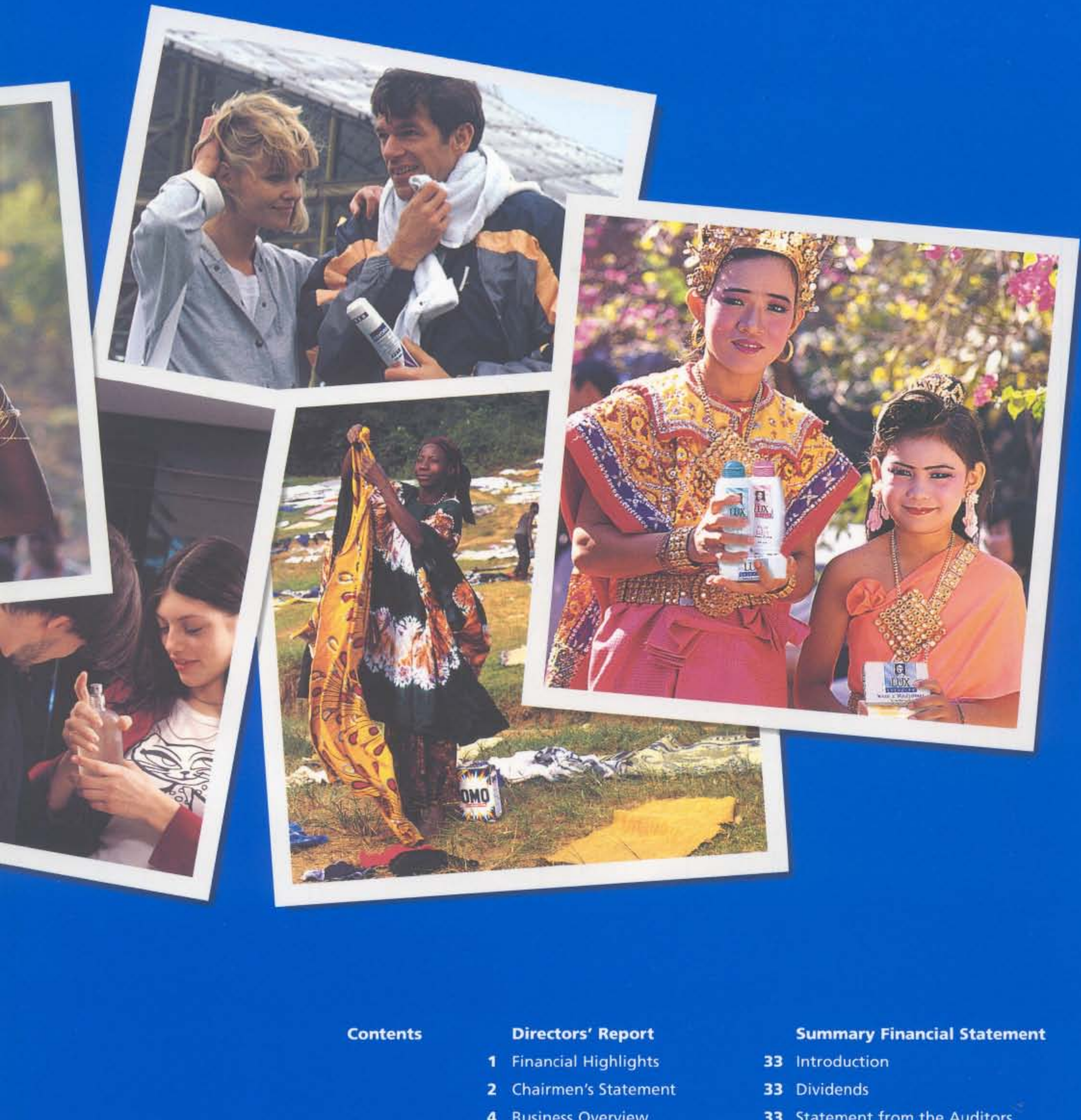
Annual Review 1994

And Summary Financial Statement

English Version in Guilders

Unilever



Contents

Directors' Report

Financial Highlights

	1994 *at current exchange rates*	1994 *at constant exchange rates*	1993	% Change *at current exchange rates*	% Change *at constant exchange rates*
Results (Fl. million)					
Turnover	**82 590**	83 641	77 626	6	8
Operating profit	**7 012**	7 107	5 397	30	32
Operating profit before exceptional items	**7 185**	7 294	6 763	6	8
Exceptional items	**(173)**	(187)	(1 366)		
Profit on ordinary activities before taxation	**6 634**	6 700	5 367	24	25
Net profit	**4 339**	4 362	3 612	20	21
Net profit before exceptional items	**4 372**	4 406	4 271	2	3
Key ratios					
Operating margin before exceptional items (%)	**8.7**		8.7		
Net profit margin before exceptional items (%)	**5.3**		5.5		
Return on capital employed (%)	**16.7**		15.7		
Net gearing (%)	**22.7**		24.8		
Net interest cover (times)	**12.2**		12.8		
Combined earnings per share					
Guilders per Fl. 4 of ordinary capital	**15.52**		12.90	20	
Pence per 5p of ordinary capital	**83.59**		69.45	20	
Ordinary dividends					
Guilders per Fl. 4 of ordinary capital	**6.19**		5.88	5	
Pence per 5p of ordinary capital	**26.81**		25.03	7	

Fluctuations in exchange rates can have a significant effect on Unilever's reported results. In order to highlight the currency impact, key 1994 comparisons are expressed both at the rates of exchange for the current year (current exchange rates) and also at the same exchange rates as were used for 1993 (constant exchange rates).

Methods of calculation

Net profit before exceptional items excludes the after tax effect of exceptional items in operating profit and non-operating exceptional items.

Operating margin before exceptional items is operating profit before exceptional items expressed as a percentage of turnover.

Net profit margin before exceptional items is net profit before exceptional items expressed as a percentage of turnover.

Return on capital employed is the sum of profit on ordinary activities after taxation, plus interest, after tax, on borrowings due after more than one year, expressed as a percentage of the average capital employed during the year.

Net gearing is net debt (borrowings less cash and current investments) expressed as a percentage of the sum of capital and reserves, minority interests and net debt.

Net interest cover is profit before net interest and taxation divided by net interest.

Combined earnings per share are net profit attributable to ordinary capital, divided by the average number of share units representing the combined ordinary capital of N.V. and PLC in issue during the year less internal and certain trust holdings.

The two parent companies, Unilever N.V. (N.V.) and Unilever PLC (PLC), operate as nearly as is practicable as a single entity. This Annual Review therefore deals with the operations and results of the Unilever Group as a whole.

Chairmen's Statement

1994 was a year of contrasting experiences. There was a marked improvement in volume and profit growth in North America, and in the Rest of the World progress continued to be very good. In Europe, on the other hand, the performance overall was disappointing. Although the economies of some European countries seemed to be reviving quite well, the same cannot yet be said for consumer confidence and that in general was reflected in our sales and profit.

The outcome for the year in total was a growth in net profit of 21% at constant exchange rates. However, exceptional items in 1993 were significantly greater than average and, adjusting for that, the underlying performance, before exceptional items, was a growth in earnings of 3%. The continued growth in earnings, in a year when there were particular problems in our biggest region, is testimony to the widespread regional and product strengths of Unilever.

Underlying volume growth was 2.5%. This was an improvement on 1993 and was led by strong growth in North America and the Rest of the World. There are encouraging signs that after a long period of recession in many important markets, the prospects for growth are improving. The excellent performance in 1994 of our speciality chemicals businesses worldwide is one reason for optimism, as is the fact that in all regions the growth rate was improving as the year progressed.

Throughout the 1990s we have undertaken a major programme of restructuring, mainly in Europe and North America. The driving force which made restructuring so necessary was change, in market dynamics as well as in technologies. Considerable savings in costs have already been achieved, allowing margins to be maintained during a period of declining real selling prices and, more recently, rising raw material costs. The restructuring process is by no means finished, and we anticipate that the future benefits will be reflected in margins.

Operating profit in Europe was slightly below last year, before exceptional items. In addition to the factors already mentioned, the result was affected by the launch of the *Power* range of concentrated fabrics detergents, which did not live up to expectations. As is now well known, the original formulation contained a problem which was not detected prior to the launch. As soon as the interaction with certain dyes was confirmed, the formulation was modified; but once the new technology was subjected to public debate, consumers were understandably cautious and sales declined in some countries. This was a serious setback, even though concentrated fabrics detergents are a relatively small part of our detergents business. The lessons have been learned and internal processes reviewed. We will not be deterred by this experience from our quest for continued innovation and new technologies.

Following a major reassessment of corporate strategy, we have increased focus on those product categories and regions which we believe offer the greatest potential for profitable growth. They will have priority in the allocation of corporate resources. The greater part of our future growth is likely to come from regions outside Europe and North America. These regions are growing much faster than the developed economies and we have long established businesses and great management strengths on the ground. 27% of our sales are now in the Rest of the World; in 1990 it was 20%. The share of investment has grown even faster. Although investment in newly liberalised economies might involve some increase in risk, we are sure that the greater risk would be to fail to take the opportunities which are emerging.

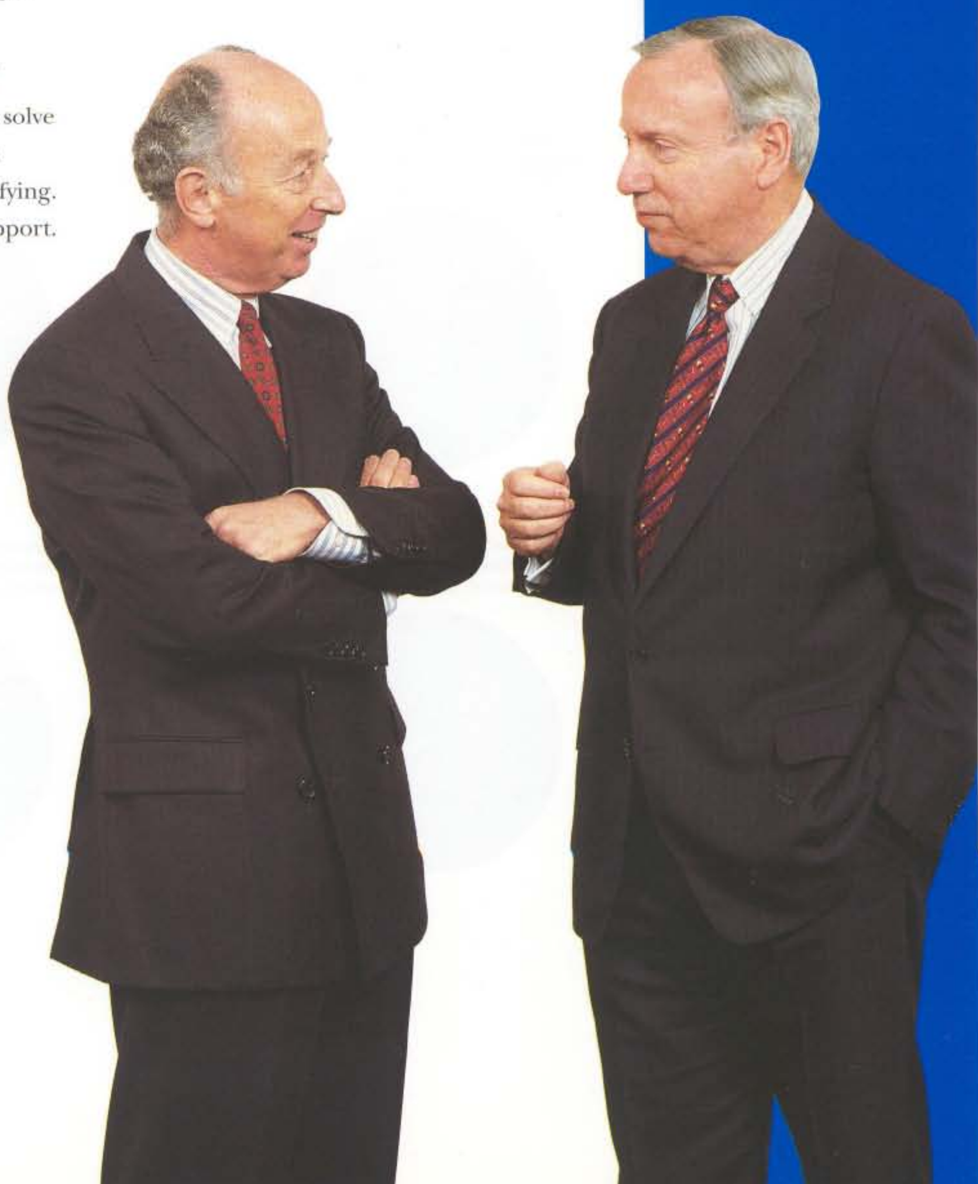
Looking ahead, we believe that the sound progress now established in North America and in the Rest of the World is likely to continue. We cannot yet be sure when confidence in Europe will grow sufficiently to boost consumer spending, but such signs as there now are seem to be favourable.

Unilever's employees have had a host of different and often difficult problems to solve this year and they have responded with a dedication and effort which is truly gratifying. We thank them all for their excellent support.

Sir Michael Perry

Morris Tabaksblat

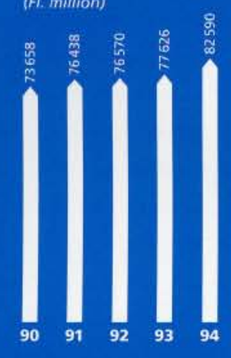
Chairmen of Unilever



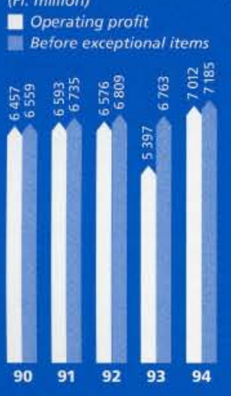
Sir Michael Perry (right) and Morris Tabaksblat, Chairmen of Unilever.

Business Overview

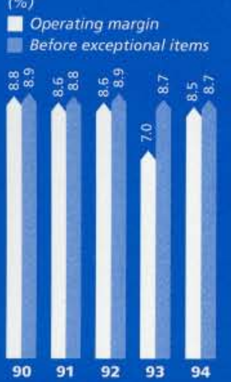
Turnover
(Fl. million)



Operating profit
(Fl. million)



Operating margin
(%)



Unilever's results are published in the currencies of the two parent countries, namely the guilder and the pound sterling. Fluctuations between the currencies can lead to markedly different trends for the same business. This is why we normally comment on performance at constant exchange rates (i.e. the same rates as in the preceding year), thus eliminating one variable over which we have no control. We also use constant exchange rates for the management of the business. In 1994, the year on year performance in guilders and pounds at current exchange rates happens to be the same and only marginally different from constant rates.

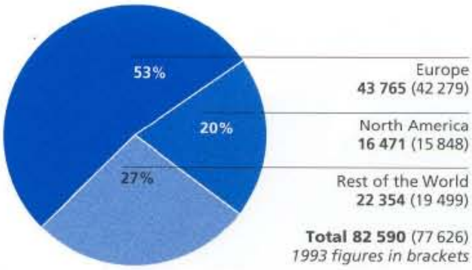
In the 1993 operating profit there were exceptional items of Fl. 1 366 million which largely consisted of restructuring costs aimed at strengthening Unilever's competitive position in a period of rapid technological change. Virtually all the projects have been initiated and the benefits arising from the restructuring are already beginning to come through, although the greater part will be realised in 1995 and 1996. In 1994, exceptional items at constant exchange rates have reverted to a more normal level of Fl. 187 million.

In order to make the comparison with 1993 clearer, the comments which follow are based on profit trends before exceptional items and at constant exchange rates, unless otherwise stated.

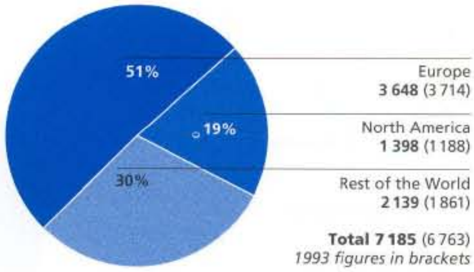
1994 Results

Turnover increased by 8% in 1994, of which 6% was due to increased volume. Adjusting for the combined effect of acquisitions and disposals, the underlying volume growth was 2.5%.

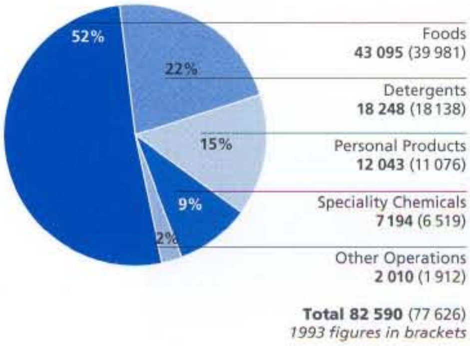
Turnover by geographical area 1994
(Fl. million at current exchange rates)



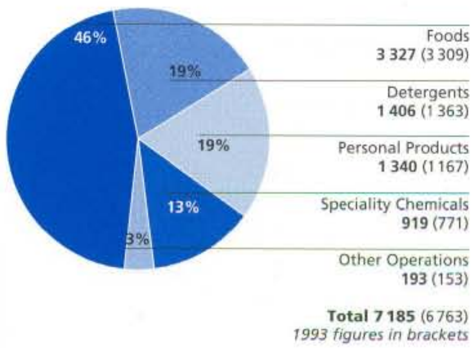
Operating profit before exceptional items by geographical area 1994
(Fl. million at current exchange rates)



Turnover by operation 1994
(Fl. million at current exchange rates)



Operating profit before exceptional items by operation 1994
(Fl. million at current exchange rates)



Operating profit also increased by 8%, with the result that operating margin overall remained at the 1993 level of 8.7%. It was a year of contrasting performances in the three regions. In Europe operating profit declined by 1%, whereas in North America and the Rest of the World profit increased by 20% and 17% respectively.

Operating profit including exceptional items in both years, increased by 32%.

Turnover and operating profit increased by 8% . . . the underlying volume growth was 2.5%.

In 1994 Fl. 1 626 million was spent on acquisitions and Fl. 365 million received from disposals. The effect on turnover and operating profit of acquisitions made in the year was Fl. 2 018 million and Fl. 135 million respectively, at constant exchange rates.

Regional Highlights

Europe

Western Europe – 1994 was a difficult year. There were signs that some economies were emerging from the recession, but the recovery was not being led by the consumer. Unemployment remained high and confidence did not improve sufficiently to bring about any notable increase in consumption. Downtrading and price discounts were commonplace as low-priced outlets intensified competition in the retail trade. This was most notably the case in Italy, where the impact on our businesses was significant. Competition between manufacturers was no less intense.

With raw material costs once more starting to rise, there was severe pressure on margins and the greater part of the substantial cost savings from previous restructuring had to be used to fund lower selling prices. The restructuring programme announced in February 1994 is well under way, and further cost savings will be forthcoming.

We had a strong performance in ice cream, tea and speciality chemicals, but in total there was no underlying growth year on year. There were, however, signs that the rate of growth was improving as the year progressed.

Operating profit declined by 1%. The problems associated with the launch of the *Power* range of concentrated fabrics detergents were one reason for this disappointing outcome, but profits declined in some foods categories also, and were unchanged in personal products. However, apart from fabrics detergents, market shares overall were maintained.

The acquisitions of Ortiz-Miko in France and Bertolli in Italy were concluded early in 1994.

Central and Eastern Europe – Our businesses continue to grow strongly and gain share as we invest in brands, infrastructure, understanding the consumer and training of our employees. A frozen foods business was acquired in Hungary. Our activities in Russia remain low key but, with a small operation in St Petersburg, we are building experience of this potentially attractive but currently high-risk market.

North America

The United States and Canada were the first economies to emerge from the recession, and we have seen a substantial profit improvement in both countries. Underlying volume grew by 4% and, including acquisitions, the overall growth was 8%, reflecting an outstanding first season of the newly merged ice cream companies. A full percentage point was added to margin, some of which is attributable to the swift implementation of restructuring. The personal care business made a strong

Top: Royco *Instant Hopper Mix*, a convenience version of a traditional food in Sri Lanka.

Above: A consumer in Budapest buys *Omo*, one of the leading detergent brands in Hungary.

In Bangkok, at Unilever's hair innovation centre for the East Asia Pacific region, scientists receive valuable feedback from consumers on the latest developments in hair care. The centre's regional focus assists the work of the *Elida Hair Institute* in Paris.

contribution to the outcome and there were also good results in foods and chemicals. In detergents, profits remained at the same level as in 1993 in spite of the significant fall in selling prices experienced in the fabrics cleaning markets.

We have seen substantial profit improvement in North America . . . underlying volume grew by 4%.

Rest of the World

Many regions of the world are achieving much faster growth than Europe and North America and this is reflected in our underlying volume growth of 8%, to which detergents and personal products were the most significant contributors.

Unilever is uniquely positioned to participate in the growth opportunities outside Europe and North America. We have long experience of operating in the principal countries of Africa, Asia and Latin America, and have first class local management. We are investing heavily in both building businesses in new markets and defending long term positions of strength against competitive incursions.

We are confident that these investments will bring a strong and growing contribution to Unilever's long term profitability. Our confidence is reinforced by another year of excellent growth in 1994 in both sales and profit.

Africa and Middle East – The sale of our minority holding in UAC of Nigeria marked the end of an era. We have been reducing our involvement in trading operations in West Africa for some years and our operations are now largely focused on the core activities of foods, detergents and personal care. In 1994 these all performed extremely well.

Confidence returned to South Africa once the elections had taken place, and our businesses began to grow again after a hesitant start to the year. A good result was achieved, even after the cost of a programme of restructuring to prepare for a resurgence of international competition after a long period of isolation.

Our businesses in Arabia advanced strongly on the foundation of a highly successful tea operation, and there was good progress in a number of categories. Our foods and detergents operations in Egypt also achieved growth in volume and market share.

Latin America – In a single year, Brazil experienced the extremes of hyperinflation in the first half year and relative price stability in the second half, with the new currency actually strengthening against the United States dollar. In such conditions our Brazilian companies did well to grow volume by 11% and maintain profit at last year's record level under the harsh light of daily constant price accounting.

The greater part of our future growth is likely to come from regions outside Europe and North America.

The Argentinian and Chilean businesses again recorded a good result. In Argentina, the sister company of CICA Brazil was acquired, expanding our foods interests in the south.

Unilever Andina was formed to ensure closer co-operation between our Colombian and Venezuelan businesses, and already there has been a major improvement in profitability. Ice cream companies were acquired in both countries. In Mexico, the 1994 result was unaffected by the December devaluation of the peso.

Central Asia – Greater economic freedom in India has spurred growth. Our business there has grown in volume by 9% and recorded a strong increase in profitability. After a protracted legal process, the acquisition of Tomco, a soap and personal care business, was finally approved in 1994. Merger plans will now go ahead, and the results have been consolidated for the second half year. An alliance with Kwality secured leadership of the high potential ice cream market.

Demand for personal care products in India has increased strongly and our companies have responded with significant growth in volume and market share and increased profits.

Volume and profit were down in Pakistan as our sales were seriously affected by smuggled imports, which will continue to be a fact of life as long as duties and taxes remain high.

East Asia and Pacific – The dynamic economies of South East Asia, the opening up of China and the large and sophisticated Japanese market make this one of the most fiercely competitive of regions. We are investing in increasing market shares and in building a business in China, where the opportunities for growth are enormous. Even so, profit progression in the region was satisfactory. Very high rates of growth in China and South East Asia contrast with more modest levels in Australasia and Japan. There was a further advance in profit in Japan.

Progress in China has been exciting, with a very substantial increase in sales.

By contrast, our experience in Korea is disappointing. After the termination of the joint venture with Aekyung, we are working to establish a new business there, but it will take some time.

Progress in China has been exciting, with a very substantial increase in sales. We now have eight joint ventures there, with a majority holding in all but two. The first ice cream season was a success and the fabrics detergents and toothpaste businesses grew strongly. China will continue to absorb funds for some time, but costs are being strictly controlled.

Top: A typical retail outlet in Zimbabwe.

Above: Vaseline Intensive Care Lotion, a popular choice with consumers in South Africa.

The brand manager for *Taaza* tea in India hears direct from consumers why the product has proved such a success for Brooke Bond Lipton.

Technology and Innovation

Future profitable growth will hinge on technological innovation. To succeed, we have to deliver products which meet the known or anticipated aspirations of consumers and which are superior in quality to those of competitors.

Our investment in research and development in 1994 was Fl. 1 512 million. This amount supports five major research laboratories in India, the Netherlands, the United Kingdom and the United States and smaller, mainly development, laboratories in many countries around the world. This enables economies of scale in scientific research, whilst at the same time ensuring that innovations brought to market are geared towards the differing requirements of consumers wherever they may be. In total, 9 000 people are employed in research and development.

Apart from the revenue costs, three major capital projects were completed in 1994. These were the Technology Centre and the Environment Centre at Port Sunlight and a new Foods Laboratory at Colworth, both in the United Kingdom.

The central Research and Engineering Division undertakes research across a wide range of scientific and engineering disciplines in support of the core businesses. There is a substantial exploratory research programme which includes collaborative work with universities and other external institutes. These contacts help to broaden our base of scientific understanding and ensure that relevant new discoveries are quickly incorporated into our programmes.

We have to deliver products which meet the aspirations of consumers and are superior in quality to those of competitors.

Competitive forces are making speed to market even more vital and that, in turn, makes a disciplined approach to innovation all the more necessary. We have been formalising the processes by which innovation projects are carried out and monitored. New systems ensure that each major stage of a project is reviewed against pre-defined criteria, covering issues such as safety, effectiveness, cost and likely consumer demand. Information technology plays a key role in managing the research programme and in facilitating the work of international project teams.

A key task for our engineering units in 1994 has been to devise a programme to raise the productivity of fixed assets by improving plant reliability and utilisation. A variety of actions are already being pursued, aimed at achieving a reduction in capital expenditure.

Environmental Responsibility

Unilever believes that economic growth must go hand in hand with sound environmental management. Our policy is continuously to improve environmental performance in all our activities; to ensure that our products and processes are wholly safe; and to maintain the highest standards of occupational health and safety in all our offices and factories.

Considerable resource is dedicated to this end. In the central Research and Engineering Division for example, expenditure in 1994 on the Safety and Environment programme was over Fl. 55 million, involving more than 300 staff in four major research laboratories. They provide expertise in toxicology and ecotoxicology, Life Cycle Assessment, microbiology, nutrition science and environmental engineering, to help ensure the highest quality of both products and working environment throughout Unilever. Our safety and environmental specialists are fully involved in community issues and the work of professional bodies.

In the process of product development, the need to safeguard the person and the environment is absolute. Unilever operates a mandatory clearance system, where any new product must undergo full toxicological and ecotoxicological evaluation and approval before it is brought to market.

Last year we reported a review of our environmental policy. A revised policy has been produced and implemented, which reaffirms our commitment to the International Chamber of Commerce Charter on Sustainable Development.

The newly completed Environment Centre provides the latest facilities for studies on biodegradability and on the impact of chemicals on sewage treatment facilities. The effect of chemicals on aquatic ecosystems can also be assessed by using artificial streams.

Unilever believes that economic growth must go hand in hand with sound environmental management.

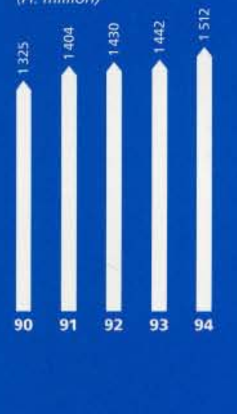
The Life Cycle Assessment (LCA) Unit is now well established and has already carried out analyses of a variety of Unilever products. Opportunities for improvement have been identified and are being put into practice. Unilever is a leading LCA practitioner and participates in many initiatives, especially those of the Society of Environmental Toxicology and Chemistry (SETAC), of which Unilever is an active member. Considerable progress has been made in building a Unilever LCA database, by participation in industrial association initiatives and by interaction with specific suppliers. Significant reductions have been achieved in emissions, effluents, packaging waste and in consumption of energy and water.

An international review of our occupational safety performance was completed during 1994, and an action plan was put in place to raise standards even higher. A worldwide environmental audit programme has also been established, using national and regional auditors with training and support from the Centre.

Top: Selling *Streets* impulse ice cream in the shadow of the Sydney Harbour Bridge, Australia.

Above: A client receives a facial treatment at the recently opened *Elizabeth Arden Red Door* salon in London.

Research and development expenditure
(Fl. million)



The Consumer Research team in the United Kingdom tests washing methods observed during detailed consumer studies in China. In an emerging market, consumer research is vital to help ensure that products are fine-tuned to local needs.

Communicating with Consumers

Unilever knows the competitive advantage to be gained from communicating its brand strengths to the consumer. In 1994, we spent over Fl. 4.9 billion on media advertising.

To develop further our knowledge of consumers, the spend on listening to them through market research was in excess of Fl. 275 million. In addition, two-way communication is used in many countries. Examples are toll-free telephone lines at the *Elida Hair Institute* in France, the *Du darfst* recipe line in Germany, the Lever Careline in the United Kingdom and the *Pond's Institute* in the United States; and direct mail clubs associated with our brands in various countries. These are well established and appreciated.

The future in communications looks very exciting, although the full implications for marketing companies will not become clear for some time. Technology is advancing rapidly and a format such as interactive television is no longer a remote possibility but an opportunity for which we must prepare. It offers consumers the chance to gain information about products which interest them and, conceivably, to order them directly through their television set.

We have embarked on experiments in five countries to understand better what might be a revolutionary way of communicating with consumers.

Human Resources

Unilever, like all companies, is facing a rapidly changing business environment. We are building operations in new territories, new technologies and communications systems are being developed and, increasingly, business activity is taking on a global dimension. Change cannot be ignored – the alternative is to lose the means to compete – nor can acceptance of change be taken for granted. It has to be well managed so that the underlying reasons are understood. The response to change of employees around the world has been gratifying and demonstrates their commitment to the future of the Group.

There was a special emphasis in 1994 on aligning current and future personnel policies in support of the new challenges that we face. The approach has been to balance corporate resource and expertise with the need for flexibility to cope with local requirements.

Important training and development initiatives have included team training, project management, innovation, creativity and, last but not least, empowerment. The last recognises the need to make the best use of the abilities of all employees. Each one has a valuable contribution to make, and the working environment should be designed to ensure that everyone feels able and encouraged to make that contribution.

To achieve a fulfilled contribution, we need a better understanding both of what motivates and concerns our employees at all levels and of their ambitions. The increased use of employee surveys is helping us gain a better insight into their needs and aspirations.

The multi-national and international nature of Unilever continues to offer expatriation opportunities as a cornerstone of our management development philosophy, and rapidly expanding markets, particularly in Central and Eastern Europe, China and South East Asia, have provided many opportunities for managers at all levels. 1 650 of our managers are expatriates and an increasing number of them, 25%, are coming from outside Europe.

The response to change of employees around the world has been gratifying and demonstrates their commitment to the future of the Group.

Unilever remains totally committed to the development of local managers in every country. Established companies are given the responsibility for training people on secondment from emerging markets. One new initiative is what we call the Ice Cream Academy in Europe, which is designed to provide concentrated training for the many managers we will need with expertise in ice cream as new operations are started up around the world.

Increasing resource is being dedicated to communication with employees in response to an increasing demand for information. Our communication process, known as Cascade, is constantly being updated as employees themselves propose helpful and innovative improvements.

Good progress has been made towards the goal of enabling every employee to use his or her talents to the full.

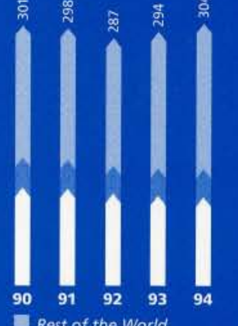
1994 has been an active year in human resource management and we believe that good progress has been made towards the goal of enabling every employee to use his or her talents to the full, to the obvious benefit of both Unilever and the individual.

In 1994 Unilever employed on average 304 000 people worldwide (1993: 294 000). Acquisitions and disposals during the year resulted in a net addition of 13 000 employees.

Top: An Elizabeth Arden consultant offers skin care advice to a consumer in the United States.

Above: Goods are dispatched to meet the needs of retail customers and consumers in Nigeria.

Employees
(average in thousands)



	90	91	92	93	94
Rest of the World	153	152	148	157	168
North America	35	34	32	32	32
Europe	113	112	107	105	104

Review of Operations

Foods

This Review of Operations is based on results at constant rates of exchange and before exceptional items, unless otherwise stated.

Over half of Unilever's turnover is in foods. Our foods activities are based on historic foundations in Europe, but we are progressively growing and strengthening our foods interests in North America and in the Rest of the World by concentrating on products which have a broad appeal and on territories where the time is right for rapid growth.

Magnum ice cream in Thailand and *Lipton Yellow Label* tea in Côte d'Ivoire are clearly great favourites with consumers.

Some parts of our European portfolio are not so readily transferable to other continents because food preferences are influenced by differing cultures and tastes. However, of our major categories, ice cream and tea are enjoyed by consumers all over the world, and we anticipate that tomato based products will soon benefit from a wider appeal. We have the expertise to make these categories the drivers of growth in foods in the Rest of the World.

In 1994, apart from ice cream and ready-to-drink tea, we saw little growth in Europe as markets were still suffering from the effects of recession. Price discounting and downtrading were prevalent in many countries and most particularly in Italy. However, we achieved growth in the United States despite a significant decline in the margarine market, and in the Rest of the World growth continued unabated, albeit from a relatively small base. Overall operating profit for foods rose 2% in the year, with improvements in all regions but particularly in North America.

Turnover 1994
(Fl. million at current exchange rates)

Oil & dairy based foods **12 785** (12 025)

Ice cream, beverages & snacks **10 618** (9 227)

Meals & meal components **10 729** (10 565)

Professional markets **8 963** (8 164)

Total Foods 43 095 (39 981)
1993 figures in brackets

Operating profit before exceptional items 1994
(Fl. million at current exchange rates)

Oil & dairy based foods **1 119** (1 127)

Ice cream, beverages & snacks **1 147** (1 004)

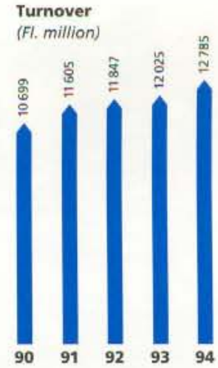
Meals & meal components **738** (760)

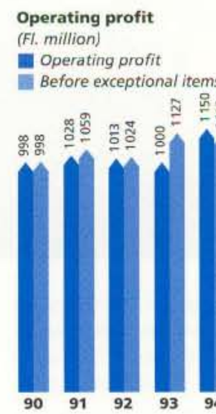
Professional markets **323** (418)

Total Foods 3 327 (3 309)
1993 figures in brackets

Oil and dairy based foods

Unilever is the world's largest producer of margarines and our brands, such as *Flora, Becel, Rama, Blue Band* and *Country Crock*, are well known to consumers wherever bread is part of the daily diet. We also market olive oils and seed oils, sold under various brands including *Bertolli, La Masia* and *Fruit d'Or*; dressings and other sauces such as *Bénédicta, Wishbone* and *Calvé*, and cheeses including *Boursin* and *Milkana*.





Rama, a long-established brand in Germany, has been successfully introduced to the Czech Republic and other countries of Central and Eastern Europe.

Fl. million	1994 at current rates	1994 at constant rates	1993	% Change at constant rates
Turnover	12 785	13 092	12 025	9
Operating profit	1 150	1 178	1 000	18
Operating profit before exceptional items	1 119	1 152	1 127	2

The decline of the **margarine** markets in Western Europe and North America continued. Indeed it accelerated in many countries, owing to a number of factors.

For example, rising oil costs forced price increases in margarine at a time when butter prices were falling; unusually hot summer weather in Europe reduced consumption; and negative publicity regarding trans fats in margarines affected consumer confidence. However, confidence is being restored in the meantime by an emerging consensus of scientific opinion that trans fats should be regarded as similar to saturated fats.

Top: The recently acquired *Bertolli* brand is the favourite imported olive oil for consumers in the United States.

Above: I Can't Believe It's Not Butter continues its success in the United Kingdom market.

Brummel & Brown is a new yoghurt based spread launched by Van den Bergh Foods in the United States during 1994.

Although volumes were down in Western Europe, they remained constant in the United States thanks to further gains in market share.

In Central Europe, we strengthened our market leadership and significantly improved sales volumes. Our progress is based on the marketing mix of the leading German brand, *Rama*. This is a good example of how proven brand concepts which meet consumer needs can be extended into the new European markets. The use of an already successful advertising approach and pack design has ensured swift consumer acceptance and provided the basis for eventual expansion further east.

Despite difficult market conditions, operating profits were only slightly lower in Western Europe and better in the United States and the Rest of the World. Lower costs from previous restructuring helped, but our ability to harness innovation to the changing requirements of consumers has been the main contributor to long term profit growth during a period of declining fat consumption.

For many years, Unilever has responded to growing consumer concerns about diet and health through innovations focusing both on products which are formulated with heart health in mind, as well as on low fat spreads. More recently, the challenge of bringing the consumer a low fat product with a superior taste has been successfully met by *Lätta* in a number of European markets.

Brands such as *Becel, Flora* and *Promise,* which can contribute to heart health by helping to reduce cholesterol levels, continue to perform well. To meet changing consumer tastes, *Flora Extra Rich* was successfully introduced in the United Kingdom during 1994. In recognition of the concerns about diet and heart health, low fat versions of heart health brands have also been made available in many countries. Last year saw the introduction in the United States of *Promise Ultra,* which has the lowest fat content of any product in this category on the market. The concept has now been introduced in the Netherlands and the United Kingdom.

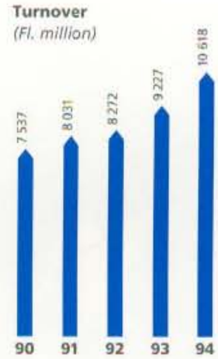
Following the acquisition of Bertolli at the beginning of the year, we now hold strong positions in all the major **olive oil** markets in Southern Europe, whilst through exports we also have brand leadership in Australia, Canada and the United States. In 1994, margins were depressed by exceptionally high oil prices but we now have sufficient scale and expertise to confirm whether a profitable business on a global scale can be developed.

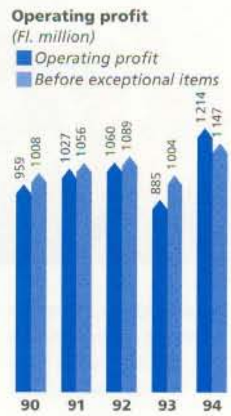
Dressings and **sauces** produced much better profits in 1994. Improvement in the *Wishbone* brand in the United States contributed to this. The *Calvé* brand in Europe was extended into the salsa market in response to growing consumer interest in hot Mexican sauces.

Profit also improved in **cheese**, but the business has not yet been expanded beyond a few countries. *Boursin* continues to perform strongly in France and export markets, and the success of *Milkana* processed cheese in Egypt is a sign of considerable potential in the Middle East.

Ice cream, beverages and snacks

Unilever is the world's leading producer of ice cream, manufacturing impulse brands such as *Magnum* in Europe and *Klondike* in North America. Brands for home consumption include *Carte d'Or* and *Breyers*. Our beverages business is based on tea, offering a choice of black leaf, specialist and ready-to-drink teas through the Lipton and Brooke Bond houses. Our principal products in savoury snacks are *Peperami* and *Bi-Fi*.





Liptonice, seen here in the United Arab Emirates, is now one of Unilever's most successful international brands.

Fl. million	1994 at current rates	1994 at constant rates	1993	% Change at constant rates
Turnover	10 618	10 828	9 227	17
Operating profit	1 214	1 234	885	39
Operating profit before exceptional items	1 147	1 167	1 004	16

Our **ice cream** businesses made outstanding progress in 1994 in both Europe and North America. Volume growth was strong and operating profit growth was excellent. Ice cream is a high development priority and has considerable growth potential. In the last few years, we have invested significantly in acquisitions and in new factories, with the result that our business in the United States has been transformed and we have entered many new markets in the Rest of the World.

In Europe, the mid season heatwave may be long remembered but, taken overall, the weather factor in 1994 was not exceptional. However, our business

Top: Magnum ice cream is proving a great success in China, where it was launched in 1994.

Above: The *Wall's* ice cream brand was introduced in India in 1994.

advanced strongly. New impulse products, such as *Blizz* in Germany and *Solero* in the United Kingdom, made a fine start, while at the premium end of the range, *Ranieri* was strong in Germany and Italy. Our position in France was significantly strengthened by the acquisition of Ortiz-Miko.

For some years now aspects of the marketing arrangements employed by our business, and indeed by most of the industry, have been the subject of investigations by various regulatory authorities and have been the subject of legal dispute. During 1994, the United Kingdom Monopolies and Mergers Commission confirmed that these arrangements, and particularly those concerning the supply of cabinets on exclusive terms, do not operate against the public interest. In March 1995, the European Commission also endorsed the practice of cabinet exclusivity.

In the United States, results were excellent. The Breyers, Good Humor and Klondike businesses were quickly integrated and the combined operation was ready in time for the summer season. *Viennetta,* now launched under the *Breyers* name, became an instant success, and sales were only limited by production capacity. For many years, our ice cream interests in the United States were small and unsuccessful; now, with two acquisitions in as many years successfully merged into one operation, we have achieved market leadership.

Our interests were until recently small in the Rest of the World too, but we now sell ice cream in 24 countries outside Europe and North America. In 1994, acquisitions in Canada, Colombia, India, South Africa, Uruguay and Venezuela added to the total. New factories also came on stream in China, India and Malaysia. The new Wall's factory in Beijing was built in less than a year, and sales in the first summer were ahead of expectations. Amongst other products, *Magnum* was launched in June, attracting considerable interest. This single brand, new in 1989, is now being marketed in 38 countries and around 900 million pieces were consumed worldwide in 1994.

The world **black tea** market continues to show only modest growth and we have held our market share. Profit grew satisfactorily over 1993, despite a number of adverse factors. The planned reduction in trade inventories in the United States, a move towards lower-priced tea in the huge Indian market and a decline in tea auction prices have held back growth in sales value.

Ready-to-drink tea continues to be a fast-growing market. We now have products in 41 countries, an indication of our ability to bring new concepts to the consumer within a short period of time. Lipton's brands have the widest distribution in the world and we again experienced strong growth in 1994.

Our partnership with Pepsico Inc in ready-to-drink tea, which now operates in Canada, Mexico and the United States, is making good progress. Strong marketing support and good distribution have boosted sales. In the United States, the market has doubled in three years. *Lipton* has outpaced the competition and, as well as being market leader in teabags, it now leads the ready-to-drink market.

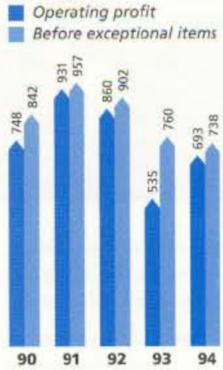
During 1994, businesses selling beer and fruit drinks were sold, boosting operating profit including exceptional items.

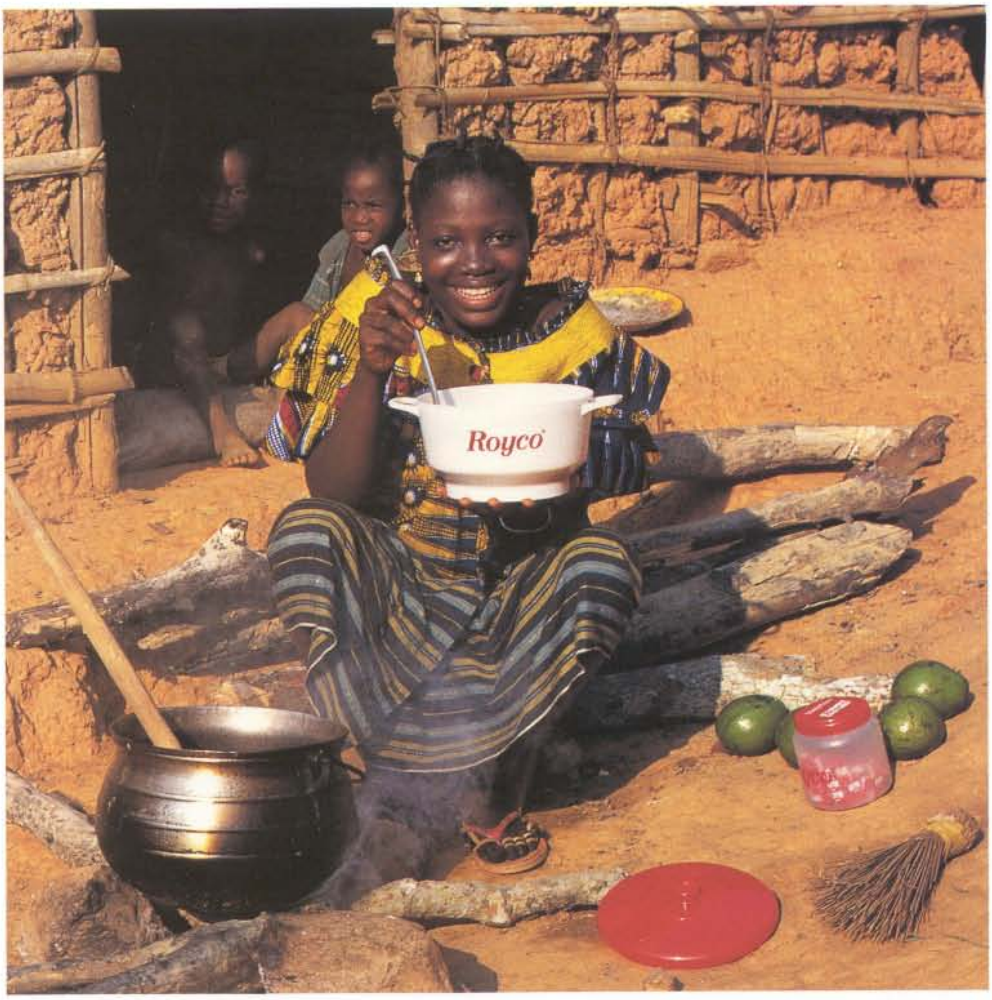
Meals and meal components

Unilever is a major producer of meals and meal components in several categories. In frozen food, *Iglo* and *Birds Eye* are two of Europe's leading brands. *Ragú* and *Chicken Tonight* represent the pasta and meal sauces category. Other brands include *Lipton* side dishes, *Cup-a-Soup, Recipe Secrets, Lawry's, Oxo* and *Unox* and ranges of meat and delicatessen products.

Turnover
(Fl. million)

Operating profit
(Fl. million)





Royco's *Sôssarôme* mix is a popular cooking ingredient with consumers in Côte d'Ivoire.

Fl. million	1994 at current rates	1994 at constant rates	1993	% Change at constant rates
Turnover	10 729	10 760	10 565	2
Operating profit	693	685	535	28
Operating profit before exceptional items	738	735	760	(3)

This group of businesses contains a broad variety of product categories and brands, most of which are profitable and have good potential. It also includes some activities which are not so successful, such as the Revilla meats business in Spain and some other chilled foods operations. At a time of continuing recession in many markets, these have been exposed to price competition and growing private label sales, and have depressed operating profit in 1994. This impact was, however, partly offset by better performances in North America and the Rest of the World.

Our **frozen foods** businesses are based almost entirely in Europe. In the United Kingdom,

Top: The *CICA* range of tomato based products in Brazil is a firm favourite with consumers.

Above: Findus frozen fish dishes (a Unilever trademark in Italy) provide top quality fillets for convenience cooking.

Birds Eye has had a successful year, investing strongly in its brands, but in some countries, notably Austria and Italy, we have faced severe price competition in the battle to maintain overall volume; this has put margins under pressure, but market shares have been held. We now have a major presence in Spain through the acquisition of a majority share in Frudesa.

We noted last year that the frozen product range was being increasingly focused on vegetable products, fish and poultry. In these key areas, we have had a string of successful innovations, which have set new standards of quality and address the growing consumer demand for easy to prepare, nutritious foods. An example is *Crispy Chicken,* which has become the best selling frozen food item in the United Kingdom. In all three categories, sales growth was encouraging, particularly in poultry products.

The **pasta sauce** market in the United States continues to grow at 4-5% per annum. *Ragú* was relaunched with new recipes and the erosion of market share has been reversed. *Ragú* remains the clear market leader and is very profitable. Relaunch programmes are also being implemented in a number of European markets, bringing new recipes to an ever more discerning consumer.

In **meal sauces**, *Chicken Tonight* in the United States has not lived up to early promise. Despite the excitement created by its launch two years ago, the concept has not taken hold and interest has waned. Sales are also soft in Australia but the brand continues to do well in European markets.

Within months of launch, *Birds Eye Crispy Chicken* became the top selling item in United Kingdom frozen food cabinets.

The acquisition of CICA Argentina means that, together with CICA Brazil, we have a strong foothold in the **tomato** and **vegetables** category in the southern Latin American countries and a springboard to expand existing and new tomato based brand concepts throughout South America. Market leadership has been extended in Brazil. The Kissan sauces business in India is growing very fast from modest beginnings. The potential is large in a market of 900 million consumers.

Our **bouillon** business is largely concentrated in Europe, with *Oxo* maintaining its unique position in the United Kingdom. But we also have the leading brand, *Fine Foods,* in the large Egyptian market and bouillons such as Royco's *Sôssarôme* have been successfully introduced in many African countries, where their use is very relevant to local tastes.

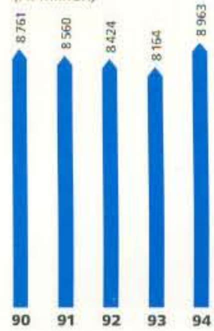
Prepared soup is an important and profitable category in Northern Europe, although recent mild winters have not helped sales growth. Similarly, side dishes are a significant local activity in Australia and the United States, where we have market leadership and good growth.

The Mattessons Wall's **meat** business was sold, bringing to an end a long association in the United Kingdom. Our remaining meat businesses are profitable, except for Revilla in Spain.

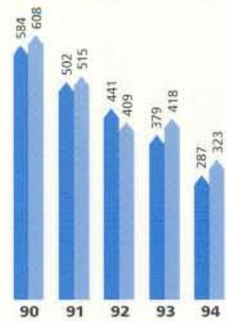
Professional markets

Many food products sold by Unilever in the grocery trade are also offered to professional users of food ingredients and semi-finished products in two main markets, Food Service and Bakery. These products include bakery fats and materials sold under the *Masterline* name, and frozen partially prepared croissants, pastries and cookies under the *Bon Vivant* brand.

Turnover
(Fl. million)



Operating profit
(Fl. million)
Operating profit
Before exceptional items



Bon Vivant bakery products and *Jean le Bon* pastries are amongst the ready-to-cook products used by professional caterers.

Fl. million	1994 at current rates	1994 at constant rates	1993	% Change at constant rates
Turnover	8 963	9 028	8 164	11
Operating profit	287	301	379	(21)
Operating profit before exceptional items	323	336	418	(20)

Sales in the group grew by 11% overall. Underlying volume was flat, with gains in the Rest of the World offset by a decline in Europe. Within product categories, partially prepared frozen bakery performed very well.

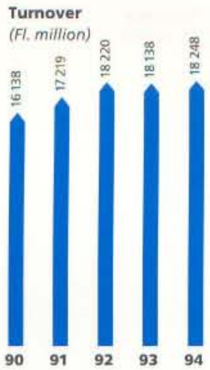
The decline in operating profit was influenced by three key factors: reduced demand for bakery fats, our traditional area of strength; the high costs associated with maintaining separate business units in Europe for **Food Service**; and a product portfolio not yet sufficiently converted to value added products.

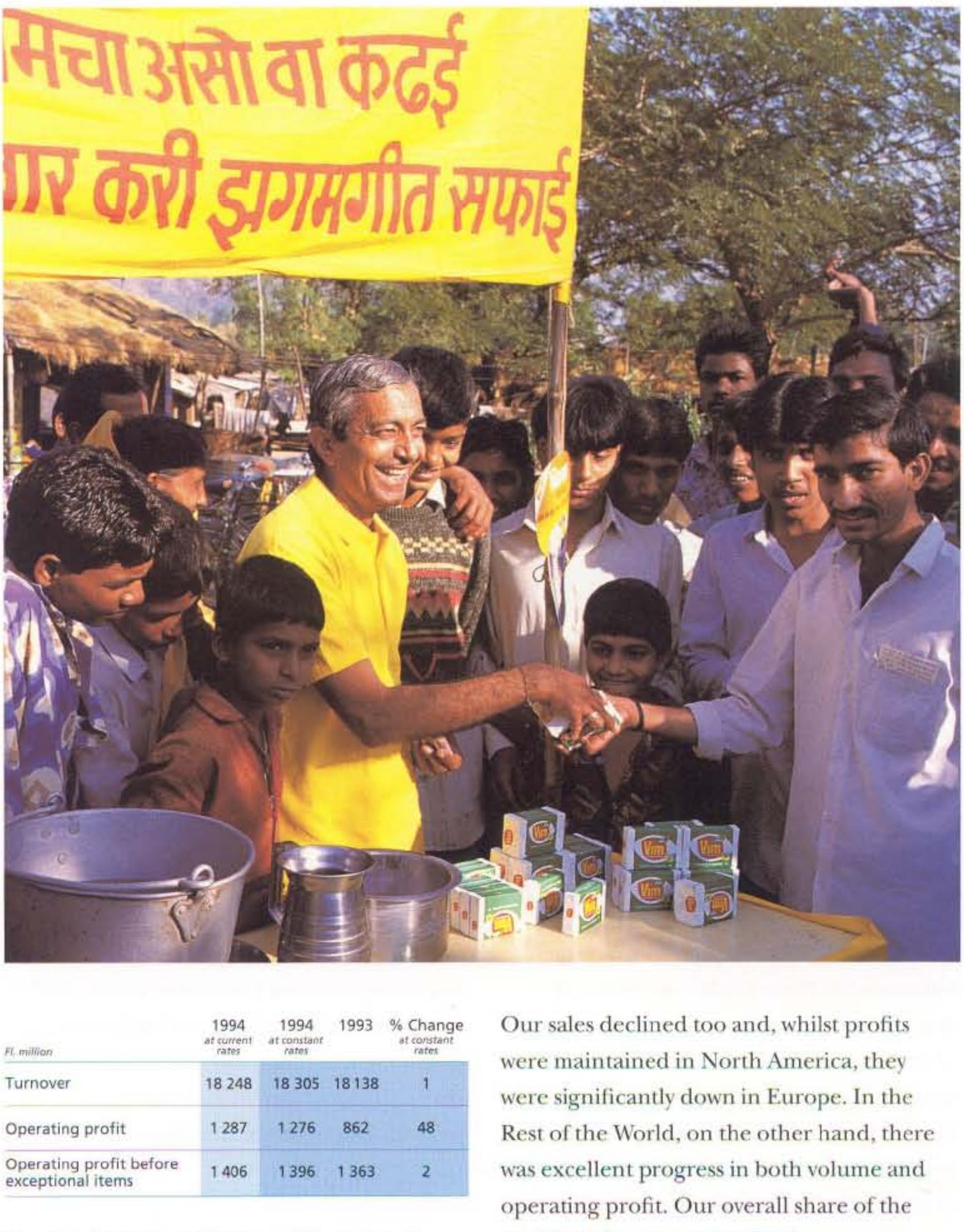
All of these structural weaknesses were addressed during the year. The separate Food Service units are now being realigned with the retail businesses, the product portfolio is being rebalanced in all companies and our **Bakery** business is being refocused on the fast growing frozen dough sector. Selected acquisitions supported this. For example, Touflet was acquired in France, further reinforcing the Menissez business whose purchase we reported last year.

Out-of-home eating is a growing and important consumer trend worldwide. Both our Bakery and Food Service businesses are preparing to address this opportunity, maximising linkages with Unilever technologies in other categories.

Detergents

Our detergents business is grouped into four categories, of which fabrics cleaning and conditioning is the largest. Brands include *Omo, Skip, Wisk* and *Comfort*. In personal wash, *Lux, Dove* and *Lifebuoy* are three of the five best selling brands worldwide. Home care products include *Cif, Domestos* and *Sun*. Lever Industrial International markets products, systems and services to industrial and institutional customers.





A demonstration of *Vim* bar, a dish-washing product specially designed to complement traditional methods of washing dishes in India.

Fl. million	1994 *at current rates*	1994 *at constant rates*	1993	% Change *at constant rates*
Turnover	18 248	18 305	18 138	1
Operating profit	1 287	1 276	862	48
Operating profit before exceptional items	1 406	1 396	1 363	2

Despite the well-publicised difficulties of 1994, sales and operating profit were slightly above the 1993 level. Competition was particularly intense in Europe and North America, as markets declined in value terms. Our sales declined too and, whilst profits were maintained in North America, they were significantly down in Europe. In the Rest of the World, on the other hand, there was excellent progress in both volume and operating profit. Our overall share of the world market was maintained.

The year started with high hopes that a formulation breakthrough would increase sales of concentrated **fabrics** powders in

Western Europe, a key business objective. Those hopes have not been fulfilled.

The initial formulation of the new *Power* product contained a specific problem which was not identified in the pre-launch testing. It was found that, in certain circumstances, the manganese stain removal catalyst could damage particular fabrics by interacting with a small number of dyes.

The formulation was immediately modified and the washing instructions made more explicit, to eliminate the risk of this interaction, but the ensuing media coverage created doubts in the minds of consumers, and sales declined in some countries, but by no means in all.

The overall result was that our sales of concentrated fabrics powders in Western Europe were 13% lower in volume than in 1993 and one-off additional costs of Fl. 158 million were incurred. This was a major disappointment. Lessons have been learned and the top priority now is to restore growth. A new formulation for the general wash, which has performed well in exhaustive tests, is now being launched. The *Power* variant remains available in relevant markets as a most effective product for washing whites.

In Central Europe, our detergents business prospered in Hungary and maintained the leading share in Poland, albeit of a reduced market.

In the United States, there was continuing pressure on selling prices in the fabrics cleaning market, and the impact on margin was only contained by major restructuring. Our overall market position in fabrics cleaning weakened. The powders brands were repositioned; volume was stabilised and their profitability significantly improved. In the liquids sector, the launch of a concentrated product which commenced in 1993 did not succeed. Although the volume decline has been halted, market share still remains below the level it had reached prior to the launch.

In the Rest of the World, the story is very different. All regions reported substantial growth, particularly where we have strong positions of long standing. In Brazil, the market share lost in 1993 was more than regained. In India, the acquisition of Tomco was approved by the courts and the process of integration is well under way. The first full year of operations in China was very encouraging. Our international brand *Omo* made excellent progress in both concentrated and regular powders.

The **personal wash** business went from strength to strength in all parts of the world, with a significant increase in market share. *Dove* is the leading brand both in Europe and in the United States, where leadership was increased in a fiercely competitive arena. *Lux* is the leading brand in most countries elsewhere, including China. An increasing proportion of sales is in the form of shower gels and foam baths. A shower gel was launched in the United States under the *Caress* name.

In the **home care** sector, our brands continue to grow. The relaunch of *Cif/Jif*, which covers a range of bathroom and kitchen cleaning products, was well received in Europe, moving us to market leadership in some countries. *Sun* machine dishwash also did well in relevant markets.

Lever Industrial International increased turnover and profit in a year in which many markets had not yet emerged from the recession. Business development is focused on innovative systems and service to customers. Investments are being made to build business beyond Europe and to ensure that Lever Industrial International is equipped to meet the needs of an increasingly global market. Product innovation has the highest priority, and in 1994 products as diverse as non-aqueous liquid systems for laundries and multi-directional high-speed floor-cleaning machines were successfully launched.

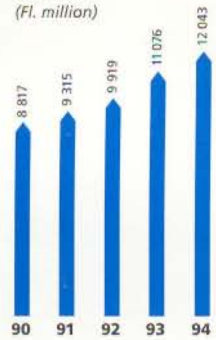
Top: Omo Dupla Acao produces the performance demanded by consumers in Brazil.

Above: A new *Lux* range introduced in Thailand and Indonesia during 1994 includes liquid soap and shower gel.

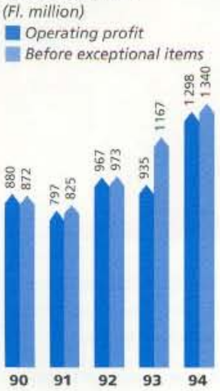
Personal Products

Unilever is a world leader in personal care products. Our brands include *Vaseline* and *Pond's* (skin care); *Signal, Pepsodent, Close-Up* and *Mentadent* (toothpastes); *Organics, Sunsilk* and *Timotei* (hair care); *Rexona, Sure* and *Impulse* (deodorants); and *Axe* and *Fabergé Brut* (men's grooming). In prestige cosmetics, skin care and fragrances we are represented by the Elizabeth Arden and Calvin Klein Cosmetics businesses.

Turnover
(Fl. million)



Operating profit
(Fl. million)



Pond's products are successfully meeting the skin care needs of consumers in 41 countries worldwide, including China, as shown here.

Fl. million	1994 *at current rates*	1994 *at constant rates*	1993	% Change *at constant rates*
Turnover	12 043	12 120	11 076	9
Operating profit	1 298	1 309	935	40
Operating profit before exceptional items	1 340	1 354	1 167	16

1994 has been another year of significant growth in both volume and profit, and our global market share continued to grow in the key product categories, despite an increasingly competitive environment.

To be successful in personal products requires sustained and effective innovation in the market place, presenting to the consumer a continuing and relevant range of choices to meet his or her personal grooming needs.

The organisation of our business is now more geared to innovation, and this forms the foundation of the high rates of growth achieved in many parts of the world.

There was an outstanding performance in the Rest of the World in both volume and operating profit, in particular in Brazil, India and Indonesia. Results were also very good in North America. Growth in Europe was disappointing, as recession affected discretionary income, and downtrading and price cutting in Italy restricted profitability. Nevertheless, overall profit was maintained at the same level as in 1993.

Skin care was again one of our strongest growth categories, under the impetus of successful new products launched in the *Pond's* range. The global extension of *Pond's AHA* and skin smoothing capsules has been universally successful, bringing technology in skin therapy from prestige products to the mass market. Sales of *Pond's* have risen more than fourfold in the eight years since the brand was acquired. *Vaseline* continues to grow strongly too, supported by range extensions in North America for the treatment of dry skin.

In **oral care**, *Mentadent* in the United States has grown strongly in the two years since its launch. The innovative packaging, which enables baking soda to be mixed with peroxide at the moment of use, has manifestly won consumer approval and spawned many imitators. Baking soda toothpastes have been added to ranges elsewhere in response to growing consumer interest. The *Croissance* line of toothpaste and toothbrushes for children has also been successful in Europe, and is quickly being extended around the world.

In **hair care**, *Organics* shampoo has been extended widely from its original launch in Thailand. In all markets this new concept is proving to be attractive to consumers. Our other important global brands – *Sunsilk* and *Timotei* – have been strongly supported by new ideas and improved advertising.

Our lead in **deodorants** in Europe and the Rest of the World was strengthened by further developing our strong position in *Rexona* and the *Axe/Lynx* range for men.

Another outstanding contribution was made by **fragrances**. The launch of *cK one*, a new Calvin Klein fragrance uniquely designed to be used by both men and women, has been spectacular. Once again, the judgement of the market was just right and in its very first year in the United States, *cK one* was the leading new brand by a considerable margin in department stores in the all-important Christmas season.

Our leadership of the prestige fragrance sector has been further underwritten by this major success, although not all of our fragrances have lived up to their early promise. *Valentino Vendetta* and *Elizabeth Taylor's Fragrant Jewels Collection*, both announced in last year's report, were below expectation, but this was more than made up by Elizabeth Arden's *Sunflowers*, also introduced last year, which has been successful in both Europe and North America, and the global launch of *Karl Lagerfeld Sun Moon Stars*. The entry of Calvin Klein's *Eternity, Obsession* and *Escape* fragrances into Europe is also going well.

Elizabeth Arden's technologically advanced *Ceramides* line was extended by the introduction of an anti-ageing product and continues to grow. The needs of the younger consumer were met by the launch of *Spa* skin care in Europe and North America.

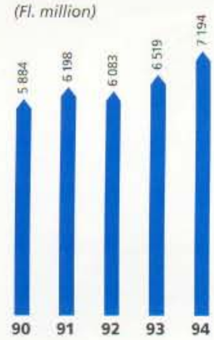
Top: cK one, a new shared fragrance for men and women from Calvin Klein, has captured the imagination of young people in the United States, making it the most successful fragrance launch ever.

Above: The *Croissance* toothbrush and toothpaste for children has been highly successful under the *Signal* brand name in France.

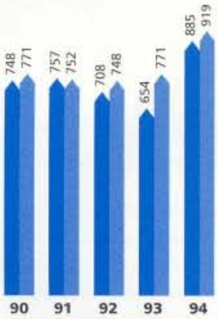
The advertising campaign for *Signal Croissance*, using cartoon characters, has played a major part in the product's success.

Speciality Chemicals

Turnover
(Fl. million)



Operating profit
(Fl. million)
Operating profit
Before exceptional items



Unilever is a major manufacturer of speciality chemicals. Our range of products covers adhesives, speciality resins, starches, fragrances, flavours, food ingredients, oleochemicals, silicates and silicas, speciality fats and medical diagnostics. We focus on markets where our technology and applications know-how provide a real competitive advantage. The largest are food, cleaning and personal care.

At Quest International's new Food Technology Centre in the Netherlands, customers sample new ice cream flavours.

Fl. million	1994 at current rates	1994 at constant rates	1993	% Change at constant rates
Turnover	7 194	7 247	6 519	11
Operating profit	885	892	654	36
Operating profit before exceptional items	919	928	771	20

Our speciality chemicals companies have withstood the effects of recession in the last few years. During this lean period, our activities have been restructured and costs reduced. In 1994, the chemicals cycle began to turn and our businesses have responded with an excellent result.

National Starch and Chemical advanced strongly in adhesives and resins.

In adhesives, there was strong growth in volume and profits in the United States, with particular progress in electronics, bookbinding and disposable diaper applications. Markets in Europe were generally less buoyant, but strong underlying growth in the Asia Pacific region was further boosted by increased participation in Kanebo-NSC in Japan. In resins, the Elotex business made excellent progress in pressure polymers used in the construction industry. Profits in starch based products were affected by the high cost of corn, a legacy of the great floods on the 1993 harvest in the United States.

Quest International is a leading supplier of fragrances and food flavours and ingredients. During the year, major initiatives were taken to streamline the business and to focus on key global customers. Strong sales growth in all regions and lower costs have delivered a substantial increase in profit. In fragrances, important new briefs were won in prestige perfumes. In food, sales to beverage and dairy customers showed strong progress.

After some very difficult years, our oleochemicals business, **Unichema International**, registered a substantial improvement in profitability. Earlier restructuring ensured that margins were maintained, despite increases in raw material prices. Areas of particular strength included ingredients for personal wash products in North America and emollients for skin care products in Asia Pacific.

Crosfield, our silicates and silicas business, also reaped the benefit of previous restructuring and recorded a significant improvement in profit. Major new investments in detergent zeolites, as well as in new capacity for oil refining catalysts, were successfully brought on stream.

Loders Croklaan produces speciality fats and has particular expertise in confectionery applications. The business is in the process of reorganising production facilities and, with improved market conditions, profitability increased.

Unipath, our medical diagnostics business, has had a major success with *Clearblue*, the leading home pregnancy test in the world. Its progress continues despite strong competition.

Other Operations

Plantations and Plant Science

Results from the tea plantations improved over 1993, even though tea prices remained depressed because of surplus production.

Palm oil, on the other hand, recorded strong prices, helped by higher consumption and shortages of vegetable oil. Results were also better than last year. The plantations in Colombia and Venezuela were sold.

Trading activities

Our shareholding in UAC of Nigeria was sold and the textiles operations in West Africa and Paris were further rationalised. The principal remaining activities in textiles are now the profitable operations in Côte d'Ivoire and Ghana. The Power Applications business benefited from recovery in the construction industry.

Top: Loders Croklaan delivers speciality fats to industrial customers.

Above: A new National Starch plant opened in Thailand during 1994 to capitalise on strong growth possibilities in the East Asia Pacific region.

Quest International specialises in flavours and fragrances for the food, household and personal products markets.

Financial Review

The figures quoted in this Financial Review are in guilders, at current rates of exchange, unless otherwise stated.

Results

Turnover for the Group increased by 6% to Fl. 82 590 million. **Operating profit**, before exceptional items, also increased by 6% to Fl. 7 185 million. A segmental analysis of performance is given in the Business Overview and Review of Operations on pages 4 to 7 and 12 to 25 respectively.

Non-operating exceptional items amounted to a profit of Fl. 38 million relating to property disposals in Europe. This compares to Fl. 245 million in 1993, the main element of which was the profit on the sale of our remaining shares in Gamma Holding N.V.

Net interest costs increased by Fl. 136 million to Fl. 590 million. For the second consecutive year average net debt, at constant exchange rates, was flat, despite continued significant outlays on acquisitions. Interest costs however, as predicted last year, increased, mainly due to lower European interest rates on centrally held funds. Net interest cover, after exceptional items, remained strong at 12.2 times.

The Group's effective **tax** rate on current year's profits was 35.8% compared to 35.4% in 1993. The increase mainly reflects higher non taxable profits in 1993, with the underlying effective tax rate the same in both years. As in 1993, the year benefited from tax credits arising on the settlement of prior year tax liabilities.

Minority interests' share of net profits increased by Fl. 34 million to Fl. 173 million, mainly due to better results in India.

Net profit at constant exchange rates increased by 21%. Before exceptional items the increase was 3%. On average, the guilder moved only slightly in the year against the currencies of our principal operations. Net profit growth at current exchange rates was therefore virtually the same at 20%.

Combined market capitalisation
(Fl. million)

Dividends and market capitalisation

Dividends paid and proposed for the year on ordinary capital amounted to Fl. 6.19 per share, an increase of 5%, with earnings per share increasing from Fl. 12.90 to Fl. 15.52. The ratio of dividends to profit attributable to ordinary shareholders of 36.6% continues to reflect Unilever's stable dividend policy. Profit of the year retained was Fl. 2 741 million.

Unilever's combined market capitalisation at 31 December 1994 was Fl. 58.0 billion, compared to Fl. 63.9 billion at the end of 1993.

Balance sheet

Between the two balance sheet dates the guilder strengthened against the currencies of some of our principal operations resulting in a currency loss in guilders of Fl. 613 million on the retranslation of net assets.

Profit retained, after accounting for dividends, currency movements, and a Fl. 1 140 million net goodwill write off on acquisitions and disposals, increased by Fl. 1 004 million to Fl. 13 322 million. Total capital and reserves rose by 7% to Fl. 14 487 million.

Cash flow

A strong focus on cash generation continues. Overall net debt (borrowings less cash and current investments) at the end of 1994 of Fl. 4 477 million was slightly lower than at the end of 1993. Net gearing improved to 23% from 25% in 1993, despite a high level of investment activity.

Net cash flow from operating activities of Fl. 9 085 million was Fl. 1 142 million ahead of last year.

Net cash flow before investing activities of Fl. 4 615 million was Fl. 168 million better than 1993. This was after net interest payments of Fl. 563 million (1993: Fl. 525 million), dividends of Fl. 1 653 million (1993: Fl. 1 548 million), and tax payments of Fl. 2 317 million (1993: Fl. 1 482 million). Increased tax outflows mainly reflect a rebate in the

United States in 1993, and higher payments in Germany due to timing differences.

Capital expenditure increased to Fl. 3 975 million with the largest increases, for the second successive year, coming from outside Europe and North America. Capital projects of Fl. 3 804 million were approved in 1994 and included investments in foods, mainly in ice cream, in China, France, Italy, the United Kingdom, the United States and Venezuela. In detergents, investments approved were mainly in Indonesia and the Netherlands, in personal products in the United States, and in speciality chemicals in the Netherlands.

A total of 22 businesses were acquired for a cash outlay of Fl. 1 673 million, the largest being Ortiz-Miko in France, Tomco in India, Bertolli in Italy and Frudesa in Spain. Disposals numbered 18, and included our interests in Falcon in Sweden, Betty Bossi in Switzerland and Mattessons Wall's in the United Kingdom, with proceeds totalling Fl. 298 million.

Overall net debt in 1994 was slightly below 1993. Debt levels were higher in Europe, mainly due to acquisitions, and in the Rest of the World, reflecting continued investment, offset by somewhat lower debt in the United States.

Unilever's net debt fluctuates with the seasonality of the business, typically peaking mid year. In 1994, net debt rose to Fl. 6 376 million at the end of June following payment of the 1993 final dividend, increased investment in working capital and acquisition outflows.

Finance and liquidity

Unilever's strong financial position enables it to borrow in the major global debt markets at minimum cost, thus ensuring a diverse funding base and borrowing flexibility.

Group policy is to finance operating subsidiaries through a mixture of retained profits, bank borrowings, and loans from parent and group finance companies.

The international bond markets continue to be the main source of long term debt. With rising interest rates and a decision to extend the debt maturity profile, long term debt increased by Fl. 1 380 million to Fl. 5 610 million. New issues totalled Fl. 1 939 million, mainly through four Eurobond issues denominated in US dollars, French francs and guilders. The maturities on new issues averaged eight years.

Funding was at fixed interest rates varying from 4.2% for yen long term loans to between 6.5% and 8.2% for the Eurobond issues. Bonds totalling Fl. 494 million, which mature in 1995, were reclassified at the year end to short term borrowings.

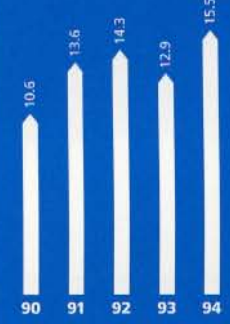
Long term borrowings are raised at fixed interest rates in major currencies and, as appropriate, swapped to floating rates and into the preferred currency. The maturity profile is spread over a ten year period to 2004. The proportion of long term debt repayable within five years declined in 1994 to 49% compared to 68% at the end of 1993.

A key development in 1994 was the establishment of a US$ 2 billion Debt Issuance Programme for the issue of Eurobonds and private placements. The programme, under which US$ 200 million was issued in late 1994, will lead to savings in issue costs and enable completion of documentation more speedily.

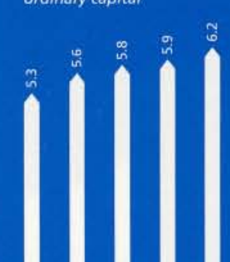
For short term finance, Unilever is active in commercial paper in the United States domestic and Euro markets, and operating subsidiaries fund day to day needs using local bank borrowings. At the end of 1994 short term borrowings were Fl. 2 910 million, a reduction of Fl. 906 million compared to 1993.

Broadly half of Unilever's total borrowings are raised in US dollars, with the remainder mostly in guilders, French francs and sterling.

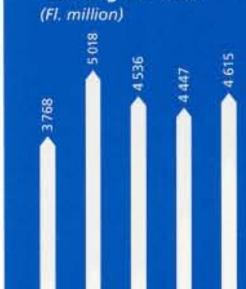
Earnings per share
Guilders per Fl. 4 of ordinary capital



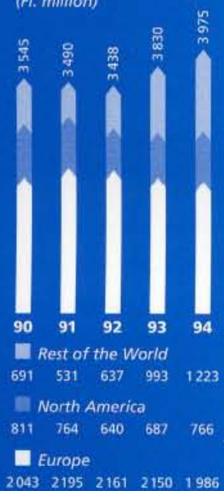
Dividend per share
Guilders per Fl. 4 of ordinary capital



Net cash flow before investing activities
(Fl. million)



Capital expenditure
(Fl. million)



Net interest cover
(times)

Net gearing
(%)

Cash and current investments totalled Fl. 4 043 million, an increase of Fl. 679 million over 1993. To ensure maximum flexibility in meeting changing business needs, substantial liquid funds are held centrally at all times.

Unilever has committed multi-currency credit facility agreements with nine banks under which it may borrow up to £1 350 million for general financing or acquisition purposes. No funds have been drawn under these facilities.

Treasury and hedging policies

The Group treasury function operates as a cost centre governed by financial policies and plans agreed by the directors. Its purpose is to serve the needs of the business through the effective management of financial risk, to secure finance at minimum cost, and invest liquid funds securely. All major areas of activity are covered by policies, guidelines, exposure limits, a system of authorities and independent reporting. Performance is closely monitored with independent reviews undertaken by Internal Audit.

Unilever operates an interest rate management policy aimed at reducing volatility and minimising interest costs. Interest rates are fixed on a proportion of debt and investments for periods up to ten years. This is achieved through the issue of fixed rate long term debt, and the use of a range of straightforward financial derivative instruments. The proportion fixed is higher in the near term than in the longer term, so increasing the predictability of short term interest costs whilst maintaining flexibility to benefit from movements in longer term rates.

Under the Group's foreign exchange policy trading exposures are generally hedged, mainly through the use of forward foreign exchange contracts. Some flexibility is permitted within overall exposure limits. Balance sheet exposures to currency retranslation are not actively managed by financial instruments, but assets and liabilities are, in general, matched in the same currency.

Equity investments and profits arising in foreign currencies are not hedged. Some 70% of Unilever's total capital and reserves are denominated in the currencies of the two parent companies, thus reducing balance sheet exposure to other currency movements.

Investment management policy is to concentrate liquid funds centrally in the parent and finance companies. These funds, mainly held in guilders and sterling, are invested in short term bank deposits and marketable securities.

Credit risk exposures are minimised by dealing only with financial institutions with secure credit ratings, and by working within agreed counterparty limits. Counterparty credit ratings are regularly monitored and there is no significant concentration of credit risk with any single counterparty.

Organisation

Whilst individual Unilever companies have responsibility for their own operations, the activities of the companies worldwide are co-ordinated by product management groups and regional management groups.

Product management groups

These are responsible for overall policy for development, production and marketing. The directors heading our foods, detergents and personal products operations are profit responsible for their businesses in both Western Europe and the United States, and act in an advisory capacity to companies elsewhere. Chemicals Co-ordination has global responsibility for speciality chemicals.

Regional management groups

There are regional management groups for the consumer products companies in Central and Eastern Europe; Latin America and Central Asia; Africa and the Middle East; and East Asia and Pacific. These are profit responsible for our operations in these regions.

Functional services

These are the responsibility of the Financial Director, the Research and Engineering Director and the Personnel Director.

In most countries where Unilever operates, a National Manager is responsible for contacts with local government, social policy and the provision of services. In North America, the President of Unilever United States fulfils this role.

The Boards of Directors/ Special Committee

Each director is a director of N.V. and of PLC. In addition to their specific responsibilities, Unilever's directors are jointly responsible for the conduct of the business as a whole.

The directors appoint a committee, known as the Special Committee, which comprises the Chairmen of the two parent companies and, usually, a third member. It is responsible to the Boards of Directors. The Special Committee's responsibilities include setting long term strategies for the Group and approving strategies for the individual management groups. The Committee monitors their performance and sets overall financial policy. It also approves all senior appointments.

Advisory Directors

As the concept of the non-executive director, as recognised in the United Kingdom, is not a feature of corporate governance in the Netherlands, and the Supervisory Board, as recognised in the Netherlands, is unknown in the United Kingdom, it is not practicable to appoint non-executive directors who could serve on both Boards. However, a strong independent element has long been provided by Unilever's Advisory Directors. Although not formally members of the Boards, their appointment is provided for in the Articles of Association of both parents, and they perform similar functions to those generally assigned to non-executive directors.

Unilever's Organisational Structure

The Unilever Group was established in 1930 when the Margarine Unie and Lever Brothers decided to merge their interests, whilst retaining their separate legal identities. Now known as Unilever N.V. (N.V.) and Unilever PLC (PLC) respectively, these are the parent companies of what today is one of the largest consumer goods businesses in the world, with its corporate centre located in London and Rotterdam.

Since 1930, N.V. and PLC have operated as nearly as is practicable as a single entity. They have the same directors and are linked by a series of agreements which have the result that all shareholders, whether in N.V. or PLC, participate in the prosperity of the whole business.

Directors

Special Committee

Unilever's Plural Chief Executive

Sir Michael Perry

Aged 61. Chairman of Unilever PLC and Vice-Chairman of Unilever N.V. since 1992. Member of Special Committee since 1991. Appointed director 1985. Joined Unilever 1957. Previous posts include: Chairman, Lever Brothers, Thailand 73/77. President, Lever y Asoc., Argentina 77/81. Chairman, Nippon Lever KK 82/83. Chairman, UAC International 85/87. Personal Products Co-ordinator 87/91.

Morris Tabaksblat

Aged 57. Chairman of Unilever N.V. and a Vice-Chairman of Unilever PLC since 1994. Member of Special Committee since 1992. Appointed director 1984. Joined Unilever 1964. Previous posts include: Managing Director, Lever, Brazil 77/81. Chairman, Lever Sunlight, Netherlands 81/84. Personal Products Co-ordinator 84/87. Chairman, Chesebrough-Pond's 87/88. Regional Director, North America 88/89. Chairman, Foods Executive 89/92.

Foods Executive

Foods – United States
Jan Peelen

Aged 55. Chairman, Foods Executive since 1993 and responsible for Tea and Tea based Beverages and Culinary Products. Also responsible for US foods businesses. Appointed director 1987. Joined Unilever 1966. Previous posts include: Chairman, Van den Bergh en Jurgens, Netherlands 79/83. President, Indústrias Gessy Lever, Brazil 84/87. Regional Director, East Asia & Pacific 87/92.

Ice Cream & Frozen Foods – Europe
Antony Burgmans

Aged 48. Member of Foods Executive since 1994 and responsible for Ice Cream and Frozen Foods. Also responsible for Marketing Projects Group. Appointed director 1991. Joined Unilever 1972. Previous posts include: Marketing Director, Lever, Germany 85/87. Chairman, PT Unilever Indonesia 88/91. Personal Products Co-ordinator 91/94. Responsible for South European Foods business 1994.

Foods – Europe
Okko Müller

Aged 59. Member of Foods Executive since 1991 and responsible for Oil and Dairy based Products and Bakery Products. Also responsible for European foods businesses except Ice Cream and Frozen Foods. Appointed director 1989. Joined Unilever 1963. Previous posts include: Chairman, Union Deutsche Lebensmittelwerke 81/89. Agribusiness Co-ordinator 89/91. Responsible for North European Foods business 91/94.

Product Directors

Detergents
Niall FitzGerald

Aged 49. Detergents Co-ordinator since 1991. A Vice-Chairman of Unilever PLC since 1994. Appointed director 1987. Joined Unilever 1967. Previous posts include: Managing Director, Van den Bergh & Jurgens, South Africa 82/85. Unilever Treasurer 85/86. Financial Director 87/89. Edible Fats & Dairy Co-ordinator 89/90. Member, Foods Executive 89/91.

Speciality Chemicals
Iain Anderson

Aged 56. Chemicals Co-ordinator since 1992. Also responsible for North America Regional Management. Appointed director 1988. Joined Unilever 1965. Previous posts include: Chairman, PPF International 81/83. Chemicals Co-ordination and Chairman, Medical Products Group 83/85. Chairman, Batchelors Foods 85/88. Corporate Development Director 88/92.

Board Changes

Mr Charles Miller Smith resigned on 31 July 1994 to become chief executive of Imperial Chemical Industries PLC. His colleagues wish him well in his new role. The remaining directors will retire from office, in accordance with the Articles of Association of N.V. and PLC, at the Annual General Meetings and offer themselves for re-election. As already announced, Mr Robert M. Phillips, previously chairman of Unilever Prestige Personal Products, has been nominated for election as a director.

With effect from 1 August 1994, Mr Antony Burgmans joined the Foods Executive in succession to Mr Miller Smith. Mr Phillips is already performing the role of Personal Products Co-ordinator, in succession to Mr Burgmans. From 1 January 1995 responsibility for the Foods operations in Europe changed from a geographic to a category basis.

As anticipated by last year's Annual Report, Mr Floris Maljers retired at the Annual General Meetings in 1994 and the Boards elected Mr Morris Tabaksblat as Chairman of N.V. and a Vice-Chairman of PLC and Mr Niall FitzGerald as a Vice-Chairman of PLC.

Dr François-Xavier Ortoli will retire as an Advisory Director at the Annual General Meetings in 1995. The Directors record their warm appreciation of his contribution in that role during the past ten years.

Personal Products
Robert Phillips

Aged 56. Personal Products Co-ordinator since 1994. Joined Unilever in 1986 upon Unilever's acquisition of Chesebrough-Pond's. Previous posts include: President, Chesebrough-Pond's 86/92. CEO, Chesebrough-Pond's 88/92. Chairman and CEO, Unilever Prestige Personal Products 92/94.

Functional Directors

Financial
Hans Eggerstedt

Aged 57. Financial Director since 1993. Also responsible for Information Technology Group. Appointed director 1985. Joined Unilever 1965. Previous posts include: Managing Director, Unilever Turkey 78/81. Chairman, Nordsee, Germany 81/83. Unilever Treasurer 83/85. Frozen Products Co-ordinator 85/90. Regional Director for Continental Europe 89/92. Commercial Director 90/92.

Research & Engineering
Ashok Ganguly

Aged 59. Research & Engineering Director since 1990. Also responsible for Patent Division. Appointed director 1990. Joined Unilever 1962. Previous posts include: Development and General Factory Manager, Hindustan Lever 71/76. Technical Director, Hindustan Lever 77/80. Chairman, Hindustan Lever 80/90.

Personnel
Clive Butler

Aged 48. Personnel Director since 1993. Also Regional Director for Europe. Appointed director 1992. Joined Unilever 1970. Previous posts include: Chairman, Philippine Refining 83/86. President, Foods Division, Lever Brothers, USA 86/89. President, Van den Bergh Foods, USA 89/90. Foods Executive 90/92. Corporate Development Director 1992.

Regional Directors

Latin America & Central Asia
Christopher Jemmett

Aged 58. Regional Director, Latin America & Central Asia since 1992. Appointed director 1988. Joined Unilever 1958. Previous posts include: President, Unilever Japan KK 73/77. Chairman, BOCM Silcock 78/80. Overseas Committee 80/87. Chairman, UAC 87/88. Regional Director, Africa & Middle East 88/92. Agribusiness Co-ordinator 91/92.

East Asia & Pacific
Alexander Kemner

Aged 55. Regional Director, East Asia & Pacific since 1993. Appointed director 1989. Joined Unilever 1966. Previous posts include: Marketing Director Van den Berghs & Jurgens, UK 80/83. Chairman, Van den Bergh en Jurgens, Netherlands 83/86. Deputy Food & Drinks Co-ordinator 86/89. Food & Drinks Co-ordinator 89/90. Member, Foods Executive 89/92.

Africa & Middle East and Central & Eastern Europe
Roy Brown

Aged 48. Regional Director, Africa & Middle East since 1992 and Central & Eastern Europe since 1994. Also responsible for Plantations and Plant Science Group. Appointed director 1992. Joined Unilever 1974. Previous posts include: Chairman, Pamol Plantations, Malaysia 84/86. Operations Member, Agribusiness Co-ordination 86/87. Chairman, PBI Cambridge 87/89. Chairman, Lever Brothers, UK 90/92.

The role of an Advisory Director to Unilever involves the giving of advice to the Boards in general, and to the Special Committee in particular, on business, social and economic issues. The three Committees of Advisory Directors are a Remuneration Committee, which reviews the remuneration policy for directors and senior executives and has responsibility for the Executive Share Option Schemes, an Audit Committee, which oversees financial reporting and control arrangements, and an External Affairs Committee.

Advisory Directors are formally appointed by the Boards, normally for a three year term. Their selection follows the identification of appropriate candidates by the Chairmen, and subsequent consultations between them, the Advisory Directors and the other directors.

Advisory Directors

Sir Derek Birkin
Aged 65. Appointed 1993. Chairman, Tunnel Holdings 75/82. Director, RTZ Corporation since 1982, Chief Executive 85/91 and Chairman since 1991. Director, Barclays Bank since 1990 and of Carlton Communications and Merck & Co. Inc. (USA) since 1992.

Bertrand Collomb
Aged 52. Appointed 1994. French government administrator 66/75. Lafarge Group since 1975: Chairman and Chief Executive Officer, Lafarge Coppée since 1989. Member, European Round Table of Industrialists. Vice-Chairman, World Industry Council for the Environment. Director of Elf Aquitaine since 1994.

Frits Fentener van Vlissingen
Aged 61. Appointed 1990. Member, Executive Board SHV Holdings 67/75, and Chairman, 75/84. Managing Director, Flint Holding since 1984. Member, Supervisory Board of Amsterdam-Rotterdam Bank 74/91, of ABN AMRO Bank since 1991 and of Akzo Nobel since 1984, also Chairman since 1993.

Sir Brian Hayes
Aged 65. Appointed 1990. Permanent Secretary, Ministry of Agriculture, Fisheries and Food 79/83. Joint Permanent Secretary, Dept. of Trade and Industry 83/85 and sole Permanent Secretary 85/89. Director, Tate & Lyle and Guardian Royal Exchange since 1989.

James W. Kinnear
Aged 67. Appointed 1994. Vice-Chairman, Texaco Inc. 83/86, and President and Chief Executive Officer 87/93. Director, Corning Inc. since 1978, ASARCO Inc. since 1990 and Paine Webber Group Inc. since 1994.

François-Xavier Ortoli
Aged 70. Appointed 1985. Retiring 1995. Cabinet Minister, France 67/72. President, Commission of European Communities 73/76 and Vice-President for Economic and Monetary Affairs 77/84. Chairman, TOTAL 84/90 and Honorary Chairman since 1990.

Karl Otto Pöhl
Aged 65. Appointed 1992. Secretary of State, German Ministry of Finance 72/77. Deputy President, Deutsche Bundesbank 77/79 and President 80/91. Partner, Sal. Oppenheim Bank since 1992.

Onno Ruding
Aged 55. Appointed 1990. Member of Board, Amsterdam-Rotterdam Bank 81/82. Minister of Finance, the Netherlands 82/89. Chairman, Netherlands Christian Federation of Employers 90/92. Vice-Chairman and Director, Citicorp and Citibank since 1992.

Dieter Spethmann
Aged 68. Appointed 1978. Chairman, Executive Board of Thyssen, Duisburg 73/91. Chairman, Supervisory Board of Munich Re since 1978. Attorney at Law in private practice since 1991.

Lord Wright of Richmond G.C.M.G.
Aged 63. Appointed 1991. Permanent Under Secretary of State at the Foreign and Commonwealth Office and Head of the Diplomatic Service 86/91. Director of Barclays Bank, British Petroleum and De La Rue since 1991, and of BAA since 1992.

Honorary Advisory Director

The Rt. Hon. The Viscount Leverhulme K.G. T.D.
Aged 79. Grandson of William Lever, the founder of Lever Brothers. Appointed Honorary Advisory Director of PLC for life on his retirement as an Advisory Director in 1985.

The membership of the Advisory Committees is:

Remuneration Committee:
Mr F. H. Fentener van Vlissingen (Chairman), Sir Derek Birkin and Dr D. Spethmann.

Audit Committee:
Sir Brian Hayes (Chairman), Mr K. O. Pöhl and Dr O. Ruding.

External Affairs Committee:
Dr F.-X. Ortoli (Chairman), Mr J. W. Kinnear and Lord Wright of Richmond G.C.M.G.

J.W.B. Westerburgen
S.G. Williams
Joint Secretaries of Unilever
20 March 1995

Summary Financial Statement

Introduction

This Annual Review booklet and the separate booklet entitled 'Unilever Annual Accounts 1994' together comprise the full Annual Report and Accounts for 1994 of N.V. and PLC when expressed in guilders and pounds sterling respectively. This Summary Financial Statement is a summary of the Unilever Group's full annual accounts set out in 'Unilever Annual Accounts 1994'. That separate booklet also contains additional financial information and further statutory and other information.

For a full understanding of the results of the Group and state of affairs of N.V., PLC or the Group, the full annual accounts, the auditors' report on those accounts and the directors' report should be consulted. See page 36 for details of these publications.

The auditors have issued an unqualified audit report on the full accounts. The United Kingdom Companies Act 1985 requires the auditors to report if the accounting records are not properly kept or if the required information and explanations are not received. Their report on the full accounts contains no such statement.

The following summarised financial statements should be read with the directors' report set out earlier in this review, which will mention, to the extent applicable, any important future developments or post-balance sheet events.

Dividends

The Boards have resolved to recommend to the Annual General Meetings on 3 May 1995 the declaration of final dividends on the ordinary capitals in respect of 1994 at the rates shown in the table below. The dividends will be paid in accordance with the timetable on page 36.

N.V.	1994	1993	PLC	1994	1993
Per Fl. 4 of ordinary capital			Per 5p of ordinary capital		
Interim	**Fl. 1.48**	Fl. 1.48	Interim	**6.51p**	6.08p
Final	**Fl. 4.71**	Fl. 4.40	Final	**20.30p**	18.95p
Total	**Fl. 6.19**	Fl. 5.88	Total	**26.81p**	25.03p

For the purpose of equalising dividends under the Equalisation Agreement, Advance Corporation Tax (ACT) in respect of any dividend paid by PLC has to be treated as part of the dividend. PLC's 1994 final dividend has been calculated by reference to the rate of ACT which is due to come into force on 1 April 1995; if the effective rate applicable to payment of the dividend is different the amount will be adjusted accordingly and a further announcement made to the shareholders of PLC.

Statement from the Auditors

This statement is addressed to the shareholders of Unilever N.V. and Unilever PLC. We have audited the Summary Financial Statement set out on pages 33 to 35.

The Summary Financial Statement is the responsibility of the directors. Our responsibility is to report to you on whether the statement is consistent with the annual accounts and directors' report.

In our opinion the Summary Financial Statement of the Unilever Group set out on pages 33 to 35 is consistent with the full accounts and directors' report for 1994 and complies with the requirements of Section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder.

Coopers & Lybrand
Registeraccountants
Rotterdam
As auditors of Unilever N.V.

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London
As auditors of Unilever PLC

20 March 1995

Summary Consolidated Accounts

Fl. million	Unilever Group 1994	1993
Profit and loss account *for the year ended 31 December*		
Turnover	82 590	77 626
Operating profit	7 012	5 397
Operating profit before exceptional items	7 185	6 763
Exceptional items	(173)	(1 366)
Income from fixed investments	174	179
Non-operating exceptional items	38	245
Interest	(590)	(454)
Profit on ordinary activities before taxation	6 634	5 367
Taxation on profit on ordinary activities	(2 122)	(1 616)
Profit on ordinary activities after taxation	4 512	3 751
Minority interests	(173)	(139)
Net profit	4 339	3 612
Attributable to: N.V.	2 928	2 485
PLC	1 411	1 127
Dividends	(1 598)	(1 509)
Profit of the year retained	2 741	2 103
Combined earnings per share		
Guilders per Fl. 4 of ordinary capital	15.52	12.90
Pence per 5p of ordinary capital	83.59	69.45

Directors

The directors of Unilever during 1994 are shown on pages 30 and 31. Their total emoluments for the year ended 31 December 1994 were Fl. 23 million (1993: Fl. 19 million).

Deferred taxation

The accounts are prepared in accordance with accounting principles generally accepted in the Netherlands and the United Kingdom except that the treatment of deferred taxation, for which full provision is made, complies with Dutch legislation as currently applied rather than with Accounting Standards in the United Kingdom.

Financial Reporting Standard 4 (FRS 4)

With effect from 1994, Unilever has adopted FRS 4 (Capital Instruments) of the United Kingdom Accounting Standards Board. As a result, certain preference shares in a Group company have been reclassified from minority interests to borrowings in the balance sheet as at 31 December 1993. In addition, the dividends on these preference shares have been reclassified from minority interests to interest payable in the profit and loss account for 1993. The preference shares were repurchased on 13 January 1994. Adoption of the Standard has no effect on reported net profit.

Fl. million	Unilever Group 1994	1993
Balance sheet *as at 31 December*		
Fixed assets	22 674	22 542
Current assets		
Stocks	10 168	9 901
Debtors	12 424	12 254
Cash and current investments	4 043	3 364
	26 635	25 519
Creditors due within one year		
Borrowings	(2 910)	(3 816)
Trade and other creditors	(16 241)	(16 785)
Net current assets	7 484	4 918
Total assets less current liabilities	30 158	27 460
Creditors due after more than one year		
Borrowings	5 610	4 230
Trade and other creditors	1 057	782
Provisions for liabilities and charges	8 221	8 234
Minority interests	783	710
Capital and reserves	14 487	13 504
Attributable to: N.V.	9 151	8 472
PLC	5 336	5 032
Total capital employed	30 158	27 460
Cash flow statement *for the year ended 31 December*		
Net cash inflow from operating activities	9 085	7 943
Dividends from fixed investments	63	59
Interest paid less received	(563)	(525)
Dividends paid	(1 653)	(1 548)
Net cash outflow from returns on investments and servicing of finance	(2 153)	(2 014)
Taxation	(2 317)	(1 482)
Capital expenditure less disposals	(3 651)	(3 421)
Acquisition and disposal of group companies	(1 375)	(1 492)
Other	62	(155)
Net cash outflow from investing activities	(4 964)	(5 068)
Net cash outflow before financing	(349)	(621)
Net cash inflow/(outflow) from financing	615	(243)
Increase/(decrease) in cash and cash equivalents	266	(864)

This Summary Financial Statement was approved by the Board of Directors on 20 March 1995.

Sir Michael Perry *Chairmen of Unilever* **M. Tabaksblat**

Additional Information

Financial calendar

Annual General Meetings

N.V.
10.30 am Wednesday 3 May 1995
Concert- en Congresgebouw de Doelen
Entrance Kruisplein 30
Rotterdam

PLC
11.00 am Wednesday 3 May 1995
The Queen Elizabeth II Conference Centre
Broad Sanctuary, Westminster
London SW1P 3EE

Announcements of results

First quarter	9 May 1995	Nine months	10 November 1995
First half year	11 August 1995	Provisional for year	20 February 1996 *

Dividends on ordinary capital

Final for 1994	**N.V.**	**PLC**	***N.V. New York Shares***	***PLC American Shares***
Proposal announced	21 February 1995	21 February 1995	*21 February 1995*	*21 February 1995*
Ex-dividend date	4 May 1995	27 March 1995	*4 May 1995*	*7 April 1995*
Record date	-	13 April 1995	*10 May 1995*	*13 April 1995*
Declaration	3 May 1995	3 May 1995	*3 May 1995*	*3 May 1995*
Payment date	19 May 1995	19 May 1995	*2 June 1995*	*26 May 1995*
Interim for 1995				
Announced	10 November 1995	10 November 1995	*10 November 1995*	*10 November 1995*
Payment date	20 December 1995 *	20 December 1995 *	*20 December 1995**	*29 December 1995**

** The dates shown are provisional and subject to confirmation*

Preferential dividends

N.V.

4% Preference	Paid 1 January
6% Preference	Paid 1 October
7% Preference	Paid 1 October

United Kingdom capital gains tax

The market value of PLC 5p ordinary shares at 31 March 1982 was £1.235.

Listing details

N.V. The shares or certificates (depositary receipts) of N.V. are listed on the stock exchanges in Amsterdam, London, New York and in Austria, Belgium, France, Germany, Luxembourg and Switzerland.

PLC The shares of PLC are listed on The Stock Exchange, London and, as American Depositary Receipts, in New York.

Financial publications

Versions of this booklet are available, with figures expressed in pounds sterling, in English and, with figures expressed in guilders, in Dutch and English. The 'Unilever Annual Accounts 1994' booklet is available in the same versions.

Copies of all versions of both booklets can be obtained without charge from Unilever's Corporate Relations Department, Rotterdam or London (see below). They are also available from Unilever United States Inc., Corporate Affairs Department, 390 Park Avenue, New York NY 10022-4698 (telephone 212 906 4240; telefax 212 906 4666).

Corporate Centre

Unilever N.V.
Weena 455
PO Box 760
3000 DK Rotterdam
Telephone 010 217 4000
Telefax 010 217 4798

Unilever PLC
PO Box 68
Unilever House, Blackfriars
London EC4P 4BQ
Telephone 0171 822 5252
Telefax 0171 822 5951

Unilever PLC
Registered Office
Port Sunlight
Wirral
Merseyside L62 4ZA

Unilever PLC
Registrars
Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone 0181 650 4866
Telefax 0181 639 2262

Produced by: Unilever Corporate Relations Department
Design: The Partners
Main photography: Peter Hince
Chairmen's photograph: Andrew Ward
Charts: Inner Circle
Print: Westerham Press Limited, St Ives plc


Liptonice