

STERLING SUPPLEMENT TO THE UNILEVER FOURTH QUARTER AND ANNUAL RESULTS 2007

This document is a supplement to the Unilever fourth quarter and annual results 2007 and is prepared for reference purposes only, Unilever's reporting currency is the Euro. The income statement, statement of recognised income and expense, and cash flow statement are translated at rates current in each period. These rates were €1 = £0.68 for 2007 and €1 = £0.68 for 2006. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.73 at 31 December 2007 and €1 = £0.67 at 31 December 2006. Certain items in the income statement and statement of recognised income and expense, notably currency retranslation recognised on the disposal of businesses, will not reflect the result which would arise if the reporting currency were to be Sterling.

INCOME STATEMENT

(unaudited)

Fourth Quarter				£ million	Full Year			
2007	2006	Increase/ (Decrease)			2007	2006	Increase/ (Decrease)	
		Current rates	Constant rates			Current rates	Constant rates	
Continuing operations:								
6 920	6 557	6 %	5 %	Turnover	27 416	27 028	1 %	5 %
772	713	8 %	11 %	Operating profit	3 578	3 687	(3)%	1 %
(276)	(319)			After (charging)/crediting:				
168	31			Restructuring	(597)	(480)		
–	181			Business disposals and impairments	209	134		
				Gains on US healthcare and UK pensions	–	181		
(34)	(56)			Net finance costs	(171)	(491)		
18	18			Finance income	100	87		
(88)	(79)			Finance costs	(374)	(402)		
2	–			Preference shares provision	(5)	(204)		
34	5			Pensions and similar obligations	108	28		
14	18			Share in net profit/(loss) of joint ventures	69	53		
–	22			Share in net profit/(loss) of associates	34	25		
2	3			Other income from non-current investments	27	20		
754	700	7 %	10 %	Profit before taxation	3 537	3 294	7 %	11 %
(202)	(96)			Taxation	(770)	(782)		
552	604	(9)%	(6)%	Net profit from continuing operations	2 767	2 512	10 %	14 %
3	820			Net profit/(loss) from discontinued operations	54	907		
555	1 424	(61)%	(59)%	Net profit for the period	2 821	3 419	(17)%	(15)%
Attributable to:								
45	47			Minority interests	169	185		
510	1 377	(63)%	(61)%	Shareholders' equity	2 652	3 234	(18)%	(15)%
Combined earnings per share								
0.17	0.20	(8)%	(5)%	Continuing operations (Pounds)	0.90	0.81	12 %	(18)%
0.17	0.18	(9)%	(6)%	Continuing operations – diluted (Pounds)	0.87	0.78	11 %	(18)%
0.01	0.28			Discontinued operations (Pounds)	0.02	0.31		
0.00	0.28			Discontinued operations – diluted (Pounds)	0.02	0.31		
0.18	0.48	(63)%	(61)%	Total operations (Pounds)	0.92	1.12	(18)%	(15)%
0.17	0.46	(63)%	(61)%	Total operations – diluted (Pounds)	0.89	1.09	(18)%	(15)%

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	Full Year	
	2007	2006
Fair value gains/(losses) on financial instruments net of tax	58	14
Actuarial gains/(losses) on pension schemes net of tax	369	582
Currency retranslation gains/(losses) net of tax	470	(379)
Net income/(expense) recognised directly in equity	897	217
Net profit for the period	2 821	3 419
Total recognised income and expense for the period	3 718	3 636
Attributable to:		
Minority interests	184	161
Shareholders' equity	3 534	3 475

CASH FLOW STATEMENT

(unaudited)

£ million

	Full Year	
	2007	2006
<u>Operating activities</u>		
Cash flow from operating activities	3 540	3 801
Income tax paid	(895)	(726)
Net cash flow from operating activities	2 645	3 075
<u>Investing activities</u>		
Interest received	100	86
Net capital expenditure	(671)	(637)
Acquisitions and disposals	(34)	1 211
Other investing activities	179	128
Net cash flow from/(used in) investing activities	(426)	788
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(1 489)	(1 774)
Interest and preference dividends paid	(377)	(412)
Change in financial liabilities	913	(2 238)
Share buy-back programmes	(1 024)	–
Other movements on treasury stock	302	67
Other financing activities	(378)	(124)
Net cash flow from/(used in) financing activities	(2 053)	(4 481)
Net increase/(decrease) in cash and cash equivalents	166	(618)
Cash and cash equivalents at the beginning of the year	477	868
Effect of foreign exchange rate changes	18	227
Cash and cash equivalents at the end of period	661	477

BALANCE SHEET

(unaudited)

£ million	As at 31 December 2007	As at 31 December 2006
<u>Non-current assets</u>		
Goodwill and intangible assets	12 301	11 549
Property, plant and equipment	4 614	4 213
Pension asset for funded schemes in surplus	1 474	1 139
Deferred tax assets	736	849
Other non-current assets	974	755
Total non-current assets	20 099	18 505
<u>Current assets</u>		
Inventories	2 859	2 549
Trade and other current receivables	3 079	2 854
Current tax assets	269	84
Cash and cash equivalents	806	697
Other financial assets	159	184
Non-current assets held for sale	117	9
Total current assets	7 289	6 377
<u>Current liabilities</u>		
Financial liabilities	(3 059)	(2 992)
Trade payables and other current liabilities	(5 886)	(5 261)
Current tax liabilities	(289)	(388)
Provisions	(711)	(677)
Liabilities associated with non-current assets held for sale	(9)	–
Total current liabilities	(9 954)	(9 318)
Net current assets/(liabilities)	(2 665)	(2 941)
Total assets less current liabilities	17 434	15 564
<u>Non-current liabilities</u>		
Financial liabilities due after one year	4 026	2 938
Pensions and post-retirement healthcare benefits liabilities:		
Funded schemes in deficit	607	925
Unfunded schemes	1 667	2 281
Provisions	510	555
Deferred tax liabilities	891	673
Other non-current liabilities	321	358
Total non-current liabilities	8 022	7 730
<u>Equity</u>		
Shareholders' equity	9 095	7 537
Minority interests	317	297
Total equity	9 412	7 834
Total capital employed	17 434	15 564