UNILEVER

REPORT & ACCOUNTS

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1967

UNILEVER N.V.

Directors

H. S. A. HARTOG, *Chairman*
THE LORD COLE, *Vice-Chairman*
RUDOLF G. JURGENS, *Vice-Chairman*
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A. W. J. CARON
J. G. COLLINGWOOD
J. M. GOUDSWAARD
G. D. A. KLIJNSTRA
J. F. KNIGHT
P. KUIN
D. J. MANN
J. J. H. NAGEL
D. A. ORR
F. J. PEDLER
R. H. SIDDONS
E. SMIT
SIR ARTHUR SMITH
J. P. STUBBS
S. G. SWEETMAN
THE VISCOUNT TRENCHARD
E. G. WOODROOFE

Advisory Directors

J. M. HONIG
F. J. M. A. H. HOUBEN
A. E. J. NYSINGH
F. J. TEMPEL
G. E. VAN WALSUM

Secretaries

A. A. HAAK
P. A. MACRORY

Auditors

PRICE WATERHOUSE & Co.
COOPER BROTHERS & Co.

This is a translation of the original Dutch report.

The Report and Accounts as usual combine the results and operations of UNILEVER N.V. ('N.V.') and UNILEVER LIMITED ('LIMITED') with the figures expressed in guilders.
The basis on which the devaluation of sterling in November, 1967, has been dealt with is explained on page 31.

Contents

Salient figures

All figures relate to N.V. and LIMITED Groups combined

Fl. million

	1967	1966
TURNOVER	**24,589**	24,243
OF WHICH SALES TO THIRD PARTIES	**19,714**	19,189
OPERATING PROFIT	**1,411**	1,223
INTEREST ON LOAN CAPITAL . . .	**104**	81
PROFIT BEFORE TAXATION . . .	**1,380**	1,200
TAXATION FOR THE YEAR . . .	**634**	541
CONSOLIDATED NET PROFIT . . .	**708**	627
PREFERENTIAL DIVIDENDS—GROSS . .	**18**	39
ORDINARY DIVIDENDS	**254**	236
PROFIT RETAINED IN THE BUSINESS . .	**436**	361
CAPITAL EMPLOYED	**8,666**	8,805
CAPITAL EXPENDITURE	**616**	605
DEPRECIATION	**498**	500
ORDINARY DIVIDENDS		
N.V. (PER FL. 20 OF CAPITAL)	**Fl. 4.67**	Fl. 4.21
LIMITED (PER 5*s*. OF CAPITAL)	**1s. 6d.**	1*s*. 3*d*.

Combined earnings per share are shown on page 46, where the salient figures are also given in certain other currencies.

Report for the year 1967

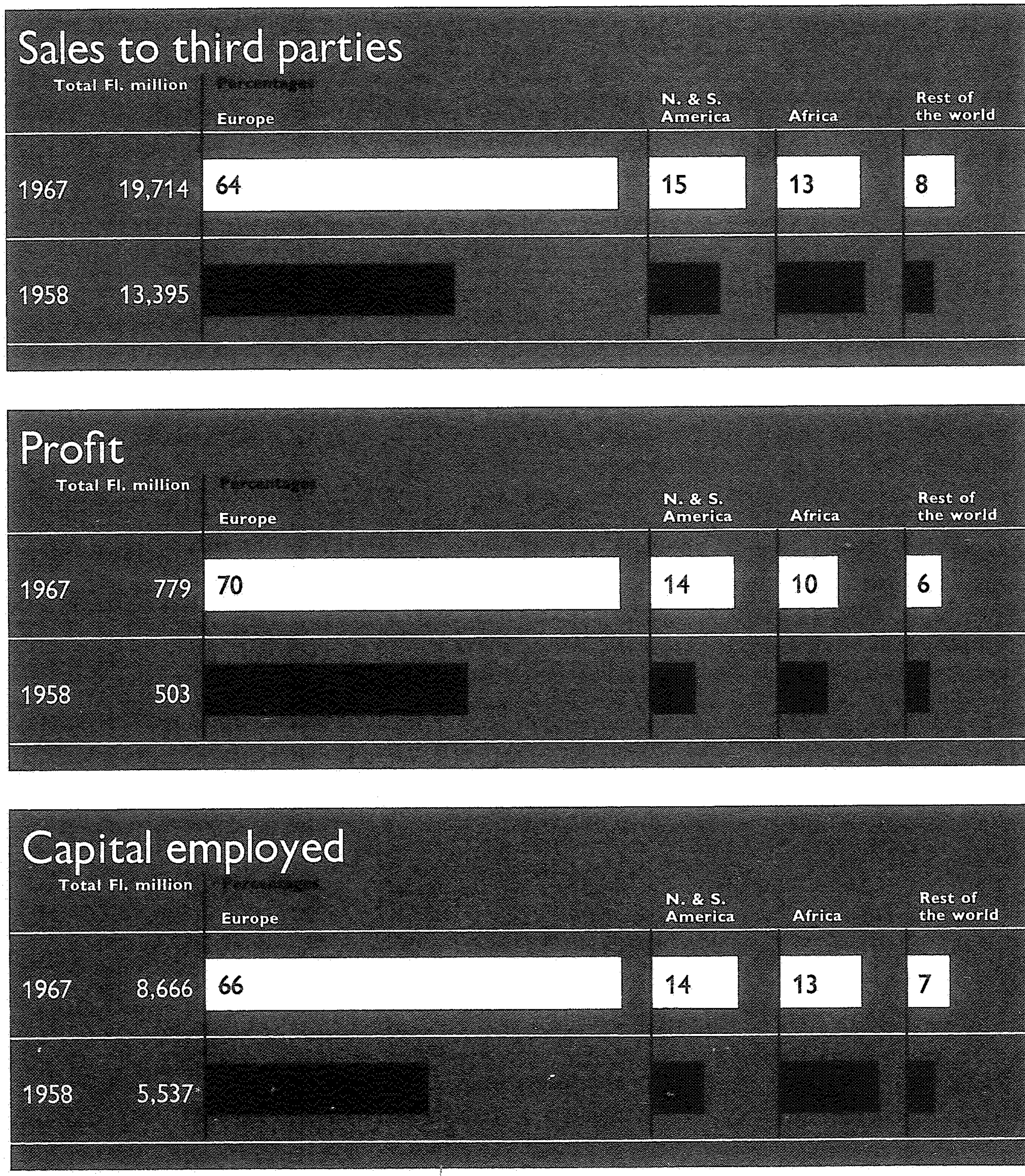
to be submitted at the General Meeting of Shareholders to be held at the Company's offices, Burgemeester s'Jacobplein 1, Rotterdam, on 13th May, 1968.

THE YEAR IN BRIEF

Combined turnover increased over 1966 by about 1.4% to Fl. 24,589 million; third party sales by 2.8% to Fl. 19,714 million. If LIMITED's sales for the fourth quarter had been converted at pre-sterling devaluation rates the rise in third party sales would have been about 4%. There were satisfactory increases in the sales of foods, detergents and toilet preparations.

Combined profits accruing to ordinary capital of N.V. and LIMITED were Fl. 690 million, an increase of Fl. 93 million or about 16% over 1966. Profits accruing to ordinary capital showed a net reduction of over Fl. 30 million as a result of using post-sterling devaluation rates of exchange, mainly arising on converting the LIMITED profits for the full year into guilders at the new parity; using pre-devaluation rates, the increase would have been almost Fl. 124 million or about 21%. The profits from the major product groups all increased, while those on toilet preparations fell in spite of higher sales. Profits of the United Africa Group were slightly better but those from Thames Board Mills and animal feeds were again lower.

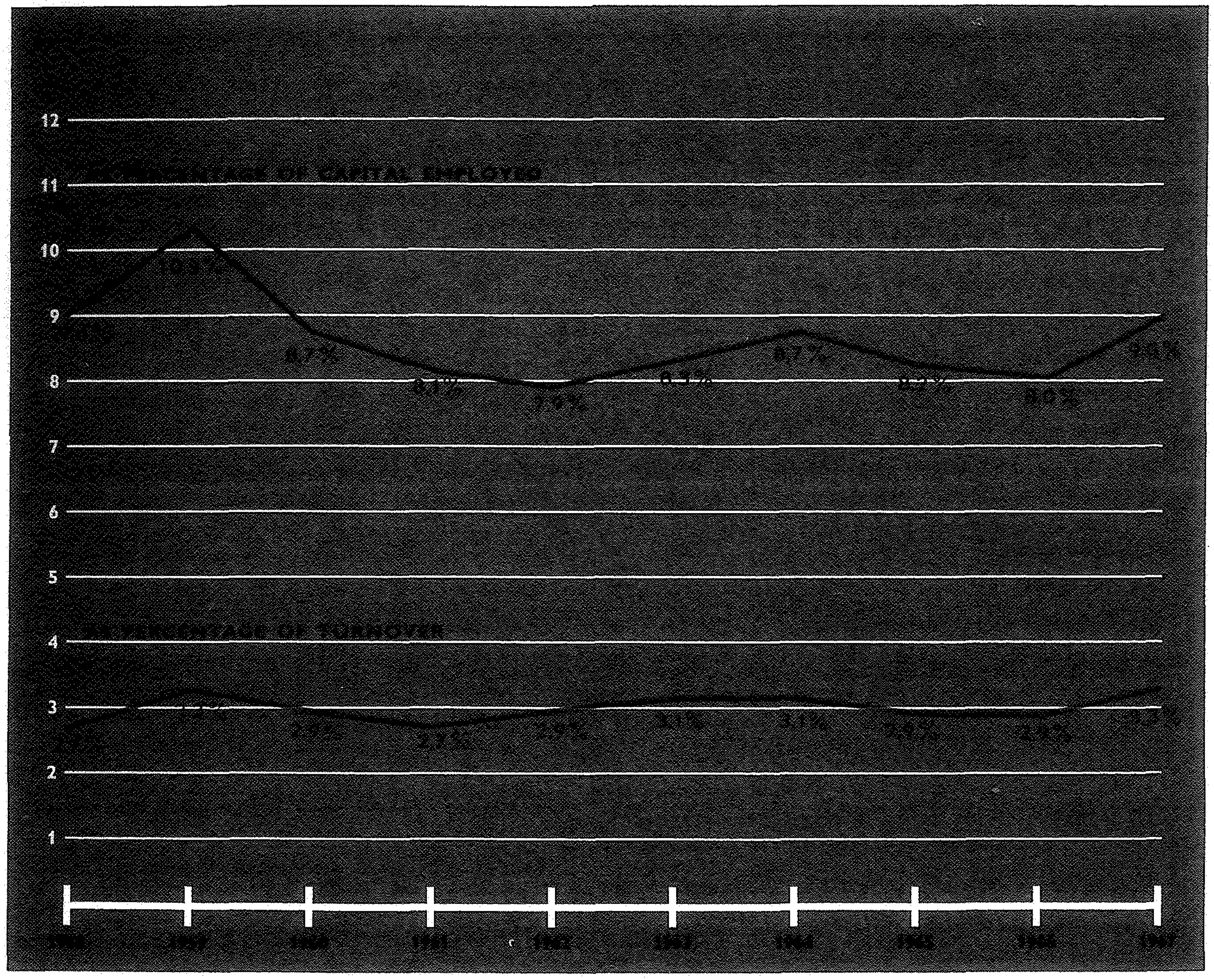
Sales to third parties, profit and capital employed by geographical areas 1958 and 1967



Africa includes all our operations in that continent—namely the United Africa Group operations, the manufacturing businesses and the plantation interests.

* *Excluding interests not consolidated of Fl. 61 million.*

Return on capital employed and on turnover 1958-1967



The charts on pages 8 and 9 are based on profit, after taxation, but before loan interest.

The 1967 figures reflect the devaluation of Sterling on 18th November, 1967, as explained on page 31, note 3.

Summary of combined figures 1958-1967

UNILEVER N.V. AND UNILEVER LIMITED AND THEIR SUBSIDIARIES

Fl. million

	1958	1959	1960	1961*	1962	1963	1964	1965	1966	1967**
Turnover	**18,388**	**19,016**	**19,650**	**19,321**	**19,223**	**19,678**	**21,749**	**23,581**	**24,243**	**24,589**
of which Sales to third parties	13,395	14,140	14,757	14,763	14,972	15,557	17,115	18,464	19,189	19,714
Operating profit	976	1,207	1,113	1,020	1,044	1,164	1,220	1,190	1,223	1,411
Interest on loan capital	16	15	15	15	21	24	25	40	81	104
Profit before taxation	985	1,216	1,129	1,045	1,080	1,203	1,257	1,186	1,200	1,380
Taxation for the year	490	594	571	528	540	608	588	522	541	634
Consolidated net profit	**503**	**640**	**553**	**537**	**525**	**566**	**635**	**646**	**627**	**708**
Dividends***:—										
Preferential—gross	58	58	58	57	57	57	58	58	39	18
Ordinary—gross	130	177	189	186	195	223	239	237	236	254
United Kingdom Income Tax retained	45	49	52	50	51	56	59	60	9	—
Profit retained in the business	360	454	358	344	324	342	397	411	361	436
	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
Per Fl. 12 or £ 1 ordinary capital****:—										
Earnings	5.01	6.44	5.46	5.27	5.14	5.58	6.30	6.48	6.39	7.39
Cost of dividends	1.11	1.50	1.58	1.58	1.65	1.89	2.07	2.08	2.53	2.72
Preferential Capital	815	815	831	811	815	815	836	836	317	310
Ordinary shareholders' funds:—										
Capital	875	880	881	884	885	1,179	1,179	1,184	1,184	1,184
Reserves	2,830	3,324	3,548	3,606	3,872	3,869	4,246	4,566	4,771	4,735
Outside interest	255	258	262	246	251	262	225	199	194	205
Loan capital	415	416	402	392	570	541	688	859	1,570	1,505
Deferred liabilities:—										
Taxation	408	447	359	354	341	361	361	409	422	377
Unfunded retirement benefits	—	—	190	215	259	292	317	326	347	350
Capital employed	**5,598**	**6,140**	**6,473**	**6,508**	**6,993**	**7,319**	**7,852**	**8,379**	**8,805**	**8,666**

** The revaluation on 6th March, 1961, raised the guilder parity by 5%. ** The 1967 figures reflect the devaluation of sterling on 18th November, 1967, as explained on page 31. *** For the years 1958–1965 United Kingdom income tax deducted from dividends of LIMITED was retained by the Company. With the change to corporation tax, income tax deducted from dividends has to be handed to the Revenue and the cost of dividends is consequently the gross amount. **** See note on Combined earnings and dividends per share on page 46. The figures for earnings and cost of dividends have been adjusted for scrip issues.*

THE BACKGROUND

GENERAL

The year 1967 was not a good one for most of the world. The United Kingdom's long struggle against devaluation ended in failure. In the Netherlands productivity rose, but so did unemployment. In Germany there was actually a decline in the national income. The United States ran its biggest balance of payments deficit since 1960. Nigeria had a civil war. The Suez Canal has been closed since June. There were further troubles in the Congolese Republic (Kinshasa). Much of Latin America continued to suffer from inflation. The growth of world trade slowed down, but in future it should benefit from the Kennedy Round. Among the few countries whose economies throve were Italy, Australia, Japan and South Africa. It is not surprising that the growth of world consumer expenditure slackened appreciably in 1967.

E.E.C. AND E.F.T.A.

Regrettably, little satisfactory progress has been made towards the admission to the European Economic Community of the United Kingdom and other European Free Trade Association countries.

The E.E.C. Regulation on Oils and Fats came into force on 1st July, 1967 and was based on the principle of free access to the world's raw material markets. We had previously expressed our fear that the anti-dumping clause in this Regulation could, nevertheless, be employed for protectionist purposes, and it appears that this fear was not entirely unjustified. The clause was used in September against imports of sunflower oil from some countries of Eastern Europe in a way that did not even safeguard existing contracts.

The European Commission continued its efforts to harmonise the food and drugs legislation of the member countries. We hope that when harmonisation of the margarine laws takes place it will include the removal of the discrimination against this product which is a feature of the legislation of several of the E.E.C. countries.

DEVALUATION OF STERLING

The devaluation of sterling has reduced the combined 1967 profits of N.V. and LIMITED in terms of the guilder whilst making them higher in terms of sterling than they otherwise would have been. The devaluation is not expected of itself to have any major effect on the fortunes of Unilever as a whole but the business in the United Kingdom will suffer from the measures announced by the British Government at the same time—removal of export rebates and Selective Employment Tax premiums and the increase in Corporation Tax; from the difficulty of raising United Kingdom selling prices quickly enough to cover the increased replacement cost of imported raw materials; and from the further measures announced by the Chancellor of the Exchequer in his budget-speech on 19th March, 1968.

The Equalisation Agreement provides for dividends of equal value, at the rate of exchange prevailing on the date of the Boards' decisions to declare an interim or recommend a final dividend, on each Fl. 12 nominal of ordinary capital in N.V. and on each £ 1 nominal of ordinary capital in LIMITED. The interim dividends for 1967 were declared on 7th November, 1967, before devaluation, on the basis of the rate of exchange then prevailing. The Boards' decisions on their recommendations for the final dividends for 1967 were taken on 27th February, 1968, and as a result of devaluation the proportionate increase in the final dividend recommended for N.V. is lower than in that recommended for LIMITED.

INDONESIA

In fulfilment of their promise, which we reported a year ago, the Indonesian authorities freed our companies there from government control in April 1967. In accordance with our agreement we are providing the foreign currency required for new plant and spare parts. The Indonesian government shows much understanding of the problems arising since our recovering control and we are already receiving remittances both for service costs incurred by us in Europe and for dividends in respect of 1967. Our relations with the government are excellent.

The rehabilitation of the factories and modernisation of the products are in hand, and though the public's purchasing power has not yet recovered, the demand for our products is steadily increasing and we can look with some confidence to the future of our business there.

TAXATION

The rates of tax payable on profits for 1967 were increased in a number of countries, the most important being the United Kingdom, Belgium, Italy and South Africa.

Belgium has increased the tax withheld from dividends, and Australia has introduced a tax on dividends paid to the United Kingdom.

The countries of the E.E.C. have decided to adopt a basically common system of turnover tax on the added value basis not later than 1st January, 1970 as a step towards complete harmonisation of their turnover taxes. An added value tax was already effective in France, and the Netherlands are planning to follow on 1st January, 1969. Germany introduced the new system at the beginning of 1968: this has reduced the burden of tax on some products, and we have been able to make a number of price reductions. An added value tax was introduced in Denmark in 1967.

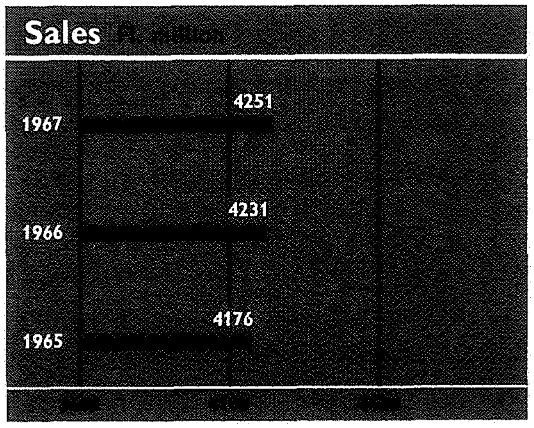
ANALYSIS OF TURNOVER

	Fl. million					
	1958		1966		**1967***	
		%		%		%
Margarine, other edible fats and oils	3,688	20	4,231	17	**4,251**	**17**
Other foods	1,866	10	4,650	19	**5,030**	**21**
Detergents and toilet preparations	3,439	19	4,808	20	**4,971**	**20**
Animal feeds	1,369	7	1,998	8	**1,984**	**8**
Merchandise and other activities of United Africa Group, and plantations	2,563	14	2,324	10	**2,233**	**9**
Paper, printing, packaging, plastics, chemicals and other interests	470	3	1,178	5	**1,245**	**5**
SALES TO THIRD PARTIES	13,395	73	19,189	79	**19,714**	**80**
Internal sales (mainly oils and fats)**	4,993	27	5,054	21	**4,875**	**20**
TOTAL TURNOVER	18,388	100	24,243	100	**24,589**	**100**

* *The 1967 figures reflect the devaluation of sterling on 18th November, 1967, as explained on page 31.*

** *Supplies of marketable products—for use as raw materials—and services by one industry to other industries within the organisation are included to provide a proper ratio of turnover to capital employed and profits earned.*

MARGARINE, OTHER EDIBLE FATS AND OILS



World consumption increased by almost 3 per cent which was slightly more than the estimated rise in world population, the increase in Europe being about 2 per cent compared with 4 per cent in the developing countries. Oils showed the biggest gain with 4 per cent, while margarine consumption rose by 3 per cent. Raw material prices fell, with the exception of coconut and palm kernel oils which sharply increased during the second half of the year. In Europe an increasing consumption of polyunsaturated oils has led to a growing demand for sunflower oil.

World market prices of butter declined further, and lower retail prices in the United Kingdom caused a slight reduction in the consumption of margarine there.

In the E.E.C. butter production has increased more than consumption and at the end of 1967 butter stocks had reached 200,000 tons which was 46,000 tons up on 1966.

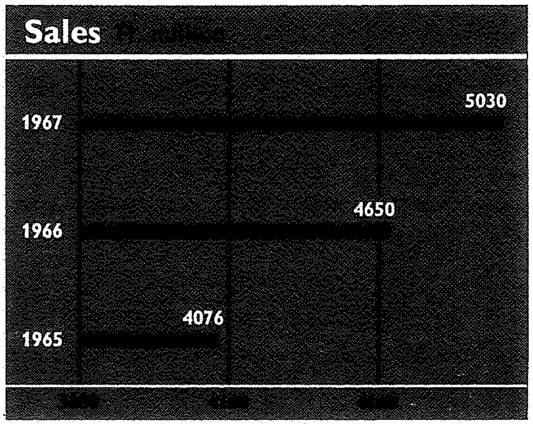
In Western Europe and the United States, the major margarine markets, the trend towards specialised products to meet specific consumer requirements has continued during 1967. In the United States the market share of soft margarines is still rising and in Europe sales are now increasing of margarines with a high content of polyunsaturated oils, which many consumers in both markets prefer for reasons of health. These developments have been accompanied by a growing demand for margarines packed in handy cardboard or plastic tubs, which offer more convenience in use. This trend is very strong in Germany where more than half of the margarine volume is now packed in tubs. In general we have improved our position in these expanding markets.

In most countries, including the United States, our results were better than last year.

In France, Australia, Canada, India and South Africa outdated discriminatory controls on the edible fats industry continue to be applied, with particularly damaging consequences to the big Indian business. In the United States, Wisconsin lifted the ban on colouring margarine, the last State to do so.

In the Netherlands sales of products with special attributes, such as Becel, Brio and Croma, have responded beyond expectation to the introduction of commercial television during the year.

OTHER FOODS



The category of 'other foods' (i.e. 'other' than those in the edible fats group) embraces a wide range—quick-frozen foods, ice-cream, canned foods, dehydrated foods, meat, bacon and sausages, tea (including 'instant' tea), soft drinks, mayonnaise, dressings and condiments. We also include under this head our interests in the catching, processing and retailing of fish.

The characteristic common to most of the products in this varied list is that they are called, for want of a better word, 'convenience' foods. We believe that for these the future is bright. Housewives are increasingly recognising the advantages of products of good quality which not only save them the drudgery of much preparatory work but also make them independent of the seasons. The pace at which new ideas become accepted varies, not surprisingly, from country to country. In the United States the consumption of quick-frozen foods is now over 28 kg per head each year; in Sweden nearly 10 kg; in the United Kingdom nearly 5 kg and in the Netherlands, Belgium and Germany it is even less than this. But habits can change rapidly. In the United Kingdom total expenditure on quick-frozen foods rose in ten years (1956–1966) from £ 16 million to £ 108 million. Even the higher figure represents less than 2 per cent of what the country spends on food.

In quick-frozen foods Birds Eye, in the United Kingdom, continued on their successful path, increasing their range and successfully introducing polythene 'handipacks' for a number of 'free-flowing' products. In Germany, in spite of a stagnation in the growth of consumption of frozen foods, Langnese-Iglo, our integrated frozen foods and ice-cream business, had an excellent year, taking full advantage of the opportunity offered to their ice-cream business by an exceptionally fine summer. The integrated businesses in the Netherlands, Belgium and Austria also made good progress. In the United Kingdom Wall's Ice Cream have been able to expand their activities and achieved a satisfactory increase in profits. Spica, our ice-cream business in Italy, achieved good increases in both sales and profits; a second company, Eldorado, was acquired. Our small ice-cream company in Portugal is expanding rapidly. In Sweden, Australia, New Zealand and the United States and some other countries competition in ice-cream was severe and although sales were satisfactory profits were hard to come by.

In a number of countries our companies improved their already strong position in dried soups, Thomas J. Lipton Inc. in the

United States and Batchelors in the United Kingdom doing particularly well. In canned soups our companies have continued their rapid expansion, and are market leaders in the Netherlands, Belgium and Germany.

The growing sales in many countries of prepared meals, both canned and dehydrated, are encouraging. Batchelors in the United Kingdom, who have already built up a useful business in this field, successfully introduced a range of prepared puddings. Thomas J. Lipton Inc., in the United States, have also done well and in 1967 extended the range of products of two businesses acquired in 1965 and 1966; noodle-based foods under the name of Pennsylvania Dutch and canned meats, meals and dishes from Morton House Kitchens.

Our companies in a number of countries have continued to increase the range of mayonnaise, dressings and condiments. Particularly good results were obtained in the Netherlands, Belgium and the United States.

Sales of cheese continued to increase, especially in Germany and Italy. There was also an improvement in profits. In Spain our new processed cheese factory at Bilbao has started production.

Thomas J. Lipton Inc., in the United States, held on firmly to their strong position in tea and 'instant' tea and made remarkable progress with their iced tea mixes, of which the sales have more than doubled in the space of two years.

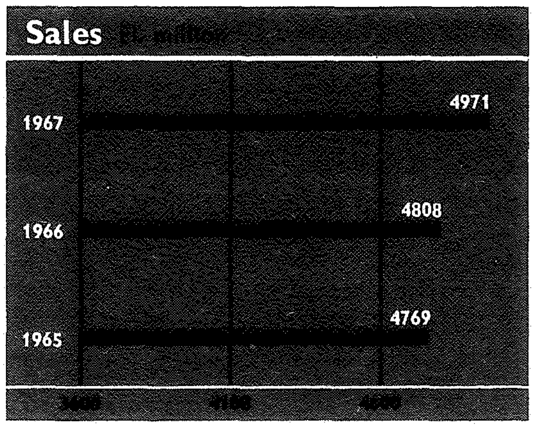
In the Netherlands the successful promotion of fruit drinks helped the development of the Calvé-De Betuwe business and in Germany a fruit squash—Tri Top—got off to an excellent start.

Unusually high pig prices prevailed in the United Kingdom and the market for meat products was correspondingly depressed. The T. Wall & Sons meat companies therefore found it difficult to increase sales. Nevertheless progress was again made on the bacon and ham side and it appears that our companies are probably now the largest curers in the United Kingdom. In the Netherlands good progress was made in the sale of Unox vacuum-packed and canned meats. The Emil Schafft meat business in Germany, which from small beginnings has maintained a steady rate of expansion, showed a considerable improvement in sales and profits and the results of the Canadian Hygrade meat business, acquired in 1966, were satisfactory.

Generally 1967 was a bad year for the trawler industry, with rock-bottom prices resulting from a fall in consumption and a glut in supply. 'Nordsee' Deutsche Hochseefischerei in Germany, in which we have a majority interest, suffered from these low prices, and got no consolation from the prices of fish meal and fish oil which were also low. The Nordsee fish retail business in Germany was also hit by the drop in consumption and there was savage price-cutting in the canned fish market. In the United Kingdom Mac Fisheries, though they did not find it an easy year, managed to achieve a slight increase in their retail sales and profits; John West Foods, helped by ample supplies of salmon resulting from an unexpectedly good catch in the Pacific, had an excellent year.

DETERGENTS AND TOILET PREPARATIONS

DETERGENTS



World consumption of products for fabric washing, dish washing, personal washing and household cleaning continues to grow slowly but steadily as standards of living rise. In the wealthier countries marketing opportunities are opening up for specialised products. In 1967 our total sales of detergents increased and trading profits improved correspondingly. Margins were better in most countries on hard soaps and toilet soaps. In the fabric washing sector the trend towards the adoption of washing machines continued in all sophisticated countries; this results in higher consumption of washing powders. With fully automatic machines, the level of suds produced must be regulated to prevent overflowing and this means that compositions have to be adjusted. In the less affluent countries washing powders gained ground but hard soap remained the most important fabric washer. An important technical development has been the incorporation of enzymes, first in powders for soaking and later in washing powders. Under the right washing conditions the particular enzymes selected can remove certain types of stain more easily than conventional powders. We are now exploiting the possibilities of these new ingredients on an international scale.

When last year's Annual Report was published the negotiations with the Board of Trade concerning the British Monopolies Commission's Report on detergents were still going on, but were concluded before LIMITED's Annual General Meeting. As announced by the Chairman at that meeting, the outcome was that we made the following agreement: to extend for two years (in the absence of certain kinds of cost increase) the standstill on detergent prices which had been accepted under the arrangement made after the Prices and Incomes Board enquiry in 1965; to widen our range of 'Square Deal' washing powders by marketing, in addition to the original white synthetic Surf, a blue synthetic powder also under the Surf brand and a white soap-based powder under the Sunlight brand; and to market these products at prices 20 per cent below the premium brands instead of on the original Square Deal principle of 18 per cent more product for the same price. The Board of Trade have been kept fully informed of all our work on these brands to satisfy them that there has been no holding back of effort. Although white Surf is maintaining its position in the market, the two new brands have gained only minor market shares and it is clear that the great majority of consumers still prefer the other brands.

In the dish washing sector of the world market, liquids continue to grow at the expense of powders. We strove for improvements in the quality and presentation of our products in order to resist competition which was particularly severe at the lower priced end of the market.

Our sales of scourers have remained steady while new products such as cleaner-polishers for floors have made progress.

The total consumption of toilet soap increased only slowly but our brands did well, especially in North America, continental Europe and some other countries.

Sales of detergents for industrial and institutional use have improved satisfactorily. A new international development unit has been created at Maarssen in the Netherlands to serve the needs of this highly specialised trade.

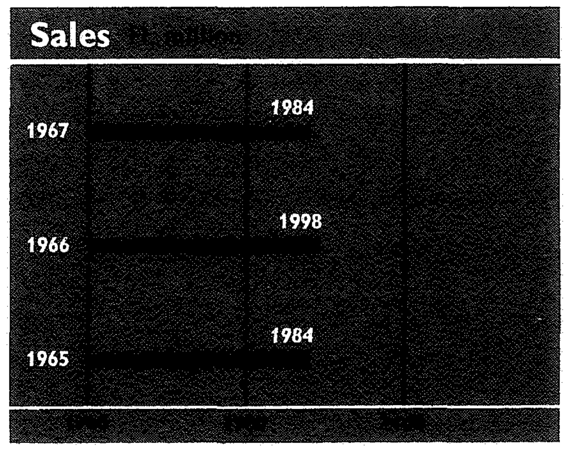
TOILET PREPARATIONS

The fragmented nature of the toilet preparations market makes it difficult for any one business in this field to be a leader in all sections. Moreover competition is increasing as major companies—European and American—attempt to make their operations more international. We have in 1967 again achieved a satisfactory increase in sales, broadening the base of our business for the future, but this increase has cost money to obtain and profits have fallen.

It is in hair products that the best progress has been made. Notable sales increases have been registered for hair-sprays, mainly under the Sunsilk name. The sales of hair colourants, though still small, are developing and shampoo sales grew by slightly more than the expansion of the market. We introduced new ranges of Rexona deodorants in several continental European

countries, while expanding sales of our existing deodorant products in the United Kingdom and in South Africa.
In the toothpaste market, which is particularly important to us, we just about held our own. Signal toothpaste has been successfully introduced in the Netherlands.

ANIMAL FEEDS



In the Netherlands sales of cattle and pig feeds were slightly higher, but sales of poultry feeds were adversely affected by the disturbed export market for Dutch broilers and by a decline in the Dutch layer population.
In the United Kingdom a strong demand for compounds for dairy cattle helped our sales of cattle feeds; we also achieved higher sales of pig feeds in spite of a fall in pig numbers. The demand for poultry feeds for layers was static but there was a substantial increase in tonnage of feed supplied to the broiler industry. Altogether, we secured a useful increase in the total volume of sales, both of compounds and of protein concentrates, but with margins held down by competition, profits were slightly lower than in the previous year.
The pace of agricultural change in the United Kingdom shows no signs of slowing down and concentration of livestock production in ever fewer hands continues. Marketing policies are being adapted accordingly, and last July our two direct selling companies were merged into the single enterprise, Silcock and Lever Feeds, which, while keeping two sales forces and individual brands, should show substantial economies with a consequent improvement in profitability.
The reorganisation and improvement of the production facilities of Paul and Vincent, Dublin, acquired in 1966, proceeded satisfactorily.
Further increases in our sales of pig and cattle feeds were achieved in France, and profits improved.
In Spain we acquired a majority interest in Sociedad Española de Nutricion Animal, Valladolid, which produce and market compound animal feeds.
In South Africa our range of compound animal feeds was widened by the launch of a number of special lines and sales expanded.
In India our sales of poultry and cattle feeds again increased and the profits rose in proportion.

PAPER, PRINTING, PACKAGING AND PLASTICS

There was little change in turnover in 1967.

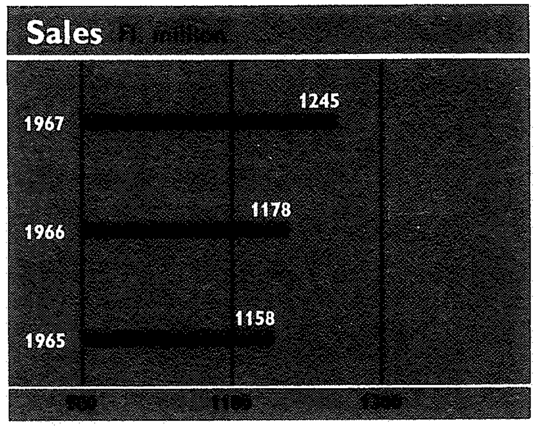
In the United Kingdom a decline in the market for board and the removal of the import surcharge and residual E.F.T.A. duties on manufactures resulted in a drop in sales and profit margins for Thames Board Mills, whose new integrated pulp and board mill at Workington, producing high quality packing board from home-grown timber, came into operation in February 1967. Demand for board produced in the United Kingdom is expected to increase in 1968, when the devaluation of the pound will reduce competition from imports. The reorganisation of Holpak, the plastic container business in the United Kingdom, led to a marked improvement in their results.

In Germany, in spite of the recession which was particularly evident in the first half of 1967, our sales of packaging materials increased. With extensive research and development facilities at their disposal, our companies are intensifying their efforts in the field of modern packaging. In the plastic conversion plant at Forchheim, the world's largest calender for the production of very light gauge unplasticised PVC film was brought into production; while a crystal-clear PVC bottle, very light in weight, is being developed and shows considerable promise. Our parchment production is the highest in Europe and a record output was achieved in 1967.

Developments in most other European countries were satisfactory and the overseas companies had another good year, particularly in Australia, and—notwithstanding the civil war—in Nigeria.

At the turn of the year we acquired the remaining 50 per cent of the equity of the Commercial Plastics Group.

PAPER, PRINTING, PACKAGING, PLASTICS AND CHEMICALS



CHEMICALS

In spite of economic difficulties in several countries, notably the United Kingdom and Germany, sales and profits increased. Our joint venture with Emery Industries Inc., of Cincinnati, Unilever-Emery at Gouda in the Netherlands, had a highly successful year and both sales and profits were higher.

During the year a number of investments were made in acquisitions and in factory extensions.

In the Netherlands we acquired a majority interest in Scado-

Archer-Daniels, manufacturers of raw materials for the surface-coating and plastics industries, with subsidiaries in Germany, Sweden and South Africa.

In the United Kingdom we acquired the share capital of Alcock (Peroxide), whose interests in alkaline chemicals and industrial detergents complement those of Joseph Crosfield & Sons.

In Germany a company active in the fatty acid and glycerine industry, Vereinigte Stearin Werke, was acquired, thus strengthening our existing interests in this important market.

THE UNITED AFRICA GROUP

In 1967 the operations of the United Africa Group were dislocated by events in Nigeria. It is believed that there has been no serious damage to the Group's properties, except that in January, 1968, its offices in Port Harcourt were burned down. The other main external factors were the devaluations of the currencies of the Congolese Republic (Kinshasa) and of Ghana in June and July respectively, followed by that of sterling in November. For the Group as a whole turnover fell slightly but total profits were somewhat higher. Merchandise stocks were reduced and with lower capital more profitably employed, yields improved.

Profits from our textiles operations recovered sharply from the low level of 1966. The technical businesses continued to do well, and the motors, chemists and general trading businesses showed improved results. Our timber operations were adversely affected by the upheaval in Nigeria and to add to this there was a fall in world demand and market prices, especially in the United Kingdom. Palm Line had a very difficult year because of low freight rates, reduced tonnages, increased costs for stevedoring, crews and repairs, and dock troubles in the United Kingdom. The fleet has now been reduced to 16 ships. The enforced closure of the Niger river freight service meant a substantial loss for Niger River Transport. The breweries, in which the Group has substantial interests, continued to be most profitable.

Our business in French-speaking Africa did very well and benefited from the calm political and economic conditions which prevailed in nearly all territories throughout the year. In the Congolese Republic (Kinshasa), despite some disturbances caused by the action of mercenaries and the substantial devaluation, the profits of our trading business were only slightly reduced.

PLANTATIONS

Selling prices for palm oil and rubber continued to fall in 1967 but the effect was mitigated by higher production—for palm oil an all-time record for the Group—so that profits were only slightly lower than in 1966.

The following table shows the output of the main crops of all our plantations for the last three years (in tons):—

	1965	1966	1967
Palm Oil	58,400	71,800	85,900
Palm Kernels	21,000	23,500	26,100
Rubber	8,000	9,100	10,800
Copra	6,000	5,400	4,900

The 1967 production increases were possible mainly because conditions in the plantation areas of the Congolese Republic (Kinshasa) were more settled. Our oil palm plantations there are still not working fully, and further increases in production will largely depend on our being able to replace workers who left during the disturbances.

On the other hand, our palm oil and rubber estates in Nigeria suffered from the troubles there. Although work on our estates near Sapele in the Mid-West was halted for only a short time, and the damage to buildings and installations was slight, it will take some time to restore full production as workers must be trained to replace those who fled to their tribal villages. At our estates at Calabar in the Eastern Region, however, the damage to buildings and installations has been considerable, and at least six months' crop will have been lost.

In Western Malaysia our oil palm estate at Kluang in South Johore was shut down for a month due to an industrial dispute; this interruption did not prevent us from achieving our estimated crop, but the oil suffered in quality and fetched lower prices.

In Eastern Malaysia (Sabah) development of the 6,000 hectare Tungud oil palm estate was completed, and the first crops were processed in its new mill soon after mid-year.

The decline in copra production was caused by a severe cyclone which struck the coconut plantations in the Solomon Islands in March. Apart from the loss of crop, extensive damage was done to about 300 hectares of young plantings.

EXPORTS

While Unilever companies in most countries where we operate are increasingly aware of the importance of an export trade, our exports from the Netherlands and the United Kingdom remain the most important; including United Africa Group merchandise, the trend of exports from these two countries is as shown in the following table:—

	1965	1966	1967
Netherlands (Fl. million)	418	422	484
United Kingdom (£ million)	49.9	49.2	51.2

The improvement in our exports from the Netherlands was mainly in bulk edible fats, meat products, chemicals and general merchandise.

In spite of the Middle East war and its aftermath, the conflict in Nigeria and prolonged dock strikes in Liverpool and London, exports from the United Kingdom rose slightly. By the end of the year, most of the arrears in shipments of the main branded consumer lines had been made up. The devaluation of sterling is too recent to have had any significant effect on the 1967 figures.

FINANCE

Source and use of funds (figures in red represent reductions):—

	1963	1964	1965	1966	1967
Net Liquid Funds—1st January (Cash and bank balances and marketable and short-term securities less bank advances)	888	923	595	396	705
Increase / *decrease* during year	35	*328*	*199*	309	443
Net Liquid Funds—31st December	923	595	396	705	1,148
Details of increase / *decrease* during year					
Source of Funds:—					
Profits re-invested in the business	342	397	411	361	436
Depreciation charged against profit	365	412	453	500	498
Proceeds of disposals of fixed assets	51	75	69	61	79
New loan capital less repayments	*29*	148	170	711	68
	729	1,032	1,103	1,633	1,081
Use of Funds:—					
Capital expenditure	*614*	*653*	*673*	*605*	*616*
Additional/reduced working capital other than cash	*16*	*362*	*410*	*8*	175
Subsidiaries acquired	*107*	*347*	*129*	*105*	*54*
Subscriptions to trade investments	*16*	*89*	*14*	*46*	*8*
Preferential capital retired less proceeds of capital issues	0	*42*	*96*	*519*	0
	753	*1,493*	*1,322*	*1,283*	*503*
Other Sources / Uses (including adjustment for devaluation of sterling)	59	133	20	*41*	*135*
Increase / *decrease* during year	35	*328*	*199*	309	443

The 1967 figures reflect the devaluation of sterling on 18th November, 1967, on the basis explained on page 31.

The main factors contributing to the gain in liquidity during the year were an increase in the level of profits retained and a significant reduction in working capital.

The amount spent on new acquisitions was relatively small. The most important of these were a majority interest in the Scado-Archer-Daniels chemicals business in the Netherlands and the Eldorado ice-cream business in Italy.

The balance of the Fl. 300 million 6% note issue by N.V. in 1965, amounting to Fl. 75 million, was received in 1967. Repayments of Dm. 119 million were made of medium-term loans raised in Germany in 1964/65. Our companies in Australia raised a $7\frac{3}{4}$% long-term loan of A. $ 6 million.

CAPITAL PROJECTS

Among the major projects completed in 1967 were:—

Netherlands:	Concentration of industrial detergent manufacture at Maarssen; International development centre for industrial detergents at Maarssen;
United Kingdom:	Saw mill at Workington; Formaldehyde plant at Warrington; Office building at Willesden, London; Cold store at Grimsby;
Germany:	Cold store at Heppenheim;
Canada:	New trawlers for North Eastern Fish Industries;
United States:	New spray dryers for instant tea at Suffolk and at Independence;
Nigeria:	Toilet soap plant at Apapa;
Pakistan:	New refinery at Chittagong;
Australia:	Sulphonation plant at Balmain (Sydney);
India:	New research laboratory at Andheri, Bombay.

Expenditure of Fl. 739 million was approved in 1967; the more important items are listed below:—

	Fl. thousand
Margarine, other edible fats and oils	76,400
Vegetable seed oil extraction plant at Zwijndrecht, Netherlands. Margarine tub filling lines in Germany and Sweden.	
Other foods	232,000
Modernisation and extension of manufacturing, storage and distribution facilities for quick-frozen foods and ice-cream in the United Kingdom, Germany and Denmark. Modernisation of plant for meat preparation in the United Kingdom (London and Godley). Increased manufacturing facilities at Oss in the Netherlands for canned soup. Extension of bottling facilities at Tiel, Netherlands. Additional food centres in the United Kingdom and fish restaurants for Nordsee in Germany. Expansion of instant tea facilities at Independence, United States. Packaging lines for prepared meals and warehouse at Flemington, United States.	
Detergents and toilet preparations	98,300
Spray drying plant for N.S.D. powders at Tema, Ghana. Sulphonation plant for N.S.D. powder manufacture at Nairobi, Kenya. Modernisation of N.S.D. powder plant at Vlaardingen, Netherlands. Finished products warehouse extension at Nyköping, Sweden. Extension of soap and N.S.D. powder plant at Los Angeles, United States.	
Animal feeds	44,000
Modernisation of manufacturing plant, additional bulk storage and improved distribution facilities in the Netherlands, the United Kingdom and Germany.	
Merchandise and other activities of United Africa Group and plantations	34,700
Construction of a textile wax-printing works at Abidjan, Ivory Coast. Residential building at Kinshasa in the Congo.	
Paper, printing, packaging, plastics, chemicals and other interests	143,700
Plant for production of plastic containers for foods and other products, at Glemsford, United Kingdom. New paperboard tub making plants in Germany. New production and storage facilities for parchment and foil laminants at Ronsberg, Germany. Machinery for production of multi-layer plastic film and sachets at Kempten, Germany. Extension of printing facilities at Beauvais, France, to produce high quality printing on detergent cartons. Collapsible metal tube and moulded plastic product manufacturing plant at Atzgersdorf, Austria.	
General	109,900
Motor vehicles (less sales of old vehicles). Additional research facilities mainly in the United Kingdom. Housing and welfare facilities for employees.	
Total	739,000

The geographical pattern of the expenditure approved was as follows:—

	Fl. million	%
Europe	538	72.8
North and South America	97	13.1
Africa	71	9.6
Rest of the World	33	4.5
Total	739	100.0

RESEARCH

The construction of the big extension of the research laboratory at Vlaardingen in the Netherlands has reached an advanced stage, and it should be possible to start bringing the new buildings into use by the end of 1968. The three laboratories built in the '60s (at Duiven in the Netherlands, Welwyn in the United Kingdom, and Hamburg in Germany) are now in full use, and are making notable contributions to our knowledge and understanding of the commodities and products in our sphere of interest. The year also saw the opening of a laboratory in Bombay, from which all the operations of Hindustan Lever should benefit.

There was a steady growth in research facilities in general, and the total number of people employed in our research and development throughout the world is now 7,500. We have continued to strengthen links with universities and several of our staff hold part-time professorships and other academic appointments.

Biological work on the importance of polyunsaturated fats in the diet, coupled with our accumulated knowledge of margarine technology, has resulted in the marketing of special margarines containing a high proportion of liquid oils.

The detergent industry is dominated by a few major research-conscious companies which are engaged in intense technological competition. Consequently most products are already technically advanced: the normal pattern is one of a steady stream of improvements and innovations, and these are essential if we are to maintain our competitive edge. For example, our research led last year to the introduction of an improved range of toilet soaps.

The animal nutrition unit at Colworth House in the United Kingdom, since its establishment, has made major contributions to cattle, pig and poultry feeds.

Much of the research effort is directed towards increasing the interchangeability of our raw materials so as to give us greater flexibility in buying.

PERSONNEL

The total number of Unilever employees world-wide is 304,000 of whom 1,319 are senior managers, 10,443 middle managers and 22,564 assistant managers.

Our success in the development of local management resources in countries outside Europe and North America is reflected in the fact that, whereas total management strength has increased, the proportion of expatriates employed in these countries has fallen. Between 1962 and 1967 the total number of senior and middle managers employed in these countries (excluding the United Africa Group) grew from 999 to 1,490 and over the same period the proportion of expatriates included in the total fell from 23 per cent to 13 per cent.

The United Africa Group employs a total of 40,000 men and women in over 30 countries. The biggest single area of employment is in English-speaking West Africa, where the Group employs 1,000 senior and middle managers. The policy of training and developing Africans for positions of managerial responsibility has met with a considerable measure of success and has resulted in the doubling of the number of African senior and middle managers in the past decade; over the same period the proportion of expatriates fell from 79 per cent to 54 per cent.

Unfortunately, in Nigeria this policy will now be seriously impaired by the present internal strife which has greatly reduced the number of Nigerian managers able and willing to serve outside their own regions. The business in Nigeria has been further upset by the massive number of resignations of Nigerian staff, who, in the interest of personal safety, have felt obliged to leave their jobs and return to their tribal areas. For that reason 2,000 employees left the service of the Group during 1967.

The year 1967 has been characterised in the United Kingdom by a continuation of the government's prices and incomes policy, which imposed a period of 'severe restraint' for the first six months, followed by 'moderation' during which increases in incomes have had to be justified against criteria laid down by the government. The most frequently quoted of these criteria have been improvements either in productivity or in the incomes of lower-paid workers. This has led to a great increase in emphasis on 'productivity bargaining'. As a consequence, the future role of employers' associations and Joint Industrial Councils is receiving much attention. It remains to find a way to encourage local productivity bargaining within the framework of industry bargaining.

In contrast to the increased government intervention in negotiations in the United Kingdom, the Netherlands is moving towards a freer system of collective bargaining.
The increasing complexity of industrial relations generally has made greater demands on all parties to collective bargaining.
Although we had a few strikes and some interruptions of normal working, these have not reached serious proportions.
Unilever's pension contributions for its own and other pension schemes, including State Pensions, and other payments for employees' retirement and death benefits amounted in 1967 to Fl. 283 million. The assets of the Unilever pension and provident funds increased to Fl. 2,615 million.

CAPITAL AND MEMBERSHIP

There were no changes during 1967 in the share capital of N.V. or LIMITED.
At the year end LIMITED had 71,975 ordinary and 1,522 preferential shareholders, and 122,003 debenture and unsecured loan stockholders. As N.V.'s share and loan capital is held by the public largely in the form of bearer scrip, the exact number of holders cannot be ascertained.

DIVIDENDS

The proposed appropriations of the profits of the Parent Companies are shown in the consolidated profit and loss accounts (Statement A) on page 32.
The interim dividends on the ordinary capitals for 1967, and the final dividends recommended by the Directors are as follows:—

	N.V. per Fl. 20 nominal:	LIMITED per 5s. nominal:
Interim	Fl. 2.50 (1966: Fl. 2.53)	9d. (1966: 9d.)
Final	Fl. 2.17 (1966: Fl. 1.68)	9d. (1966: 6d.)
Total	Fl. 4.67 (1966: Fl. 4.21)	1s. 6d. (1966: 1s. 3d.)

The interim dividends were, and the final dividends will be, equivalent in value under the terms of the Equalisation Agreement.
It is intended to make the final dividends on the ordinary shares of both companies payable as from 22nd May, 1968, except that the dividends on the New York shares of N.V. and on the Ameri-

can Depositary Receipts representing ordinary capital of LIMITED will be paid on 8th June, 1968.

It is also proposed to set aside Fl. 38,376,000 (N.V. Fl. 21,000,000, LIMITED £ 2,000,000 or Fl. 17,376,000) to reserve for replacement of fixed assets (on behalf of subsidiaries), leaving a further amount of Fl. 397,956,000 to be added to the profits retained in the business.

DIRECTORS

At the Annual General Meetings in 1967 Dr. J. M. Goudswaard, Mr. D. A. Orr and The Viscount Trenchard were elected to the Boards of N.V. and LIMITED.

Dr. J. F. van Moorsel retired from the Boards of N.V. and LIMITED on 31st July, 1967; Mr. A. D. Bonham-Carter, Mr. A. J. C. Hoskyns-Abrahall and Mr. A. M. Knox retired from both Boards on 29th February, 1968, and Mr. R. G. Jurgens and Mr. A. F. H. Blaauw will retire at the Annual General Meetings on 13th May, 1968.

Dr. van Moorsel spent more than thirty-three years in the service of Unilever, and had been a Director since 1953. Mr. Bonham-Carter joined the business in 1929 and was elected a Director in 1953. Mr. Hoskyns-Abrahall, who joined the business in 1928, was elected a Director in 1961. Mr. Knox had been with the business for forty-nine years and had been a Director since 1952. Mr. Jurgens joined the business in 1927, became a Director of LIMITED in 1941, a Director of N.V. in 1945 and a Vice-Chairman of N.V. in 1964. Mr. Blaauw entered the business in 1926 and became a Director in 1956.

Their colleagues wish to place on record their appreciation of the long and excellent service rendered to Unilever by the Directors who have retired or are about to retire.

In accordance with Article 21 of the Articles of Association all the Directors retire at the Annual General Meeting and, with the exception of Mr. R. G. Jurgens and Mr. A. F. H. Blaauw, offer themselves for re-election.

It is intended to appoint Mr. G. D. A. Klijnstra as a Vice-Chairman of N.V. in succession to Mr. Jurgens.

In the 1968 British New Year Honours List, Mr. Arthur Smith was awarded the honour of a Knighthood. Sir Arthur is the Chairman of The United Africa Company Limited and has been Chairman of the Africa Committee of the British National Export Council since its formation in January 1965.

RETIREMENT OF DIRECTORS

The Directors believe that a reduction in the average age of the Board would be of benefit to the business and accordingly it will in future be the rule, rather than the exception, for Directors to retire before reaching the age of 65 which has hitherto been the usual retirement age. It is in accordance with this policy that Mr. Jurgens, Mr. Bonham-Carter and Mr. Hoskyns-Abrahall, all of whom are under 65, have volunteered to retire this year.

AUDITORS

The auditors, Price Waterhouse & Co. and Cooper Brothers & Co., retire and offer themselves for re-appointment.

Rotterdam, 22nd March, 1968.

ON BEHALF OF THE BOARD,

H. S. A. HARTOG, *Chairman.*

COLE, *Vice-Chairman.*

Accounts 1967

TREATMENT OF DEVALUATION OF STERLING

1. Consolidated Profit and Loss Accounts

(a) In the Consolidated Profit and Loss Account, items determining LIMITED's consolidated net profit have been converted to guilders for the first nine months at the pre-devaluation official parity and for the December quarter at the new official parity of £ 1 = Fl. 8.688. Therefore sales, costs and consequently operating profit are reported on the same basis.

(b) The results of LIMITED's subsidiaries in countries which did not devalue in step with sterling, included in LIMITED's results for the first nine months of 1967, have been revalued at sterling year-end rates. The surplus arising therefrom, amounting in guilders to Fl. 6,959,000, is reported under exceptional items.

(c) The consolidated net profit of LIMITED for the first nine months of 1967 calculated as in (a) and (b) above gives rise to a conversion difference when expressed in guilders at the new official parity. This conversion difference, Fl. 28,469,000, is shown as a separate item.

(d) Using pre-devaluation rates, the profit accruing to the ordinary capital of N.V. and LIMITED would have been Fl. 30,352,000 higher, being Fl. 28,469,000, see (c) above, less Fl. 6,959,000, see (b) above, for the first nine months and Fl. 11,188,000 less Fl. 2,346,000, related to (b) above, for the December quarter.

2. Consolidated Balance Sheets

(a) In LIMITED's Consolidated Balance Sheet the amounts have been converted into guilders at the new official parity, except the ordinary capital which, as in previous years, has been converted at the rate of £ 1 = Fl. 12 with a view to the Equalisation Agreement.

(b) The opening position on all Balance Sheet items has been revalued at year-end rates, and a corresponding adjustment made to Profits retained and other reserves. Where movements are reported the adjustment arising from revaluation is shown separately.

(c) As mentioned under 1(a), costs, including depreciation, have been reported in the case of LIMITED for the first nine months of 1967 at the pre-devaluation official parity and for the December quarter at the new official parity. In the statement of movements in land, buildings and plant, the opening position at 1st January, 1967, is adjusted to reflect the devaluation of sterling, and depreciation for the year 1967 is adjusted to the new official parity.

3. Return on Capital Employed and on Turnover

For the graph on page 9 (Return on capital employed) and for that on page 8 (Profit by geographical areas) the profit after taxation, but before loan interest, has been adjusted to the new official parity (see 1(b) and 1(c) above). Capital employed is also at the new parity. For the graph on page 9 (Return on turnover) turnover has been arrived at in the same way as sales, and profit on the basis of the corresponding amounts in the Consolidated Profit and Loss Account (see 1(a) above).

4. Source and Use of Funds

The opening position has been revalued at year-end rates and all movements in foreign currencies during the year have been converted at year-end rates.

STATEMENT A

Consolidated profit and loss accounts

UNILEVER N.V. AND UNILEVER LIMITED AND THEIR SUBSIDIARIES

Fl. 000's. *Figures in red represent deductions.*

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966		COMBINED 1967	COMBINED 1966
10,549,550	9,963,536	9,164,228	9,225,118	1 **Sales to third parties**	**19,713,778**	19,188,654
9,691,374	*9,292,361*	*8,611,291*	*8,673,071*	2 Costs	***18,302,665***	*17,965,432*
858,176	671,175	552,937	552,047	3 **Operating profit**	**1,411,113**	1,223,222
10,552	11,991	15,426	19,583	4 Income from trade investments	**25,978**	31,574
16,983	14,569	23,468	13,876	5 Income from marketable and short-term securities	**40,451**	28,445
37,597	*36,377*	*66,872*	*44,355*	6 Interest on loan capital	***104,469***	*80,732*
5,649	*518*	1,761	*2,291*	7 Other interest	**7,410**	*2,809*
853,763	660,840	526,720	538,860	8 **Profit before taxation**	**1,380,483**	1,199,700
389,017	*302,783*	*245,214*	*238,530*	9 Taxation based on profit for the year	***634,231***	*541,313*
464,746	358,057	281,506	300,330	10 **Profit for the year after taxation**	**746,252**	658,387
11,849	*6,897*	4,748	*6,193*	11 Exceptional items	**16,597**	*13,090*
18,954	*14,702*	*7,032*	*4,065*	12 Outside interest in results of subsidiaries	***25,986***	*18,767*
—	—	*28,469*	—	13 Conversion difference	***28,469***	—
457,641	336,458	250,753	290,072	14 **Consolidated net profit**	**708,394**	626,530
14,694	*14,694*	*3,484*	*14,981*	15 Preferential dividends	***18,178***	*29,675*
442,947	321,764	247,269	275,091	16 **Profit accruing to ordinary capital**	**690,216**	596,855
149,479	*134,754*	*104,405*	*101,502*	17 Ordinary and Deferred dividends	***253,884***	*236,256*
21,000	14,000	17,376	20,272	18 Fixed assets replacement reserve	**38,376**	34,272
272,468	173,010	125,488	153,317	19 Other profits retained	**397,956**	326,327
293,468	187,010	142,864	173,589	20 **Profit retained in the business**	**436,332**	360,599

Notes

Recognising the seasonal nature of their operations, some companies having substantial interests in Africa close their financial year on 30th September. From 1966 the results and net assets of these companies have been consolidated on the basis of their accounts at 30th September.

1 Sales have been converted to guilders at the rates of exchange ruling at the end of each quarter.

2 Costs include:—

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966	Fl. 000's	COMBINED 1967	COMBINED 1966
274,696	256,915	240,361	243,254	Depreciation	**515,057**	500,169
2,218	2,190	3,905	3,943	Emoluments of Directors as managers including contributions to pension funds for superannuation	**6,123**	6,133
507	606	527	710	Superannuation of former Directors	**1,034**	1,316

3 N.V.'s operating profit has been converted at year-end rates and LIMITED's operating profit for 1967 at pre-sterling devaluation rates of exchange for the first nine months and at year-end rates for the December quarter.

6 LIMITED 1967 figures include interest for a full year, Fl. 37,897,000, on unsecured loan stock issued in consideration for preferential capital cancelled in the second half-year 1966. There is at the same time a reduction in the gross cost of preferential dividends.

9 Taxation in LIMITED in 1967 comprises United Kingdom corporation tax Fl. 171,762,000 less foreign tax relief Fl. 37,412,000 and foreign taxes Fl. 110,864,000.

The close company provisions of the United Kingdom Finance Act 1965 do not apply to LIMITED.

11 Exceptional items are as follows:—

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966	Fl. 000's	COMBINED 1967	COMBINED 1966
2,439	101	2,195	456	Taxation adjustments—previous years	**244**	355
9,410	6,796	6,943	6,649	Other	**16,353**	13,445
11,849	6,897	4,748	6,193		**16,597**	13,090

Taxation adjustments arise mainly from refunds of taxes and release of provisions no longer required. 'Other' exceptional items—shown after deduction of related taxation—are a balance of several items not applicable to current trading and include for 1967 United Kingdom 'overspill' tax relief of Fl. 4,344,000 (1966 Fl. 6,588,000). This is a transitional relief of tax on overseas income on the introduction of corporation tax. Also included is Fl. 6,959,000 arising from the revaluation to year-end rates of the profits of LIMITED's subsidiaries for the first nine months in countries which did not devalue in step with sterling.

13 Conversion difference arises on the expression in guilders of LIMITED group results for the first nine months of 1967 at the new official parity of £ 1 = Fl. 8.688.

15 and 17 Dividends are declared gross; taxes withheld by N.V. and LIMITED (dividend tax and income tax respectively) are paid to the revenue authorities.

Dividends are as follows:—

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966	Fl. 000's	COMBINED 1967	COMBINED 1966
14,694	14,694	3,484	24,073	Preferential dividends—gross	**18,178**	38,767
—	—	—	9,092	United Kingdom income tax retained*	**—**	9,092
14,694	14,694	3,484	14,981		**18,178**	29,675
149,479	134,754	104,405	101,502	Ordinary and Deferred dividends—gross	**253,884**	236,256

* As a result of transitional arrangements under the Finance Act 1965, LIMITED continued to retain United Kingdom income tax from preferential dividends for the first half-year 1966.

The Equalisation Agreement provides that the relationship between the ordinary capitals of LIMITED and N.V., for dividend purposes and on liquidation, shall be based on a rate of £ 1 = Fl. 12.

The Trustees of the Leverhulme Trust have waived their right to that part of the 1966 and 1967 LIMITED ordinary dividends which flow back to the Company.

18 In view of the continued rise in the cost of replacement of plant, machinery and other equipment it is proposed to set aside Fl. 38,376,000 (N.V. Fl. 21,000,000, LIMITED Fl. 17,376,000 or £ 2,000,000) of the retention of the profit for the year 1967 to fixed assets replacement reserve. In 1966 the amount set aside was Fl. 34,272,000 (N.V. Fl. 14,000,000, LIMITED Fl. 20,272,000 or £ 2,000,000).

STATEMENT B

Consolidated balance sheets

UNILEVER N.V. AND UNILEVER LIMITED AND THEIR SUBSIDIARIES

Fl. 000's. *Figures in red represent deductions.*

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966		COMBINED 1967	COMBINED 1966
				CAPITAL EMPLOYED		
265,060	265,060	44,683	52,130	1 **Preferential capital**—N.V. and Limited	**309,743**	317,190
				Ordinary capital and reserves		
640,165	640,165	544,044	544,044	2 Ordinary capital—N.V. and Limited	**1,184,209**	1,184,209
2,240,883	2,007,577	2,494,175	2,762,857	3 Profits retained in the business and other reserves	**4,735,058**	4,770,434
2,881,048	2,647,742	3,038,219	3,306,901	**Ordinary shareholders' funds**	**5,919,267**	5,954,643
128,974	118,777	76,037	75,523	4 **Outside interest in subsidiaries**	**205,011**	194,300
586,401	575,219	918,400	994,433	5 **Loan capital**	**1,504,801**	1,569,652
293,409	306,000	433,401	463,216	6 **Deferred liabilities**	**726,810**	769,216
93,014	111,690	*93,014*	*111,690*	7 N.V./Limited Inter-Group items	**—**	—
4,247,906	4,024,488	4,417,726	4,780,513		**8,665,632**	8,805,001
				EMPLOYMENT OF CAPITAL		
2,162,598	2,049,981	2,330,982	2,559,908	8 **Land, buildings and plant**	**4,493,580**	4,609,889
107,189	153,181	95,464	163,524	9 **Trade investments**	**202,653**	316,705
135,657	122,126	36,359	36,145	10 **Long-term debtors**	**172,016**	158,271
2,405,444	2,325,288	2,462,805	2,759,577		**4,868,249**	5,084,865
				Current assets		
1,677,743	1,640,435	1,554,857	1,689,012	11 Stocks	**3,232,600**	3,329,447
884,816	866,024	991,657	1,027,719	12 Debtors	**1,876,473**	1,893,743
273,820	277,106	365,400	317,267	13 Marketable and short-term securities	**639,220**	594,373
777,601	407,466	446,389	430,020	14 Cash and bank balances	**1,223,990**	837,486
3,613,980	3,191,031	3,358,303	3,464,018		**6,972,283**	6,655,049
				Current liabilities		
1,051,757	*881,371*	*753,866*	*770,234*	15 Creditors	***1,805,623***	*1,651,605*
364,222	*337,763*	*350,439*	*388,716*	16 Bank advances	***714,661***	*726,479*
274,881	*208,747*	*244,932*	*241,297*	17 Provision for taxation	***519,813***	*450,044*
80,658	*63,950*	*54,145*	*42,835*	18 Dividends	***134,803***	*106,785*
1,771,518	*1,491,831*	*1,403,382*	*1,443,082*		***3,174,900***	*2,934,913*
1,842,462	1,699,200	1,954,921	2,020,936	**Net current assets**	**3,797,383**	3,720,136
4,247,906	4,024,488	4,417,726	4,780,513		**8,665,632**	8,805,001

Notes

N.V. and LIMITED are linked by a series of agreements of which the principal is the Equalisation Agreement. Inter alia this equalises the rights of the ordinary capitals of the two Companies as to dividends and, on liquidation, as to capital value, on the basis of £ 1 nominal of LIMITED's ordinary capital being equivalent to Fl. 12 of N.V.'s ordinary capital.

LIMITED's consolidated balance sheet has been converted at the official parity of £ 1 = Fl. 8.688 (1966 £ 1 = Fl. 10.136) except that LIMITED's ordinary capital has been converted at the rate of £ 1 = Fl. 12. The consequential adjustment is shown in note 3 below.

3 Movements in profits retained and other reserves were:—

N.V.	LIMITED	*Fl. 000's*	COMBINED
		Premiums on capital issued	
52,166	35,659	At 1st January, 1967	**87,825**
—	*5,095*	Adjustment to reflect the devaluation of sterling	***5,095***
52,166	30,564	At 31st December, 1967	**82,730**
		Adjustment on conversion of Limited's ordinary capital at £ 1 = Fl. 12	
—	*84,508*	At 1st January, 1967	***84,508***
—	*65,648*	Adjustment to reflect the devaluation of sterling	***65,648***
—	*150,156*	At 31st December, 1967	***150,156***
		Profits retained in the business	
1,955,411	2,811,706	At 1st January, 1967	**4,767,117**
—	*230,657*	Adjustment to reflect the devaluation of sterling	***230,657***
1,955,411	2,581,049		**4,536,460**
3,039	—	Discount and expenses on issue of the 6% Notes	***3,039***
32,058	*38,757*	Goodwill on acquisition of new subsidiaries after deducting surplus on revaluation of fixed assets*	***70,815***
25,065	*71,389*	Exchange and other adjustments on consolidation	***96,454***
21,000	17,376	Fixed assets replacement reserve	**38,376**
272,468	125,488	Other profits retained	**397,956**
293,468	142,864	Profit for the year retained	**436,332**
2,188,717	2,613,767	At 31st December, 1967**	**4,802,484**
2,240,883	2,494,175		**4,735,058**

* In accordance with the practice established in 1953, the excess of the price paid for new interests over net tangible assets acquired has been eliminated.

** Includes cumulative fixed assets replacement reserve Fl. 138,192,000 (N.V. Fl. 60,000,000, LIMITED Fl. 78,192,000).

5 Movements in 1967 include for LIMITED an issue in Australia of A. $ 6 million $7^3/_4$% debentures and in N.V. the Fl. 75 million balance of the Fl. 300 million 6% Notes issued in 1965.

Loan capital includes amounts repayable:—

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966	*Fl. 000's*	COMBINED 1967	COMBINED 1966
70,070	109,852	38,053	29,232	after 1 year but within 5 years	**108,123**	139,084
172,657	146,195	100,581	104,006	after 5 years but within 10 years	**273,238**	250,201
268,056	241,187	277,469	169,504	after 10 years but within 20 years	**545,525**	410,691
75,618	77,985	502,297	691,691	after 20 years	**577,915**	769,676
586,401	575,219	918,400	994,433		**1,504,801**	1,569,652

Loan capital is secured to the extent of N.V. Fl. 49,201,000 (1966 Fl. 49,618,000), LIMITED Fl. 363,506,000 (1966 Fl. 353,980,000).

Notes (continued)

6 Deferred liabilities are as follows:—

N.V. 1967	N.V. 1966	LIMITED 1967	LIMITED 1966	*Fl. 000's*	COMBINED 1967	COMBINED 1966
99,409	126,000	277,017	295,972	Taxation	**376,426**	421,972
194,000	180,000	156,384	167,244	Unfunded retirement benefits	**350,384**	347,244
293,409	306,000	433,401	463,216		**726,810**	769,216

Taxation deferred liabilities include:—

(1) United Kingdom corporation tax Fl. 114,525,000 (1966 Fl. 131,444,000) on the profits of 1967, due on 1st January, 1969 and certain foreign taxes which are not in the nature of current liabilities.

(2) deferred taxation—in many countries fixed assets are written off more rapidly for tax than is adopted for commercial purposes, so that there is an immediate saving of tax. This saving has not been taken to profits but set aside to meet the liability which will ultimately arise.

Less

(3) estimated future taxation relief on the provisions for unfunded retirement benefits.

Unfunded retirement benefits represent the estimated present value of the future liability for retirement and death benefits to past and present employees other than benefits provided through pension and provident funds.

7 Inter-group items consist of several accounts and incorporate loans of £ 11,500,000 by the LIMITED Group to the N.V. Group which are secured on shares of subsidiaries of N.V.

8 Movements in land, buildings and plant were as follows:—

N.V.	LIMITED	*Fl. 000's*	COMBINED
		Cost or valuation by Directors at various dates since 1945	
3,809,675	4,167,325	At 1st January, 1967	**7,977,000**
—	*403,623*	Adjustment following the devaluation of sterling	*403,623*
3,809,675	3,763,702		**7,573,377**
349,972	266,096	Expenditure	**616,068**
36,680	*42,389*	Proceeds of disposals	*79,069*
104,713	62,858	New subsidiaries	**167,571**
101,083	*131,883*	Adjustments on disposals, revaluations and exchange differences	*232,966*
4,126,597	3,918,384	At 31st December, 1967	**8,044,981**
		Depreciation	
1,759,694	1,607,417	At 1st January, 1967	**3,367,111**
—	*150,579*	Adjustment following the devaluation of sterling	*150,579*
1,759,694	1,456,838		**3,216,532**
		Charged to profit and loss account:—	
274,696	240,361	—in costs	**515,057**
—	*16,375*	—adjustment to year-end rate	*16,375*
29,804	22,215	New subsidiaries	**52,019**
100,195	*115,637*	Adjustments on disposals, revaluations and exchange differences	*215,832*
1,963,999	1,587,402	At 31st December, 1967	**3,551,401**
		Net balance sheet amounts	
137,357	94,899	Land	**232,256**
876,095	1,054,463	Buildings	**1,930,558**
1,110,808	1,094,549	Plant and equipment	**2,205,357**
38,338	87,071	Ships	**125,409**
2,162,598	2,330,982		**4,493,580**

In LIMITED, investment grants receivable in the United Kingdom estimated at Fl. 29,817,000 (1966 Fl. 32,993,000) have been deducted in stating the above expenditure for the year.

At 31st December, 1967 the amount of capital expenditure authorised by the Boards and still not spent was Fl. 586,346,000 (N.V. Fl. 313,551,000, LIMITED Fl. 272,795,000). Of this amount commitments had been entered into for Fl. 197,296,000 (N.V. Fl. 113,309,000, LIMITED Fl. 83,987,000).

Notes (continued)

9 Trade investments are mostly companies in which Unilever owns 50% or less of the ordinary share capital and which are not therefore included in the consolidation.

The following table shows the share of the underlying net assets and profits for the latest year for which information is available:—

Fl. 000's

			Unilever share of	
		Book amount 31st December, 1967	Net Assets	Net Profits after tax
Europe		126,865	214,896	16,765
North and South America		20,307	29,364	4,878
Africa		52,059	96,922	15,084
Rest of the World		3,422	3,053	139
	1967	**202,653**	**344,235**	**36,866**
	1966	316,705	418,246	32,902

In 1967 the Commercial Plastics Group in Europe and Hohnen-Lever in Japan became subsidiaries and are therefore no longer shown under trade investments.

Income from trade investments, before tax, taken up in 1967 amounted to Fl. 25,978,000 (1966 Fl. 31,574,000).

In N.V., trade investments are shown principally at cost.

In LIMITED, trade investments are shown at net book amount at 31st December, 1947, with additions at cost or valuation, less Fl. 8,853,000 written off.

10 Long-term debtors comprise balances which are not due for repayment within one year.

11 Stocks are consistently stated in 1966 and 1967, on the basis of the lower of cost—mainly averaged cost—and net realisable value.

13 Marketable and short-term securities comprise quoted, mainly dated, stocks, N.V. Fl. 71,997,000 (1966 Fl. 62,579,000), LIMITED Fl. 207,183,000 (1966 Fl. 152,861,000) and unquoted, mainly municipal and other short-term loans. The market value of quoted securities amounts to: N.V. Fl. 81,494,000 (1966 Fl. 68,331,000), LIMITED Fl. 204,211,000 (1966 Fl. 152,405,000).

16 Bank advances are secured to the extent of N.V. Fl. 50,931,000 (1966 Fl. 40,657,000), LIMITED Fl. 30,330,000 (1966 Fl. 39,794,000).

GENERAL

Except as otherwise stated, foreign currencies have been converted at the appropriate official parities or other current rates of exchange at the year end. The degree of restriction which affects the transfer of some currencies varies from year to year. After making provisions, the net assets and net profits in countries presently subject to severe restrictions are not large in relation to the total.

There are contingent liabilities, on which no loss is expected.

STATEMENT C

Balance sheet

UNILEVER N.V.

Fl. 000's. *Figures in red represent deductions.*

31st December, 1966					31st December, 1967
		CAPITAL EMPLOYED			
		1 Preferential capital	*Authorised*	*Issued and fully paid*	
	29,000	7% Cumulative Preference (Ranking pari passu)	75,000	29,000	
	161,060	6% Cumulative Preference (Ranking pari passu)	200,000	161,060	
	75,000	4% Cumulative Preference (Ranking pari passu)	75,000	75,000	
265,060			350,000		**265,060**
		2 Ordinary capital and reserves			
	642,565	Ordinary capital	1,002,400	642,565	
	52,166	Premiums on capital issued		52,166	
	367,259	Profits retained in the business and other reserves		403,419	
1,061,990					**1,098,150**
		3 Loan capital			
225,000		6% Notes			**300,000**
115		4 Indebtedness—Limited Group			***818***
1,552,165					**1,662,392**
		EMPLOYMENT OF CAPITAL			
		5 Interests in subsidiaries			
	260,375	Shares at cost		260,375	
	1,254,633	Advances		1,239,466	
	1,515,008			1,499,841	
	129,889	*Less:* Deposits		*133,953*	
1,385,119					**1,365,888**
14,564		**6 Long-term debtors**			**32,967**
		7 Current assets			
	11,418	Debtors and payments in advance	9,528		
	71,506	Marketable and short-term securities	36,378		
	189,816	Cash and bank balances	367,610		
	272,740			413,516	
		8 Current liabilities and provisions			
	48,899	Creditors	*50,987*		
	8,970	Provision for taxation	*20,789*		
	62,389	Dividends, due or proposed	*78,203*		
	120,258			*149,979*	
152,482					**263,537**
1,552,165					**1,662,392**

On behalf of the Board,

H. S. A. HARTOG, *Chairman.*

COLE, *Vice-Chairman.*

Notes

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

2 Fl. 1,200,000 of ordinary capital is held by a subsidiary of N.V. and Fl. 1,200,000 by a subsidiary of LIMITED, who have waived their rights to the dividends for 1967.

The profit and loss account of N.V. for 1967 is as follows:—

		Fl. 000's
Income from subsidiaries	191,726	
Interest	19,333	
Sundries	5,454	
		216,513
Less: General expenses	*2,047*	
Taxation	*11,094*	
		13,141
Profit for the year		203,372

The movements in profits retained in the business and other reserves were:—

		Fl. 000's
Balance at 1st January, 1967		367,259
Discount and expenses on issue of 6% Notes		*3,039*
Profit for the year	203,372	
Preferential dividends	*14,694*	
Ordinary dividends	*149,479*	
Fixed assets replacement reserve (on behalf of subsidiaries)		21,000
Other profits retained		18,199
Profit for the year retained		39,199
Balance at 31st December, 1967*		403,419

* Includes cumulative fixed assets replacement reserve Fl. 60,000,000.

3 Fl. 300,000,000 6% Notes were issued in 1965, of which Fl. 225,000,000 were received in 1966; the remaining Fl. 75,000,000 were received in 1967.

6 Long-term debtors are mainly deposits with financial institutions which are not due for repayment within one year.

7 Debtors, and payments in advance of Fl. 665,000, have been shown after provision for doubtful debts.

Marketable and short-term securities are short-term deposits mainly with financial institutions.

GENERAL

Foreign currencies have been converted at the appropriate official parities or other current rates of exchange at the year end.

There are contingent liabilities, on which no loss is expected.

STATEMENT D

Balance sheet

UNILEVER LIMITED

£ 000's. Figures in red represent deductions.

31st December, 1966					31st December, 1967
		CAPITAL EMPLOYED			
		1 Preferential capital	*Authorised*	*Issued and fully paid*	
	172	5% First Cumulative Preference	172	172	
	3,503	7% First Cumulative Preference	3,503	3,503	
	1,218	8% Second Cumulative Preference	1,218	1,218	
	250	20% Third Cumulative Preferred Ordinary	250	250	
5,143			5,143		5,143
		2 Ordinary and deferred capital and reserves			
	45,337	Ordinary capital (in 5s. shares)	136,176	45,337	
	100	Deferred capital	100	100	
	45,437		136,276	45,437	
	3,518	Premiums on capital issued		3,518	
	124,843	Profits retained in the business and other reserves		150,300	
173,798					199,255
		3 Loan capital			
	7,354	$3\frac{3}{4}$% Debenture stock, 1955/75 (Ranking pari passu)		7,290	
	10,655	4% Debenture stock, 1960/80 (Ranking pari passu)		10,481	
	14,000	$6\frac{3}{4}$% Debenture stock, 1985/88 (Ranking pari passu)		13,810	
	2,188	$5\frac{1}{2}$% Unsecured loan stock, 1991/2006 (Ranking pari passu)		2,188	
	54,735	$7\frac{3}{4}$% Unsecured loan stock, 1991/2006 (Ranking pari passu)		54,735	
88,932					88,504
4,958		**4 Deferred liabilities**			5,250
272,831					298,152
11,486		5 Indebtedness of N.V. Group			*11,136*
261,345					287,016
		EMPLOYMENT OF CAPITAL			
		6 Fixed assets			
	11,137	Land, buildings and plant		11,787	
	7,284	Trade investments		2,164	
18,421					13,951
		7 Interests in subsidiaries			
	147,314	Shares		150,677	
	132,908	Advances		134,317	
	280,222			284,994	
	84,884	*Less:* Deposits		*68,579*	
195,338					216,415
		8 Current assets			
	3,750	Debtors	2,217		
	24,224	Marketable and short-term securities	31,523		
	31,165	Cash and bank balances	37,154		
	59,139			70,894	
		9 Current liabilities			
	6,238	Creditors	*5,958*		
	1,109	Provision for taxation	*2,077*		
	4,206	Dividends, due or proposed	*6,209*		
	11,553			*14,244*	
47,586					56,650
261,345					287,016

COLE, *Chairman.*
H. S. A. HARTOG, *Vice-Chairman.*

Notes

2 Half of the deferred stock is held by a subsidiary of LIMITED and half by a subsidiary of N.V. A nominal dividend of $^1/_4$% was paid on this stock.

The movements in profits retained in the business and other reserves were:—

		£ 000's
Balance at 1st January, 1967		124,843
Deferred tax adjustment		*154*
Profit for the year	38,029	
Preferential dividends	*401*	
Ordinary and Deferred dividends	*12,017*	
Fixed assets replacement reserve (on behalf of subsidiaries)		2,000
Other profits retained		23,611
Profit for the year retained		25,611
Balance at 31st December, 1967*		150,300

* Includes cumulative fixed assets replacement reserve £ 9,000,000.

3 The three issues of debenture stock are secured by a floating charge on the assets of the Company. During the year £ 64,000 of 3$^3/_4$% debenture stock 1955/75, £ 174,000 of 4% debenture stock 1960/80 and £ 190,000 of 6$^3/_4$% debenture stock 1985/88 were purchased by the Company.

4 Deferred liabilities are as follows:—

1966		1967
£ 000's		£ 000's
3,528	Taxation*	3,373
1,430	Unfunded retirement benefits	1,877
4,958		5,250

* Includes United Kingdom corporation tax of £ 859,000 (1966 £ 1,624,000) on the profit of 1967, due on 1st January, 1969.

5 This includes a loan of £ 11,000,000 secured on the shares of subsidiaries of N.V.

6 Land, buildings and plant:—

1966		1967
£ 000's		£ 000's
14,812	At valuation 1st January, 1953, with additions at cost	16,040
3,675	Depreciation	*4,253*
11,137		11,787

Investment grants receivable have been deducted in stating the cost of fixed assets (estimated at £ 45,000 relating to capital expenditure during 1967).

Trade investments are shown at net book amount at 31st December, 1947, with additions at cost or valuation.

7 Shares in subsidiaries are stated at Directors' valuation made on the re-arrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation less amounts written off.

8 Marketable and short-term securities comprise short-dated government and municipal stocks £ 21,942,000 (1966 £ 13,101,000) (market value £ 21,785,000 (1966 £ 13,259,000)) and short-term municipal loans £ 9,581,000 (1966 £ 11,123,000).

GENERAL

Foreign currencies have been converted at the appropriate official parities or other current rates of exchange at the year end.

There are contingent liabilities, on which no loss is expected.

The estimated commitments for capital expenditure at 31st December, 1967, were £ 752,000 (1966 £ 313,000).

Reports of the Auditors

N.V. GROUP

TO THE MEMBERS OF UNILEVER N.V.

In our opinion the accounts set out in Statements A to C and the notes relevant thereto together give a true and fair view of the state of affairs at 31st December, 1967 and of the profit for the year ended on that date of the Company and the Group.

London/The Hague,
London/Rotterdam, } 22nd March, 1968.

PRICE WATERHOUSE & CO.
COOPER BROTHERS & CO.

LIMITED GROUP

The following is the auditors' report on the accounts of LIMITED and the LIMITED Group which are expressed in sterling.

TO THE MEMBERS OF UNILEVER LIMITED

In our opinion the accounts set out in Statements A, B and D and the notes relevant thereto together give a true and fair view of the state of affairs at 31st December, 1967 and of the profit for the year ended on that date of the Company and the Group and comply with the Companies Act, 1948.

London, 22nd March, 1968.

COOPER BROTHERS & CO.
PRICE WATERHOUSE & CO.

Dates for Unilever N.V. shareholders to note

DIVIDENDS

Ordinary	Interim	Announced mid-November. Payable mid-December (New York shares: second half of December).
	Final	Proposed end of February. Payable mid-May (New York shares: about end of May).
7% and 6% Cumulative Preference	First half	Payable 1st July.
	Second half	Payable 2nd January.
4% Cumulative Preference	First half	Payable 1st October.
	Second half	Payable 1st April.

INTERIM ANNOUNCEMENT OF RESULTS

First quarter results	Mid-May.
First half-year results	Mid-August.
Nine months results	Mid-November.
Provisional results for the year	End of February.

PRINCIPAL SUBSIDIARIES

Subsidiary companies are those companies in which N.V. and LIMITED, directly or indirectly, either hold more than 50% of the equity (i.e. ordinary) capital or, being shareholders, control the composition of a majority of the board of directors. The more important subsidiaries are shown below. Where holdings are less than 100% of the equity capital percentages are stated after rounding off.

EUROPE

BELGIUM – N.V. group
Hartog's Levensmiddelen N.V. – 99%
Iglo-Ola N.V. – 99%
Lever N.V. – 99%
Union N.V. – 99%

DENMARK – N.V. group
Solofabriken A/S
Sunlight Fabrikkerne A/S

GERMANY – N.V. group
Deutsche Lebensmittelwerke G.m.b.H.
Elida G.m.b.H.
Folienfabrik Forchheim G.m.b.H.
Langnese-Iglo G.m.b.H.
Margarine-Union G.m.b.H.
Heinrich Nicolaus G.m.b.H.
"Nordsee" Deutsche Hochseefischerei G.m.b.H. – 68%
R. Rube & Co., G.m.b.H.
Papierfabrik Seltmans G.m.b.H.
Sunlicht G.m.b.H.

IRELAND – LIMITED group
Lever Brothers (Ireland) Ltd.
W. & C. McDonnell Ltd.
Paul and Vincent Ltd.

SPAIN – N.V. group
Agra, S.A. Acidos Grasos y Derivados – 60%
Lever Ibérica, S.A. – 92%

FRANCE – N.V. group
Astra-Calvé – 97%
Savonneries Lever – 99%
Thibaud Gibbs et Cie – 99%

GREECE – N.V. group
Industrie Hellénique de Détergents S.A. (E.V.A.) – 79%

ITALY – N.V. group
Società Partenopea Imbottigliamento Confezione Alimenti S.P.I.C.A. S.p.A.
Unil-It S.p.A.
Vallese-Eldorado S.p.A.

NETHERLANDS – N.V. group
Van den Bergh's en Jurgens' Fabrieken N.V.
Calvé-De Betuwe N.V.
Commercial Plastics Boekelo N.V.
Iglo N.V.
Lever's Zeep-Maatschappij N.V.
N.V. Mengvoeder U.T.-Delfia
Scado-Archer-Daniels N.V. – 69%
Unilever-Emery N.V. – 50%
Unilever Export N.V.
Unox N.V.
Vinolia N.V.

AUSTRIA – N.V. group
"Apollo" Seifen und Waschmittel G.m.b.H.
"Elida" Wiener Parfümerie Gesellschaft m.b.H.
Eskimo-Iglo G.m.b.H.
"Kunerol" Nahrungsmittel G.m.b.H.
Oesterreichische Unilever G.m.b.H.

PORTUGAL – N.V. group
Industrias Lever Portuguesa Lda. – 60%

SWITZERLAND – N.V. group
"Astra" Fett- & Oelwerke A.G. – 78%
Oel- & Fettwerke "Sais" – 99%
Sunlight A.G.

FINLAND – N.V. group
S.W. Paasivaara-Yhtymä Oy.
Turun Saippua Oy.

SWEDEN – N.V. group
AB Centrava
AB Liva Fabriker – 77%
AB Sunlight

TURKEY – N.V. group
Unilever-Is Ticaret ve Sanayi Türk Limited Sirketi – 80%

UNITED KINGDOM – LIMITED group
Batchelors Foods Ltd.
Van den Berghs and Jurgens Ltd.
Birds Eye Foods Ltd.
The British Oil and Cake Mills Ltd.
Chemical and Industrial Investment Company Ltd.
Commercial Plastics Industries Ltd.
Joseph Crosfield & Sons Ltd.

Domestos Ltd.
Gibbs Proprietaries Ltd.
Lever Brothers & Associates Ltd.
Mac Fisheries Ltd.
Palm Line Ltd.
Price's Chemicals Ltd.
Proprietary Perfumes Ltd.
R. Silcock & Sons Ltd.
S.P.D. Ltd.
Thames Board Mills Ltd.
U.K. Compound Feeds Ltd.
Unilever Export Ltd.
The United Africa Company Ltd.
T. Wall & Sons Ltd.
T. Wall & Sons (Ice Cream) Ltd.
T. Wall & Sons (Meat & Handy Foods) Ltd.
John West Foods Ltd.

NORTH AND SOUTH AMERICA

CANADA
Lever Brothers Ltd. – LIMITED group
Thomas J. Lipton Ltd. – N.V. group

MEXICO – N.V. group
Lever de Mexico S.A. – 97%

UNITED STATES OF AMERICA – N.V. group
Lever Brothers Company
Thomas J. Lipton Inc. – 99%

ARGENTINA – N.V. group
Lever Hermanos Limitada S.A. Comercial y Industrial – 99%

BRAZIL – N.V. group
Industrias Gessy Lever S.A. – 99%

PERU – N.V. group
Lever Pacocha S.A. – 99%

TRINIDAD – LIMITED group
Lever Brothers West Indies Ltd. – 98%

VENEZUELA – N.V. group
Lever S.A.

AFRICA

ALGERIA – N.V. group
Unilever Algérie – 99%

CAMEROONS – LIMITED group
Pamol (Cameroons) Ltd.

CONGOLESE REPUBLIC (KINSHASA)
Plantations Lever au Congo S.C.A.R.L. – 98% – N.V. group
Sedec S.C.A.R.L. – 99% – LIMITED group
Société des Margarineries et Savonneries Congolaises "Marsavco" S.C.A.R.L. – 99% – N.V. group

GHANA – LIMITED group
Kingsway Stores of Ghana Ltd. – 89%
Lever Brothers Ghana Ltd. – 51%
The United Africa Company of Ghana Ltd.

IVORY COAST – LIMITED group
Compagnie Française de la Côte d'Ivoire – 99%

KENYA – LIMITED group
East Africa Industries Ltd. – 54%
Gailey & Roberts Ltd.

MALAWI – LIMITED group
Lever Brothers (Malawi) Ltd.

NIGERIA – LIMITED group
African Timber and Plywood (Nigeria) Ltd.
Kingsway Stores of Nigeria Ltd.
Lever Brothers (Nigeria) Ltd.
Pamol (Nigeria) Ltd.
The United Africa Company of Nigeria Ltd.

RHODESIA – LIMITED group
Lever Brothers (Pvt.) Ltd.

SIERRA LEONE – LIMITED group
The United Africa Company of Sierra Leone Ltd.

SOUTH AFRICA – LIMITED group
Lever Brothers (Pty.) Ltd.

ZAMBIA – LIMITED group
Lever Brothers (Zambia) Ltd.

REST OF THE WORLD

CEYLON – LIMITED group
Lever Brothers (Ceylon) Ltd.

INDIA – LIMITED group
Hindustan Lever Ltd. – 85%

INDONESIA – N.V. group
Van den Bergh's Fabrieken Indonesia N.V.
Maatschappij ter Exploitatie der Colibri-Fabrieken N.V.
Lever's Zeep Fabrieken Indonesia N.V.

JAPAN – N.V. group
Hohnen-Lever Co., Ltd. – 70%

MALAYSIA – LIMITED group
Lever Brothers (Malaysia) Sdn. Berhad
Pamol (Malaya) Sdn. Berhad
Pamol (Sabah) Ltd.

PAKISTAN – LIMITED group
Lever Brothers Pakistan Ltd. – 70%

PHILIPPINES – N.V. group
Philippine Refining Company Inc.

THAILAND – N.V. group
Lever Brothers (Thailand) Ltd.

AUSTRALIA – LIMITED group
Rosella Foods Pty. Ltd.
Streets Ice Cream Pty. Ltd.
Unilever Australia Pty. Ltd.

NEW ZEALAND – LIMITED group
Unilever New Zealand Ltd.

Combined earnings and dividends per share*

1967 above 1966

	Dutch Guilders	Sterling s/d	Belgian Francs	French Francs	German Marks	Swiss Francs	U.S. Dollars
Earnings:—							
Per Fl. 12 or £ 1 of ordinary capital	**7.39**	**17/0.14**	**102.07**	**10.08**	**8.17**	**8.93**	**2.04**
	6.39	12/7.30	88.26	8.72	7.06	7.72	1.77
Per Fl. 20 of ordinary capital	**12.32**	**28/4.23**	**170.11**	**16.80**	**13.61**	**14.88**	**3.40**
	10.65	21/0.17	147.10	14.53	11.77	12.86	2.94
Dividends per Fl. 20 ordinary capital	**4.67**	**10/0**	**64.50**	**6.37**	**5.16**	**5.64**	**1.29**
	4.21	8/4	58.15	5.74	4.65	5.09	1.17

** The figure of combined earnings per share should not be considered as more than a guide for comparing the combined profits from year to year, and should not be taken as the amount that would be paid to the ordinary shareholders if all the profits for the year were distributed as dividend. Reference is made to the booklet Equalisation Agreement and Earnings per Share, reprinted in 1967, which is available on request. In calculating the combined earnings per share $62^1/_2\%$ of the £ 8,450,824 LIMITED ordinary shares held by the Leverhulme Trust has been excluded from the profit participation.*

Salient figures in other currencies

All figures relate to the N.V. and LIMITED groups combined.
The Salient Figures given on page 6 are shown below in the currencies indicated.

Million—1967 above 1966

	Sterling	Belgian Francs	French Francs	German Marks	Swiss Francs	U.S. Dollars
Turnover	**2,523**	**339,632**	**33,529**	**27,171**	**29,693**	**6,793**
	2,392	334,851	33,055	26,788	29,276	6,697
of which Sales to third parties	**2,022**	**272,290**	**26,881**	**21,783**	**23,805**	**5,446**
	1,893	265,037	26,163	21,203	23,172	5,301
Operating profit	**145**	**19,490**	**1,924**	**1,559**	**1,704**	**390**
	121	16,895	1,668	1,351	1,477	338
Interest on loan capital	**11**	**1,443**	**142**	**115**	**126**	**29**
	8	1,115	110	89	97	22
Profit before taxation	**142**	**19,067**	**1,882**	**1,525**	**1,667**	**381**
	118	16,570	1,636	1,325	1,449	331
Taxation for the year	**65**	**8,760**	**865**	**701**	**766**	**175**
	53	7,476	738	598	654	149
Consolidated net profit	**81**	**9,784**	**966**	**783**	**855**	**196**
	62	8,654	854	692	757	173
Preferential dividends—gross	**2**	**251**	**25**	**20**	**22**	**5**
	4	536	53	43	47	11
Ordinary dividends	**29**	**3,506**	**346**	**281**	**306**	**70**
	23	3,263	322	261	286	65
Profit retained in the business	**50**	**6,027**	**595**	**482**	**527**	**121**
	36	4,981	492	398	435	100
Capital employed	**997**	**119,691**	**11,819**	**9,575**	**10,463**	**2,394**
	869	121,616	12,005	9,729	10,633	2,432
Capital expenditure	**71**	**8,509**	**840**	**681**	**744**	**170**
	60	8,361	825	669	731	167
Depreciation	**57**	**6,888**	**680**	**551**	**602**	**138**
	49	6,908	682	553	604	138

The figures shown above have been converted at the official parity rate for the country concerned, except that those in sterling are the same as in LIMITED's Report and Accounts.

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