

# Unilever Q4 2010 Results

February 3<sup>rd</sup> 2011

Paul Polman, CEO. Jean-Marc Huët, CFO.

James Allison, Head of IR and M&A.



# Paul Polman Chief Executive Officer



# Safe Harbour Statement



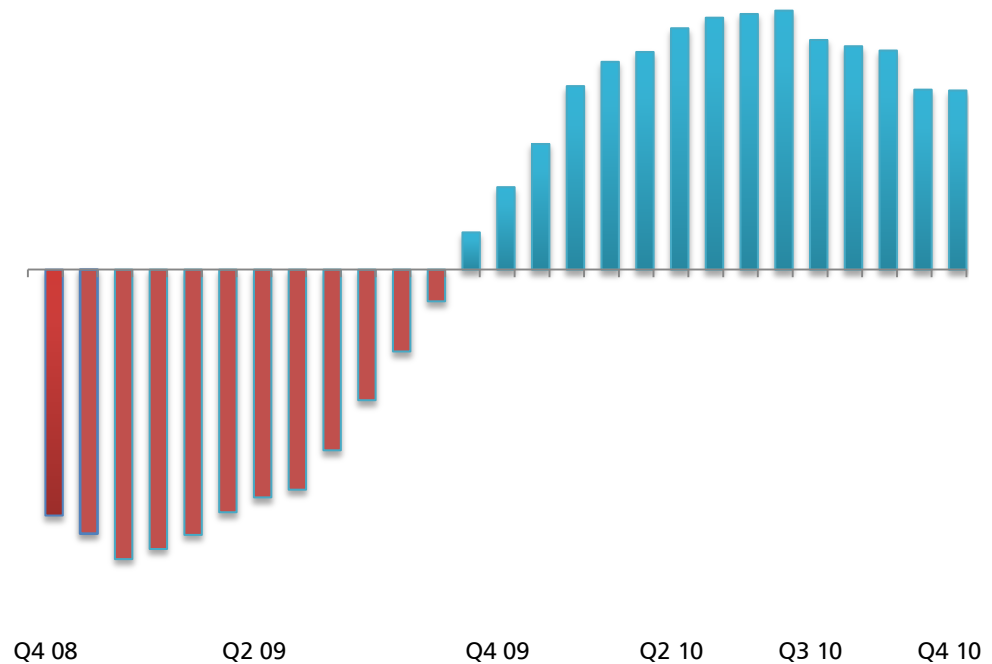
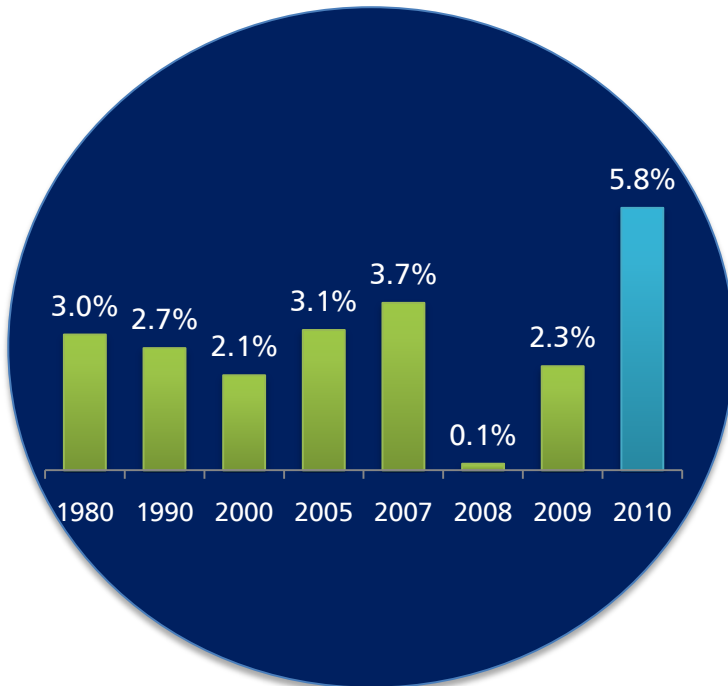
This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'expects', 'anticipates', 'intends', 'believes' or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including, among others, competitive pricing and activities, economic slowdown, industry consolidation, access to credit markets, recruitment levels, reputational risks, commodity prices, continued availability of raw materials, prioritisation of projects, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, consumer demands, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, the ability to complete planned restructuring activities, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Boards. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the 20-F Report and the Annual Report and Accounts 2009. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

# Strong Volume Growth in Difficult Markets



underlying volume growth highest in +30 years

volume share bps change moving average total

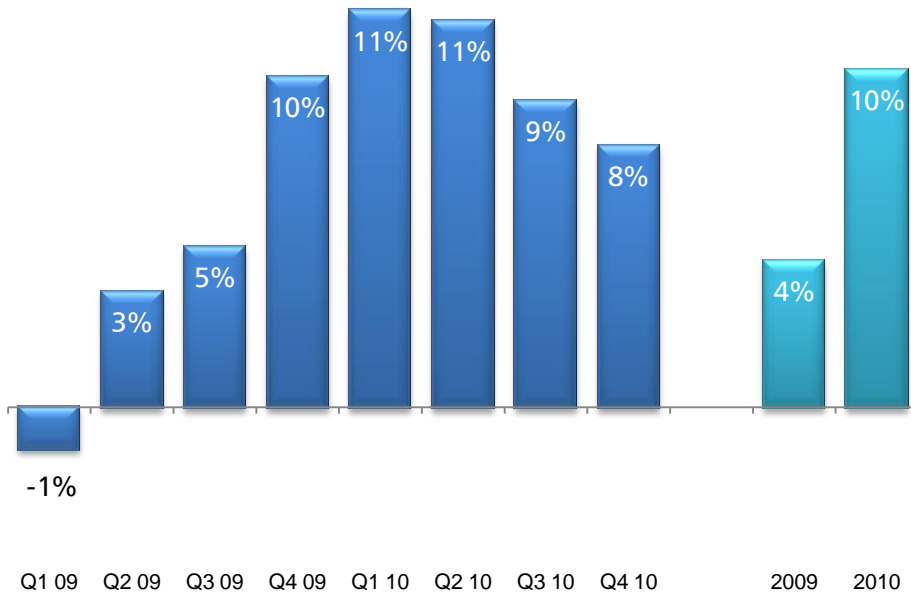


+60% of our business is growing or holding value share

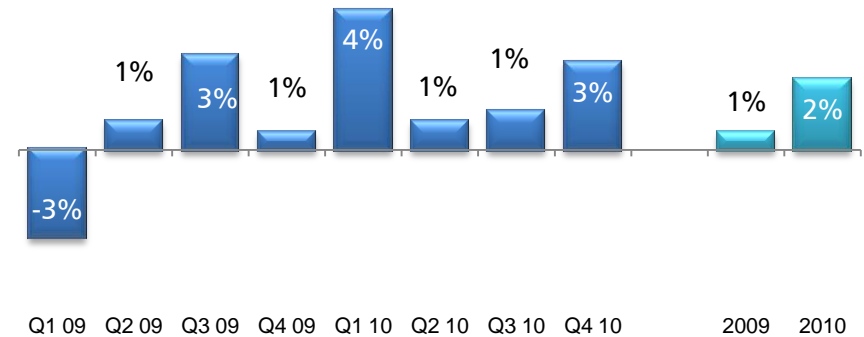
# Broad Based Volume Growth



## emerging markets



## developed markets

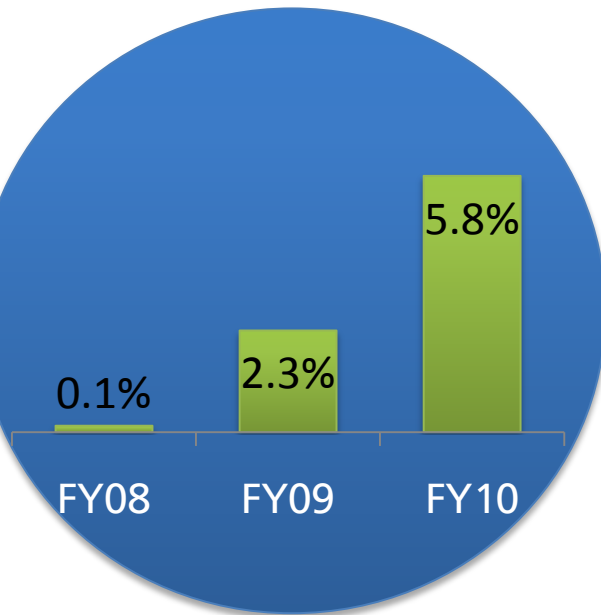


all of our categories grew volume in 2010

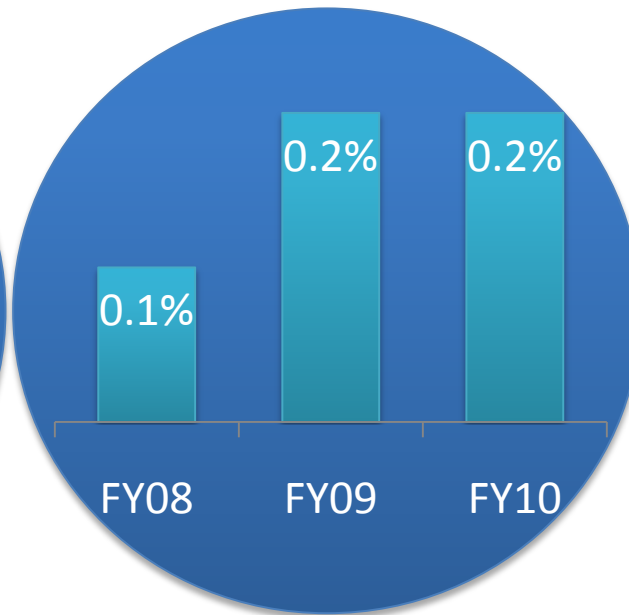
# We have Delivered Against our Priorities



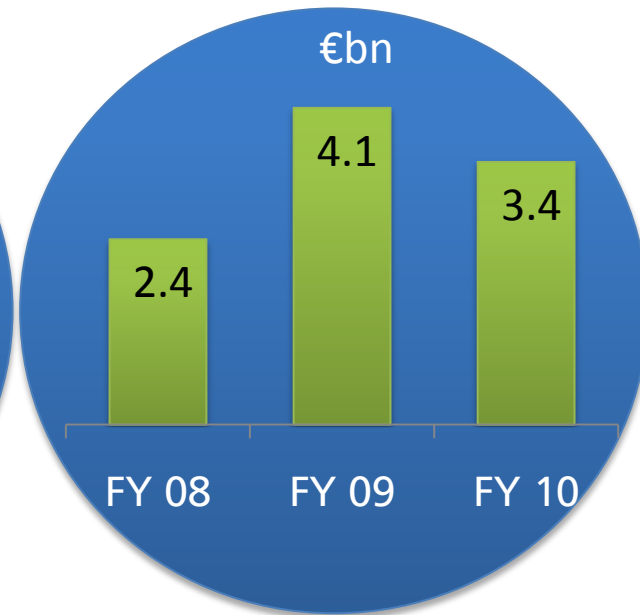
## Volume Growth accelerated



## Underlying Operating Margin increased



## Free Cash Flow delivered





# Bigger, Better, Faster Innovation



**FEEL THE IMPACT OF FRESHNESS**

**NEW** Dove MEN+ CARE  
AQUA IMPACT  
BODY AND FACE WASH  
TOTAL SKIN COMFORT  
MICRO-MOISTURE

**NEW** Dove MEN+ CARE  
AQUA IMPACT  
POWERFUL PROTECTION & REFRESHMENT  
48h ANTI-REDNESS  
HYPOALLERGENIC

“THE BEST ICE CREAM WE’VE EVER STOLEN”

**MAGNUM GOLD?!**

HOWEVER YOU STYLE YOUR HAIR DOVE TAKES CARE OF THE DAMAGE.

Introducing Dove Daily Treatment Conditioners

**CONDITIONER + TREATMENT**

The very first conditioner with a treatment inside. Get the deep nourishment of a treatment in the time it takes to condition your hair for instant smoothness. Use everyday instead of your regular conditioner.

[@dovehaircare](#)

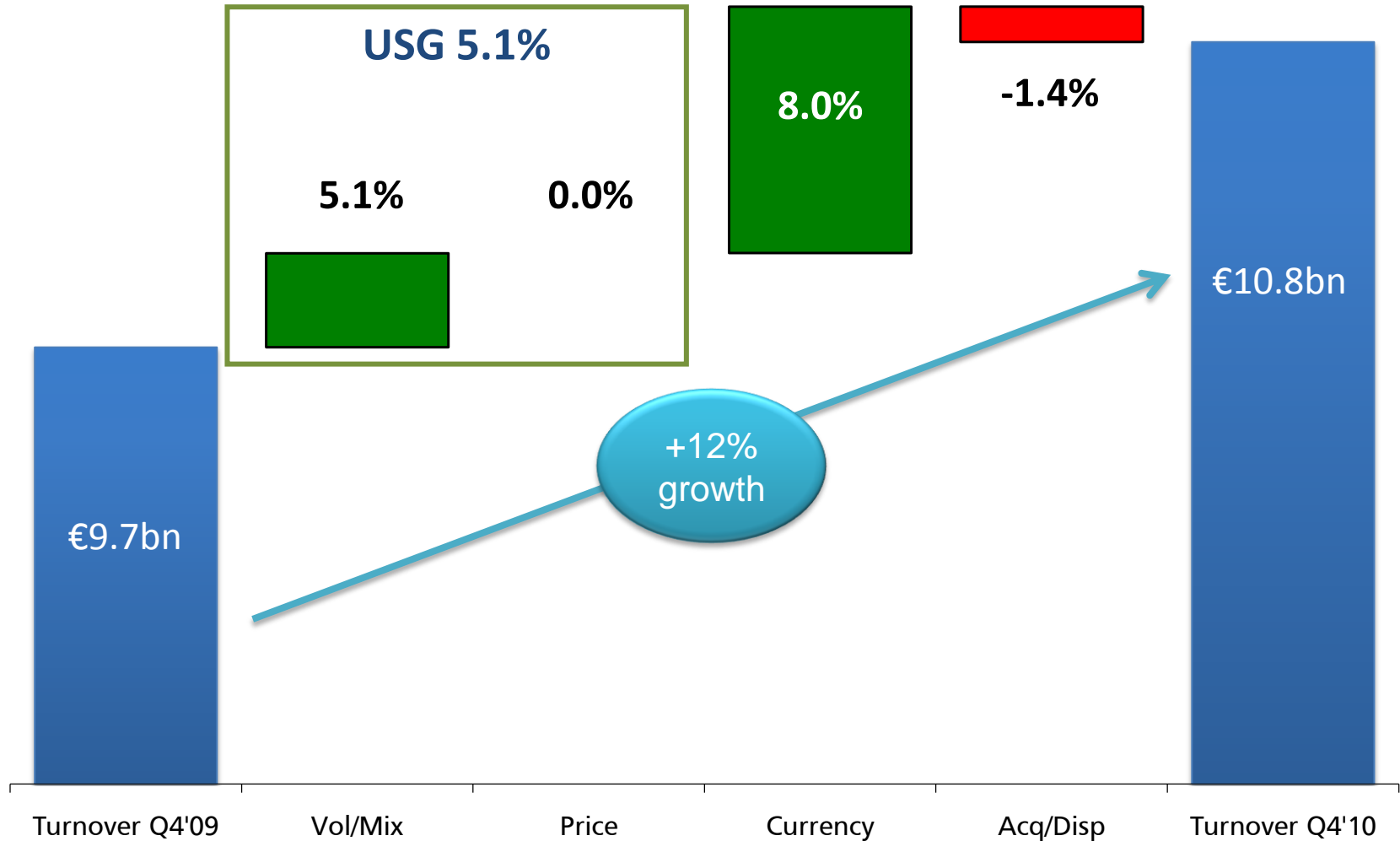
Innovations now typically go to 30+ markets in under 12 months

# Jean-Marc Huët Chief Financial Officer

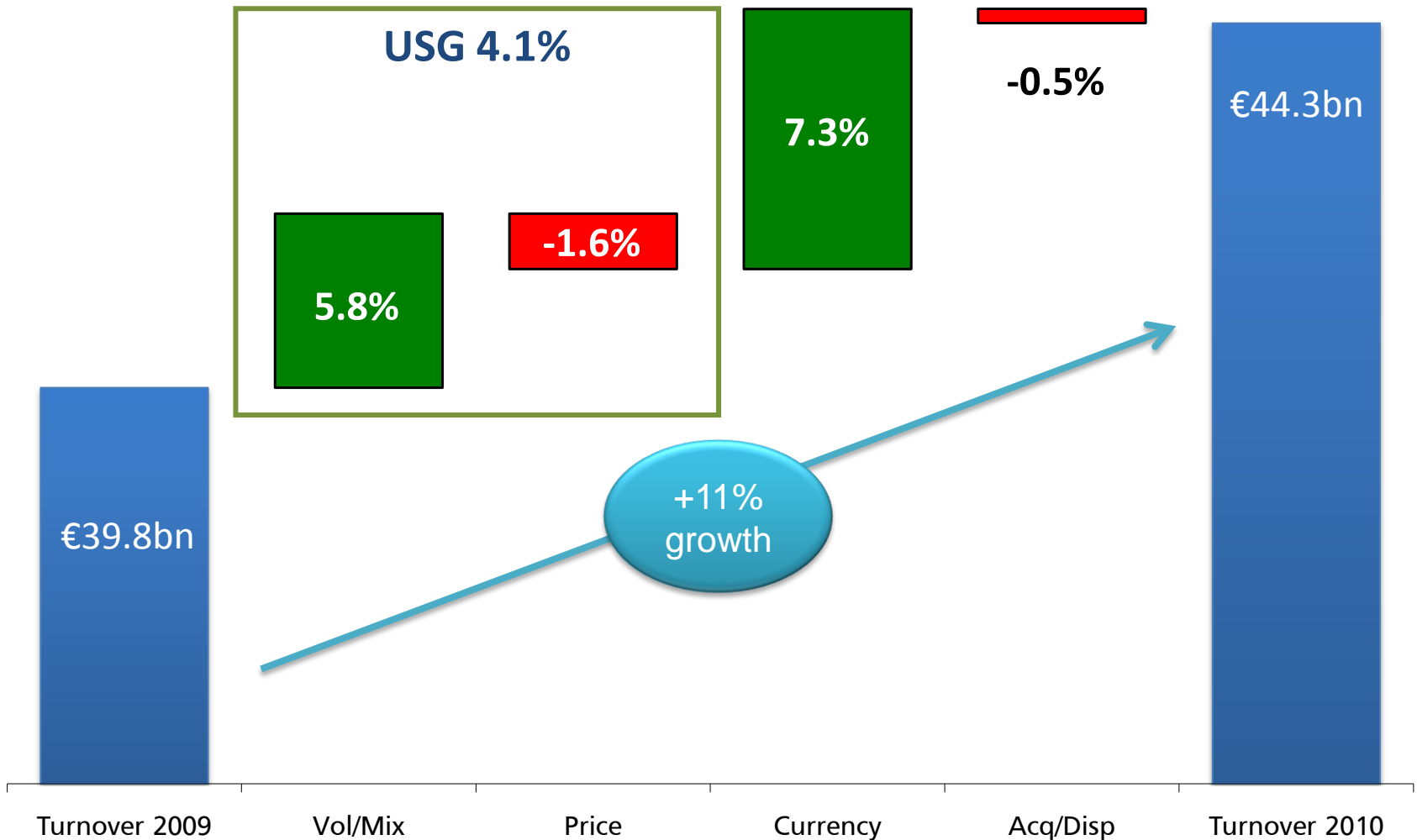




# Q4 10: Strong Top Line Growth



# 2010: Strong Underlying Sales Growth



Bigger, Better, Faster Innovation  
Turnover > €50m during year 1



Axe Hair

Signal White Now

P.F. Chang's



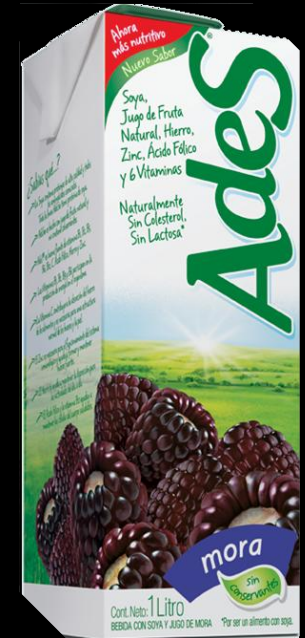
# Bigger, Better, Faster Innovation



## Clear

## Axe New Variants

## AdeS



# Q4 10: Personal Care Innovations



## Hair **Bed Head** Colour Combat



Fight the three arch enemies of colour: Water, Heat and UV with new Bed Head Colour Combat™ shampoo, conditioners and treatments. Now powered with our secret weapon, Colour LockDown Technology for longer lasting colour that stays true to hair.

[www.tigrahairecare.com](http://www.tigrahairecare.com)

## Axe **Excite** Global



# AXE **Excite**



# Q4 10: Home Care Innovations



DiG re-launch – China, Turkey

Sunlight re-launch – AACEE



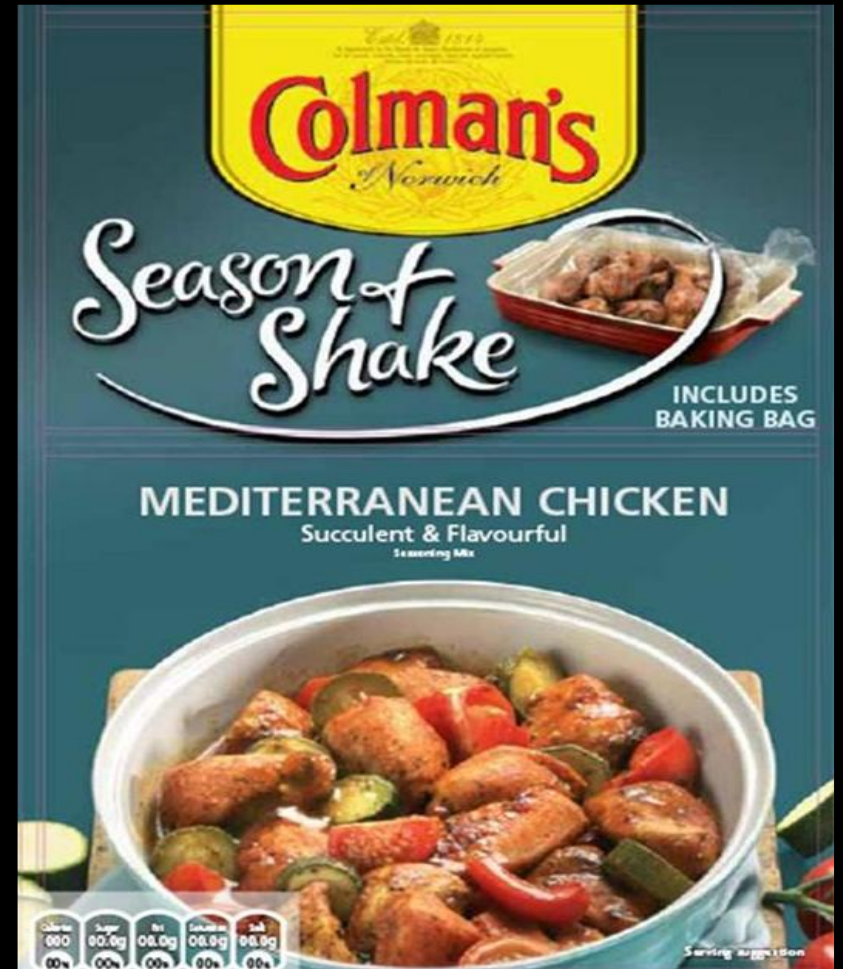
# Q4 10: Food Innovations



Café Zero – **Western Europe**



Season & Shake – **UK**





# Q4 10: Brands into New Markets



## Clear – Chile



Aprobado por la I.A.C.D. Academia Internacional de Dermatología Cosmética.  
ver precauciones en el envase

## Dove Hair - China



# Q4 10: Brands into New Markets



**Knorr Soups** - Bangladesh

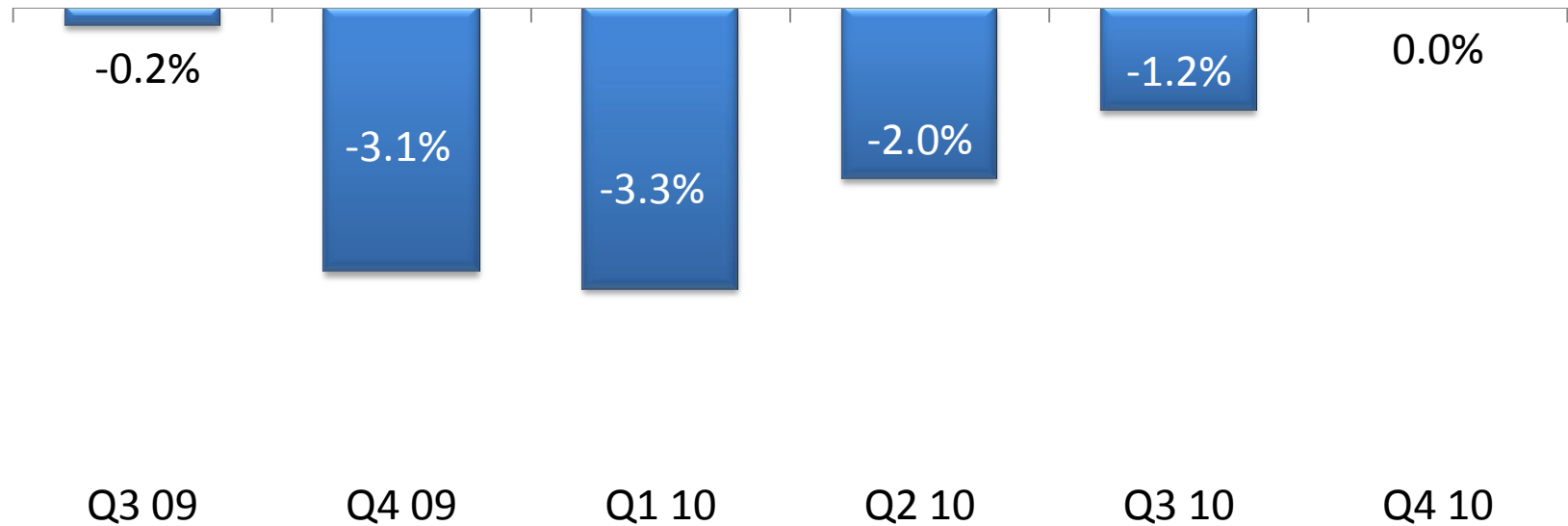
**Magnum** – United States and Indonesia



# Q4 10: Positive in-quarter Price Growth



## underlying price growth

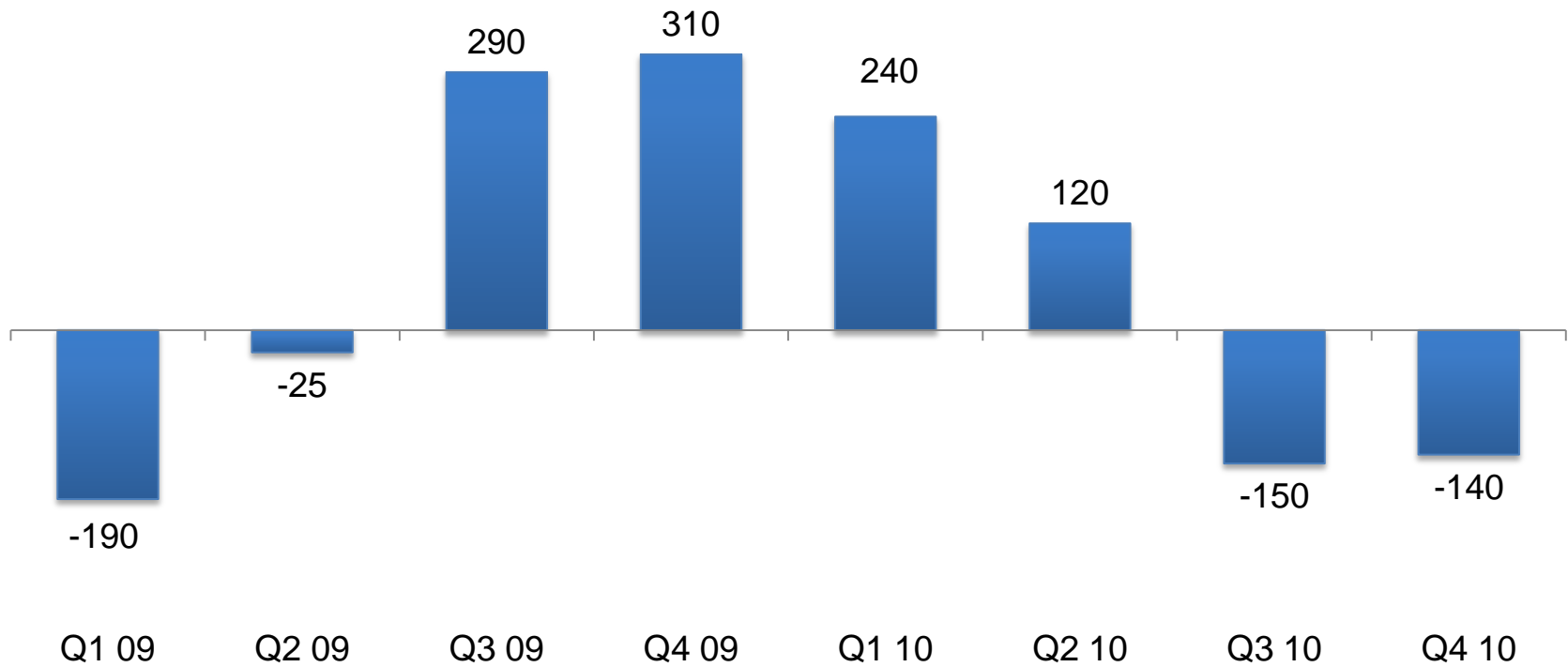




# 2010: Gross Margin Up 10bps



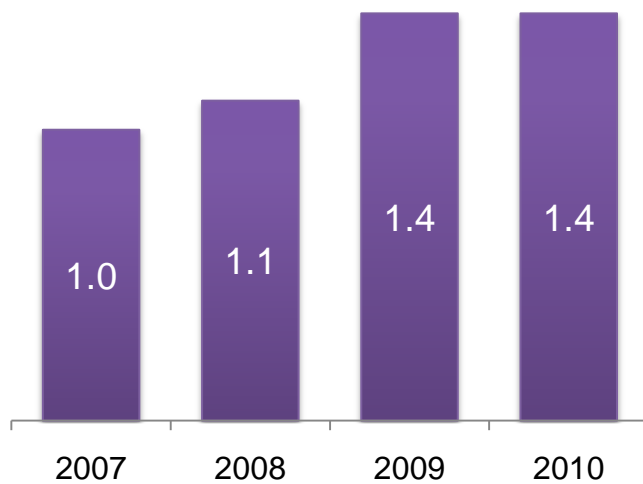
## gross margin bps change by quarter



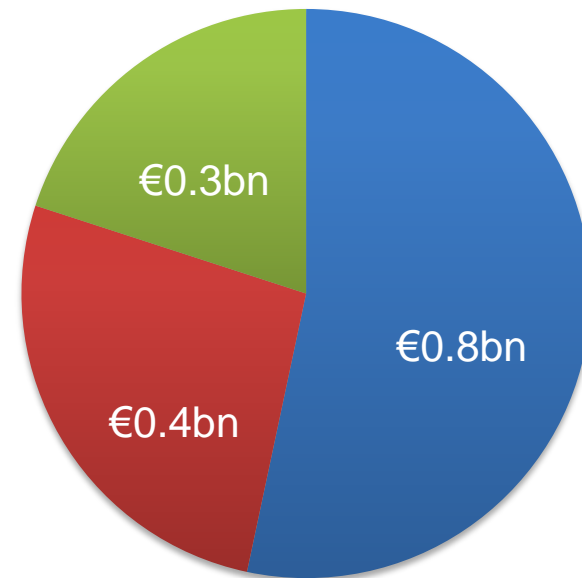
# 2010: Strong Savings Delivery at €1.4bn



Total Savings  
€bn



2010 Savings

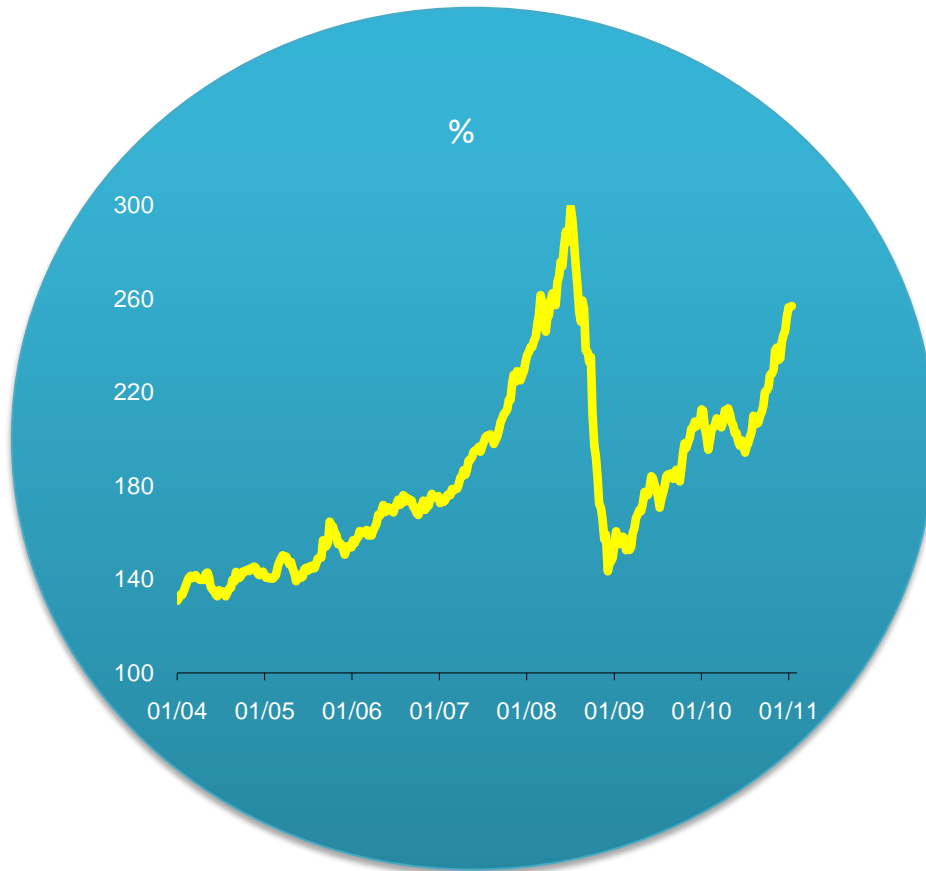


■ Buying Savings ■ Restructuring Savings ■ Regional / Local Initiatives

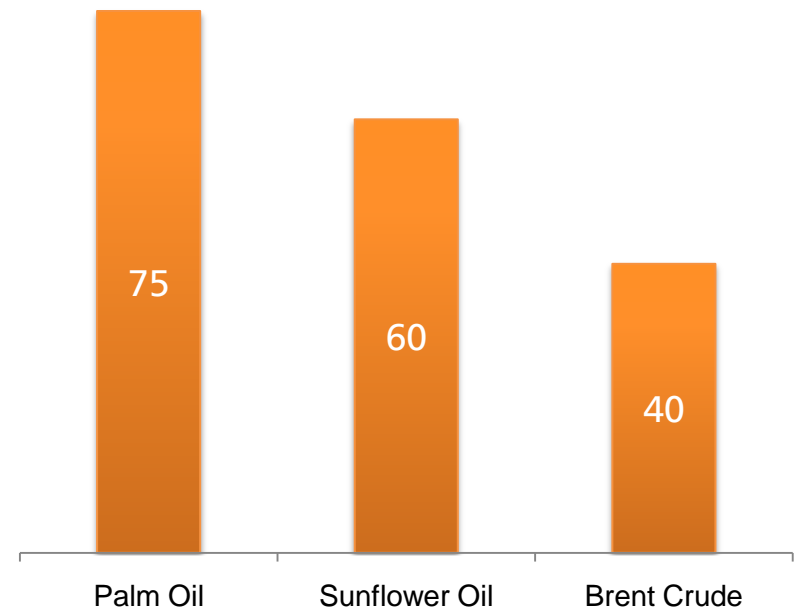
# Higher, Volatile Commodity Costs



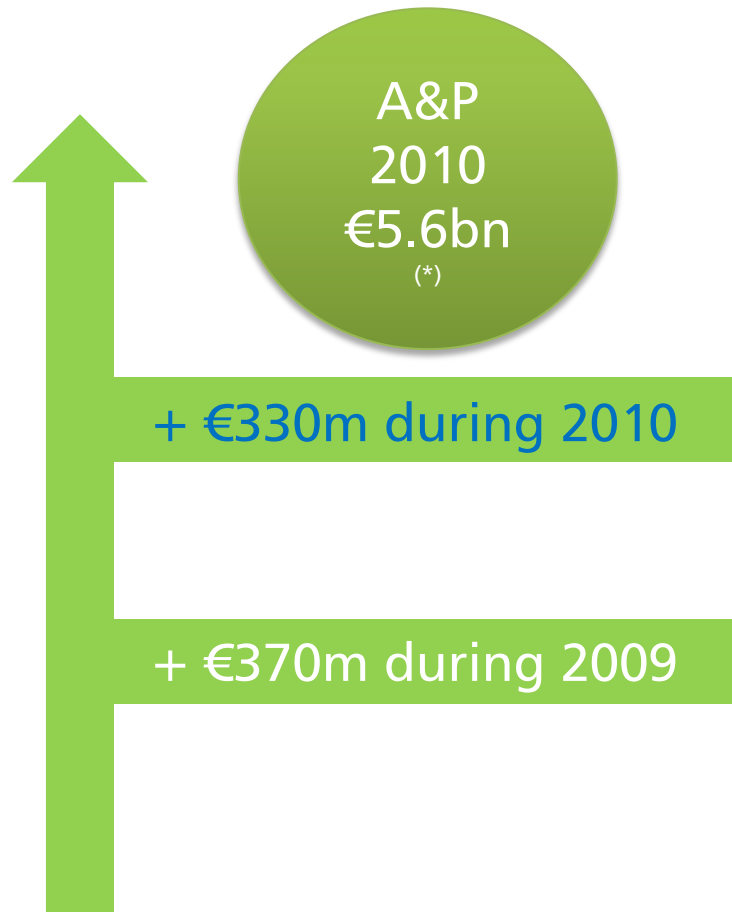
## Unilever Commodity Index



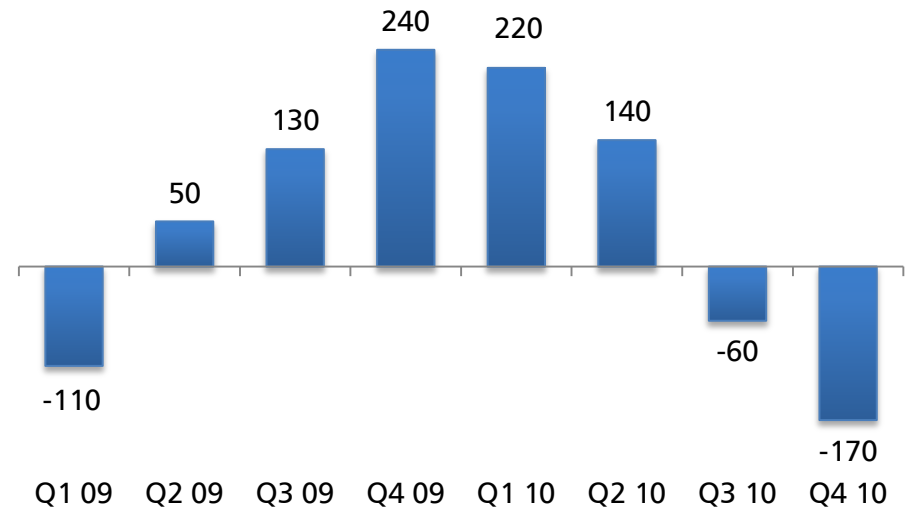
## Commodities inflation % increase vs. a year ago



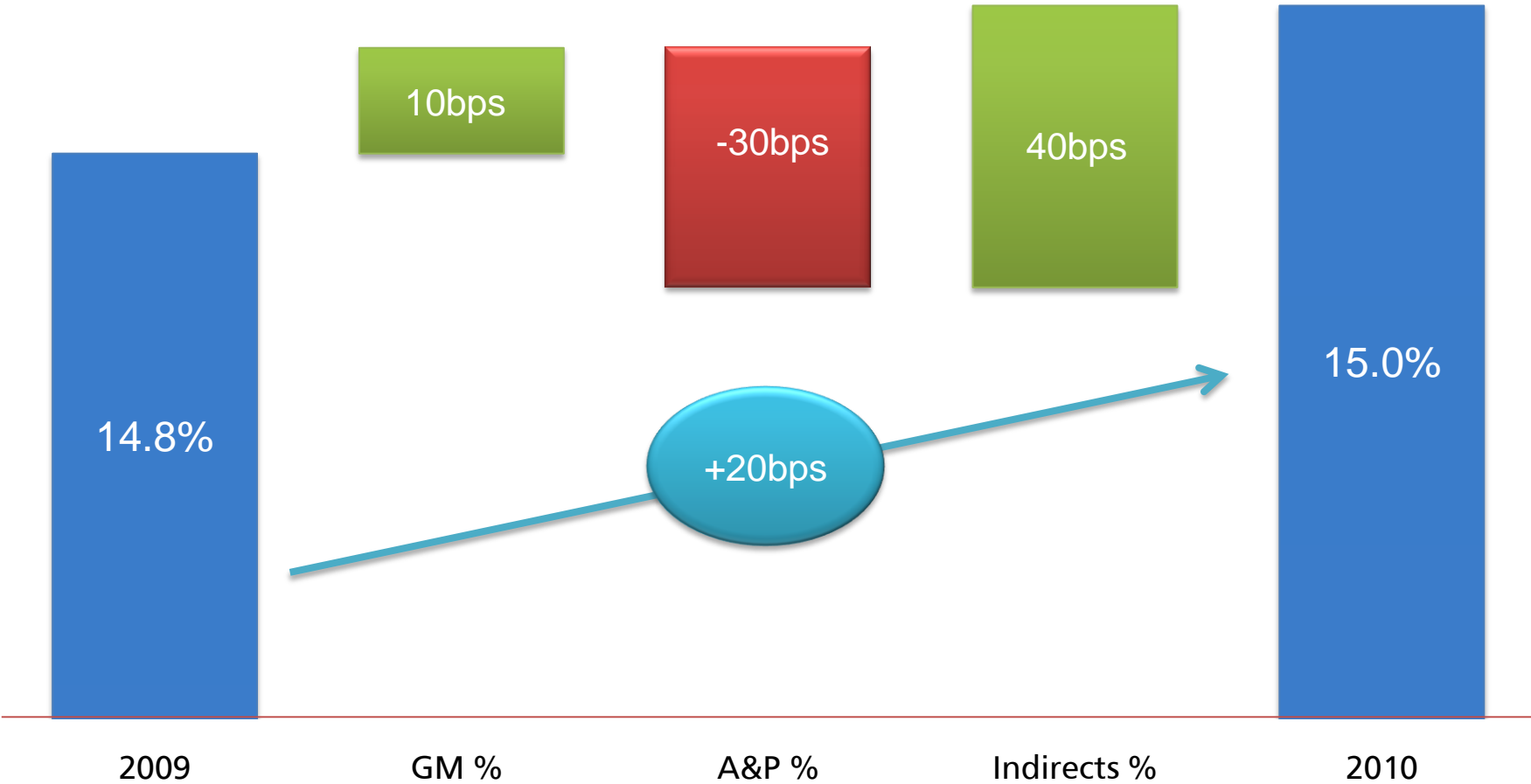
# 2010: A&P Up 30bps



advertising and promotions bps change by quarter

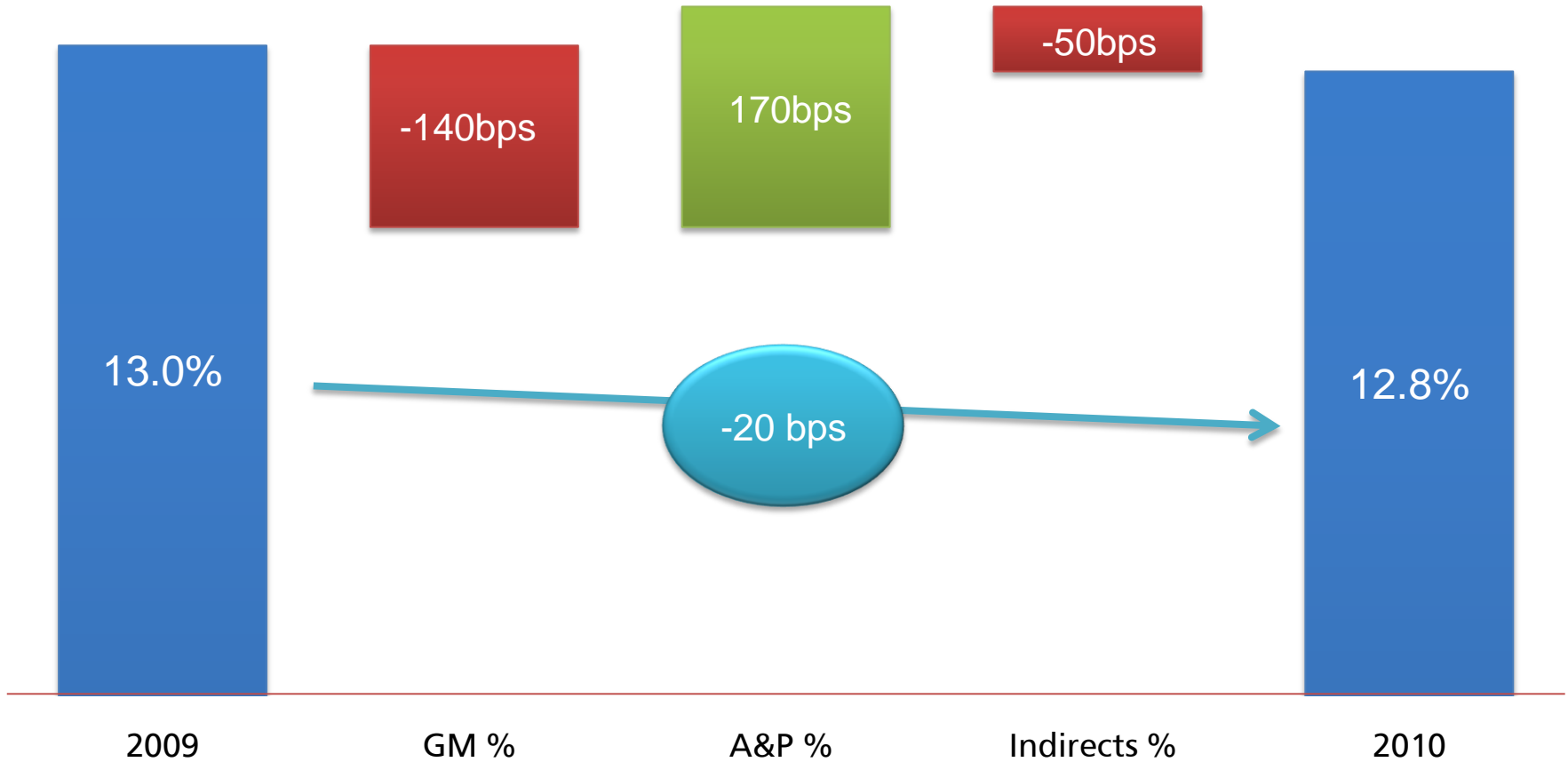


# 2010: Underlying Operating Margin up 20bps

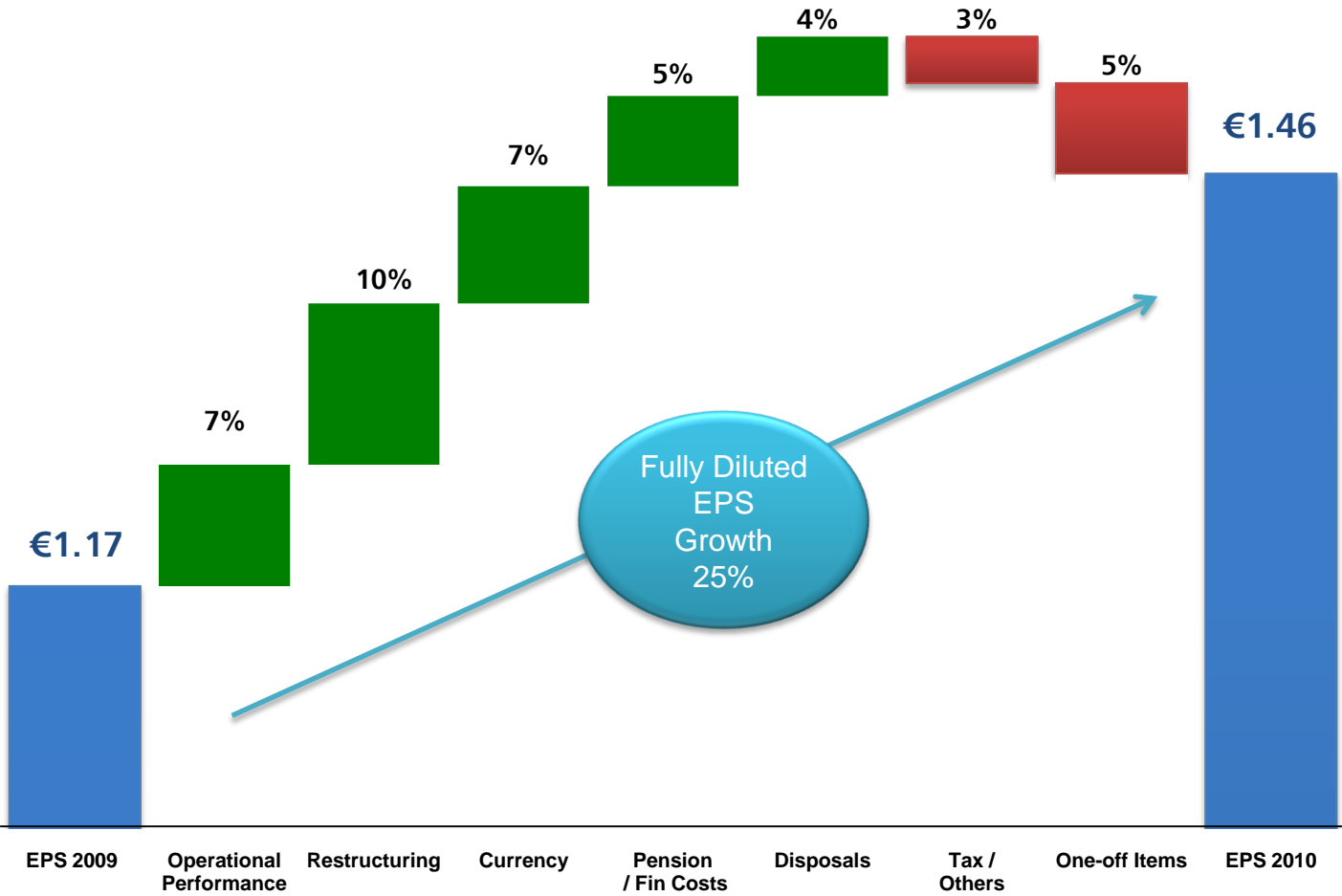




# Q4 10: Underlying Operating Margin down 20bps



# 2010: Double Digit Diluted Earnings per Share Growth



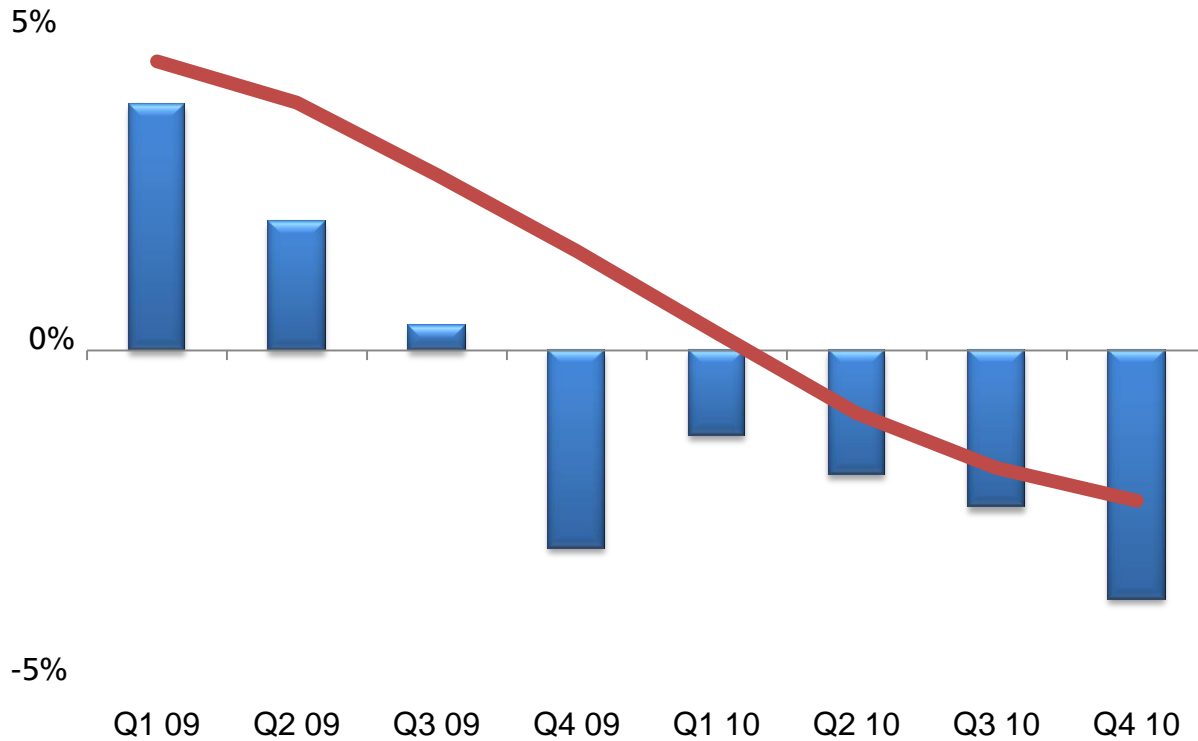
**One off Items 2010:**

M&A one-off items	-€0.02
Other one-off items	-€0.04
Disposals	€0.16

# 2010: Cash Conversion Cycle down 17 days (MAT)



### Trading Working Capital % Turnover



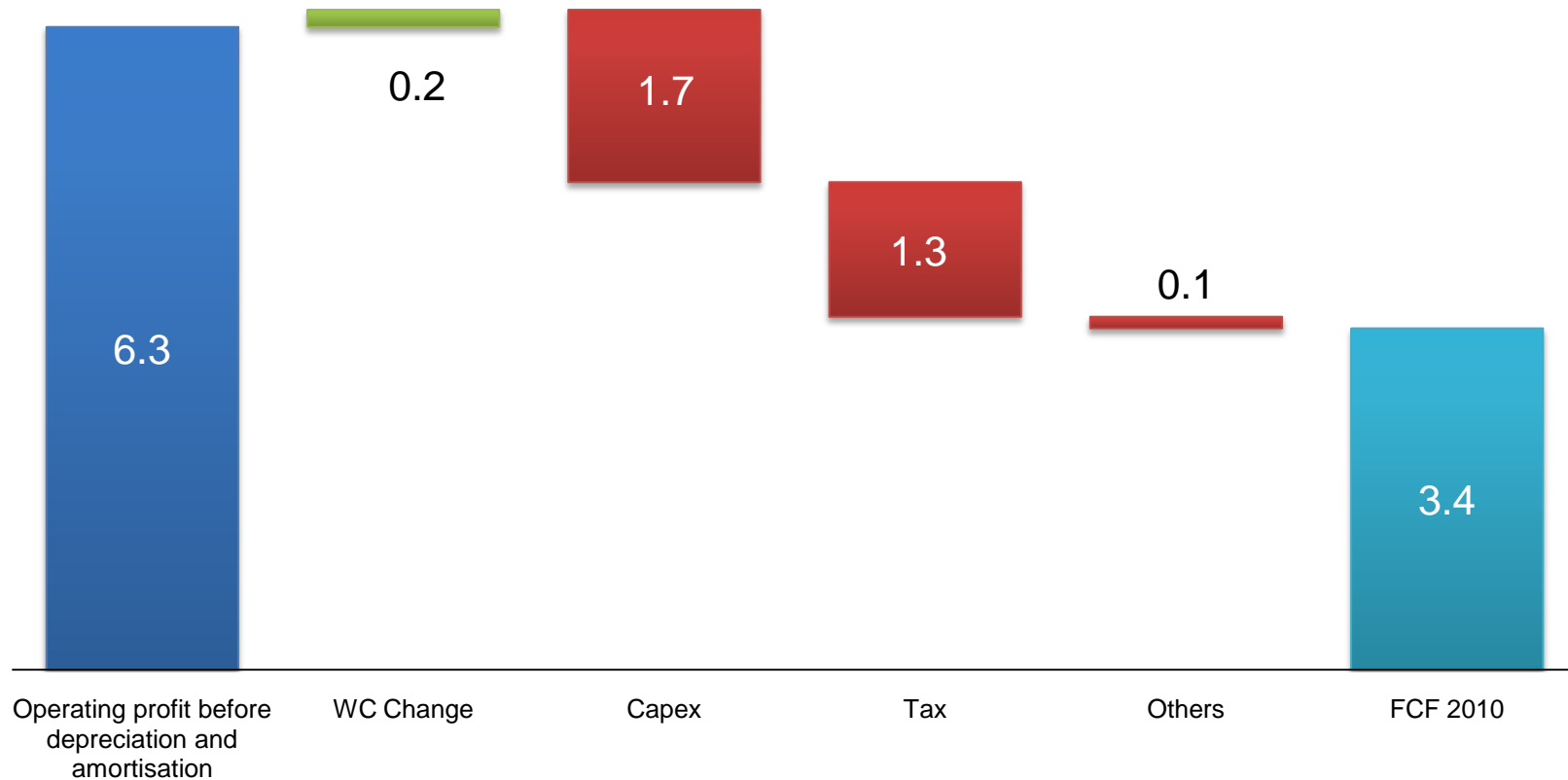
MAT 2010	
Cash Conversion Cycle	3 days
Stocks	61 days
Debtors	34 days
Creditors	91 days

— MAT Average TWC % T/over  
— Closing TWC % T/over

# 2010: Healthy Free Cash Flow



€bn



# Balance Sheet



**Net Debt**

**€6.7bn**

(€0.3bn increase  
from 2009)

**Pension Deficit**

**€2.1bn**

(from €2.6bn at  
end 2009)

**Cash Contributions  
to Pensions**

**€0.7bn**

**Quarterly Dividend**

**€0.208 per NV share**

# Paul Polman Chief Executive Officer



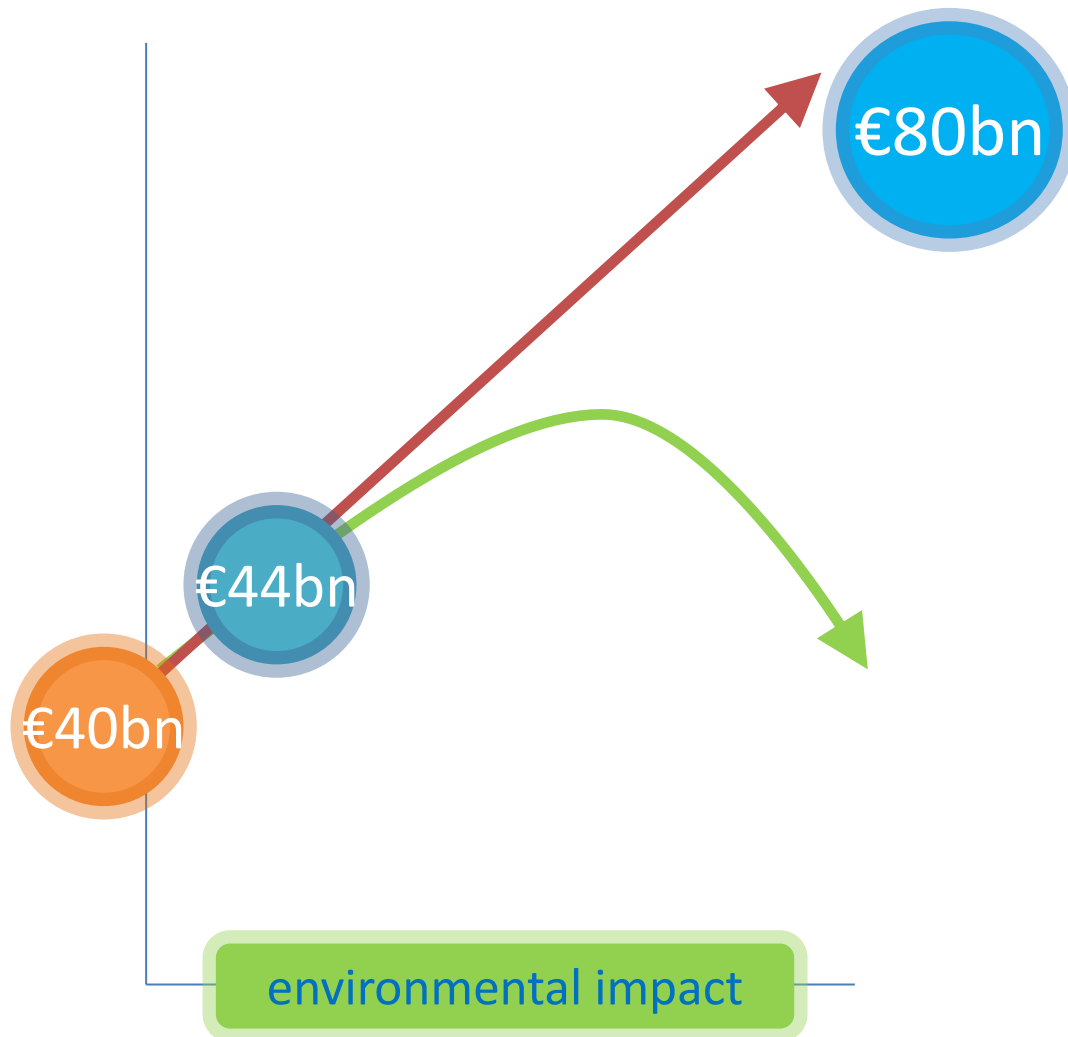



# The Environment in 2011




- Difficult environment, particularly in the Developed world
- Emerging market growth continues
- Inflationary pressures and rapid rise in many key commodities
- Expecting a more rational approach in terms of pricing
- Unilever is stronger and better placed to tackle these issues

# The Organisation now Aligned





## THE COMPASS



**WE ARE UNILEVER...**

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

**WHERE WE WILL WIN...**

**PRIORITIES**

Win share and grow volume in every category and country

**HOW WE WILL WIN...**

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

# Sharpening the Portfolio through M&A



Hair TIGI



Personal Care Sara Lee



Hair / Skin Alberto Culver



Hair T&G



Ice Cream Greece / Denmark



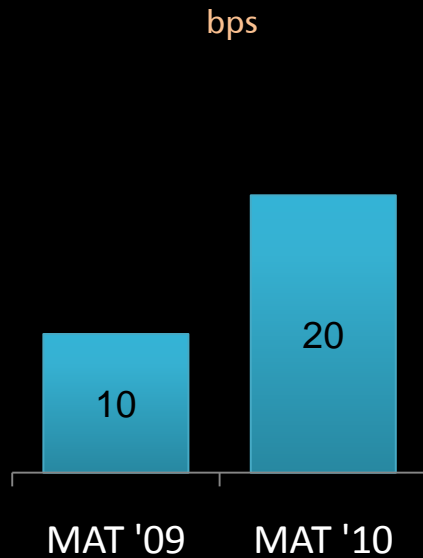
Frozen Italy and Tomatoes  
Brazil Disposal



# A More Competitive Unilever



## volume share up



## highest ever innovation rate



# Brands Healthier



## World Number 1

- Savoury Dressings
- Tea
- Ice Cream
- Spreads
- Deodorants
- Mass Skin



## World Number 2

- Laundry
- Daily Hair Care



## Local Strength

- Oral Care
- Household Cleaning



Number 1 and 2 in more than 80% of the business



# ~100 Brands into New Markets in 2010

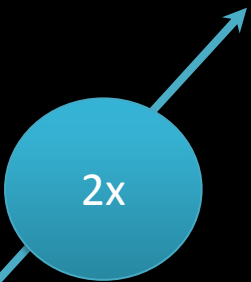


2009

2010



~50



~100



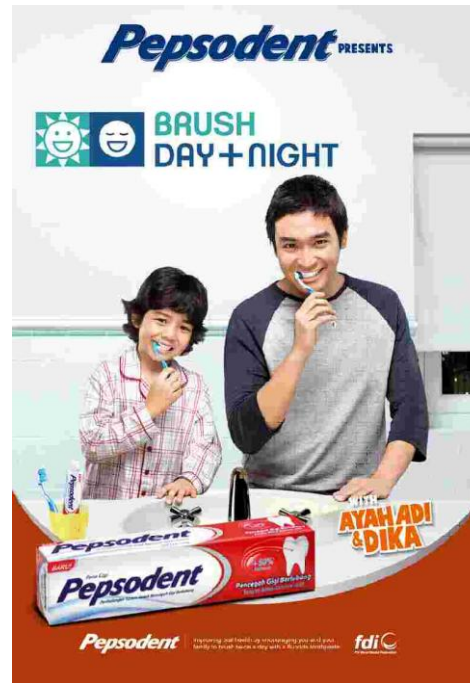
# Winning in the Market Place



## Oral Care Market Development Model



France



Indonesia

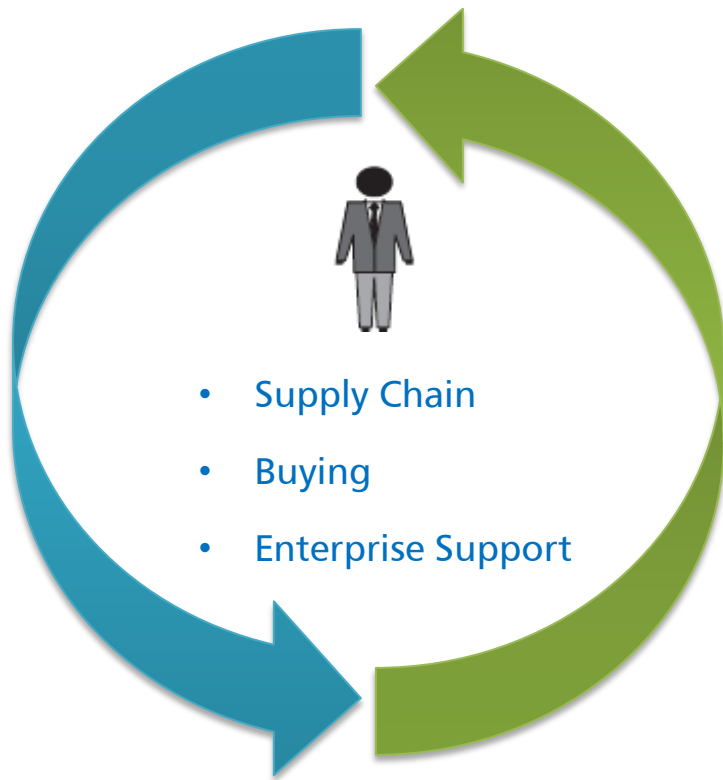


Nigeria

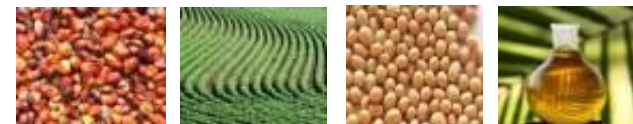
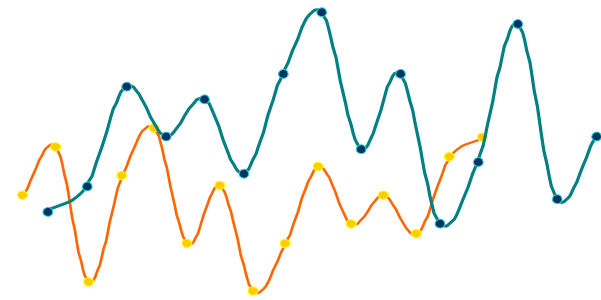
# Winning through Continuous Improvement



Global functions now in place



Better equipped to manage volatile commodities



We are faster, more disciplined, with strong savings programmes and a leaner cost structure

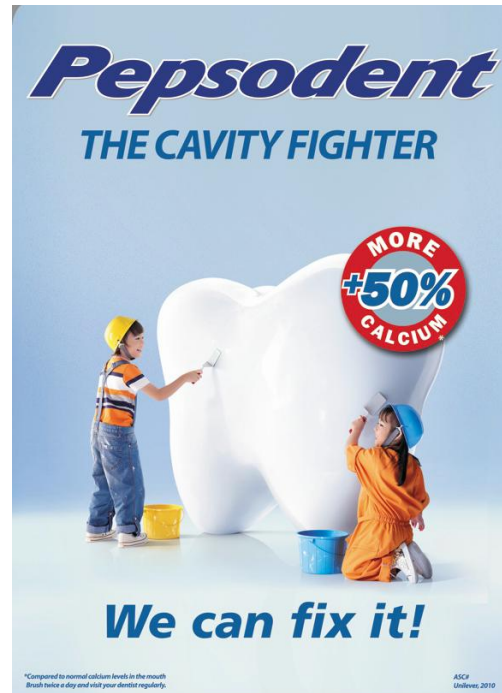
# Winning with People



Consumer and Customer Focus

Bias for Action

A New Unilever: Faster, More Confident



Pepsodent Philippines  
6 weeks from sign off to on-shelf availability



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



# Questions

