INTERIM MANAGEMENT REPORT FOR NINE MONTHS TO SEPTEMBER 2008

KEY FINANCIALS

(unaudited)

Third Quarter 2008			€ million	Nine Months 2008		
	Increase/(Decrease)				Increase/(Decrease)	
Current rates	Current rates	Constant rates		Current rates	Current rates	Constant rates
			Continuing operations:			
10 427	2%	7%	Turnover	30 372	–%	6%
2 525	80%	94%	Operating profit	5 709	38%	48%
2 502	83%	97%	Pre-tax profit	5 637	37%	46%
			Total operations:			
1 711	60%	72%	Net profit	4 096	22%	30%
0.59	66%	78%	EPS (Euros)	1.38	26%	33%

SUSTAINED COMPETITIVE GROWTH IN A CHALLENGING ENVIRONMENT

Financial Highlights for the first nine months

- Underlying sales growth of 7.4% in the first nine months with 8.3% in the third quarter.
- Operating margin of 24.2% in the quarter boosted by profits on disposals. Underlying improvement in operating margin of 0.3 percentage points in both the first nine months and the quarter.
- Underlying growth in operating profit of 9% at constant exchange rates in both the year to date and the quarter.
- Earnings per share up by 26%, also benefiting from higher profits on disposals.
- Interim dividend of €0.26 per NV share and 20.55p per PLC share.

Operational Highlights for the first nine months

- Broad-based growth across all categories, and in line with our markets overall.
- Volume growth of 0.7% in the first nine months and 0.6% in the third quarter.
- Additional €100 million invested behind our brands. Increased share of advertising spend relative to competitors.
- Continued strong growth in Developing and Emerging countries with volumes up and increased prices.
- Sales up in North America and Western Europe from pricing in more challenging markets.
- Timely pricing actions and delivery of accelerated savings from cost efficiency programmes more than offset continued increases in commodity costs which peaked in the third quarter.
- Strong single A balance sheet and active financial management serving us well in current financial turmoil.

GROUP CHIEF EXECUTIVE

"In the first nine months of the year we have delivered over 7% underlying sales growth. We have strengthened the business in a tough environment. Despite the price rises needed in the light of unprecedented cost increases, our volumes are holding up. Our cost savings programmes are far reaching and on-track to deliver. We have been reshaping the portfolio, allowing us to focus our resources where it matters most; behind our brands and our priority categories. All this leaves us well placed for the future. This year we now expect to deliver underlying sales growth well in excess of our long-term target range of 3-5%, together with an underlying improvement in operating margin for the year."

Patrick Cescau, Group Chief Executive 30 October 2008