capital in Dutch guilders, which have not been converted into euros in NV's Articles of Association. Until conversion formally takes place by amendment of the Articles of Association the entitlements to dividends and voting rights are based on the underlying Dutch guilder amounts.

The 7%, 6% and 4% preference shares of NV are entitled to dividends at the rates indicated. The €0.05 preference shares of NV are entitled to a dividend of 65% of the six months Euribor interest rate on their notional value of €6.580 each. A nominal dividend of 1/4% is paid on the deferred stock of PLC.

The 4% cumulative preference capital of NV is redeemable at par at the company's option either wholly or in part.

NV has agreed that it will not buy back the 5 euro cents cumulative preference shares of the company before 9 June 2004. At any time after this date, at NV's option, €6.534 of the notional value of the preference shares is convertible into ordinary NV shares and the remaining notional value is then redeemable. NV expects to exercise the conversion right if any preference shares remain outstanding after 1 December 2004.

The other classes of preferential share capital of NV and the deferred stock of PLC are not redeemable.

For information on the rights of shareholders of NV and PLC and the operation of the Equalisation Agreement, see 'Control of Unilever' on pages 152 to 155.

Internal holdings

The ordinary shares numbered 1 to 2 400 (inclusive) in NV and deferred stock of PLC are held as to one half of each class by N.V. Elma – a subsidiary of NV – and one half by United Holdings Limited – a subsidiary of PLC. This capital is eliminated on consolidation. It carries the right to nominate persons for election as Directors at general meetings of shareholders. The subsidiaries mentioned above have waived their rights to dividends on their ordinary shares in NV. For more information see 'Control of Unilever' on pages 152 to 155.

Share options

The Group operates a number of equity-based compensation plans involving options over ordinary shares of NV and PLC. Full details of these plans are given in note 29 on page 116.

22 Profit retained

	€ million NV 2003	€ million NV 2002	€ million NV 2001	€ million PLC 2003	€ million PLC 2002	€ million PLC 2001
		Restated	Restated		Restated	Restated
Net profit	1 976	1 679	764	786	457	916
Preference dividends	(27)	(42)	(51)	–	–	–
Dividends on ordinary capital	(954)	(941)	(868)	(728)	(718)	(662)
Result for the year retained	995	696	(155)	58	(261)	254
Goodwill movements	99	158	192	36	300	82
Actuarial gains/(losses) on pension schemes net of tax	(19)	(1 220)	(747)	(9)	(1 591)	(739)
Share option credit ^(a)	146	133	73	62	52	33
Unrealised gain on partial disposal of a group company	–	–	–	–	56	–
Adjustment arising from change in ownership of group companies ^(b)	(31)	1 646	–	31	(1 646)	–
Currency retranslation	(10)	(1 206)	(1 026)	169	(361)	(248)
Net movement during the year	1 180	207	(1 663)	347	(3 451)	(618)
Profit retained – 1 January ^(c)	5 655	5 448	7 111	(992)	2 459	3 077
Profit retained – 31 December	6 835	5 655	5 448	(645)	(992)	2 459
Of which retained by:						
Parent companies	7 304	6 581	3 508	1 527	1 590	1 552
Other group companies	(388)	(895)	1 929	(2 171)	(2 593)	904
Joint ventures and associates	(81)	(31)	11	(1)	11	3
	6 835	5 655	5 448	(645)	(992)	2 459
Cumulative goodwill written off directly to reserves	(5 199)	(5 298)	(5 456)	(2 063)	(2 099)	(2 399)

- (a) The share option credit relates to the reversal of the non-cash charge recorded against operating profit in respect of the fair value of share options awarded to employees.
- (b) During 2002, as part of the legal and fiscal integration of the Bestfoods businesses, a number of internal ownership changes took place. These internal transactions, which took place at fair value, did not involve any third party and therefore had no effect on the results or net assets of the consolidated Unilever Group. The historical cost of the net assets of the business transferred by PLC was greater than the historical cost of the net assets of the business transferred by NV. As it would be inappropriate to recognise revaluations to assets and liabilities of the Group arising from internal transactions, this imbalance led to NV recording an unrealised gain of €1 646 million on the transfer while PLC recorded an equal and opposite goodwill balance which is eliminated on consolidation. A further re-organisation in 2003 produced a similar type of adjustment with a small unrealised gain in PLC and goodwill eliminated in NV.
- (c) Profit retained has been restated following changes in our accounting policy for pensions and other post-employment benefits and in our accounting policy for share-based payments. Profit retained at 1 January 2001 has been increased in aggregate by €3 237 million (of which €2 237 million relates to NV and €1 000 million relates to PLC). Profit retained at 1 January 2002 has been increased in aggregate by €1 490 million (of which €1 299 million relates to NV and €191 million relates to PLC). Movements in profit retained in 2001 and 2002 have been restated as appropriate. Profit retained at 31 December 2002 has been decreased in aggregate by €1 114 million (of which an increase of €274 million relates to NV and a reduction of €1 388 million relates to PLC).

23 Other reserves

	€ million NV 2003	€ million NV 2002	€ million NV 2001	€ million PLC 2003	€ million PLC 2002	€ million PLC 2001
		Restated	Restated		Restated	Restated
Adjustment on translation of PLC's ordinary capital at £1 = Fl. 12 = €5.445	–	–	–	(164)	(159)	(155)
Capital redemption reserve	–	–	–	16	18	18
Book value of shares or certificates held in connection with share options	(1 783)	(1 534)	(1 108)	(511)	(469)	(418)
	(1 783)	(1 534)	(1 108)	(659)	(610)	(555)

The effect of the change in number of shares or certificates held in connection with share options on the other reserves of NV was €(249) million (2002: €(426) million; 2001: €(551) million) and for PLC was €(42) million (2002: €(51) million; 2001: €(59) million).

24 Commitments and contingent liabilities

	€ million 2003	€ million 2002
Long-term lease commitments under operating leases in respect of:		
Land and buildings	1 462	1 399
Other tangible fixed assets	419	475
	1 881	1 874
The commitments fall due as follows:		
Within 1 year	321	321
After 1 year but within 2 years	283	301
After 2 years but within 3 years	244	260
After 3 years but within 4 years	227	226
After 4 years but within 5 years	205	204
After 5 years	601	562
	1 881	1 874
Other commitments	655	516
Of which payable within one year	315	226

Other commitments principally comprise commitments under contracts to purchase materials and services.

Contingent liabilities amounted to some €550 million (2002: €511 million), of which €166 million (2002: €176 million) relates to guarantees. These guarantees are not expected to give rise to any material loss. Guarantees given by parent or group companies relating to liabilities included in the consolidated accounts are not included. Other contingent liabilities arise in respect of litigation against companies in the Group, investigations by competition and regulatory authorities and obligations under environmental legislation in various countries. These are not expected to give rise to any material loss.

The total value of guarantees which arose or were revised during 2003 was €82 million.

25 Acquisition and disposal of group companies

Acquisitions

The net assets and results of acquired companies are included in the consolidated accounts from their respective dates of acquisition. The following tables set out the effect of acquisitions of group companies in 2003 on the consolidated balance sheet. Acquisition accounting (purchase accounting) has been applied in all cases. The fair values currently established for all acquisitions made in 2003 are provisional. The goodwill arising on these transactions has been capitalised and is being amortised over 20 years in accordance with our declared accounting policies as set out on page 74.

The principal acquisition during the year was the purchase at the end of March of the remaining 50% share in Asian foods businesses from our joint venture partner Ajinomoto of Japan. These businesses are now consolidated as subsidiaries.

On 1 April 2002, Unilever disposed of its assets in Unifoods South Africa and Hudson & Knight South Africa to Unilever Bestfoods Robertsons, a joint venture between Unilever and Robertsons in which Unilever had a 50% equity stake. In exchange, Unilever received a 9% equity interest in Unilever Bestfoods Robertsons thereby obtaining control.

	€ million	€ million	€ million	€ million
	Balance sheets of acquired businesses	Provisional adjustments to align accounting policies	Provisional revaluations	Provisional fair values at date of acquisition
2003 acquisitions				
Fixed assets	98	(2)	66	162
Current assets	70	–	–	70
Creditors	(58)	(13)	–	(71)
Provisions for liabilities and charges	(3)	4	–	1
Minority interest	–	13	–	13
	107	2	66	175
Adjustment to reflect 50% net assets previously owned				(23)
Net assets acquired				152

25 Acquisition and disposal of group companies continued

	€ million 2003	€ million 2002	€ million 2001
Acquisitions			
Net assets acquired	152	37	49
Adjustments to acquisitions made in prior years	75	–	5 546
Goodwill and intangible assets arising in subsidiaries	235	116	(5 407)
Goodwill arising in joint ventures	–	–	(51)
	462	153	137
Consideration			
Of which:			
Cash 27	262	57	132
Cash balances of businesses acquired 27	(10)	–	1
Current investments, cash deposits and borrowings of businesses acquired	25	77	1
Non-cash items and deferred consideration	185	(57)	3
Fair value of Unilever business contributed	–	76	–

Disposals

The results of disposed businesses are included in the consolidated accounts up to their date of disposal. The principal disposals were *Ambrosia* in the United Kingdom, *John West* in Australasia, cheese businesses in Austria and Germany and the Pamol oil business in Malaysia. Various trademarks were also sold as part of our Path to Growth strategy, including *Brut* in the US and Latin America and a number of oral care brands in the US. In 2002 the principal sale was that of the DiverseyLever business to JohnsonDiversey Inc. in exchange for cash, loan notes and a 33.3% stake in JohnsonDiversey's parent, JohnsonDiversey Holdings Inc. During 2001 we completed the disposal of Elizabeth Arden, which is therefore reflected in the table below.

	€ million 2003	€ million 2002	€ million 2001
Disposals			
Goodwill and intangible assets	127	274	6
Other fixed assets	205	531	273
Current assets	111	776	351
Creditors	(63)	(330)	(112)
Provisions for liabilities and charges	(15)	(100)	(11)
Minority interest	(5)	3	(2)
	360	1 154	505
33% interest in DiverseyLever	–	(114)	–
	360	1 040	505
Net assets sold	–	159	–
Specific provisions related to the disposal	–	159	–
Attributable goodwill	135	458	223
Profit on sale attributable to Unilever	379	249	927
	874	1 906	1 655
Consideration			
Of which:			
Cash 27	889	1 834	1 650
Cash balances of businesses sold 27	(17)	(34)	(9)
Current investments, cash deposits and borrowings of businesses sold	2	19	3
Non-cash items and deferred consideration	–	217	11
Fair value of Johnson Professional business acquired	–	(130)	–

26 Reconciliation of group operating profit to operating cash flows

	€ million 2003	€ million 2002	€ million 2001
		Restated	Restated
Group operating profit	5 483	5 007	4 946
Depreciation and amortisation	2 038	2 582	2 845
Changes in working capital:			
Stocks	(107)	(98)	(177)
Debtors	547	88	(40)
Creditors	(640)	382	440
Pensions and similar provisions less payments	(147)	(109)	282
Restructuring and other provisions less payments	(208)	(53)	173
Elimination of (profits)/losses on disposals	(357)	(143)	(941)
Non-cash charge for share options	208	185	106
Other adjustments	(37)	42	(137)
Cash flow from group operating activities	6 780	7 883	7 497

Cash flow from exceptional items included in the group operating profit above comprises:

	€ million 2003	€ million 2002	€ million 2001
Restructuring	(407)	(406)	(1 131)
Business disposals	889	1 834	1 650
Other, including asset disposals	18	229	429
Total	500	1 657	948
Of which related to items included in group operating profit in the current year	846	2 064	
Of which related to items included in group operating profit in prior years	(346)	(407)	
Total	500	1 657	

The cash flows of pension funds (other than contributions and other direct payments made by the Group in respect of pensions and similar obligations) are not included in the Group cash flow statement.

27 Analysis of cash flows for headings netted in the cash flow statement

	€ million 2003	€ million 2002	€ million 2001
		Restated	Restated
Returns on investments and servicing of finance			
Dividends from other fixed investments	8	8	7
Interest received	304	324	191
Interest paid	(1 114)	(1 467)	(1 842)
Preference dividend paid	(27)	(31)	(48)
Dividends and other payments to minority shareholders	(351)	(220)	(195)
Total	(1 180)	(1 386)	(1 887)
Capital expenditure and financial investment			
Purchase of intangible assets	(3)	(18)	–
Purchase of tangible fixed assets	(1 038)	(1 295)	(1 536)
Disposal of tangible fixed assets	168	233	579
Acquisition/disposal of fixed investments	249	(68)	35
Purchase of own shares (employee share plans)	(400)	(558)	(436)
Total	(1 024)	(1 706)	(1 358)
Acquisitions and disposals			
Acquisition of group companies 25	(262)	(57)	(132)
Cash balances of businesses acquired 25	10	–	(1)
Consideration paid in respect of acquisitions made in previous years	–	–	(1)
Disposal of acquired business held for resale	–	–	1 968
Disposal of group companies 25	889	1 834	1 650
Cash balances of businesses sold 25	(17)	(34)	(9)
Consideration received in respect of disposals made in previous years	2	12	2
Total	622	1 755	3 477
Management of liquid resources			
Purchase of current investments	(137)	(219)	(108)
Sale of current investments	48	30	121
(Increase)/decrease in cash on deposit	48	(403)	1 093
Total	(41)	(592)	1 106
Financing			
Issue/purchase of shares by group companies to/(from) minority shareholders	(8)	9	(3)
Debt due within one year:			
Increases	4 068	2 698	3 854
Repayments	(7 378)	(8 834)	(13 692)
Debt after one year:			
Increases	509	3 195	4 933
Repayments	(108)	(146)	(264)
Total	(2 917)	(3 078)	(5 172)

Included as liquid resources are term deposits of less than one year, government securities and A- or higher rated money and capital market instruments.

The cash flows of pension funds (other than contributions and other direct payments made by the Group in respect of pensions and similar obligations) are not included in the Group cash flow statement.

Amounts for 2002 and 2001 have been restated following a change in the presentation for securities held as collateral in connection with derivative financial instruments. See note 14 on page 94.

28 Analysis of net funds/(debt)

	€ million	€ million	€ million	€ million	€ million	€ million
	1 January 2003	Cash flow	Acquisitions/ disposals (excl. cash & overdrafts)	Other non-cash changes	Currency movements	31 December 2003
Cash on call and in hand	1 028	(785)			1 061	1 304
Overdrafts	(277)	(61)			18	(320)
		(846)				
Borrowings due within one year	(8 660)	3 310	(20)	(1 507)	(237)	(7 114)
Borrowings due after one year	(10 933)	(401)	–	1 968	900	(8 466)
		2 909				
Current investments	1 226	89	(3)	229	(50)	1 491
Cash on deposit	650	(48)	–	–	(52)	550
		41				
Net funds/(debt)	(16 966)	2 104	(23)	690	1 640	(12 555)

Other non-cash changes include profits and losses on disposal and adjustments to realisable value of current investments; exchange gains and losses on inter-company borrowings and related derivatives; and the reclassification of long-term borrowings falling due within one year at the balance sheet date.

Balances at 1 January 2003 have been restated following a change in accounting policy for the presentation of securities received as collateral in connection with derivative financial instruments. See note 14 on page 94.

29 Equity-based compensation plans

As at 31 December 2003, the Group had a number of equity-based compensation plans:

(i) All-Employee Option Plans

Local All-Employee Option Plans have been set up in 16 countries to enhance employee involvement with Unilever and its performance by providing a potential financial benefit linked to the Unilever share price. There are no individual performance targets to be met. The plans permit participation by all permanent employees in the country where the relevant plan applies.

(ii) Executive Option Plans

The Executive Option Plans were introduced in 1985 to reward key employees throughout the world for their contribution to the enhancement of the Group's longer-term future and their commitment to the Group over a sustained period. The grant is dependent on performance of the Group and the individual.

(iii) The Share Matching Plans

If managers invest part of their annual bonus in Unilever shares, the company will match this with the same number of shares on the condition that they keep all shares for an agreed number of years and will still be employed by Unilever on the vesting date.

(iv) The TSR Long-Term Incentive Plan

This plan was introduced in 2001 and, depending on the TSR ranking (see page 20) of Unilever in comparison with its peer group, it will potentially award top executives on the vesting date three years later with between 0% and 200% of the original conditional award.

(v) The Restricted Share Plan

Restricted shares are awarded to a select number of executives for special performance. After the agreed number of years the awards will vest provided the executives are still employed by Unilever at that time.

(vi) The North American Performance Share Plan

A long-term incentive plan for North American managers, awarding Unilever shares if company and personal performance targets are met over a three-year period.

Unilever will not grant share options in total in respect of Executive Option Plans for more than 5% of its issued ordinary capital, and for all Plans together, for more than 10% of its issued ordinary capital. The Board does not apportion these limits to each plan separately.

In recent years we have met the obligations under our share option and award plans by purchasing shares in advance and transferring them, in return for the exercise price, to Directors and employees as the options are exercised.

29 Equity-based compensation plans continued

From 1 January 2003, for US GAAP purposes, Unilever has adopted SFAS 123. The economic fair value of the awards is calculated using an option pricing model (usually an adjusted Black-Scholes or multinomial model) and the resulting cost is recognised as remuneration cost amortised over the vesting period of the grant. Variable plans, being those with performance criteria other than a service period, are also accounted for in accordance with SFAS 123. The actual remuneration cost charged in each period is shown below. Amounts for prior years have been restated to reflect compensation costs for all the employee awards granted or modified in fiscal years beginning after 1994.

	€ million 2003	€ million 2002	€ million 2001
All-Employee Option Plans	19	Restated 22	Restated 25
Executive Option Plans	101	88	56
Share Matching Plans	18	12	2
TSR Long-Term Incentive Plan	8	4	2
Restricted Share Plan	3	6	6
North American Performance Share Plan	59	53	15
	208	185	106

The change in accounting policy has reduced operating profit in 2003 by €116 million (2002: €99 million; 2001: €60 million). Basic earnings per NV ordinary €0.51 share is reduced by €0.12 (2002: €0.10; 2001: €0.06). Basic earnings per PLC ordinary 1.4p share is reduced by €0.02 (2002: €0.02; 2001: €0.01).

The disclosures required by SFAS 123, including a description of the method and significant assumptions used to estimate the fair values of options and the weighted average information, are given below for each type of plan, on a combined basis.

(i) All-Employee Option Plans

Unilever has All-Employee Plans in 16 countries, which can be grouped together as follows:

- Plans which follow a standard framework: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden and Switzerland.
- Other plans: North America, South Africa and United Kingdom.

Group (a):

The standard framework for these countries means, in principle, an annual grant of options over NV shares (Ireland: NV or PLC shares), at the same grant date, exercise price (the market price on the grant date) and grant size (including part-time employees pro rata) and with the same eligibility criteria (all permanent employees in a country). There are no vesting conditions other than being continuously employed by a Group company until the vesting date.

Group (b):

The UK and South Africa plans annually offer options over PLC shares, combined with a compulsory (UK) or optional (South Africa) savings plan. The exercise price is the market price at date of grant. In 2003, Unilever UK introduced 'ShareBuy', an All-Employee Share Incentive Plan. It is currently only being used as a tax efficient savings plan for employees, for which Unilever neither gives nor receives value. Accordingly, no figures for this plan are included in this note.

The North American plan is a share purchase offering, with a compulsory savings plan, under which up to 10% of the salary of eligible employees is withheld. At the end of the period employees can use the savings to buy NV New York shares at a discount. The maximum number of shares made available under the plan is 8.9 million. Until 2001 the plan had an offering period of two years, thereafter one year.

The table below summarises the main country-specific differences between the plans applicable in 2003:

Country (year of introduction)	Maximum term Years	Vesting period Years	Exercise period	Remarks
Austria (2001)	5	3	24 months	
Belgium (2001)	5	3.5	18 months	
Denmark (2001)	5	3	24 months	
Finland (2001)	5	3	24 months	On 3rd, 4th or 5th anniversary
France (2000)	5	4	12 months	
Germany (2000)	5	3	24 months	
Ireland (2002)	5	3	24 months	
Italy (2001)	5	3	24 months	
Netherlands (1995)	5	0	5 years	Keep shares during the first 3 years after grant
Portugal (2001)	3.5	3	6 months	
Spain (2001)	5	3	24 months	
Sweden (2001)	5	5	1 day	Partly convertible bonds
Switzerland (2001)	5	3	24 months	
UK (1985)	5.5	5	6 months	ShareSave plan
South Africa (2001)	3.5	3	6 months	Optional sharesave plan
North America (1995)	1	1	1 day	Purchase plan

29 Equity-based compensation plans continued

A summary of the status of the All-Employee Plans as at 31 December 2003, 2002 and 2001 and changes during the years ended on these dates is presented below:

	2003		2002		2001	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
NV shares of €0.51						
Outstanding at 1 January	4 026 430	€63.38	3 109 260	€60.56	1 634 437	€54.41
Granted	1 356 143	€51.01	1 589 107	€67.90	1 853 007	€64.65
Exercised	(21 254)	€54.48	(322 625)	€58.72	(225 614)	€51.85
Forfeited	(748 773)	€61.61	(349 312)	€63.24	(152 570)	€57.10
Expired ^(a)	(131 873)	€57.63	–	–	–	–
Outstanding at 31 December	4 480 673	€60.24	4 026 430	€63.38	3 109 260	€60.56
Exercisable at 31 December	683 702	€57.24	231 979	€67.90	42 412	€42.99
PLC shares of 1.4p						
Outstanding at 1 January	18 005 592	£5.17	22 002 314	£4.61	26 512 577	£4.14
Granted	2 667 950	£5.72	4 122 000	£6.06	4 411 833	£5.29
Exercised	(570 578)	£4.57	(5 771 480)	£3.78	(5 756 768)	£2.94
Forfeited	(2 809 935)	£5.30	(2 347 242)	£4.90	(3 165 328)	£4.62
Expired ^(a)	(221 974)	£3.68	–	–	–	–
Outstanding at 31 December	17 071 055	£5.28	18 005 592	£5.17	22 002 314	£4.61
Exercisable at 31 December	1 978 465	£5.88	430 696	£3.71	250 760	£2.78
NV New York shares of €0.51						
Outstanding at 1 January	149 431	\$54.11	–	–	470 680	\$52.43
Granted	162 745	\$55.25	149 431	\$54.11	–	–
Exercised	(145 867)	\$54.05	–	–	(255 208)	\$52.43
Forfeited	(19 549)	\$54.11	–	–	(215 472)	\$52.43
Expired ^(a)	–	–	–	–	–	–
Outstanding at 31 December	146 760	\$55.44	149 431	\$54.11	–	–
Exercisable at 31 December	–	–	–	–	–	–

(a) Prior to 2003 the number of expired options was immaterial.

	2003	2002	2001
NV option value information^(b)			
Fair value per option ^(c)	€8.86	€14.66	€15.13
Valuation assumptions			
Expected option term	3.6 years	3.8 years	3.5 years
Expected volatility	27.5%	26.8%	29.3%
Expected dividend yield	3.4%	2.4%	2.2%
Risk-free interest rate	2.5%	4.5%	4.5%
PLC option value information^(b)			
Fair value per option ^(c)	£1.13	£1.57	£1.31
Valuation assumptions			
Expected option term	4.4 years	4.7 years	4.7 years
Expected volatility	27.5%	28.5%	28.1%
Expected dividend yield	3.0%	2.5%	2.8%
Risk-free interest rate	3.7%	5.2%	5.4%
NV New York shares option value information^(b)			
Fair value per option ^(c)	\$9.14	\$8.57	–
Valuation assumptions			
Expected option term	1 year	1 year	–
Expected volatility	27.5%	25.2%	–
Expected dividend yield	3.3%	2.5%	–
Risk-free interest rate	1.8%	1.2%	–

(b) Weighted average of options granted during each period.

(c) Estimated using Black-Scholes option pricing method.

29 Equity-based compensation plans continued

The exercise prices and remaining life of the All-Employee Option Plans as at 31 December 2003 are as follows:

	Options outstanding				Options exercisable	
	Range of exercise prices	Number outstanding at 31 December 2003	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at 31 December 2003	Weighted average exercise price
NV shares of €0.51	€51.00–€57.63	1 848 480	3 years	€51.66	461 541	€52.11
	€63.65–€70.00	2 632 193	3 years	€66.27	222 161	€67.90
PLC shares of 1.4p	£3.71–£4.25	4 587 832	2 years	£4.24	50 104	£3.71
	£5.14–£6.20	12 483 223	3 years	£5.65	1 928 361	£5.94
NV New York shares of €0.51	\$55.44	146 760	1 year	\$55.44	–	–

(ii) Executive Option Plans

The Executive Option Plans are made up of the following plans, under which options are granted to key employees of the Group on a discretionary basis:

The NV Executive Option Plan

The NV Executive Option Plan provides for the granting of options to purchase shares of Unilever N.V. and, from 1997 onwards, also shares of Unilever PLC, at a price not lower than the market price on the day the options were granted. Options granted until March 2001 become exercisable immediately from the date of grant but the shares cannot be sold within three years; options granted from November 2001 become exercisable after three years. The options have a maximum term of five years for the grants made up to 1998 and of ten years for subsequent grants.

The PLC Executive Option Plan

The PLC Executive Option Plan provides for the granting of options to purchase shares of Unilever PLC and from 1997 onwards, also shares of Unilever N.V., at a price not lower than the market price on the day the options were granted. These options become exercisable after a three-year period from the date of grant and have a maximum term of ten years.

The NA Executive Option Plan

The NA Executive Option Plan is covered by the North American 2002 Omnibus Equity Compensation Plan and provides for the granting of options to purchase a maximum of 40.5 million shares in Unilever N.V. of the New York Registry, and 262.0 million shares of Unilever PLC, at a price not lower than the market value on the day the options are granted. These options become exercisable over a three-year period from the date of grant and have a maximum term of ten years.

Managers working in India can participate in an Executive Option Plan relating to Hindustan Lever Limited's shares. As these are neither NV nor PLC shares, no figures for this plan are disclosed in this note, but the fair value costs (2003: €3 million; 2002: €2 million; 2001: € nil) are included in the costs of Executive Option Plans on page 117.

A summary of the status of the Executive Option Plans as at 31 December 2003, 2002 and 2001 and changes during the years ended on these dates is presented below:

	2003		2002		2001	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
NV shares of €0.51						
Outstanding at 1 January	11 139 397	€61.71	8 198 049	€58.95	4 835 834	€57.68
Granted	3 508 997	€55.03	3 658 548	€66.84	4 017 741	€58.26
Exercised	(35 315)	€48.64	(373 219)	€51.37	(372 052)	€33.83
Forfeited	(646 555)	€61.27	(343 981)	€62.73	(283 474)	€60.40
Expired ^(a)	(433 046)	€69.18	–	–	–	–
Outstanding at 31 December	13 533 478	€59.80	11 139 397	€61.71	8 198 049	€58.95
Exercisable at 31 December	4 546 269	€58.26	4 795 216	€59.84	4 788 521	€58.75
PLC shares of 1.4p						
Outstanding at 1 January	75 140 770	£5.28	57 255 712	£4.96	34 455 159	£4.89
Granted	22 848 640	£5.85	23 811 993	£5.83	26 126 694	£4.97
Exercised	(1 570 256)	£4.05	(3 931 699)	£3.96	(1 649 129)	£3.42
Forfeited	(3 749 776)	£5.53	(1 995 236)	£5.48	(1 677 012)	£5.11
Expired ^(a)	(2 908 993)	£6.61	–	–	–	–
Outstanding at 31 December	89 760 385	£5.39	75 140 770	£5.28	57 255 712	£4.96
Exercisable at 31 December	30 704 526	£4.87	33 370 192	£5.07	34 846 599	£4.90

29 Equity-based compensation plans continued

	2003		2002		2001	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
NV New York shares of €0.51						
Outstanding at 1 January	3 221 014	\$52.54	2 736 921	\$49.23	2 030 941	\$47.29
Granted	706 632	\$58.48	755 295	\$59.44	840 937	\$52.22
Exercised	(278 763)	\$36.15	(242 276)	\$36.00	(119 965)	\$36.02
Forfeited	(47 619)	\$63.61	(28 926)	\$57.52	(14 992)	\$59.43
Expired ^(a)	—	—	—	—	—	—
Outstanding at 31 December	3 601 264	\$54.83	3 221 014	\$52.54	2 736 921	\$49.23
Exercisable at 31 December	2 275 533	\$53.22	1 888 079	\$50.10	1 632 955	\$46.29
PLC shares of 1.4p in the form of ADRs^(d)						
Outstanding at 1 January	16 997 152	\$8.06	12 744 844	\$7.89	7 491 864	\$8.33
Granted	4 671 336	\$9.13	4 994 640	\$8.42	5 566 904	\$7.25
Exercised	(600 348)	\$7.04	(598 300)	\$7.14	(208 116)	\$6.86
Forfeited	(289 304)	\$8.92	(144 032)	\$8.40	(105 808)	\$8.08
Expired ^(a)	—	—	—	—	—	—
Outstanding at 31 December	20 778 836	\$8.32	16 997 152	\$8.06	12 744 844	\$7.88
Exercisable at 31 December	12 040 552	\$8.15	8 175 172	\$8.29	5 415 724	\$8.57

(a) Prior to 2003 the number of expired options was immaterial.

(d) 1 ADR is equivalent to 4 PLC shares.

	2003	2002	2001
NV option value information^(b)			
Fair value per option ^(c)			
NV Executive Option Plan	€12.43	€18.74	€16.57
PLC Executive Option Plan	£8.41	£11.59	£8.94
NA Executive Option Plan	\$12.42	\$16.32	\$13.96
Valuation assumptions			
Expected option term	6.0 years	6.0 years	6.3 years
Expected volatility	27.5%	27.6%	28.5%
Expected dividend yield	3.2%	2.4%	2.5%
Risk-free interest rate	3.5%	5.0%	4.1%
PLC option value information^(b)			
Fair value per option ^(c)			
NV Executive Option Plan	€2.14	€2.62	€2.01
PLC Executive Option Plan	£1.45	£1.62	£1.24
NA Executive Option Plan	\$2.05	\$2.23	\$1.86
Valuation assumptions			
Expected option term	6.0 years	6.0 years	6.8 years
Expected volatility	27.5%	27.1%	26.0%
Expected dividend yield	2.8%	2.6%	2.9%
Risk-free interest rate	4.0%	5.3%	4.6%

(b) Weighted average of options granted during each period.

(c) Estimated using Black-Scholes option pricing method.

29 Equity-based compensation plans continued

The exercise prices and remaining life of the Executive Option Plans as at 31 December 2003 are as follows:

	Options outstanding				Options exercisable	
	Range of exercise prices	Number outstanding at 31 Dec 2003	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at 31 Dec 2003	Weighted average exercise price
NV shares of €0.51	€42.79–€60.85	8 481 110	8 years	€56.02	2 879 303	€54.60
	€63.50–€73.97	5 052 368	7 years	€66.14	1 666 966	€64.57
PLC shares of 1.4p	£2.83–£4.07	2 824 299	3 years	£3.46	2 824 299	£3.46
	£4.29–£5.55	40 694 973	7 years	£4.97	26 185 257	£4.91
	£5.77–£6.79	46 241 113	9 years	£5.88	1 694 970	£6.68
NV New York shares of €0.51	\$25.67–\$33.89	454 549	2 years	\$31.55	454 549	\$31.55
	\$41.16–\$56.13	1 219 878	6 years	\$51.46	988 748	\$51.30
	\$58.35–\$76.69	1 926 837	8 years	\$62.46	832 236	\$67.35
PLC shares of 1.4p in the form of ADRs^(d)	\$5.56–\$7.73	7 988 692	7 years	\$7.09	6 460 564	\$7.05
	\$8.35–\$10.85	12 790 144	8 years	\$9.09	5 579 988	\$9.43

(d) 1 ADR is equivalent to 4 PLC shares.

(iii) The Share Matching Plans

Under these plans managers can invest up to 25% of their gross bonus in Unilever shares. The company matches this with the same number of shares on condition that all shares are held for the agreed period (five years for awards made until 2001, three years from 2002 onwards), and that the manager has not resigned from Unilever at the end of this period. The North American managers participate in the North American Share Bonus Plan, the others in the Variable Pay in Shares Plan. The numbers below include the numbers for the Directors shown in the Remuneration report on page 62.

A summary of the status of the Share Matching Plans as at 31 December 2003, 2002 and 2001 and changes during the years ended on these dates is presented below:

	2003		2002		2001	
	Number of shares	Weighted average price	Number of shares	Weighted average price	Number of shares	Weighted average price
NV shares of €0.51						
Outstanding at 1 January	225 404	€0.00	77 613	€0.00	26 302	€0.00
Awarded	153 483	€0.00	148 990	€0.00	51 526	€0.00
Exercised	(2 664)	€0.00	(143)	€0.00	–	–
Forfeited	(2 377)	€0.00	(1 056)	€0.00	(215)	€0.00
Outstanding at 31 December	373 846	€0.00	225 404	€0.00	77 613	€0.00
Exercisable at 31 December	–	–	–	–	–	–
PLC shares of 1.4p						
Outstanding at 1 January	1 627 386	£0.00	570 703	£0.00	198 676	£0.00
Awarded	1 002 635	£0.00	1 065 406	£0.00	373 646	£0.00
Exercised	(18 910)	£0.00	(1 053)	£0.00	–	–
Forfeited	(16 924)	£0.00	(7 670)	£0.00	(1 619)	£0.00
Outstanding at 31 December	2 594 187	£0.00	1 627 386	£0.00	570 703	£0.00
Exercisable at 31 December	–	–	–	–	–	–

29 Equity-based compensation plans continued

	Number of shares	2003 Weighted average price	Number of shares	2002 Weighted average price	Number of shares	2001 Weighted average price
NV New York shares of €0.51						
Outstanding at 1 January	116 485	\$0.00	29 255	\$0.00	5 034	\$0.00
Awarded	52 889	\$0.00	87 743	\$0.00	24 221	\$0.00
Exercised	–	–	–	–	–	–
Forfeited	(2 218)	\$0.00	(513)	\$0.00	–	–
Outstanding at 31 December	167 156	\$0.00	116 485	\$0.00	29 255	\$0.00
Exercisable at 31 December	–	–	–	–	–	–
PLC shares of 1.4p in the form of ADRs^(d)						
Outstanding at 1 January	810 248	\$0.00	214 752	\$0.00	37 264	\$0.00
Awarded	338 560	\$0.00	599 064	\$0.00	177 488	\$0.00
Exercised	–	–	–	–	–	–
Forfeited	(15 080)	\$0.00	(3 568)	\$0.00	–	–
Outstanding at 31 December	1 133 728	\$0.00	810 248	\$0.00	214 752	\$0.00
Exercisable at 31 December	–	–	–	–	–	–

(d) 1 ADR is equivalent to 4 PLC shares.

	2003	2002	2001
NV share award value information^(b)			
Fair value per share award			
NV/PLC Plan	€55.45	€69.14	€61.73
North American Plan	\$56.63	\$58.68	\$56.54
PLC share award value information^(b)			
Fair value per share award			
NV/PLC Plan	£5.87	£6.17	£5.22
North American Plan	\$8.83	\$8.58	\$7.70

(b) Weighted average of share awards granted during each period.

(iv) The TSR Long-Term Incentive Plan

Under this plan, introduced in 2001, grants are made to Board members and some senior executives. The level of share award which will vest three years later will vary in accordance with the Total Shareholder Return in comparison with a peer group (see description on page 20). If the ranking is below the median, the share award will lapse; the higher the ranking above the median, the higher the share award.

A summary of the status of the TSR Long-Term Incentive Plan as at 31 December 2003, 2002 and 2001 and changes during the year ended on these dates is presented below:

	Number of shares	2003 Weighted average price	Number of shares	2002 Weighted average price	Number of shares	2001 Weighted average price
NV shares of €0.51						
Outstanding at 1 January	188 514	€0.00	71 564	€0.00	–	–
Awarded	138 831	€0.00	118 445	€0.00	71 564	€0.00
Exercised	–	–	–	–	–	–
Forfeited	–	–	(1 495)	€0.00	–	–
Outstanding at 31 December	327 345	€0.00	188 514	€0.00	71 564	€0.00
Exercisable at 31 December	–	–	–	–	–	–
PLC shares of 1.4p						
Outstanding at 1 January	1 360 874	£0.00	533 481	£0.00	–	–
Awarded	888 510	£0.00	837 973	£0.00	533 481	£0.00
Exercised	–	–	–	–	–	–
Forfeited	–	–	(10 580)	£0.00	–	–
Outstanding at 31 December	2 249 384	£0.00	1 360 874	£0.00	533 481	£0.00
Exercisable at 31 December	–	–	–	–	–	–

29 Equity-based compensation plans continued

	2003	2002	2001
NV share award value information			
Fair value per share award ^(e)	€43.57	€26.94	€57.33
PLC share award value information			
Fair value per share award ^(e)	£4.63	£2.41	£5.11

(e) Estimated using option pricing models taking account of peer group TSR volatilities and correlations.

(v) The Restricted Share Plan

In specific one-off cases a number of executives are awarded the right to receive NV and PLC shares at a specified date in the future, on the condition that they are still employed by Unilever at that time. No Directors participate in this plan.

A summary of the status of the Restricted Share Plan as at 31 December 2003, 2002 and 2001 and changes during the years ended on these dates is presented below:

	2003 Number of shares	2003 Weighted average price	2002 Number of shares	2002 Weighted average price	2001 Number of shares	2001 Weighted average price
NV shares of €0.51						
Outstanding at 1 January	250 607	€0.00	381 328	€0.00	165 046	€0.00
Awarded	48 269	€0.00	37 380	€0.00	256 662	€0.00
Exercised	(258 378)	€0.00	(160 405)	€0.00	(40 380)	€0.00
Forfeited	–	–	(7 696)	€0.00	–	–
Outstanding at 31 December	40 498	€0.00	250 607	€0.00	381 328	€0.00
PLC shares of 1.4p						
Outstanding at 1 January	1 854 816	£0.00	2 815 138	£0.00	1 220 226	£0.00
Awarded	275 848	£0.00	275 502	£0.00	1 894 148	£0.00
Exercised	(1 914 282)	£0.00	(1 178 708)	£0.00	(299 236)	£0.00
Forfeited	–	–	(57 116)	£0.00	–	–
Outstanding at 31 December	216 382	£0.00	1 854 816	£0.00	2 815 138	£0.00

	2003	2002	2001
NV share award value information^(b)			
Fair value per share award	€52.48	€64.21	€67.40
PLC share award value information^(b)			
Fair value per share award	£5.32	£5.65	£5.73

(b) Weighted average of share awards granted during each period.

(vi) The North American Performance Share Plan

This long-term incentive plan for North American managers awards Unilever shares if company and personal performance targets are met over a three-year period. It was introduced in 2001 to replace a former long-term incentive plan which had cash awards rather than shares.

A summary of the status of the North American Performance Share Plan as at 31 December 2003, 2002 and 2001 and changes during the years ended on these dates is presented below:

	2003 Number of shares	2003 Weighted average price	2002 Number of shares	2002 Weighted average price	2001 Number of shares	2001 Weighted average price
NV New York shares of €0.51						
Outstanding at 1 January	1 223 292	\$0.00	625 451	\$0.00	–	–
Awarded	563 982	\$0.00	639 396	\$0.00	625 451	\$0.00
Exercised	–	–	–	–	–	–
Forfeited	(15 931)	\$0.00	(41 555)	\$0.00	–	–
Outstanding at 31 December	1 771 343	\$0.00	1 223 292	\$0.00	625 451	\$0.00
Exercisable at 31 December	–	–	–	–	–	–

29 Equity-based compensation plans continued

	2003 Number of shares	2003 Weighted average price	2002 Number of shares	2002 Weighted average price	2001 Number of shares	2001 Weighted average price
PLC shares of 1.4p in the form of ADRs^(d)						
Outstanding at 1 January	9 130 532	\$0.00	4 665 064	\$0.00	–	–
Awarded	4 191 296	\$0.00	4 769 348	\$0.00	4 665 064	\$0.00
Exercised	–	–	–	–	–	–
Forfeited	(118 912)	\$0.00	(303 880)	\$0.00	–	–
Outstanding at 31 December	13 202 916	\$0.00	9 130 532	\$0.00	4 665 064	\$0.00
Exercisable at 31 December	–	–	–	–	–	–

(d) 1 ADR is equivalent to 4 PLC shares.

	2003	2002	2001
NV share award value information^(b)			
Fair value per share award	\$58.35	\$59.00	\$59.65
PLC share award value information^(b)			
Fair value per share award	\$9.14	\$8.35	\$8.59

(b) Weighted average of share awards granted during each period.

Additional information

At 31 December 2003, there were options outstanding to purchase 19 625 369 (2002: 16 693 951) €0.51 ordinary NV shares, and 96 512 423 (2002: 79 141 530) 1.4p ordinary PLC shares in respect of equity-based compensation plans of NV and its subsidiaries and the North American plans, and 4 816 994 (2002: 3 846 623) €0.51 ordinary NV shares and 50 494 450 (2002: 45 785 840) 1.4p ordinary PLC shares in respect of equity-based compensation plans of PLC and its subsidiaries.

To satisfy the options granted, certain NV group companies hold 22 163 785 (2002: 17 711 169) certificates or depositary receipts of ordinary shares of NV and 84 450 131 (2002: 69 162 782) of PLC and a forward equity contract to buy 10 000 000 PLC shares in 2006, and trusts in Jersey and the United Kingdom hold 47 085 636 (2002: 43 176 360) PLC shares. The book value of the shares held by the trusts, together with their borrowings, is taken up in the entity accounts of PLC, as required by United Kingdom Urgent Issues Task Force Abstract 38 (UITF 38). The trustees of these trusts have agreed, until further notice, to waive dividends on these shares, save for the nominal sum of 0.01p per 1.4p ordinary share. Shares acquired during 2003 represent 0.8% of the Group's called up capital. The balance at year end is 4.2% (2002: 3.4%).

The book value of €2 294 million (2002: €2 003 million) of all shares held in respect of equity-based compensation plans for both NV and PLC is eliminated on consolidation by deduction from other reserves (see note 23 on page 111). Their market value at 31 December 2003 was €2 117 million (2002: €2 058 million).

At 31 December 2003 the exercise price of 17 072 651 (2002: 11 163 031) NV options and of 79 751 021 (2002: 13 156 190) PLC options was above the market price of the shares.

Shares held to satisfy options are accounted for in accordance with Netherlands law and United Kingdom UITF 37 and UITF 38. All differences between the purchase price of the shares held to satisfy options granted and the proceeds received for the shares, whether on exercise or lapse, are charged to reserves. In 2003 this includes €8 million (2002: €8 million) for shares held to meet options expiring in the short term which are priced above market value. The basis of the charge to operating profit for the economic value of options granted is discussed on page 117.

Obligations over the following number of shares were granted, exercised, forfeited or expired between 31 December 2003 and 28 February 2004. In this period we have also, in line with prior years practice, purchased 437 371 NV New York shares and 2 795 732 PLC shares in the form of ADRs to satisfy awards under the North American PSP.

	Granted		Exercised, forfeited or expired	
	Shares of 1.4p ⁽ⁱ⁾	Shares of €0.51 ⁽ⁱⁱ⁾	Shares of 1.4p ⁽ⁱ⁾	Shares of €0.51 ⁽ⁱⁱ⁾
All-Employee Option Plans	–	–	428 338	37 193
Executive Option Plans	–	–	2 026 858	533 842
Share Matching Plans	–	–	3 149	450
TSR Long-Term Incentive Plan	–	–	–	–
Restricted Share Plan	–	–	–	–
North American Performance Share Plan	–	–	–	–

(i) When under a North American Plan, in the form of PLC ADRs.

(ii) When under a North American Plan, in the form of NV New York shares.

30 Summarised accounts of the NV and PLC parts of the Group

The following summarised accounts present the profit and loss account and balance sheet of the Unilever Group, analysed between the NV and PLC parts of the Group according to respective ownership. Amounts for 2002 and 2001 have been restated following changes in our accounting policies for pensions and other post-employment benefits, for share-based payments and for the presentation of securities held as collateral. See note 17 on page 99, note 29 on page 116 and note 14 on page 94.

Profit and loss account for the year ended 31 December	€ million NV 2003	€ million NV 2002	€ million NV 2001	€ million PLC 2003	€ million PLC 2002	€ million PLC 2001
Group turnover	28 964	Restated 31 828	Restated 35 584	13 729	Restated 16 442	Restated 15 930
Group operating profit	3 559	3 507	2 860	1 924	1 500	2 086
Total income from fixed investments	68	73	43	–	38	53
Interest	(530)	(812)	(1 228)	(317)	(361)	(418)
Other finance income/(cost) – pensions and similar obligations	(110)	(10)	30	(56)	118	12
Profit on ordinary activities before taxation	2 987	2 758	1 705	1 551	1 295	1 733
Taxation	(947)	(1 028)	(897)	(580)	(577)	(622)
Profit on ordinary activities after taxation	2 040	1 730	808	971	718	1 111
Minority interests	(64)	(51)	(44)	(185)	(261)	(195)
Net profit	1 976	1 679	764	786	457	916

Balance sheet as at 31 December	€ million NV 2003	€ million NV 2002	€ million PLC 2003	€ million PLC 2002
		Restated		Restated
Fixed assets				
Goodwill and intangible assets	13 793	15 593	3 920	4 681
Tangible fixed assets	4 375	4 749	2 280	2 687
Fixed investments	–	394	199	285
Total fixed assets	18 168	20 736	6 399	7 653
Current assets				
Stocks	2 679	2 870	1 496	1 630
Debtors	4 458	4 824	1 423	1 747
Debtors due within one year	3 808	4 323	1 274	1 552
Debtors due after more than one year	650	501	149	195
Cash and current investments	2 497	1 885	848	1 019
Total current assets	9 634	9 579	3 767	4 396
Creditors due within one year	(13 411)	(14 242)	(3 663)	(5 713)
Borrowings	(6 835)	(6 719)	(599)	(2 218)
Trade and other creditors	(6 576)	(7 523)	(3 064)	(3 495)
Net current assets/(liabilities)	(3 777)	(4 663)	104	(1 317)
Total assets less current liabilities	14 391	16 073	6 503	6 336
Creditors due after more than one year	7 558	10 013	1 572	1 561
Borrowings	7 024	9 536	1 442	1 397
Trade and other creditors	534	477	130	164
Provisions for liabilities and charges (excluding pensions and similar obligations)	1 252	1 070	393	508
Net liabilities for pensions and similar obligations	2 011	2 130	1 748	1 806
Net pension asset for funded schemes in surplus	(381)	(297)	(109)	(84)
Net pension liability in respect of funded schemes in deficit and unfunded schemes	2 392	2 427	1 857	1 890
Intra-group – NV/PLC	(3 350)	(3 106)	3 350	3 106
Minority interests	51	28	389	591
Capital and reserves^(a)	6 869	5 938	(949)	(1 236)
Total capital employed	14 391	16 073	6 503	6 336

(a) Capital and reserves of PLC decreased during 2002 due to the elimination of goodwill arising on intercompany transfers as explained in note 22 on page 111.

The following are definitions of measures used within the five-year record and elsewhere within this report:

Return on invested capital	Profit after tax but excluding net interest on net borrowings (excluding joint ventures and associates interest) and amortisation of goodwill and intangible assets (excluding joint ventures and associates amortisation) both net of tax, divided by average invested capital for the year. Invested capital is the sum of tangible fixed assets and fixed investments, working capital (stocks, debtors and trade and other creditors due within one year), goodwill and intangible assets at gross book value and cumulative goodwill written off directly to reserves under an earlier accounting policy.
Ungeared free cash flow	Ungeared free cash flow is cash flow from group operating activities, less capital expenditure and financial investment and less a tax charge adjusted to reflect an ungeared position, all expressed at current exchange rates.
Net profit margin	Net profit expressed as a percentage of group turnover.
Net interest cover	Profit on ordinary activities excluding associates before net interest on net borrowings and taxation divided by net interest on net borrowings excluding associates.
Net interest cover based on EBITDA	Earnings on ordinary activities excluding associates and non-cash share option costs before net interest on net borrowings, taxation, depreciation and amortisation divided by net interest on net borrowings excluding associates.
Net operating assets	The total of: <ul style="list-style-type: none"> • goodwill and intangible assets of subsidiaries, joint ventures and associates purchased after 1 January 1998 • tangible fixed assets • stocks • debtors (excluding deferred taxation) less: <ul style="list-style-type: none"> • trade and other creditors (excluding taxation and dividend creditors) • provisions for liabilities and charges (excluding deferred taxation, pensions balances and deferred purchase consideration).
Ratio of earnings to fixed charges	Earnings consist of net profit excluding joint ventures and associates increased by fixed charges and income taxes. Fixed charges consist of interest payable on debt and a portion of lease costs determined to be representative of interest. This ratio takes no account of interest receivable although Unilever's treasury operations involve both borrowing and depositing funds.
Funds from operations after interest and tax over lease-adjusted net debt	Cash from operating activities including dividends from joint ventures after net interest paid and tax paid, expressed as a percentage of the lease-adjusted net debt. Lease-adjusted net debt is calculated by adding to the net debt five times the lease costs.
Weighted average cost of capital	The real (ie. excluding inflation) cost of equity multiplied by the market capitalisation, plus the real after taxation interest cost of debt multiplied by the market value of the net debt, divided by the sum of the market values of debt and equity.

Following the introduction of new rules regarding the use of non-GAAP measures, adjusted net gearing is no longer presented as a measure in the five-year record.

The financial data below shows key figures which are derived from the audited consolidated accounts of the Unilever Group for the last five years and is qualified by reference to those accounts and notes. Please refer also to the notes on page 128.

From 1 January 2000, Unilever adopted the euro as its principal reporting currency. The effect of exchange fluctuations over time means that the trends shown may differ significantly from those previously shown in sterling and from those which would arise if these euro amounts had been translated from the historical sterling accounts.

Following the changes in accounting policies for share-based payments and for the presentation of securities received as collateral, the consolidated profit and loss accounts, balance sheets and cash flow statements in respect of prior years have been restated. The adoption of UK Financial Reporting Standard 17 on pensions accounting has been reflected by restating the consolidated profit and loss accounts for the years ended and the balance sheets as at 31 December 2002 and 31 December 2001. As allowed by the transitional provisions of FRS 17, the financial statements in respect of earlier years have not been restated for this change in accounting policy.

Consolidated profit and loss account ^(a)	€ million	€ million	€ million	€ million	€ million
	2003	2002	2001	2000	1999
		Restated	Restated	Restated	Restated
Group turnover	42 693	48 270	51 514	47 582	40 977
Group operating profit	5 483	5 007	4 946	3 130	4 260
After charging:					
Exceptional items	(97)	(707)	(579)	(2 113)	(269)
Amortisation of goodwill and intangible assets	(1 139)	(1 245)	(1 387)	(435)	(23)
Income from fixed investments	68	111	96	53	52
Interest ^(b)	(1 013)	(1 065)	(1 604)	(632)	(14)
Profit on ordinary activities before taxation	4 538	4 053	3 438	2 551	4 298
Profit on ordinary activities after taxation	3 011	2 448	1 919	1 269	2 940
Net profit	2 762	2 136	1 680	1 054	2 739
Preference dividends	(27)	(42)	(51)	(44)	(20)
Dividends on ordinary capital	(1 682)	(1 659)	(1 530)	(1 414)	(1 245)
Result for the year retained	1 053	435	99	(404)	1 474
Combined earnings per share^(c)	2.82	2.14	1.66	1.02	2.60
Euros per €0.51 of ordinary capital					
Euro cents per 1.4p of ordinary capital	42.33	32.16	24.86	15.32	39.02
Ordinary dividends					
NV – euros per €0.51 of ordinary capital ^(d)	1.74	1.70	1.56	1.43	1.27
PLC – pence per 1.4p of ordinary capital	18.08	16.04	14.54	13.07	12.50
Consolidated balance sheet^(a)	€ million	€ million	€ million	€ million	€ million
	2003	2002	2001	2000	1999
		Restated	Restated	Restated	
Goodwill and intangible assets	17 713	20 274	24 964	26 390	643
Other fixed assets and investments	6 854	8 115	10 124	10 996	8 963
Stocks	4 175	4 500	5 343	5 421	5 124
Debtors	5 881	6 571	8 024	9 726	7 405
Acquired businesses held for resale	–	–	–	1 666	–
Total cash and current investments ^(e)	3 345	2 904	2 214	3 260	5 473
Total assets	37 968	42 364	50 669	57 459	27 608
Creditors due within one year ^(e)	(17 074)	(19 955)	(23 125)	(28 351)	(12 134)
Total assets less current liabilities	20 894	22 409	27 544	29 108	15 474
Creditors due after one year	9 130	11 574	15 026	14 085	2 832
Provisions for liabilities and charges	5 404	5 514	3 411	6 431	4 608
Minority interests	440	619	670	618	579
Capital and reserves ^(f)	5 920	4 702	8 437	7 974	7 455
Total capital employed	20 894	22 409	27 544	29 108	15 474

Consolidated cash flow statement^(a)

	€ million 2003	€ million 2002	€ million 2001	€ million 2000	€ million 1999
Cash flow from operating activities	6 780	Restated 7 883	Restated 7 497	Restated 6 738	5 654
Dividends from joint ventures	52	83	82	38	28
Returns on investments and servicing of finance	(1 180)	(1 386)	(1 887)	(798)	(156)
Taxation	(1 423)	(1 817)	(2 205)	(1 734)	(1 443)
Capital expenditure and financial investment	(1 024)	(1 706)	(1 358)	(1 061)	(1 501)
Acquisitions and disposals	622	1 755	3 477	(27 373)	(362)
Dividends paid on ordinary share capital	(1 715)	(1 580)	(1 420)	(1 365)	(1 266)
Special dividend	-	-	-	-	(6 093)
Cash flow before management of liquid resources and financing	2 112	3 232	4 186	(25 555)	(5 139)
Management of liquid resources	(41)	(592)	1 106	2 464	5 675
Financing ^(e)	(2 917)	(3 078)	(5 172)	22 889	(146)
Increase/(decrease) in cash in the period^(e)	(846)	(438)	120	(202)	390

Key ratios

	2003	2002	2001	2000	1999
Return on invested capital (%)	12.5	Restated 9.8	Restated 8.7	Restated 6.2	Restated 16.5
Net profit margin (%)	6.5	4.4	3.3	2.2	6.7
Net interest cover (times)	6.7	4.5	3.1	5.0	308.0
Adjustment for depreciation and amortisation	2.8	2.5	1.8	3.2	85.9
Net interest cover based on EBITDA (times)	9.5	7.0	4.9	8.2	393.9
Ratio of earnings to fixed charges (times)	4.6	3.6	2.6	3.1	8.0
Funds from operations after interest and tax over lease-adjusted net debt (%) ^{(g)(h)}	32	26	16	15	244
Adjustment for leases (%)	5	4	2	2	(855)
Funds from operations after interest and tax over net debt (%)	37	30	18	17	(611)

Selected financial data and key ratios on a US GAAP basis^{(a)(i)(j)}

	€ million 2003	€ million 2002	€ million 2001	€ million 2000	€ million 1999
Group turnover	41 455	Restated 46 933	Restated 50 235	Restated 46 345	Restated 39 912
Net profit	3 807	4 210	1 446	1 215	2 458
Capital and reserves	13 349	11 772	13 553	15 075	15 375
Total assets	44 145	48 146	56 546	63 818	35 067
Combined earnings per share ^(c)					
Euros per €0.51 of ordinary capital	3.90	4.27	1.42	1.18	2.33
Euro cents per 1.4p of ordinary capital	58.52	64.01	21.29	17.76	34.99
Diluted earnings per share					
Euros per €0.51 of ordinary capital	3.79	4.14	1.38	1.15	2.27
Euro cents per 1.4p of ordinary capital	56.81	62.11	20.72	17.32	34.12
Return on invested capital	11.4	11.3	8.6	6.7	13.2
Net profit margin (%)	9.2	9.0	2.9	2.6	6.2
Net interest cover (times)	7.4	6.2	2.8	4.7	174.7
Adjustment for depreciation and amortisation	1.3	1.2	1.9	3.1	66.5
Net interest cover based on EBITDA (times)	8.7	7.4	4.7	7.8	241.2
Ratio of earnings to fixed charges (times)	5.2	4.8	2.4	3.0	7.4

(a) Amounts previously reported in guilders have been restated and are now reported in euros using the fixed conversion rate of €1.00 = Fl. 2.20371 that became effective on 1 January 1999.

(b) Interest cost in 2000 includes €37 million of exceptional interest.

(c) For the basis of the calculations of combined earnings per share see note 7 on page 89.

(d) In 1999 and prior years, NV dividends were declared and paid in guilders. For comparative purposes, guilder values have been converted into euros in this table using the official rate of €1.00 = Fl. 2.20371. Full details of dividends for the years 1999 to 2003 are given on page 161.

(e) Amounts have been restated following a change in accounting policy for the presentation of securities held as collateral in respect of derivative financial instruments. See note 14 on page 94.

(f) At 31 December 2000, capital and reserves on a restated basis would have been €11 211 million. Further details of movements in capital and reserves are given in note 20 on page 108.

(g) Lease-adjusted net debt includes five times operational lease costs to reflect fully the various financing options adopted.

(h) In the calculation for 2001, taxation is reduced by €430 million relating to tax paid on a disposal in the US.

(i) During the year ended 31 December 2002, Unilever recognised for US GAAP reporting purposes SFAS 142 which ceased amortisation of goodwill and indefinite-lived intangible assets. Amortisation expense on goodwill and indefinite-lived intangible assets on a US GAAP basis for the years ended 31 December 2001, 2000 and 1999 were €1 748 million, €810 million and €369 million respectively.

(j) During the year ended 31 December 2002, Unilever changed its method of calculating expected return on plan assets for US GAAP purposes by adopting the actual fair market value at the balance sheet date rather than a market-related value. Had this methodology been applied in previous years, it would have resulted in an increase in net income for the years ended 31 December 2001, 2000 and 1999 of €86 million, €210 million and €57 million respectively.

By geographical area

	€ million 2003	€ million 2002	€ million 2001	€ million 2000	€ million 1999
Group turnover					
Europe	18 208	19 573	20 119	18 967	18 040
North America	9 774	12 446	13 767	11 631	8 838
Africa, Middle East and Turkey	3 276	3 139	3 191	3 296	3 048
Asia and Pacific	7 063	7 679	7 846	8 038	6 723
Latin America	4 372	5 433	6 591	5 650	4 328
	42 693	48 270	51 514	47 582	40 977
Group operating profit					
Europe	2 563	Restated 1 598	Restated 2 412	Restated 1 642	Restated 2 088
North America	1 071	1 541	1 127	48	847
Africa, Middle East and Turkey	419	282	196	321	302
Asia and Pacific	1 072	1 081	873	776	642
Latin America	358	505	338	343	381
	5 483	5 007	4 946	3 130	4 260
Net operating assets					
Europe	11 306	Restated 12 301	11 243	12 174	3 215
North America	7 750	9 681	12 091	11 814	1 996
Africa, Middle East and Turkey	1 236	1 213	1 082	1 075	1 034
Asia and Pacific	1 346	1 232	1 525	1 487	1 499
Latin America	3 283	3 760	6 256	7 526	1 520
	24 921	28 187	32 197	34 076	9 264
Capital expenditure					
Europe	471	552	631	605	652
North America	210	334	355	310	222
Africa, Middle East and Turkey	96	108	114	116	123
Asia and Pacific	155	170	217	183	148
Latin America	106	134	196	142	159
	1 038	1 298	1 513	1 356	1 304

By operation

	€ million 2003	€ million 2002	€ million 2001	€ million 2000	€ million 1999
Group turnover					
Foods	23 971	26 937	28 155	23 898	20 339
Home & Personal Care	18 368	20 801	22 739	22 825	19 781
Other operations	354	532	620	859	857
	42 693	48 270	51 514	47 582	40 977
Group operating profit					
Foods	2 648	Restated 2 083	Restated 2 136	Restated 1 707	Restated 1 770
Home & Personal Care	2 766	2 882	2 761	1 392	2 337
Other operations	69	42	49	31	153
	5 483	5 007	4 946	3 130	4 260
Net operating assets					
Foods	22 469	Restated 25 156	28 960	30 341	5 315
Home & Personal Care	2 180	2 625	2 852	3 565	3 792
Other operations	272	406	385	170	157
	24 921	28 187	32 197	34 076	9 264
Capital expenditure					
Foods	602	805	810	704	690
Home & Personal Care	416	466	678	619	577
Other operations	20	27	25	33	37
	1 038	1 298	1 513	1 356	1 304

Exchange rates

The information in the following table is based on exchange rates between euros and US dollars and euros and sterling. These translation rates were used in preparation of the accounts.

	2003	2002	2001	2000	1999
Year end					
€1 = \$	1.261	1.049	0.885	0.930	1.005
€1 = £	0.708	0.651	0.611	0.624	0.621
Annual average					
€1 = \$	1.126	0.940	0.895	0.921	1.065
€1 = £	0.691	0.628	0.622	0.609	0.659

Noon Buying Rates in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York were as follows:

	2003	2002	2001	2000	1999
Year end					
€1 = \$	1.260	1.049	0.890	0.939	1.007
Annual average					
€1 = \$	1.132	0.945	0.895	0.923	1.065
High					
€1 = \$	1.260	1.049	0.954	1.034	1.181
Low					
€1 = \$	1.036	0.859	0.837	0.827	1.001

High and low exchange rate values for each of the last six months:

	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004
High						
€1 = \$	1.165	1.183	1.200	1.260	1.285	1.285
Low						
€1 = \$	1.085	1.160	1.142	1.196	1.239	1.243

On 28 February 2004, the exchange rate between euros and US dollars and euros and sterling were as follows: €1.00 = US \$1.244 and €1.00 = £0.670.

Additional information for US investors

Unilever Group

Unilever's consolidated accounts are prepared in accordance with accounting principles which differ in some respects from those applicable in the United States. The following is a summary of the effect on the Group's net profit, combined earnings per share and capital and reserves of the application of United States generally accepted accounting principles (US GAAP).

	€ million 2003	€ million 2002	€ million 2001
		Restated	Restated
Net profit as reported in the consolidated profit and loss account	2 762	2 136	1 680
Attributable to: NV PLC	1 976 786	1 679 457	764 916
US GAAP adjustments:			
Currency retranslation written back on disposals	–	(22)	–
Goodwill	864	1 074	(124)
Identifiable intangible assets	304	284	(118)
Restructuring costs	(110)	34	(18)
Capitalised software	72	–	–
Interest	(45)	(77)	(55)
Derivative financial instruments	(8)	201	(119)
Pensions and similar liabilities	(219)	(30)	126
Gain on partial disposal of a group company	–	56	–
Taxation effect of above adjustments including differences in deferred tax accounting	187	32	80
Net increase/(decrease)	1 045	1 552	(228)
Net income under US GAAP before cumulative effect of change in accounting principles for pensions and derivative financial instruments	3 807	3 688	1 452
Cumulative effect of change in accounting principle net of tax charge of €249 million in 2002 and tax benefit of €3 million in 2001	–	522	(6)
Net income under US GAAP	3 807	4 210	1 446
Attributable to: NV PLC	2 832 975	3 151 1 059	498 948
Combined net income per share under US GAAP before cumulative effect of change in accounting principles			
Euros per €0.51 of ordinary capital	3.90	3.74	1.43
Euro cents per 1.4p of ordinary capital	58.52	55.99	21.38
Combined diluted net income per share under US GAAP before cumulative effect of change in accounting principles			
Euros per €0.51 of ordinary capital	3.79	3.62	1.39
Euro cents per 1.4p of ordinary capital	56.81	54.33	20.81
Cumulative effect of change in accounting principles – combined net income per share			
Euros per €0.51 of ordinary capital	–	0.53	(0.01)
Euro cents per 1.4p of ordinary capital	–	8.02	(0.09)
Cumulative effect of change in accounting principles – diluted combined net income per share			
Euros per €0.51 of ordinary capital	–	0.52	(0.01)
Euro cents per 1.4p of ordinary capital	–	7.78	(0.09)

Amounts reported in the financial statements have been restated following changes in our accounting policies for pensions and similar obligations and for share-based payments. See note 17 on page 99 and note 29 on page 117.

From 1 January 2003, for US GAAP purposes Unilever has adopted SFAS 123 'Accounting for Stock-Based Compensation'. The economic fair value of the awards is calculated using an option pricing model (usually an adjusted Black-Scholes or multinomial model) and the resulting cost is recognised as remuneration cost amortised over the vesting period of the grant. Variable plans, being those with performance criteria other than a service period, are also accounted for in accordance with SFAS 123. The actual remuneration cost charged in each period is shown below. Amounts for prior years have been restated to reflect compensation costs for all the employee awards granted or modified in fiscal years beginning after 1994.

With effect from 1 January 2002, and for the purposes of determining the expected return on plan assets for US purposes, Unilever changed the method of valuing its pension plan assets from a market-related value calculated by smoothing gains and losses over a five-year period to an actual fair value at the balance sheet date. Management believe that the actual fair value methodology provides a better representation of the financial position and results of Unilever's pension plans.

Additional information for US investors

Unilever Group

	€ million 2003	€ million 2002
		Restated
Capital and reserves as reported in the consolidated balance sheet	5 920	4 702
Attributable to: NV PLC	6 869 (949)	5 938 (1 236)
US GAAP adjustments:		
Goodwill	3 252	2 645
Identifiable intangible assets	2 544	2 782
Capitalised software	72	–
Restructuring costs	83	198
Interest	309	355
Other comprehensive income effect of derivative financial instruments transition adjustment	(31)	(61)
Derivative financial instruments	66	73
Pensions and similar liabilities	878	1 014
Dividends	1 120	1 119
Taxation effect of above adjustments including differences in deferred tax accounting	(864)	(1 055)
Net increase	7 429	7 070
Capital and reserves under US GAAP	13 349	11 772
Attributable to: NV PLC	11 960 1 389	9 955 1 817

The aggregate amounts included in the consolidated Unilever Group capital and reserves (under Unilever accounting principles) in respect of cumulative currency translation adjustments are as follows:

	€ million 2003	€ million 2002	€ million 2001
		Restated	Restated
Balance 1 January	(6 456)	(4 954)	(3 669)
Arising during the year	250	(1 502)	(1 285)
Balance 31 December	(6 206)	(6 456)	(4 954)

The aggregate amounts of foreign currency transaction gains and (losses) charged in the consolidated profit and loss account are:

(102)	(84)	(30)
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The consolidated accounts of the Unilever Group have been prepared in accordance with accounting principles which differ in certain respects from those generally accepted in the United States (US GAAP).

The principal differences are set out below.

Profit or loss on disposal of businesses

Unilever calculates profit or loss on sale of businesses after writing back any goodwill previously written off directly to reserves as a movement in profit retained. Under US GAAP the profit or loss on disposal of the businesses is stated net of the relevant unamortised goodwill included on the balance sheet and the cumulative currency retranslation differences recognised through the statement of total recognised gains and losses.

Under UK GAAP, gains on the partial disposal of group companies involving non-monetary consideration are recorded in the statement of total recognised gains and losses. Under US GAAP, these gains are recorded in the profit and loss account.

Goodwill and intangible assets

Under UK and Netherlands GAAP, goodwill (being the difference between the fair value of consideration paid for new interests in group companies, joint ventures and associated companies and the fair value of the Group's share of their net assets at the date of acquisition) and identifiable intangible assets purchased after 1 January 1998 are capitalised and amortised in operating profit over the period of their expected useful life, up to a maximum of 20 years. Periods in excess of five years are used only where the Directors are satisfied that the life of these assets will clearly exceed that period. Goodwill and intangible assets purchased prior to 1 January 1998 were written off in the year of acquisition as a movement in profits retained.

On disposal of a business acquired prior to 1 January 1998, purchased goodwill written off on acquisition is reinstated in arriving at the profit or loss on disposal.

Under US GAAP prior to 1 January 2002, purchased goodwill and identifiable intangible assets were capitalised and amortised over their useful lives. From 1 January 2002, under SFAS 142, the amortisation of goodwill and identifiable intangible assets that have indefinite useful lives ceased. Intangible assets that have finite useful lives continue to be amortised over their useful lives.

Goodwill and identifiable intangible assets that have indefinite lives are assessed annually for impairment.

Additional information for US investors

Unilever Group

Had the Group accounted for its goodwill and identifiable intangible assets that have indefinite lives under SFAS 142 for the year ending 31 December 2001, the impact on reported results would have been as follows:

	€ million 2001
	Restated
Net income under US GAAP	1 446
Amortisation, net of tax:	
Goodwill	1 266
Intangibles	404
Adjusted net income under US GAAP	3 116
Adjusted net income per share	3.12
Adjusted diluted net income per share	3.03

The differences between UK GAAP as applied by Unilever and US GAAP on accounting for goodwill and intangible assets are set out in the tables and footnotes below.

Impact of goodwill and intangible asset accounting differences on net profit (before tax):

	€ million 2003	€ million 2002	€ million 2001
Cessation of goodwill amortisation ^(a)	852	932	–
Cessation of intangible assets amortisation ^(a)	257	277	–
Pre-1998 goodwill and intangible assets ^(b)	48	127	(209)
Differences in calculation of goodwill on acquisition ^(c)	–	–	(33)
Cessation of goodwill amortisation on joint ventures and associates ^(a)	11	22	–
Total adjustment to net profit	1 168	1 358	(242)

Impact of goodwill and intangible assets differences on capital and reserves:

	As at 31 December 2003	As at 31 December 2002
Cessation of goodwill amortisation ^(a)	1 579	866
Cessation of intangible assets amortisation ^(a)	472	246
Pre-1998 goodwill and intangible assets ^(b)	3 797	4 386
Differences in calculation of goodwill on acquisition ^(c)	(75)	(91)
Cessation of goodwill amortisation on joint ventures and associates ^(a)	23	20
Total adjustment to capital and reserves	5 796	5 427

(a) Under US GAAP prior to 1 January 2002, purchased goodwill and identifiable intangible assets were capitalised and amortised over their useful lives. From 1 January 2002, under SFAS 142, the amortisation of goodwill and identifiable intangible assets that have indefinite useful lives ceased. Intangible assets that have finite useful lives continue to be amortised over their useful lives.

(b) Under UK GAAP, goodwill and intangible assets purchased prior to 1 January 1998 were written off in the year of acquisition as a movement in profits retained. On disposal of a business acquired prior to 1 January 1998, purchased goodwill written off on acquisition is reinstated in arriving at the profit or loss on disposal. Under US GAAP, such goodwill and intangible assets were capitalised and, prior to 1 January 2002, were amortised over their useful lives. These different accounting treatments give rise to differences between net profit calculated under UK GAAP and net profit calculated under US GAAP, both in respect of amortisation recorded for US GAAP purposes prior to 1 January 2002, and in respect of the calculation of profit and loss on disposal of a business. Similar differences arise in the calculation of capital and reserves under UK and US GAAP.

(c) The detailed rules for determining the fair value of assets and liabilities acquired as part of the acquisition of a business differ between UK and US GAAP. These differences give rise to differing figures for goodwill arising on acquisition as calculated under UK and US GAAP.

Management have completed an impairment assessment during 2003 and have concluded that there was no impairment of goodwill or identifiable intangible assets with indefinite lives for the year ended 31 December 2003.

Goodwill

An analysis of goodwill of group companies by reporting segment is given below:

	€ million							
	Savoury and dressings	Spreads and cooking products	Health & wellness and beverages	Ice cream and frozen foods	Home care	Personal care	Other operations	Total
As at 31 December 2001	16 620	212	1 685	1 135	733	633	–	21 018
Currency retranslation	(2 540)	(32)	(255)	(171)	(112)	(97)	–	(3 207)
Acquisitions	191	119	–	–	17	26	–	353
Disposals	(65)	(19)	(36)	(17)	(185)	–	–	(322)
As at 31 December 2002	14 206	280	1 394	947	453	562	–	17 842
Currency retranslation	(1 387)	181	59	(149)	(40)	(121)	–	(1 457)
Acquisitions	388	3	–	15	3	13	–	422
Disposals	(70)	–	(8)	(12)	–	(8)	–	(98)
As at 31 December 2003	13 137	464	1 445	801	416	446	–	16 709

Additional information for US investors

Unilever Group

Goodwill from joint ventures amounting to €4 million (2002: €211 million) primarily relates to the savoury and dressings segment. The goodwill from associates amounting to €122 million (2002: €154 million) primarily relates to the home care segment.

Intangible assets subject to amortisation

Finite-lived intangible assets principally comprise technologies and have a net book value of €445 million as at 31 December 2003 (2002: €567 million), net of accumulated amortisation of €86 million (2002: €72 million). Amortisation expense recorded in the period in respect of finite-lived intangible assets was €30 million (2002: €36 million). This expense is not expected to change materially over the next five years.

Intangible assets not subject to amortisation

Indefinite-lived intangible assets principally comprise trademarks and have a net book value of €6 355 million as at 31 December 2003 (2002: €7 161 million).

Capitalised software

Under UK GAAP as applied by Unilever, certain costs relating to the development and purchase of software for internal use are expensed when incurred. Under US GAAP, these costs are capitalised and subsequently amortised over the estimated useful life of the software in conformity with Statement of Financial Position 98-1, 'Accounting for the Cost of Computer Software Developed or Obtained for Internal Use'. During 2003 several IT projects met the criteria for capitalisation under US GAAP.

Restructuring costs

Under Unilever's accounting policy, certain restructuring costs relating to employee terminations are recognised when a restructuring plan has been announced. Under US GAAP, liabilities related to exit costs are recognised when incurred. Employee termination costs are generally considered to be incurred when the company has a liability to the employee unless further service is required from the employee in which case costs are recognised as benefits are earned.

Costs related to excess lease costs are reduced by assumed sub-lease income for the periods impacted.

Interest

Unilever treats all interest costs as a charge to the profit and loss account in the current period. Under US GAAP, interest incurred during the construction periods of tangible fixed assets is capitalised and depreciated over the life of the assets.

Derivative financial instruments

Transition adjustment

Unilever applied the provisions of SFAS 133 'Accounting for Derivative Instruments and Hedging Activities' in this divergence statement as from 1 January 2001. In accordance with the transition provisions of SFAS 133, an adjustment of €6 million (net of tax of €3 million) was recorded as the cumulative effect of a change in accounting principle to recognise the fair value of all the Group's derivative financial instruments and hedge items under US GAAP. In addition, Unilever recorded a one-time unrealised loss of €85 million (net of tax of €37 million) to consolidated other comprehensive income under US GAAP. During the year ended 31 December 2003, a reclassification of derivative losses from other comprehensive income to net income of €31 million was recorded as a result of the underlying hedged transactions which impacted earnings.

Hedging policy

Unilever's accounting policies in respect of derivative financial instruments are described in the accounting information and policies on page 75. In particular, under its accounting policies, Unilever applies hedge accounting to its portfolio of derivative financial instruments, meaning that changes in the value of forward foreign exchange contracts are recognised in the results in the same period as changes in the values of the assets and liabilities they are intended to hedge. Interest payments and receipts arising from interest rate derivatives such as swaps and forward rate agreements are matched to those arising from underlying debt and investment positions. Payments made or received in respect of the early termination of derivative instruments are spread over the original life of the instrument so long as the underlying exposure continues to exist.

Under US GAAP, Unilever has not designated any of its derivative instruments as qualifying hedge instruments under SFAS 133 and, accordingly, under US GAAP, all derivative financial instruments are valued at fair value, and changes in their fair value are reflected in earnings. All gains and losses arising on derivative financial instruments are recognised immediately; payments made or received in respect of the early termination of derivative instruments represent cash realisation of these gains and losses and therefore have no further impact on earnings.

Pensions

From 1 January 2003, Unilever has adopted UK Financial Reporting Standard (FRS) 17 as the basis for accounting for retirement benefits. Full details of this standard are given in note 17 on page 99.

Under FRS 17, the expected costs of providing retirement benefits are charged to the profit and loss account over the periods benefiting from the employees' services. Variations from the expected cost are recognised as they occur in the statement of total recognised gains and losses. The assets and liabilities of pension plans are included in the Group balance sheet at fair value. Under US GAAP, pensions costs and liabilities are accounted for in accordance with the prescribed actuarial method and measurement principles of SFAS 87. The most significant difference is that variations from the expected costs are recognised in the profit and loss account over the expected service lives of the employees.

Under US GAAP, an additional minimum liability is recognised and a charge made to other comprehensive income when the accumulated benefit obligation exceeds the fair value of plan assets to the extent that this amount is not covered by the net liability recognised in the balance sheet.

With effect from 1 January 2002, and for the purposes of determining the expected return on plan assets for US purposes, Unilever changed the method of valuing its pension plan assets from a market-related value calculated by smoothing gains and losses over a five-year period to an actual fair value at the balance sheet date. Management believe that the actual fair value methodology provides a better representation of the financial position and results of Unilever's pension plans.

Additional information for US investors

Unilever Group

The impact of this change in methodology on reported results under US GAAP is given in the table below:

	€ million	
	2001	
	Restated	
Net income under US GAAP		1 446
Change in basis of expected return on plan assets calculation		86
Adjusted net income under US GAAP		1 532
	Euro per €0.51	Euro cents per 1.4p
	2001	2001
Adjusted net income per share	1.51	22.60
Adjusted diluted net income per share	1.47	21.99

As required under US APB 20 for a change in accounting policy, a cumulative effect adjustment has been calculated to record the impact of the change as if the fair value methodology had been the accounting policy from the initial adoption of SFAS 87 by Unilever. The cumulative effect adjustment net of tax was €522 million in 2002.

Investments

Unilever accounts for current investments, which are liquid funds temporarily invested, at their market value, which is consistent with UK GAAP.

Unilever accounts for changes in the market value of current investments as interest receivable in the profit and loss account for the year. Under US GAAP, such current asset investments are classified as 'available for sale securities' and changes in market values, which represent unrealised gains or losses, are excluded from earnings and taken to stockholders' equity unless such losses are deemed to be other than temporary at which time they are recognised through the profit and loss account. Unrealised gains and losses arising from changes in the market values of securities available for sale are not material.

Unilever accounts for fixed investments other than in joint ventures and associates at cost less any amounts written off to reflect a permanent impairment. Under US GAAP such investments are held at fair value. The difference is not material.

Dividends

The proposed final ordinary dividends are provided for in the Unilever accounts in the financial year to which they relate. Under US GAAP such dividends are not provided for until they become irrevocable.

Deferred taxation

Following the adoption of the new pension accounting standard (FRS 17) with effect from 1 January 2003, Unilever has restated its deferred tax charge for the years ended 31 December 2001 and 2002 together with its deferred tax balances as at 31 December 2002. Corresponding changes are therefore needed to the deferred tax charges and balances in the Group accounts and in the reconciliation to US GAAP. In addition, deferred tax balances in respect of pensions are now reported as a separate component of the pensions balances and no longer aggregated with the rest of the deferred tax balances. A full description of FRS 17 is given in note 17 on page 99.

Under FRS 19, deferred tax is not recognised on fair value adjustments made to assets acquired; under US GAAP, deferred tax is recorded on all fair value adjustments. Also, FRS 19 changed the treatment of deferred tax on tax-deductible goodwill previously written off to reserves. Such goodwill is reinstated, net of amortisation, under US GAAP, and the tax effect of such restatement has been adjusted accordingly.

Classification differences between UK and US GAAP

Revenue recognition

Under US GAAP, certain sales incentive expenses which have been included in operating costs under Unilever's accounting would be deducted from turnover. The decrease in turnover for the years to 31 December 2003, 2002 and 2001 is €1 238 million, €1 337 million and €1 279 million respectively. There is no impact on Unilever's net profit.

Cash flow statement

Under US GAAP, various items would be reclassified within the consolidated cash flow statement. In particular, interest received, interest paid and taxation would be part of net cash flow from operating activities, and dividends paid would be included within net cash flow from financing. In addition, under US GAAP, cash and cash equivalents comprise cash balances and current investments with an original maturity at the date of investment of less than three months. Under Unilever's presentation, cash includes only cash in hand or available on demand less bank overdrafts. Cash flows from movements in bank overdrafts would be classified as part of cash flows from financing activities under US GAAP. Cash flows from movements in bank overdrafts were €58 million for the year ended 31 December 2003 (2002: €(86) million; 2001: €(19) million). Movements in those current investments which are included under the heading of cash and cash equivalents under US GAAP form part of the movement entitled 'Management of liquid resources' in the cash flow statement. At 31 December 2003, the balance of such investments was €3 million (2002: €45 million).

Long leasehold interests in land

Under UK GAAP, Unilever treats the cost of acquiring a long leasehold interest in land as a fixed asset, and depreciates the cost of that asset over the lease term. Under US GAAP, the cost of long leasehold interests would be deferred within 'Other assets' and recognised on a straight-line basis over the lives of the leases as operating lease rentals. The balance of such assets were €58 million as at 31 December 2003 (2002: €63 million). In all other respects, there are no differences in accounting for these arrangements between UK and US GAAP.

Additional information for US investors

Unilever Group

Equity in earnings related to investments in joint ventures and associated companies

Under US GAAP, equity in earnings related to investments in joint ventures and associated companies would be disclosed on a single line within the income statement. In particular, our share of the interest and taxation arising in respect of joint ventures and associated companies would be reported on this line, rather than as part of the total interest and taxation charge for the Group. US GAAP equity in earnings related to investments in joint ventures and associated companies were €(48) million for the year ended 31 December 2003 (2002: €(54) million; 2001: €(30) million).

Recently issued accounting pronouncements

In January 2003, the FASB issued Financial Interpretation No. 46 (FIN 46), 'Consolidation of Variable Interest Entities' and in December 2003 issued a revised interpretation FIN 46R. Under these interpretations, certain entities known as variable interest entities must be consolidated by the primary beneficiary of the entity. Certain measurement principles of these interpretations relating to new contracts entered into are effective for Unilever's 2003 financial statements. We are still evaluating FIN 46R.

Documents on display in the United States

Unilever files and furnishes reports and information with the United States Securities and Exchange Commission (SEC), and such reports and information can be inspected and copied at the SEC's public reference facilities in Washington DC, Chicago and New York. Certain of our reports and other information that we file or furnish to the SEC are also available to the public over the internet on the SEC's website at www.sec.gov.

Corporate governance

Both NV and PLC are listed on The New York Stock Exchange and must therefore comply with such of the requirements of US legislation, such as The Sarbanes-Oxley Act of 2002, SEC regulations and the Listing Rules of The New York Stock Exchange as are applicable to foreign listed companies. In some cases the requirements are mandatory and in other cases the obligation is to 'comply or explain'.

Unilever has complied with these requirements concerning corporate governance that were in force during 2003. Attention is drawn in particular to the Report of the Audit Committee on page 69. Actions taken to ensure compliance that are not specifically disclosed elsewhere or otherwise clear from reading this document include:

- the issue of a Code of Ethics for senior financial officers;
- the issue of instructions restricting the employment of former employees of the audit firm; and
- establishment of standards of professional conduct for US attorneys.

In each of these cases, existing practices have been revised and/or documented in such a way as to conform to the new requirements.

The Code of Ethics applies to the senior executive, financial and accounting officers and comprises the standards prescribed by the SEC, and a copy has been posted on Unilever's website at www.unilever.com/investorcentre/. The Code of Ethics comprises an extract of the relevant provisions of Unilever's Code of Business Principles and the more detailed rules of conduct that implement it. The only amendment to these pre-existing provisions and rules that was made in preparing the Code of Ethics was made at the request of the Audit Committee and consisted of a strengthening of the explicit requirement to keep proper accounting records. No waiver from any provision of the Code of Ethics was granted to any of the persons falling within the scope of the SEC requirement in 2003.

Unilever has also taken into account the US requirements taking effect in 2004 and 2005 applicable to both foreign and US listed companies in preparing the changes in its corporate governance arrangements that will be effective from the NV and PLC Annual General Meetings on 12 May 2004. Further information will be placed on Unilever's website www.unilever.com/investorcentre/ following those meetings, and will be reported in the Annual Report & Accounts and Form 20-F for 2004.

Additional information for US investors

Unilever Group

Guarantor statements

On 2 October 2000, NV and Unilever Capital Corporation (UCC) filed a US \$15 billion Shelf registration, which is unconditionally and fully guaranteed, jointly and severally, by NV, PLC and Unilever United States, Inc. (UNUS). Of the US \$15 billion Shelf registration, US \$4.25 billion of Notes were outstanding at 31 December 2003 (2002: US \$5.75 billion) with coupons ranging from 5.90% to 7.125%. These Notes are to be repaid between 1 November 2005 and 15 November 2032.

Provided below are the profit and loss accounts, cash flow statements and balance sheets of each of the companies discussed above, together with the profit and loss account, cash flow statement and balance sheet of non-guarantor subsidiaries. These have been prepared under the historical cost convention, and, aside from the basis of accounting for investments at net asset value (equity accounting), comply in all material respects with Netherlands law and with United Kingdom GAAP. Divergences from US GAAP are disclosed on pages 131 to 136. We have not provided reconciliations from the accounting principles used by Unilever to US GAAP for the columns relating to the guarantor entities, as such reconciliations would not materially affect an investor's understanding of the nature of this guarantee. The financial information in respect of NV, PLC and UNUS has been prepared with all subsidiaries accounted for on an equity basis. The financial information in respect of the non-guarantor subsidiaries has been prepared on a consolidated basis.

Amounts for 2002 and 2001 have been restated following changes in our accounting policies for pensions and other post-employment benefits, for share-based payments and for the presentation of securities held as collateral. See note 14 on page 94, note 17 on page 99 and note 29 on page 116.

€ million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Profit and loss account for the year ended 31 December 2003							
Group turnover	–	–	–	–	42 693	–	42 693
Operating costs	–	127	(26)	(8)	(37 303)	–	(37 210)
Group operating profit	–	127	(26)	(8)	5 390	–	5 483
Share of operating profit of joint ventures	–	–	–	–	46	–	46
Operating profit	–	127	(26)	(8)	5 436	–	5 529
Share of operating profit of associates	–	–	–	–	25	–	25
Dividends	–	1 235	946	–	(2 181)	–	–
Other income from fixed investments	–	–	–	–	(3)	–	(3)
Interest	(453)	(84)	(30)	(3)	(277)	–	(847)
Other finance income/(cost) – pensions and similar obligations	–	(6)	–	(24)	(136)	–	(166)
Intercompany finance costs	469	533	(18)	(51)	(933)	–	–
Profit on ordinary activities before taxation	16	1 805	872	(86)	1 931	–	4 538
Taxation	(6)	(93)	(53)	56	(1 431)	–	(1 527)
Profit on ordinary activities after taxation	10	1 712	819	(30)	500	–	3 011
Minority interests	–	–	–	–	(249)	–	(249)
Equity earnings of subsidiaries	–	1 050	1 943	86	–	(3 079)	–
Net profit	10	2 762	2 762	56	251	(3 079)	2 762

Additional information for US investors

Unilever Group

Guarantor statements continued

€ million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Profit and loss account for the year ended 31 December 2002 (restated)							
Group turnover	–	–	–	–	48 270	–	48 270
Operating costs	–	89	(53)	(21)	(43 278)	–	(43 263)
Group operating profit	–	89	(53)	(21)	4 992	–	5 007
Share of operating profit of joint ventures	–	–	–	–	84	–	84
Operating profit	–	89	(53)	(21)	5 076	–	5 091
Share of operating profit of associates	–	–	–	–	34	–	34
Dividends	–	3 779	1 011	–	(4 790)	–	–
Other income from fixed investments	–	–	–	–	(7)	–	(7)
Interest	(395)	(206)	(83)	(1)	(488)	–	(1 173)
Other finance income/(cost) – pensions and similar obligations	–	–	–	28	80	–	108
Intercompany finance costs	403	450	(3)	(89)	(761)	–	–
Profit on ordinary activities before taxation	8	4 112	872	(83)	(856)	–	4 053
Taxation	(3)	(41)	(3)	31	(1 589)	–	(1 605)
Profit on ordinary activities after taxation	5	4 071	869	(52)	(2 445)	–	2 448
Minority interests	–	–	–	–	(312)	–	(312)
Equity earnings of subsidiaries	–	(1 935)	1 267	110	–	558	–
Net profit	5	2 136	2 136	58	(2 757)	558	2 136
Profit and loss account for the year ended 31 December 2001 (restated)							
Group turnover	–	–	–	–	51 514	–	51 514
Operating costs	–	(27)	82	14	(46 637)	–	(46 568)
Group operating profit	–	(27)	82	14	4 877	–	4 946
Share of operating profit of joint ventures	–	–	–	–	84	–	84
Operating profit	–	(27)	82	14	4 961	–	5 030
Dividends	–	2 202	738	–	(2 940)	–	–
Other income from fixed investments	–	–	–	–	12	–	12
Interest	(782)	(444)	(177)	2	(245)	–	(1 646)
Other finance income/(cost) – pensions and similar obligations	–	–	–	38	4	–	42
Intercompany finance costs	1 010	423	72	(424)	(1 081)	–	–
Profit on ordinary activities before taxation	228	2 154	715	(370)	711	–	3 438
Taxation	(84)	(98)	(24)	137	(1 450)	–	(1 519)
Profit on ordinary activities after taxation	144	2 056	691	(233)	(739)	–	1 919
Minority interests	–	–	–	–	(239)	–	(239)
Equity earnings of subsidiaries	–	(376)	989	(345)	–	(268)	–
Net profit	144	1 680	1 680	(578)	(978)	(268)	1 680

Additional information for US investors

Unilever Group

Guarantor statements continued

€ million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Cash flow statement for the year ended 31 December 2003							
Cash flow from group operating activities	14	56	(44)	(18)	6 772	–	6 780
Dividends from joint ventures	–	–	–	–	52	–	52
Returns on investments and servicing of finance	4	468	(49)	(40)	(1 563)	–	(1 180)
Taxation	–	(54)	51	(100)	(1 320)	–	(1 423)
Capital expenditure and financial investment	–	(7)	(74)	(4)	(939)	–	(1 024)
Acquisitions and disposals	–	–	–	–	622	–	622
Dividends paid on ordinary share capital	–	(1 039)	(703)	–	–	27	(1 715)
Cash flow before management of liquid resources and financing	18	(576)	(819)	(162)	3 624	27	2 112
Management of liquid resources	8	144	–	–	(193)	–	(41)
Financing	(25)	217	771	162	(4 042)	–	(2 917)
Increase/(decrease) in cash in the period	1	(215)	(48)	–	(611)	27	(846)
Cash flow statement for the year ended 31 December 2002 (restated)							
Cash flow from group operating activities	34	222	(52)	(45)	7 724	–	7 883
Dividends from joint ventures	–	–	–	–	83	–	83
Returns on investments and servicing of finance	16	155	(105)	(50)	(1 402)	–	(1 386)
Taxation	–	(6)	142	(335)	(1 618)	–	(1 817)
Capital expenditure and financial investment	–	(554)	(42)	16	(1 126)	–	(1 706)
Acquisitions and disposals	–	–	–	–	1 755	–	1 755
Dividends paid on ordinary share capital	–	(910)	(689)	–	–	19	(1 580)
Cash flow before management of liquid resources and financing	50	(1 093)	(746)	(414)	5 416	19	3 232
Management of liquid resources	2	(126)	–	–	(468)	–	(592)
Financing	(53)	1 060	578	419	(5 082)	–	(3 078)
Increase/(decrease) in cash in the period	(1)	(159)	(168)	5	(134)	19	(438)
Cash flow statement for the year ended 31 December 2001 (restated)							
Cash flow from group operating activities	24	2	92	66	7 313	–	7 497
Dividends from joint ventures	–	–	–	–	82	–	82
Returns on investments and servicing of finance	202	2 092	900	(422)	(4 659)	–	(1 887)
Taxation	–	(53)	(154)	(502)	(1 496)	–	(2 205)
Capital expenditure and financial investment	–	(369)	(32)	310	(1 267)	–	(1 358)
Acquisitions and disposals	–	–	–	–	3 477	–	3 477
Dividends paid on ordinary share capital	–	(818)	(614)	–	–	12	(1 420)
Cash flow before management of liquid resources and financing	226	854	192	(548)	3 450	12	4 186
Management of liquid resources	50	428	400	–	228	–	1 106
Financing	(273)	(1 496)	(592)	551	(3 362)	–	(5 172)
Increase/(decrease) in cash in the period	3	(214)	–	3	316	12	120

Additional information for US investors

Unilever Group

Guarantor statements continued

	€ million						
	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Balance sheet							
as at 31 December 2003							
Goodwill and intangible assets	–	–	34	–	17 679	–	17 713
Tangible fixed assets	–	–	–	3	6 652	–	6 655
Fixed investments	–	381	–	12 384	(191)	(12 375)	199
Net assets of subsidiaries (equity accounted)	–	8 819	7 699	(4 250)	(13 996)	1 728	–
Total fixed assets	–	9 200	7 733	8 137	10 144	(10 647)	24 567
Stocks	–	–	–	–	4 175	–	4 175
Amounts due from group companies	3 821	19 619	649	1 049	(25 138)	–	–
Debtors due within one year	–	215	29	154	4 684	–	5 082
Debtors due after more than one year	24	–	41	2	732	–	799
Cash and current investments	1	430	–	–	2 914	–	3 345
Total current assets	3 846	20 264	719	1 205	(12 633)	–	13 401
Borrowings	(269)	(5 216)	–	(3)	(1 946)	–	(7 434)
Amounts due to group companies	–	(13 587)	(1 819)	–	15 406	–	–
Trade and other creditors	(43)	(962)	(699)	–	(7 936)	–	(9 640)
Creditors due within one year	(312)	(19 765)	(2 518)	(3)	5 524	–	(17 074)
Total assets less current liabilities	3 534	9 699	5 934	9 339	3 035	(10 647)	20 894
Borrowings	3 352	3 393	–	–	1 721	–	8 466
Trade and other creditors	–	88	–	303	273	–	664
Creditors due after more than one year	3 352	3 481	–	303	1 994	–	9 130
Provisions for liabilities and charges (excluding pensions and similar obligations)	–	156	14	–	1 475	–	1 645
Net liabilities for pensions and similar obligations	–	142	–	33	3 584	–	3 759
Minority interests	–	–	–	–	440	–	440
Capital and reserves attributable to:							
PLC	–	(952)	–	–	–	952	–
NV	–	–	6 869	–	–	(6 869)	–
Called up share capital	–	421	222	–	(1)	–	642
Share premium account	–	1 399	133	–	(2)	–	1 530
Other reserves	–	(1 783)	(659)	(464)	(694)	1 158	(2 442)
Profit retained	182	6 835	(645)	9 467	(3 761)	(5 888)	6 190
Total capital and reserves	182	5 920	5 920	9 003	(4 458)	(10 647)	5 920
Total capital employed	3 534	9 699	5 934	9 339	3 035	(10 647)	20 894

Additional information for US investors

Unilever Group

Guarantor statements continued

€ million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Balance sheet as at 31 December 2002 (restated)							
Goodwill and intangible assets	–	–	5	–	20 269	–	20 274
Tangible fixed assets	–	–	–	5	7 431	–	7 436
Fixed investments	–	576	–	10 296	92	(10 285)	679
Net assets of subsidiaries (equity accounted)	–	8 182	6 662	(9 223)	(14 344)	8 723	–
Total fixed assets	–	8 758	6 667	1 078	13 448	(1 562)	28 389
Stocks	–	–	–	–	4 500	–	4 500
Amounts due from group companies	6 025	20 303	1 107	3 996	(31 431)	–	–
Debtors due within one year	–	299	32	331	5 213	–	5 875
Debtors due after more than one year	43	–	42	14	597	–	696
Cash and current investments	9	206	51	–	2 638	–	2 904
Total current assets	6 077	20 808	1 232	4 341	(18 483)	–	13 975
Borrowings	(1 780)	(3 966)	(1 407)	(4)	(1 780)	–	(8 937)
Amounts due to group companies	–	(14 121)	(1 156)	–	15 277	–	–
Trade and other creditors	(64)	(1 248)	(619)	(125)	(8 962)	–	(11 018)
Creditors due within one year	(1 844)	(19 335)	(3 182)	(129)	4 535	–	(19 955)
Total assets less current liabilities	4 233	10 231	4 717	5 290	(500)	(1 562)	22 409
Borrowings	4 027	5 257	–	–	1 649	–	10 933
Trade and other creditors	–	–	–	76	565	–	641
Creditors due after more than one year	4 027	5 257	–	76	2 214	–	11 574
Provisions for liabilities and charges (excluding pensions and similar obligations)	–	131	15	–	1 432	–	1 578
Net liabilities for pensions and similar obligations	–	141	–	(52)	3 847	–	3 936
Minority interests	–	–	–	–	619	–	619
Capital and reserves attributable to:							
PLC	–	(1 239)	–	–	–	1 239	–
NV	–	–	5 937	–	–	(5 937)	–
Called up share capital	–	421	222	–	(1)	–	642
Share premium account	–	1 399	145	–	(3)	–	1 541
Other reserves	–	(1 534)	(610)	(365)	(624)	989	(2 144)
Profit retained	206	5 655	(992)	5 631	(7 984)	2 147	4 663
Total capital and reserves	206	4 702	4 702	5 266	(8 612)	(1 562)	4 702
Total capital employed	4 233	10 231	4 717	5 290	(500)	(1 562)	22 409

Principal group companies and fixed investments

Unilever Group as at 31 December 2003

The companies listed below and on pages 143 to 145 are those which, in the opinion of the Directors, principally affect the amount of profit and assets shown in the Unilever Group accounts. The Directors consider that those companies not listed are not significant in relation to Unilever as a whole.

Full information as required by Articles 379 and 414 of Book 2 of the Civil Code in the Netherlands has been filed by Unilever N.V. with the Commercial Registry in Rotterdam.

Particulars of PLC group companies and other significant holdings as required by the United Kingdom Companies Act 1985 will be annexed to the next Annual Return of Unilever PLC.

The main activities of the companies listed below are indicated according to the following key:

Holding companies	H
Foods	F
Home & Personal Care	P
Other Operations	O

Unless otherwise indicated, the companies are incorporated and principally operate in the countries under which they are shown.

The aggregate percentage of equity capital directly or indirectly held by NV or PLC is shown in the margin, except where it is 100%. All these percentages are rounded down to the nearest whole number.

Shares in the companies listed are usually held directly or indirectly by one of NV or PLC. A long-standing exception is in the United States where companies are jointly owned by NV (73%) and PLC (27%). As a result of the Bestfoods integration during 2002, the shares of certain Bestfoods and Unilever companies (or their merged successor) are held partly by Unilever United States, Inc. and, as a consequence, both NV and PLC have indirect shareholdings in them. The percentage of Unilever's shareholdings held either directly or indirectly by NV and PLC are identified in the tables according to the following code:

NV 100%	a
PLC 100%	b
NV 73%; PLC 27%	c
NV 89%; PLC 11%	d
NV 21%; PLC 79%	e

Principal group companies

%	Europe	Ownership	Activity
	Austria		
	Österreichische Unilever Ges.m.b.H.	d	FP
	Belgium		
99	Bestfoods Belgium B.V.B.A/S.P.R.L.	d	F
	Unilever Belgium S.A./N.V. (Unibel)	d	FP
	Bulgaria		
	Unilever Bulgaria E.O.O.D.	a	FP
	Croatia		
	Unilever Croatia d.o.o.	a	FP
	Czech Republic		
	Unilever ČR spol. s.r.o.	a	FP
	Denmark		
	Unilever Bestfoods A/S	d	F
	Unilever Danmark A/S	a	FP
	Estonia		
	Unilever Eesti OU	a	FP
	Finland		
	Suomen Unilever Oy	a	FP

%	Europe continued	Ownership	Activity
	France		
99	Amora Maille Société Industrielle S.A.S.	d	F
99	Bestfoods France Société Industrielle S.A.	d	F
99	Cogesal-Miko S.A.S.	d	F
99	FRALIB Sourcing Unit S.A.	d	F
99	Lever Fabergé France S.A.	d	P
99	Unilever Bestfoods France S.A.	d	F
99	Unilever France S.A.S.	d	H
	Germany		
	Langnese-Iglo GmbH	d	F
	Lever Fabergé Deutschland GmbH	d	P
	Monda Beteiligungs GmbH	d	F
	Monda IPR GmbH & Co. OHG ⁽¹⁾	d	F
	Monda Vermögensverwaltungs GmbH & Co. OHG ⁽¹⁾	d	F
	Pfanni GmbH & Co. OHG Stavenhagen ⁽¹⁾	d	F
	PW Vermietungs GmbH & Co. KG ⁽¹⁾	d	F
	UBG Vermietungs GmbH & Co. OHG ⁽¹⁾	d	H
	Unilever Bestfoods Deutschland GmbH	d	F
	Unilever Beteiligungs GmbH	d	H
	Unilever Deutschland GmbH	d	H
	Greece		
67	'Elais' Oleaginous Products A.E.	a	F
	Unilever Hellas A.E.B.E.	a	FP
	Hungary		
	Unilever Magyarország Kft	a	FP
	Ireland		
	Lever Fabergé Ireland Ltd.	b	P
	Unilever Bestfoods (Ireland) Limited	b	F
	Italy		
	Lever Fabergé Italia Srl	d	P
	Sagit Srl	d	F
	Unilever Bestfoods Italia Srl	d	F
	Unilever Italia SpA	d	H
	Latvia		
	Unilever Baltic LLC	a	FP
	Lithuania		
	Unilever Lietuva UAB	a	FP
	The Netherlands		
	Iglo Mora Groep B.V.	a	F
	Lever Fabergé Nederland B.V.	a	P
	Mixhold B.V.	d	H
	Unilever Bestfoods Nederland B.V.	d	F
	Unilever N.V. ⁽²⁾		H
	Unilever Nederland B.V.	a	H
	Norway		
	Unilever Bestfoods AS	a	F
	Poland		
99	Unilever Polska S.A.	d	FP
	Portugal		
74	IgloOlá-Distribuição de Gelados e de Ultracongelados Lda.	a	F
60	LeverElida-Distribuição de Produtos de Limpeza e Higiene Pessoal Lda.	a	P
	Unilever Bestfoods Portugal-Produtos Alimentares S.A.	d	F

(1) Due to the inclusion of the partnerships in the consolidated group accounts of Unilever, para 264(b) of the German trade law grants an exemption from the duty to prepare individual statutory financial statements and management reports in accordance with the requirements for limited liability companies and to have these audited.

(2) See 'Basis of consolidation' on page 73.

Principal group companies and fixed investments
Unilever Group as at 31 December 2003

Principal group companies continued

%	Europe continued	Ownership	Activity	%	Africa, Middle East and Turkey	Ownership	Activity
	Romania				Algeria		
99	Unilever South Central Europe S.R.L.	a	FP	60	Unilever Algérie SPA	a	P
	Russia				Côte d'Ivoire		
	Unilever SNG	a	FP	90	Unilever-Côte d'Ivoire	b	FPO
	Serbia				Democratic Republic of Congo		
	Unilever Belgrade	a	FP	76	Plantations et Huileries du Congo s.a.r.l.	a	O
	Slovakia				Dubai		
	Unilever Slovensko spol. s.r.o.	a	FP		Unilever Gulf Free Zone Establishment	b	FP
	Slovenia				Egypt		
	Unilever Slovenia d.o.o.	a	FP	60	Fine Food Products SAE	b	F
	Spain			60	Fine Tea Company SAE	b	F
	Unilever España S.A.	a	HP	60	Lever Egypt SAE	b	P
	Unilever Foods España S.A.	a	F		Ethiopia		
	Sweden			72	Unilever Ethiopia Private Limited Company	b	FP
	GB Glace AB	a	F		Ghana		
	Lever Fabergé AB	a	P	67	Unilever Ghana Ltd.	b	FPO
	Unilever Bestfoods AB	a	F		Israel		
	Switzerland			51	Glidat Strauss Ltd.	b	F
	Knorr-Nährmittel AG	d	H	59	Unilever Bestfoods Israel Ltd.	c	F
	Lever Fabergé GmbH	d	P		Lever Israel Ltd.	b	P
	Meina Holding AG	d	H		Kenya		
	Lusso Foods AG	d	F	88	Brooke Bond Kenya Ltd.	b	O
	Sunlight AG	a	O		Unilever Kenya Ltd.	b	FP
	Unilever Bestfoods Schweiz GmbH	d	F		Malawi		
	Unilever Cosmetics International S.A.	a	P		Lever Brothers (Malawi) Ltd.	b	FP
	Unilever (Schweiz) AG	a	O		Morocco		
	Unilever Swiss Holdings AG	a	H		Unilever Bestfoods Maghreb S.A.	a	FP
	Unilever Raw Materials AG	a	F		Nigeria		
	Ukraine			50	Unilever Nigeria Plc	b	FP
	Unilever Ukraine LLCM	a	FP		Saudi Arabia		
	United Kingdom			49	Binzagr Lever Ltd.*	b	FP
	Ben & Jerry's Homemade Ltd.	e	F	49	Lever Arabia Ltd.*	b	P
	Lever Fabergé Ltd.	b	P		South Africa		
	Lipton Ltd.	b	F	59	Unilever Bestfoods Robertsons (Pty) Limited	c	F
	Slim•Fast Foods Ltd.	b	F		Lever Ponds (Pty) Ltd.	b	FP
	Unilever Bestfoods UK Ltd.	e	F		Tanzania		
	Unilever Cosmetics International (UK) Ltd.	b	P		Brooke Bond Tanzania Ltd.	b	O
	Unilever Ice Cream & Frozen Food Ltd.	e	F		Tunisia		
	Unilever PLC ⁽²⁾		H	99	CODEPAR Tunisia	a	P
	Unilever UK Central Resources Ltd.	b	O	52	Maghreb Alimentation S.A.	a	F
	Unilever UK Holdings Ltd.	b	H	99	Société de Produits Chimiques Détergents	a	P
	Unilever UK & CN Holdings Ltd.	e	H		Turkey		
	North America			99	Lever Elida Temizlik ve Kişisel Bakım Ürünleri Sanayi ve Ticaret A.Ş.	a	P
	Canada				Unilever Sanayi ve Ticaret Türk A.Ş.	a	F
	Unilever Canada Inc.	e	FP		Unilever Tüketim Ürünleri Satış Pazarlama ve Ticaret A.Ş.	a	FP
	United States of America				Uganda		
	Ben & Jerry's Homemade Inc.	c	F		Unilever Uganda Ltd.	b	FP
	Good Humor-Breyers Ice Cream ⁽³⁾	c	F		Zambia		
	Slim•Fast Foods Company ⁽³⁾	c	F		Unilever South East Africa Zambia Limited	b	FP
	Unilever Bestfoods ⁽³⁾	c	F		Zimbabwe		
	Unilever Bestfoods Foodsolutions ⁽³⁾	c	F		Unilever South East Africa (Pte) Ltd.	b	FP
	Unilever Capital Corporation	c	O				
	Unilever Cosmetics International ⁽³⁾	c	P				
	Unilever Home & Personal Care ⁽³⁾	c	P				
	Unilever Ice Cream ⁽³⁾	c	F				
	Unilever United States, Inc.	c	H				

(2) See 'Basis of consolidation' on page 73.

(3) A division of Conopco, Inc., a subsidiary of Unilever United States, Inc.

* These companies are consolidated on the basis that Unilever exercises a dominant influence.

Principal group companies and fixed investments

Unilever Group as at 31 December 2003

Principal group companies continued

%	Asia and Pacific	Ownership	Activity	%	Latin America	Ownership	Activity
	Australia				Argentina		
	Unilever Australia Ltd.	b	FP		Unilever Bestfoods de Argentina S.A.	d	F
					Unilever de Argentina S.A.	d	FP
	Bangladesh				Bolivia		
61	Lever Brothers Bangladesh Ltd.	b	FP		Unilever Andina Bolivia S.A.	a	FP
	Cambodia				Brazil		
	Unilever (Cambodia) Limited	a	FP		Mavibel Brasil Ltda.	d	H
	China				Unilever Brasil Ltda.	d	FP
80	Bestfoods Guangzhou Foods Ltd.	c	F		Unilever Bestfoods Brasil Ltda.	d	F
	Unilever (China) Ltd.	a	H		Chile		
77	Unilever Company Ltd.	a	P		Unilever Chile Ltda.	d	FP
	Unilever Foods (China) Company Ltd.	a	F		Colombia		
	Unilever Services (Shanghai) Limited	a	P		Disa Ltda.	d	F
	Wall's (China) Company Ltd.	a	F		Unilever Andina Colombia Ltda.	d	FP
	China S.A.R.				Varela S.A.	d	P
80	Unilever Bestfoods Hong Kong Ltd.	d	F	60 ⁽⁴⁾	Costa Rica		
	Unilever Hong Kong Ltd.	c	FP		Productos Agroindustriales del Caribe S.A.	c	F
	India				Unilever de Centroamerica S.A.	a	FP
51	Hindustan Lever Ltd.	b	FPO		Dominican Republic		
	Indonesia				Knorr Alimentaria S.A.	a	F
85	P.T. Unilever Indonesia Tbk	a	FP		Unilever Dominicana S.A.	a	P
	Japan				Ecuador		
	Nippon Lever KK	a	FP		Unilever Andina Ecuador S.A.	a	FP
	Malaysia				El Salvador		
70	Unilever Bestfoods (Malaysia) Sdn. Bhd.	e	F		Unilever de Centroamerica S.A.	a	FP
	Unilever (Malaysia) Holdings Sdn. Bhd.	e	FP		Guatemala		
	New Zealand				Unilever de Centroamerica S.A.	a	FP
	Unilever New Zealand Ltd.	b	FP		Honduras		
	Pakistan				Unilever de Centroamerica S.A.	a	FP
67	Unilever Pakistan Ltd.	b	FP		Mexico		
	Philippines				Circulo Esmeralda S.A. de C.V.	d	F
50	California Manufacturing Company Inc.	d	F		Corporativo Unilever de Mexico S.de R.L. de C.V.	d	H
	Unilever Philippines, Inc.	d	FP		Unilever de Mexico S.A. de C.V.	d	FP
	Singapore				Netherlands Antilles		
	Unilever Bestfoods Singapore Pte. Ltd.	e	F		Unilever Becumij N.V.	a	O
	Unilever Singapore Private Ltd.	e	FP		Nicaragua		
	South Korea				Unilever de Centroamerica S.A.	a	FP
	Unilever Korea Chusik Hoesa	a	FP		Panama		
	Sri Lanka				Unilever de Centroamerica S.A.	a	FP
	Unilever Ceylon Ltd.	b	FPO		Paraguay		
	Taiwan				Unilever de Paraguay S.A.	a	FP
75	Unilever Bestfoods (Taiwan) Ltd.	d	F		Peru		
	Unilever Taiwan Ltd.	d	FP		Alimentos y Productos del Maiz S.A.	b	F
	Thailand			99	Industrias Pacocha S.A.	a	FP
	Unilever Thai Holdings Ltd.	d	FP		Trinidad & Tobago		
	Unilever Bestfoods (Thailand) Ltd.	d	F	50	Lever Brothers West Indies Ltd.	b	FP
	Unilever Thai Trading Ltd.	d	FP		Uruguay		
	Vietnam				Unilever del Uruguay S.A.	c	F
66	Lever Vietnam JVC	a	P		Sudy Lever S.A.	a	FP
	Unilever Bestfoods and Elida P/S (Vietnam) Ltd	a	FP		Venezuela		
					Unilever Andina Venezuela S.A.	a	FP

⁽⁴⁾ The holders of the remaining shares have exercised a put option that, when completed, will increase the Unilever holding to 100%.

Principal group companies and fixed investments

Unilever Group as at 31 December 2003

Principal fixed investments

Joint ventures

%	Europe	Ownership	Activity
	Portugal		
40	FIMA/VG-Distribuição de Produtos Alimentares, Lda.	a	F
	North America		
	United States of America		
50	The Pepsi/Lipton Partnership	c	F

Associated companies

%	Europe	Ownership	Activity
	United Kingdom		
33	Langholm Capital Partners	b	O
	North America		
	United States of America		
33	JohnsonDiversey Holdings Inc	a	P

Balance sheet as at 31 December

	€ million 2003	€ million 2002
		Restated
Fixed assets		
Fixed investments	11 161	11 416
Current assets		
Debtors	19 834	20 602
Cash at bank and in hand	430	206
Total current assets	20 264	20 808
Creditors due within one year	(19 765)	(19 335)
Net current assets	499	1 473
Total assets less current liabilities	11 660	12 889
Creditors due after more than one year	3 481	5 257
Provisions for liabilities and charges (excluding pensions and similar obligations)	156	131
Net pension liability for unfunded schemes	142	141
Capital and reserves	7 881	7 360
Called up share capital:		
Preferential share capital 21	130	130
Ordinary share capital 21	291	291
Share premium account	421	421
Other reserves	1 399	1 399
Profit retained	(1 243)	(1 041)
	7 304	6 581
Total capital employed	11 660	12 889

Profit and loss account for the year ended 31 December

	€ million 2003	€ million 2002
Income from fixed investments after taxation	1 235	3 779
Other income and expenses	477	292
Profit for the year	1 712	4 071

Pages 73 to 125, 142 to 145 and 147 contain the notes to the NV company accounts. For the information required by Article 392 of Book 2 of the Civil Code in the Netherlands, refer to pages 72 and 148.

In accordance with Article 402 of Book 2 of the Civil Code in the Netherlands, the accounts of NV have been included in the consolidated accounts. The profit and loss account mentions only income from fixed investments after taxation as a separate item. The balance sheet includes the proposed profit appropriation.

As indicated on page 73, the company accounts of Unilever N.V. comply in all material respects with legislation in the Netherlands. As allowed by Article 362.1 of Book 2 of the Civil Code in the Netherlands, the company accounts are prepared in accordance with United Kingdom accounting standards.

Amounts for 2002 have been restated following changes in our accounting policies for pensions and other post-employment benefits and for the presentation of securities held as collateral.

The Board of Directors

2 March 2004

Notes to the company accounts

Unilever N.V.

Fixed investments

	€ million 2003	€ million 2002
Shares in group companies	11 008	11 008
Book value of PLC shares held in connection with share options	381	368
Less NV shares held by group companies	(228)	(168)
Other unlisted investments	–	208
	11 161	11 416

Movements during the year:

1 January	11 416	
Movement in PLC shares held in connection with share options	13	
Movement in NV shares held by group companies	(60)	
Other unlisted investments	(208)	
Additions	–	
Decrease	–	
31 December	11 161	

Shares in group companies are stated at cost in accordance with international accounting practice in various countries, in particular the United Kingdom. In accordance with Article 385.5 of the Civil Code in the Netherlands, Unilever N.V. shares held by Unilever N.V. subsidiaries are deducted from the carrying value of those subsidiaries.

Debtors

	€ million 2003	€ million 2002
Loans to group companies	17 088	19 214
Other amounts owed by group companies	2 531	1 089
Amounts owed by undertakings in which the company has a participating interest	–	1
Other	215	298
	19 834	20 602
Of which due after more than one year	819	882

Cash at bank and in hand

	€ million 2003	€ million 2002
This includes amounts for which repayment notice is required of:	43	187

Creditors

	€ million 2003	€ million 2002
Due within one year:		Restated
Bank loans and overdrafts	7	4
Bonds and other loans	5 209	3 962
Loans from group companies	311	1 817
Other amounts owed to group companies	13 276	12 304
Taxation and social security	76	238
Accruals and deferred income	232	205
Dividends	642	643
Other	12	162
	19 765	19 335
Due after more than one year:		
Accruals and deferred income	88	–
Bonds and other loans	3 393	5 257

During 2003 NV changed its accounting presentation for securities received and held as collateral in respect of derivative financial instruments. Until 2002 NV presented such collateral under cash on call and in hand and under bonds and other loans respectively. Because, in normal circumstances, NV has to return the securities in the same form as the original security received, and NV does not

retain the benefit of any dividends or interest on those securities, they are not presented as assets and liabilities of NV. As a result, both cash on call and in hand and bonds and other loans at 31 December 2002 have been reduced by €574 million.

In accordance with the UK Companies Act 1985 the Group presents the final dividend which is proposed after the balance sheet date as a creditor.

Provisions for liabilities and charges (excluding pensions and similar obligations)

	€ million 2003	€ million 2002
Deferred taxation and other provisions	156	131
Of which due within one year	68	64

Ordinary share capital

Shares numbered 1 to 2 400 are held by a subsidiary of NV and a subsidiary of PLC, each holding 50%. Additionally, 22 163 785 €0.51 ordinary shares are held by NV and other group companies. Full details are given in note 29 on page 124.

Share premium account

The share premium shown in the balance sheet is not available for the issue of bonus shares or for repayment without incurring withholding tax payable by the company. This is despite the change in the Netherlands tax law, as a result of which dividends received from 2001 onwards by individual shareholders who are Netherlands residents are no longer taxed.

Other reserves

	€ million 2003	€ million 2002
1 January	(1 041)	(783)
Change in number of shares or certificates held in connection with share options	(202)	(258)
31 December	(1 243)	(1 041)

Profit retained

	€ million 2003	€ million 2002
Profit retained as reported in the Annual Report & Accounts 2002		6 591
Accounting policy change – pensions		(10)
Balance 31 December	7 304	6 581

Profit retained shown in the company accounts and the notes thereto is greater than the amount shown in the consolidated balance sheet, mainly because of certain inter-company transactions which are eliminated in the consolidated accounts.

Contingent liabilities

These are not expected to give rise to any material loss and include guarantees given for group and other companies, under which amounts outstanding at 31 December were:

	€ million 2003	€ million 2002
Group companies	6 278	8 878
Of the above, guaranteed also by PLC	4 946	5 864

NV has issued joint and several liability undertakings, as defined in Article 403 of Book 2 of the Civil Code in the Netherlands, for almost all Dutch group companies. These written undertakings have been filed with the office of the Company Registry in whose area of jurisdiction the group company concerned has its registered office.

Further statutory information

Unilever N.V.

The rules for profit appropriation in the Articles of Association (summary of Article 41)

The profit for the year is applied firstly to the reserves required by law or by the Equalisation Agreement, secondly to cover losses of previous years, if any, and thirdly to the reserves deemed necessary by the Board of Directors. Dividends due to the holders of the Cumulative Preference Shares, including any arrears in such dividends, are then paid; if the profit is insufficient for this purpose, the amount available is distributed to them in proportion to the dividend percentages of their shares. Any profit remaining thereafter is at the disposal of the General Meeting. Distributions from this remaining profit are made to the holders of the ordinary shares pro rata to the nominal amounts of their holdings. The General Meeting can only decide to make distributions from reserves on the basis of a proposal by the Board and in compliance with the law and the Equalisation Agreement.

	€ million 2003	€ million 2002
		Restated
Proposed profit appropriation		
Profit for the year	1 712	4 071
Preference dividends	(27)	(42)
Profit at disposal of the Annual General Meeting of shareholders	1 685	4 029
Ordinary dividends	(962)	(946)
Profit for the year retained	723	3 083
Profit retained – 1 January	6 581	3 498
Profit retained – 31 December	7 304	6 581

Special controlling rights under the Articles of Association

See note 21 on page 110.

Auditors

A resolution will be proposed at the Annual General Meeting on 12 May 2004 for the re-appointment of PricewaterhouseCoopers Accountants N.V. as auditors of NV. The present appointment will end at the conclusion of the Annual General Meeting.

Corporate Centre

Unilever N.V.
Weena 455
PO Box 760
3000 DK Rotterdam

J A A van der Bijl

S G Williams

Joint Secretaries of Unilever N.V.
2 March 2004

Balance sheet as at 31 December

	£ million 2003	£ million 2002
		Restated
Fixed assets		
Intangible assets	24	3
Fixed investments	2 237	2 237
Current assets		
Debtors		
Debtors due within one year	359	787
Debtors due after more than one year	152	27
Cash and current investments	–	33
Total current assets	511	847
Creditors due within one year	(1 794)	(2 126)
Net current assets/(liabilities)	(1 283)	(1 279)
Total assets less current liabilities	978	961
Capital and reserves	978	961
Called up share capital 21	41	41
Share premium account	94	94
Capital redemption reserve 23	11	11
Other reserves	(254)	(224)
Profit retained	1 086	1 039
Total capital employed	978	961

All amounts included in capital and reserves are classified as equity as defined under United Kingdom Financial Reporting Standard 4.

As permitted by Section 230 of the United Kingdom Companies Act 1985, an entity profit and loss account is not included as part of the published company accounts for PLC.

Amounts for 2002 have been restated following the implementation of UK UITF 37 and UITF 38.

On behalf of the Board of Directors

N W A FitzGerald Chairman
A Burgmans Vice-Chairman

2 March 2004

Fixed investments

	£ million 2003	£ million 2002
		Restated
Shares in group companies	2 237	2 237
Amount for 2002 has been restated, see note under 'Other reserves'.		
Shares in group companies are stated at cost or valuation, less amounts written off.		
	£ million 2003	
Movements during the year:		
1 January (restated)	2 237	
Additions	–	
Disposals	–	
31 December	2 237	

Debtors

	£ million 2003	£ million 2002
Due within one year:		
Amounts owed by group companies	335	720
Other	24	67
	359	787
Due after more than one year:		
Amounts owed by group companies	124	–
Other	28	27
	152	27

Cash and current investments

	£ million 2003	£ million 2002
This includes amounts for which repayment notice is required of:	–	33

Creditors

	£ million 2003	£ million 2002
Due within one year:		
Bonds and other loans	–	915
Amounts owed to group companies	1 287	752
Taxation and social security	163	135
Dividends	341	311
Other	4	9
Accruals and deferred income	(1)	4
	1 794	2 126

Other reserves

	£ million 2003	£ million 2002
		Restated
1 January	(224)	(201)
Change in number of shares held in connection with share options	(30)	(23)
31 December	(254)	(224)

Following the implementation of UK UITF 37 'Purchase and sale of own shares' and UITF 38 'Accounting for ESOP Trusts', PLC shares held in an ESOP Trust to meet share options granted to employees have been reclassified from 'Fixed investments' to 'Other reserves', which are a deduction from profit retained. Prior years have been restated.

Profit retained

	£ million 2003	£ million 2002
		Restated
1 January	1 039	953
Profit for the year	563	546
Dividends on ordinary and deferred shares	(516)	(460)
31 December	1 086	1 039

Contingent liabilities

	£ million 2003	£ million 2002
These are not expected to give rise to any material loss and include guarantees given for group companies, under which amounts outstanding at 31 December were:	6 608	8 077
Of the above, guaranteed also by NV	3 500	3 816

Remuneration of auditors

	£ million 2003	£ million 2002
Parent company audit fee	1.6	1.6
Payments by the parent company for non-audit services provided by PricewaterhouseCoopers LLP United Kingdom ^(a)	2.1	9.3

(a) See also note 2 on page 85.

Profit appropriation

	£ million 2003	£ million 2002
The proposed appropriation of the profit of PLC is as follows:		
Interim and recommended final dividends	516	460
Profit for the year retained	47	86

Further statutory information and other information

Unilever PLC

Employee involvement and communication

Unilever's UK companies maintain formal processes to inform, consult and involve employees and their representatives. Most of the United Kingdom sites are accredited to the Investors in People standard. Our sites also use tools such as Total Productive Maintenance which rely heavily on employee involvement, contribution and commitment.

A European Works Council, embracing employee and management representatives from 15 countries of Western Europe, has been in existence for several years and provides a forum for discussing issues that extend across national boundaries.

The directors' reports of the United Kingdom group companies contain more details about how they have communicated with their employees during 2003.

Equal opportunities and diversity

The heads of all operating companies and units in the UK have committed their businesses to achieving greater diversity. Every Unilever company in the United Kingdom has an equal opportunities policy and actively pursues equality of opportunity for all employees.

The company carries out an annual employee monitoring survey and has also conducted an equal pay audit. The company continues to review ways in which greater diversity can be achieved in recruitment and selection.

A new flexible working policy was introduced in 2003, offering every employee the opportunity to request a flexible working option. Training workshops were run for line managers to maximise understanding and commitment to the policy.

Charitable and other contributions

Unilever collates the cost of its community involvement activities using the London Benchmarking Group model. The model recommends the separation of charitable donations, community investment, commercial initiatives in the community and management costs relating to the programme of activity.

During 2003 UK group companies made a total contribution of £8.7 million, analysed as follows:

- Charitable donations: £1.4 million
- Community investment: £2.0 million
- Commercial initiatives in the community: £4.6 million
- Management costs: £0.7 million

No contribution was made for political purposes.

Supplier payment policies

Individual operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. The directors' reports of the United Kingdom operating companies give information about their supplier payment policies as required by the United Kingdom Companies Act 1985. PLC, as a holding company, does not itself make any relevant payments in this respect.

Auditors

A resolution will be proposed at the Annual General Meeting on 12 May 2004 for the re-appointment of PricewaterhouseCoopers LLP as auditors of PLC. The present appointment will end at the conclusion of the Annual General Meeting.

Authority to purchase own shares

At the Annual General Meeting of PLC held on 7 May 2003, authority was given pursuant to Article 64 of the PLC Articles of Association to make market purchases of PLC ordinary shares of 1.4p each, to a maximum of 290 million shares. This authority will expire at the Annual General Meeting on 12 May 2004, and a resolution will be proposed to renew it. The company has not exercised this authority during the year.

Details of shares purchased by employee share trusts and Unilever group companies to satisfy options granted under PLC's employee share schemes are given in the Remuneration report on page 66 and in note 29 to the consolidated accounts on page 124.

Directors' report of PLC

For the purposes of Section 234 of the Companies Act 1985, the Directors' Report of Unilever PLC for the year ended 31 December 2003 comprises this page and the information contained in the Report of the Directors on pages 2 to 69, Dividends on page 161 and Principal group companies and fixed investments on pages 142 to 145.

Corporate Centre

Unilever PLC
PO Box 68 Unilever House
Blackfriars
London EC4P 4BQ

Unilever PLC Registered Office

Port Sunlight
Wirral
Merseyside CH62 4ZD

Unilever PLC Registrars

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex BN99 6DA

By Order of the Board

J A A van der Bijl
S G Williams

Joint Secretaries of Unilever PLC
2 March 2004