

# Deutsche Bank Conference

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**WHEN YOUR SKIN IS  
DEEPLY NOURISHED  
YOUR BODY LANGUAGE  
SAYS SO**



# Safe harbour statement

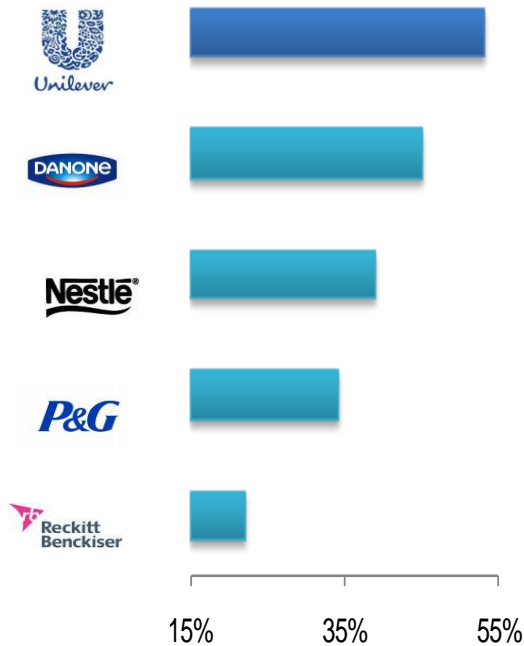


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# Unilever is the emerging markets player



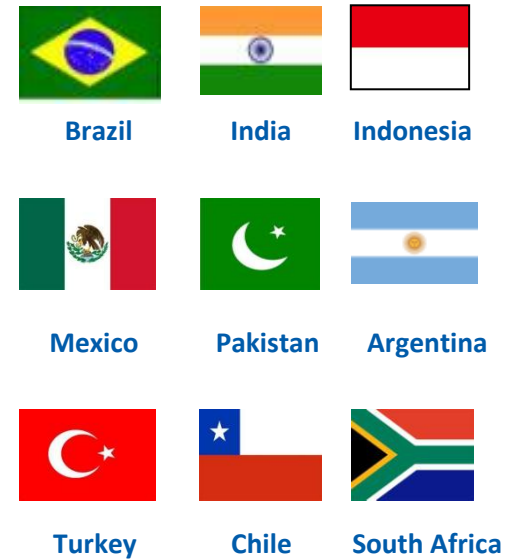
## Scale



## Breadth

13 emerging countries with sales > € 0.5bn

## Talent #1 employer ranking



# With excellent brands and market positions...



## Strong Brand Portfolio

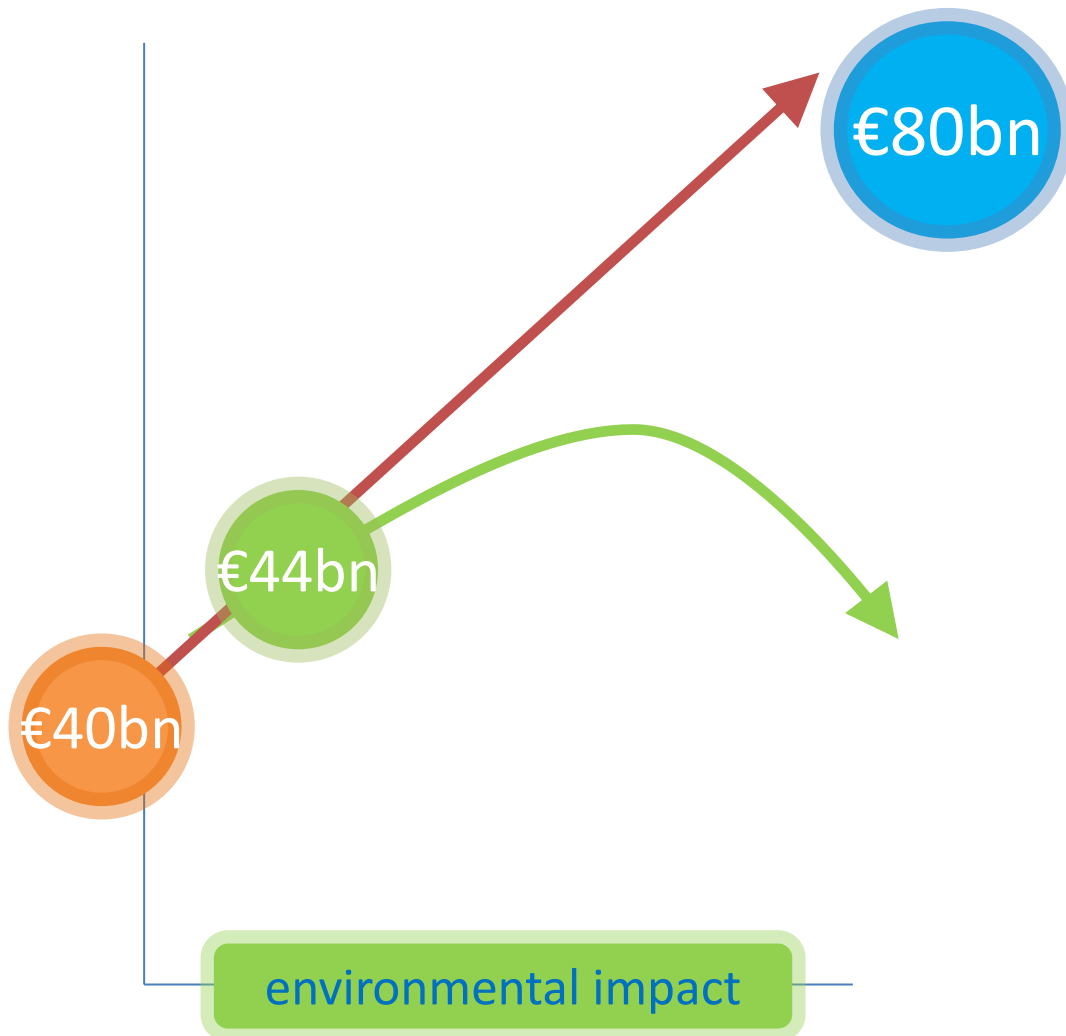
€1bn  
Brands

Next 10 brands turnover > €0.5bn

## #1 or #2 in > 80% of Turnover



# ... aligned behind a clear strategy



## THE COMPASS

**WE ARE UNILEVER...**

<b>VISION</b>	<p>We are a successful, growing, sustainable business</p>	<p><b>WE WORK TO CREATE A BETTER FUTURE EVERY DAY</b></p> <p>We help people feel good, look good and get more out of life with brands and services that are good for them and good for others.</p> <p>We will inspire people to take small everyday actions that can add up to a big difference for the world.</p> <p>We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.</p>
<b>BEHAVIOURS</b>	<p>We focus on consumers and customers with a bias for action</p>	<p>Our first priority is to our consumers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded.</p> <p>We will win through a growth mentality and a positive approach to all our stakeholders, based on clear accountability and bias for action.</p>

**WHERE WE WILL WIN...**

<b>PRIORITIES</b>	<p>Win share and grow volume in every category and country</p>
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**HOW WE WILL WIN...**

<b>NON-NEGOTIABLES</b>	<p>Winning with brands and innovation</p>	1	Deliver superior products, design, branding and marketing
		2	Bigger, better, faster innovations
		3	Appeal to more consumers across needs and price points
	<p>Winning in the marketplace</p>	4	Lead market development
		5	Win with winning customers
		6	Be an execution powerhouse
	<p>Winning through continuous improvement</p>	7	Lean, responsive and consumer led value chain
		8	Drive return on brand support
		9	Agile, cost competitive organisation
	<p>Winning with people</p>	10	Organization and diverse talent pipeline ready to match our growth ambitions
		11	Performance culture which respects our values
		12	Leverage our operating framework for competitive advantage

Member 2009/10

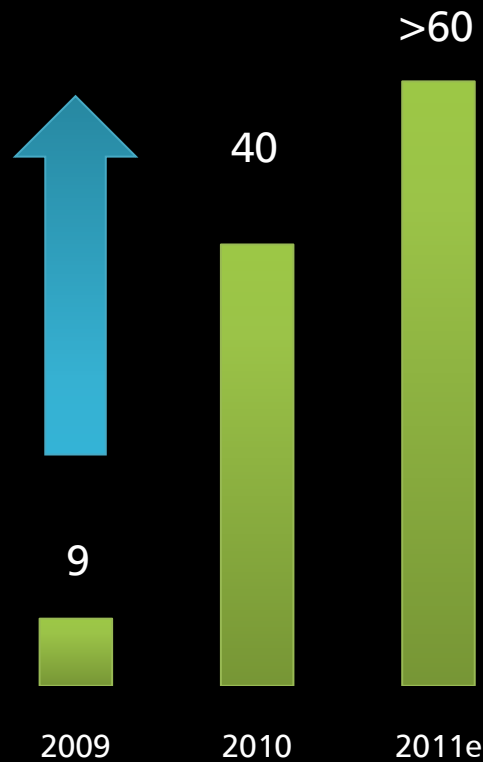
1

Winning with brands and innovation

# Innovations are now bigger, better, deployed faster



**Faster roll-outs  
to 10+ countries**



**Product performance  
increasing**



OUR  
**BEST EVER**  
PROTECTION AGAINST WHITE MARKS

**Technology  
as a differentiator**



# We have sharpened our category strategy...



## Win Globally



Personal Care / Ice Cream / Tea  
Cooking Products

## Win in Emerging Markets



Home Care  
Oral Care

## Win Differently



Core  
Foods



... with a consequential impact on resource allocation

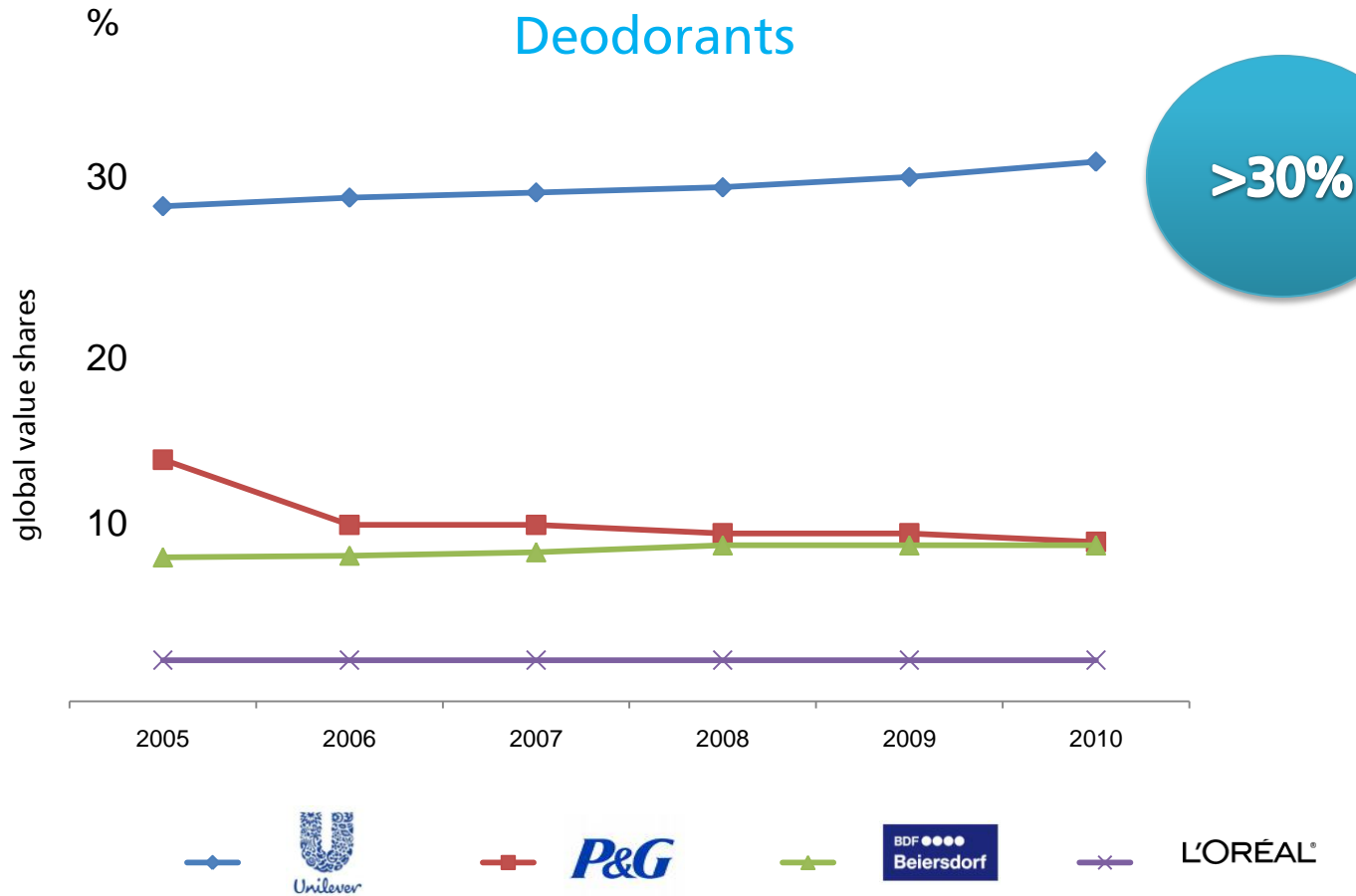


- To fast growing, higher margin categories
- Maximise growth yield on investment
- With structures aligned to strategy
- Such that whole greater than sum of the parts

2

## Winning Globally: Deodorants

# Deodorant shares 3x bigger than nearest competitor



Double digit CAGR over the last 10 years

# Growth driven by strong brand portfolio and innovation



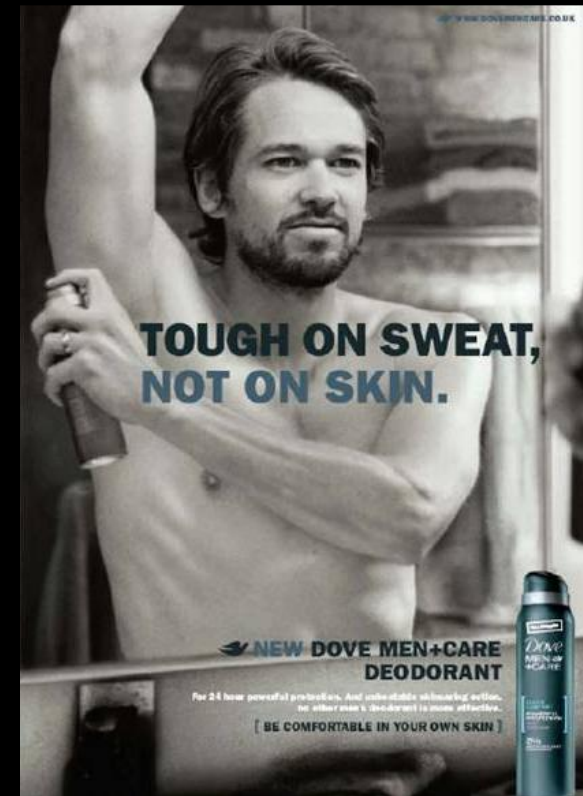
Axe



Rexona



Dove

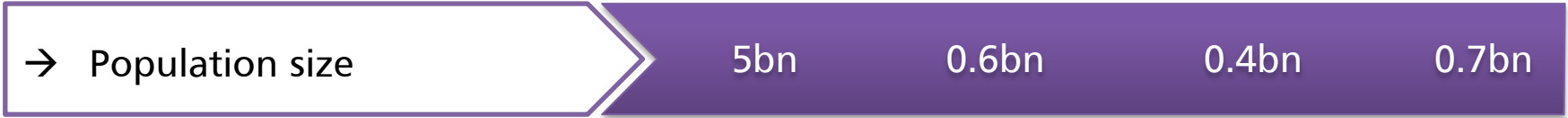
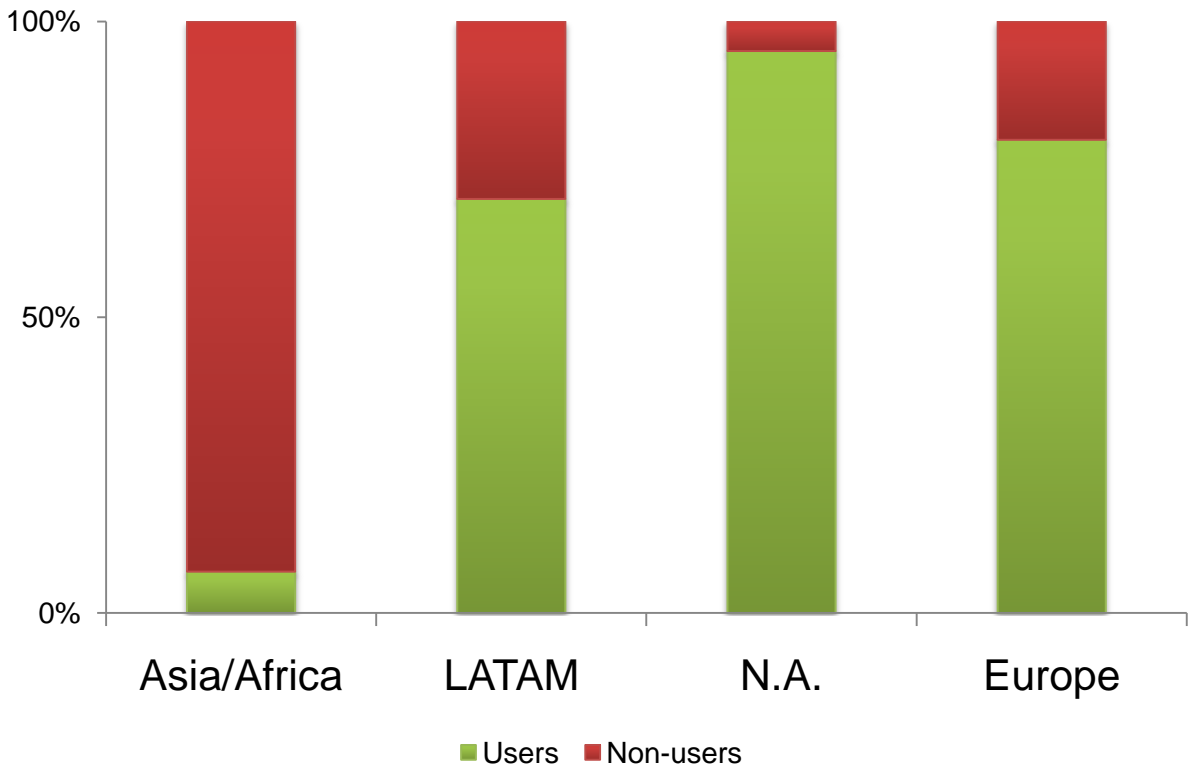




# Growth driven by market development ... lot's still to play for in Asia, Africa, and Latin America



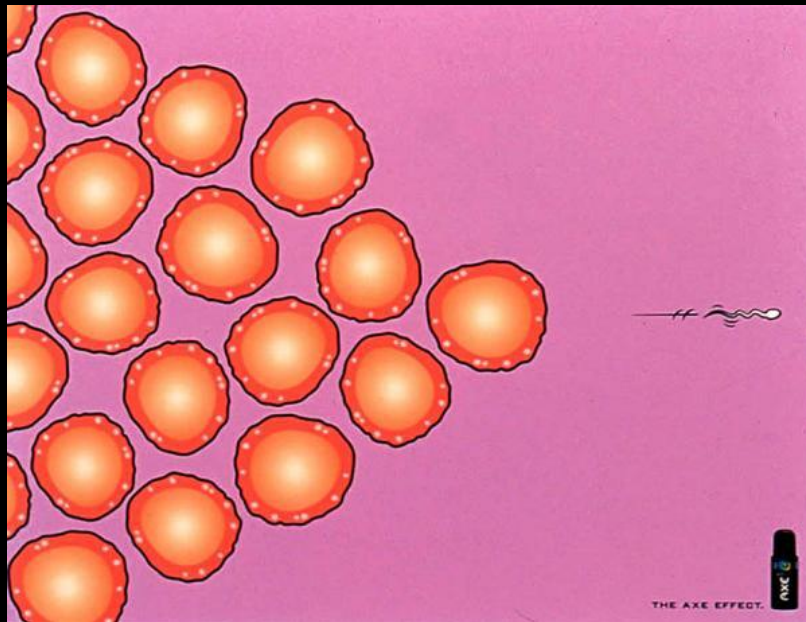
- Low penetration
- Incomes rising
- Highest population where penetration is low



# Consistently great advertising a key



Axe in 2000



Axe in 2011



# Digital now more than 30% of Axe media spend



YouTube  Search Browse TV Sho

Axe - Clean Your Balls (Funny Naughty Commercial)

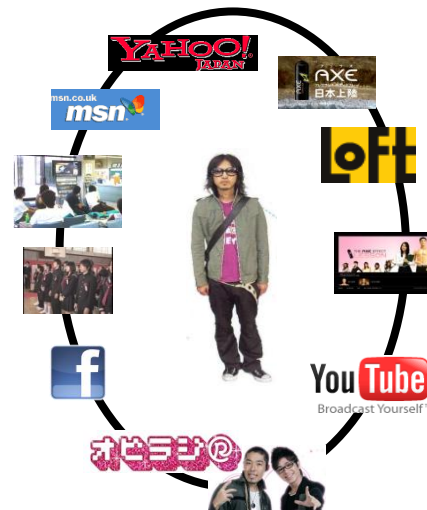
watchRadAds 75 videos



0:01 / 2:46 360p

1,052,280

Uploaded by watchRadAds on 2 Nov 2010  
Clean your balls with the Axe detainer. 3,125 likes, 104 dislikes



Viral Campaigns

Always on Media

3

## Winning Differently: Spreads



Top 6 markets represent > 60% of turnover



Spreads Category



USA



United Kingdom



Germany



Netherlands



France



Sweden

€4bn category, profitable

# A different business model



## From

- Global organisation
- Focus on health benefits
- Lower hit rate on big innovations
- Focussed on spreading

## To

- Regional organisation
- Focus on taste (with health assurance)
- Innovation supports core propositions and other cooking alternatives
- Market development focused on usage

# Spreads - focus on taste (with health assurance)



Rama Irresistible – Germany



Planta Fin – France



Product formulation – parity to butter taste

Spreads innovation - focus on cooking & baking



**NEW**

**45% less**

saturated fat  
than olive oil

**A healthier approach  
to everyday cooking**

**Find it in the fridge**



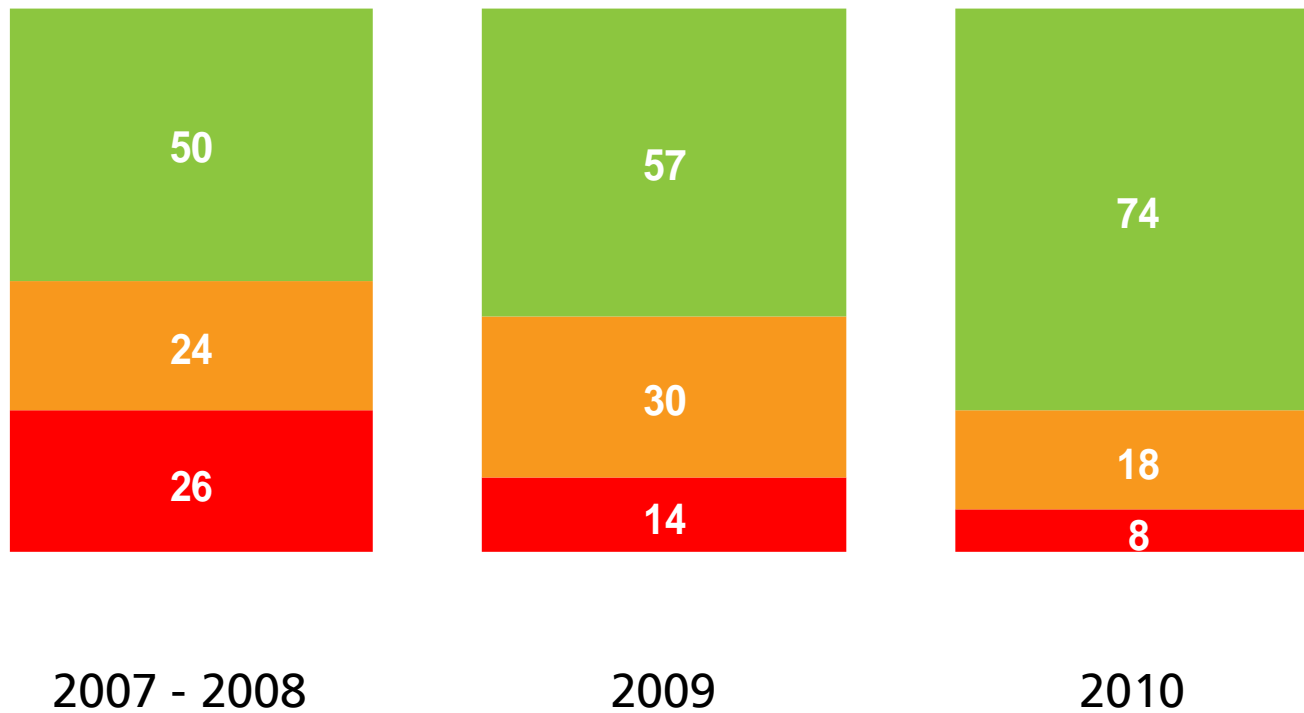
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Driving return on marketing investment

# Advertising effectiveness improving...



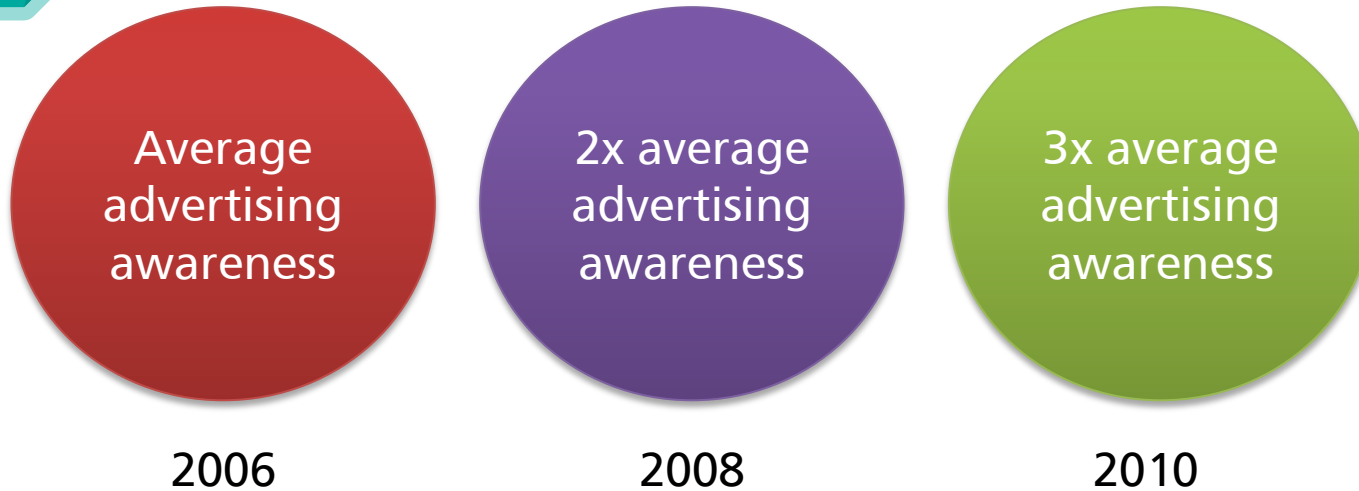
## advertising testing results



... with excellent increases by brand



### Domestos advertising awareness index



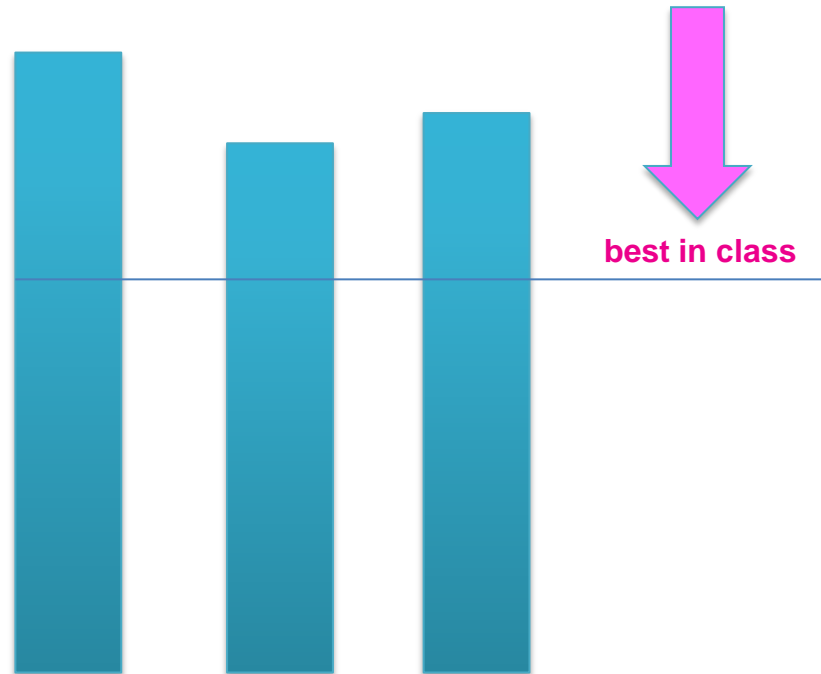
Higher awareness = higher return on investment

# Diverting advertising production costs to working media



Around €1bn  
spend p.a. in  
production and  
agency fees

Production & fees as % of media



More opportunity to shift non-working media to working media



5

Performance culture

# We are driving a new performance culture



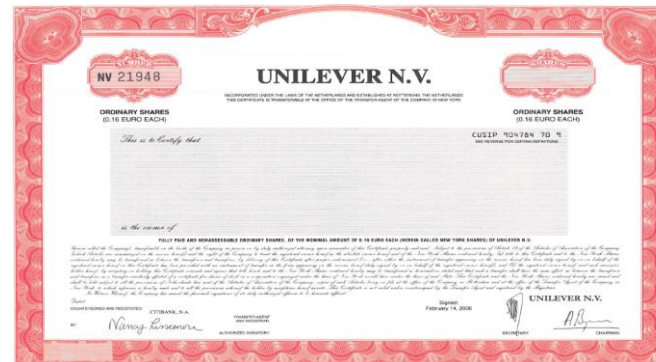
## internal and external appointments



→ 4 UEx members from outside Unilever

→ 2/3<sup>rd</sup> of senior management in new roles

## more skin in the game



→ Top 100 required to hold 1.5x salary in shares

→ UEx required to hold >3.0 salary in shares

## rewards for performance



→ Sharper, competitive structure

→ Long term incentives in place

# More skin in the game



## New Management Share Investment Plan

- Top 100: 70% invested > mandatory thresholds
- Significant increase in overall participation

1. Drive volume growth ahead of the markets
2. Steady and sustainable underlying operating margin improvement
3. Strong cash flow

# Questions



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