Notes to the Annual Review 2003 This PDF version of the Unilever Annual Review 2003 is an exact copy of the document provided to Unilever's shareholders. It is a short form document that contains extracts and summaries only of the information given in the Unilever Annual Report & Accounts and Form 20-F 2003 ("the Full Report"). The Full Report should be referred to for a fuller understanding of the results and state of affairs of Unilever.

The Summary Finanacial Statement in the Unilever Annual Review 2003 has been examined by our auditors.

The maintenance and integrity of the Unilever website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters. Accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially placed on the website.

Legislation in the United Kingdom and the Netherlands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2003

Unilever Annual Review and Summary Financial Statement

Unilever

Meeting everyday needs of people everywhere

Our corporate purpose

Our purpose in Unilever is to meet the everyday needs of people everywhere – to anticipate the aspirations of our consumers and customers and to respond creatively and competitively with branded products and services which raise the quality of life.

Our deep roots in local cultures and markets around the world are our unparalleled inheritance and the foundation for our future growth. We will bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively and to a willingness to embrace new ideas and learn continuously.

We believe that to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live.

This is Unilever's road to sustainable, profitable growth for our business and long-term value creation for our shareholders and employees.

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

The brand names shown in *italics* in this Annual Review are trademarks owned by or licensed to companies within the Unilever Group.

From 1 January 2000, Unilever adopted the euro as its principal reporting currency. The figures in this Annual Review are expressed in euros with translations into sterling and US dollars. Changes in exchange rates can cause different trends in results reported in each of these currencies.

To eliminate this effect, the commentary throughout the Annual Review is based, unless otherwise stated, on trends at constant exchange rates (that is, the same rates as the preceding year). For each two-year period, the year-on-year comparisons in euros are the same as those which would arise if the results were shown in sterling or US dollars at constant exchange rates.

Wherever used in this Annual Review, the abbreviation BEIA refers to profit measures 'before exceptional items and amortisation of goodwill and intangibles'. Unless otherwise stated, the commentary is also on a BEIA basis.

Following the changes in accounting policy discussed on pages 26-27, figures for 2001 and 2002 have been restated.

For NV share capital, the euro amounts shown in this document are representations in euros on the basis of Article 67c Book 2 of the Civil Code of the Netherlands, rounded to two decimal places, of underlying amounts of share capital in Dutch guilders, which have not been converted into euros in NV's Articles of Association. Until such conversion formally takes place by amendment of the Articles of Association the entitlements to dividends and voting rights are based on the underlying Dutch guilder amounts.

The exchange rates used in the preparation of this Annual Review are given on page 27.

Comments on changes to 'turnover' include acquisition and disposal effects, whereas 'underlying sales' or 'sales growth' exclude acquisition and disposal effects.

Cautionary Statement
This Annual Review 2003 may contain 'forward-looking statements' within the meaning of the US Private Securities Litigation Reform Act of 1995. Words such as 'expects', 'anticipates', 'intends' and other similar expressions of future performance or results 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. Because of the risks and uncertainties that always exist in any operating environment or business, the Group cannot give any assurance that the expectations expressed in these statements will prove correct. Actual results may differ materially from those included in these statements due to a variety of factors, including, among others, competitive pricing and activities, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, 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, and political, economic and social conditions in the geographic markets where the Group operates. The Group undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, and you are cautioned not to place undue reliance on these forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the Securities and Exchange Commission, including the Annual Report & Accounts on Form 20-F.

Highlights of the year

- ☐ Leading brands grew by 2.5%
- ☐ Operating margin BEIA[a] of 15.7% is again a new record
- ☐ Earnings per share BEIA[a] grew by 11%
- ☐ Total dividend per share[b]: €1.74 (NV), 18.08p (PLC)
- ☐ Total dividend per share[b][c]: $2.15 (NV New York), $1.31 (PLC ADR)

(a) BEIA: before exceptional items and amortisation of goodwill and intangibles.

(b) The final dividend contained within these figures is subject to approval by shareholders at the Annual General Meetings – 12 May 2004.

(c) Shares traded on the NYSE in US$. The final dollar dividend amounts included in the figures set out above are indicative only. The actual amounts will be converted at the rates of exchange on the date of declaration – 12 May 2004.

Contents

Unilever at a glance

Unilever's portfolio includes some of the world's best-known and most-loved brand names. Our continued growth depends on maintaining their value, both by safeguarding their quality and competitiveness and by offering the consumer genuinely valuable innovations.

Foods

Knorr has a passion for food at its heart and is a passport to the tastes and flavours of the world. The range extends from bouillon, seasonings and soups to sauces, mealmakers and snacks. Recent innovations include *Knorr* frozen, soups and meals as well as mealkits and *Good For You* ranges.

Hellmann's and sister brands *Amora*, *Calvé* and *Wishbone* add irresistible taste to every food moment, with a range of dressings, sauces and dips. Innovations include low-fat options and packaging designed to appeal to younger consumers.

Bertolli embodies all that Italian food stands for – pleasure, good health and relaxation. Innovations are extending this Mediterranean cuisine range from olive oils, spreads and dressings to new pasta sauces and convenience meals including frozen meals.

Becel/Flora, our Healthy Heart brands, enable people to enjoy good food in clinically proven ways to maintain a healthy heart. *Becel/Flora pro·activ* products contain plant sterols that actively reduce the absorption of cholesterol, a benefit that is now being extended beyond spreads into *pro·activ* yoghurt and milk.

Family brands including *Blue Band*, *Country Crock*, *Doriana* and *Rama* provide tasty, nutritionally balanced spreads and cooking aids that are a good source of essential vitamins. Innovations include liquid cooking margarine, sweet and savoury spreads and dairy cream alternatives which are low in fat.

UBF Foodsolutions provides tailor-made solutions for restaurateurs, chefs, caterers and hotel and quick service restaurants. The newly introduced *Knorr* soup service bar meets the growing need for healthier options for people eating out, with a choice of new and traditional soups and toppings.

Slim·Fast offers a healthy, nutritionally balanced way to manage your weight, with a plan that is proven to help maintain long-term weight loss. Products designed to be enjoyed as part of everyday life range from shakes and bars to soups and meals. Innovations include products such as ice creams which fit into low-fat and low-carb lifestyles.

AdeS provides taste, health and nutrition based on soy. Soy is an excellent source of protein and the *AdeS* range of 'liquid food' includes soy milk and soy combined with fruit juices.

Lipton is one of the world's great refreshment brands, representing vitality and natural goodness, based on the healthy qualities of tea. The range includes leaf and ready-to-drink tea and healthy, refreshing beverages, including new *Lipton* Ice Tea Green.

The ***Heart*** logo brings the pleasure of ice cream, through brands including *Carte d'Or, Cornetto*, *Magnum* and *Solero*. Innovations offer more ways to enjoy and indulge, including refreshing, fruit-flavoured products, lower-fat options and the *Magnum 7 Sins* limited edition range.

Breyers all-natural ice cream is one of the leading ice cream brands in North America. Unilever is the clear market leader in frozen novelties, with brands like *Good Humor*, *Klondike* and *Popsicle*. Recent innovations include lower-fat options and an ice cream, *CarbSmart*, for use as part of a low-carb diet.

Iglo, ***Birds Eye***, ***Findus*** are our European family of frozen food brands, offering great-tasting food the natural way, since freezing provides the best way to preserve the nutrition and taste of freshly picked, freshly made food. New additions to the range include pasta meals and *Steam Fresh* vegetables.

Home & Personal Care

Omo, one of the world's leading fabric-cleaning brands, is available under a variety of names which reflect our roots in local cultures. Its product lines include powders, liquids and bars to meet different washing habits around the world. In 2003 *Omo* launched a new formulation which cleans out dirt even in hard to reach places.

Cif offers a portfolio of domestic cleaning products around the world. Originally a mildly abrasive cream cleanser, the brand now offers specialist trigger sprays and wipes, dishwash bars and liquids, and a variety of all-purpose liquids. In 2003 *Cif* launched new Active Gel with Baking Soda.

Comfort is a fabric conditioner range which cares for clothes both in and outside the washing machine – softening the wash, making ironing easier and freshening clothes. In 2003 *Comfort Fast Dry* was launched, a new formulation which helps clothes dry faster.

Brilhante is a member of our *Radiant* global family of fabric-cleaning brands that offer superior whiteness and brightness. In 2003, *Radiant* launched a new formulation that uses effervescent action to dissolve completely, leaving behind no residue… only the purest, most radiant whites and colours.

Surf offers a great clean while giving great value for money. It covers all laundry formats – liquids, powders and bars. Some of the newer variants launched by *Surf* around the world offer a 2-in-1 benefit, such as *Surf* with Fabric Conditioner.

Signal comprises a range of toothpaste, toothbrushes and sugar-free confectionery. In the past year, *Signal* has introduced *Xtra White* whitening kits into the European market.

Lux was launched in 1924 as the first beauty soap bar for the mass market and it retains its strong associations with beauty and glamour today. The range includes soap bars, shower gel, bath products, body lotion and a hair care range. Last year *Lux* revamped its bar range with luxurious new fragrances, formulations and packaging.

Dove, the original beauty bar with a quarter moisturising cream, is now the world's largest personal cleansing brand, offering body washes, facial wash, body lotion, deodorants, shampoo and conditioner, as well as bars. In 2003 *Dove* introduced a gentle exfoliating bar around the world.

Pond's is a complete face care range for women, with high-performance products developed by an expert research and technology team. *Pond's* recently introduced new formulations, packaging and advertising around the world.

Rexona is the world's leading antiperspirant deodorant. The *Rexona* range of products is at the forefront of deodorant technology. In 2003 *Rexona Crystal*, which minimises white marks, was introduced.

Axe is one of the world's leading male toiletries brands, with a range of deo body sprays, roll-ons, sticks, shower gels and pre- and post-shave products. The latest fragrance from *Axe,* called *Pulse*, has enjoyed great success in 2003.

Sunsilk is our largest haircare brand and includes shampoos, conditioners, intensive treatments, colourants and hair relaxers. Over the past year *Sunsilk* has introduced combing creams, colourants and new formulations to meet the specific needs of different hair types around the world.

Chairmen's letter

Our mission is to add vitality to life. We meet everyday needs for nutrition, hygiene, and personal care with brands that help people feel good, look good and get more out of life.

2003 in context

In a difficult year, we are pleased to have achieved 11% growth in earnings per share (BEIA). We have now met or exceeded our target of low double-digit earnings per share growth in every year of the Path to Growth programme and this year's performance places our three-year Total Shareholder Return (TSR) in the top third of our peer group. We fully intend to continue this performance as we enter the final year of Path to Growth.

Leading brands grew by 2.5%, and operating margin (BEIA) rose to a record 15.7%, a gain of 1.2% over 2002. Naturally, we are disappointed with revenue growth, but the shortfall against our top-line growth target is mainly due to specific issues in a small number of businesses and a slow start to the year in North America caused by sharp de-stocking in the retail trade. In Europe consumer confidence dropped to levels not seen in recent years.

Nevertheless, we have continued to increase investment in our brands and have maintained our market position. Once again, we have been extraordinarily well served by skilled and dedicated people in all parts of the business and we extend our thanks to them on behalf of all shareholders.

A review of Path to Growth

Path to Growth was designed to simplify the business and release resources to be put behind fewer, bigger brands. It is all too easy to lose sight of what we have achieved. By the close of 2004, with one exception, we intend to have met or substantially exceeded the very challenging milestones we set the business.

The rationalisation of our manufacturing capacity and our supply chain is nearing completion. We have charged €5.4 billion of restructuring costs, which is in line with our €6.2 billion target. With one year still to go we have comfortably exceeded our promised Path to Growth savings of €3.9 billion and our operating margin (BEIA) has already risen from 11.1% to 15.7%.

Capital efficiency has improved by almost 9%, 3% more than target. Ungeared free cash flow has totalled €16.4 billion since the start of Path to Growth and net debt reduction is ahead of plan having reduced from €26.5 billion at the end of 2000 to €12.6 billion at the end of 2003 at current rates of exchange.

In addition, we have seamlessly integrated €30 billion of acquisitions, managed over €7 billion of disposals and implemented a divisional structure to harness our global scale yet retain a spirit of local enterprise.

We are on track to reduce the brand portfolio from 1 600 to 400 leading brands. They now account for 93% of sales as against only 75% in 1999. We have significantly increased investment behind these brands and we now have twelve brands with sales of over €1 billion compared with four at the start of the strategy.

The exception of course is top-line growth where, after excellent performances in 2001 and 2002, we have this year fallen short against our aspirations in testing market conditions. Nevertheless, leading brands have grown at an average of over 4% per year during Path to Growth to date.

Overall the business today is lean, sharply focused, high margin, strongly cash generating and delivering significant incremental value each year.

Foods division

In Foods, leading brand growth was 1.2%. Operating margin (BEIA) improved by 1.8% to 16.0%. We made significant progress on reducing the tail and on migrating and rationalising the brands.

Lipton had an outstanding year, boosted by new launches and a good summer in Europe which also benefited ice cream. At the same time the hot summer also reduced market growth in savoury, but *Knorr* held position. *Bertolli* and *Hellmann's* continue to make good progress.

Slim•Fast declined by 21% and the focus is now on restoring the brand to growth. In frozen foods we continue to make gains in profitability, but have yet to see a consistent pattern of growth. *Becel/Flora* grew strongly once again, but the family spreads had a tough year in a market affected by price competition and low butter prices.

Niall FitzGerald (left)
Antony Burgmans (right)
Chairmen of Unilever

Home and Personal Care division (HPC)
Leading brands continued to drive growth in the Home and Personal Care division at 4.2%. Operating profit (BEIA) rose by 4.9% and operating margin (BEIA) reached 15.8%.

Mass personal care is now a powerhouse in the HPC division and accounts for 27% of Unilever leading brand sales. We achieved double-digit growth for *Axe, Lifebuoy, Lux, Rexona* and *Sunsilk,* and our largest personal care brand, *Dove*, grew by an outstanding 21%.

Growth in laundry was flat as we put the priority behind value creation through excellent improvements in our margins and capital efficiency. Household care had a difficult first half year, but we saw the new strategy of stronger innovations on the core brands start to bite in the second half.

Prestige fragrances diluted the growth rate of the division by 1%.

The year ahead and Unilever 2010
In 2004, our first priority is to deliver on our promises in the final year of Path to Growth. We intend once again to achieve low double-digit earnings BEIA growth and will focus all the talent and ingenuity of our people on delivering in full our commitments on brand focus, margin improvement and capital efficiency. We will end the year a much stronger and more agile and focused business than at the start of the programme.

Yet as we complete Path to Growth we are also preparing Unilever for the next phase of our strategy to 2010. The Board has conducted a thorough review of the forces that will shape Unilever's world, and of what makes us unique as a business.

Our roots in hygiene, nutrition and personal care mean that people all over the world choose our brands 150 million times every day for the benefits they bring in helping them feel good, look good and get more out of life. We know that these are benefits that are wanted by more and more of the world's population – from those just entering the 'consumer society' to the more affluent, ageing, health conscious citizens of the developed world. We sum this up in the single word, "Vitality", and intend the mission of Unilever, which is set out at the top of this letter, to be to add vitality to life through our brands, our people and the communities we serve.

Our consumers are also citizens and demanding ever higher standards of corporate behaviour. We are proud of our reputation for governance, transparency and engagement with communities and the environment, and believe that the Unilever name is a valuable asset. By the time we celebrate our 75th birthday in mid 2005, the Unilever name will be present on our packs as well as letterheads and company signs.

For the period 2005-10 our priority continues to be sustained top-third TSR performance and we intend to deliver shareholder value by the generation of over €30 billion of ungeared free cash flow and growth in economic profit, the latter translating into an increased return on invested capital from 12.5% in 2003 to at least 17% by 2010.

The overall objective is to build our brands and to build sustainable value. We will continue to be flexible in how we pull the levers of value creation as challenges and opportunities arise from time to time. So we will not commit Unilever to any one combination of sales and margin growth in any one year. However, our ambitions for value creation are underpinned by the expectation of sustained revenue growth, continued margin expansion and further improvements in capital efficiency.

In the combination of trusted brands, talented people and an inspiring mission we believe that Unilever is a stronger business than it has ever been.

Antony Burgmans **Niall FitzGerald KBE**
Chairmen of Unilever

Foods

Unilever Bestfoods is one of the world's leading food companies, providing great brands and products that enable people to enjoy good food and good health.

Foods division
Financial overview 2003

€ billion	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
Turnover	24.2	26.5	27.4	(3)%
Operating profit	2.7	2.8	2.2	31%
Operating profit BEIA	3.9	4.2	3.9	9%

£ billion				
Turnover	16.7		17.2	
Operating profit	1.9		1.4	
Operating profit BEIA	2.7		2.4	

$ billion				
Turnover	27.3		25.7	
Operating profit	3.0		2.0	
Operating profit BEIA	4.4		3.7	

2002 figures have been restated. See pages 26-27 for details.

We are concentrating on delivering products that allow people to enjoy the pleasures of great taste, convenience and even indulgence, all as part of a healthy, balanced lifestyle.

We are the global leader in **savoury and dressings** and our leading brands are rooted in culinary expertise and great taste. We are growing these brands internationally by developing products that respond to contemporary lifestyles. Our leading savoury brand *Knorr* allows people to enjoy the benefits of nutritious food without time-consuming preparation. We also have a growing *Knorr* frozen business.

Our dressings brands, *Amora*, *Calvé*, *Hellmann's* and *Wishbone*, add pleasure to any food experience and now come in 'light' options.

We lead the **spreads and cooking products** category with two international brand families. Healthy Heart brands *Becel/Flora* offer great taste combined with clinically-proven ways to maintain a healthy heart. Family brands, including *Blue Band*, *Country Crock* and *Rama* are good sources of essential fatty acids and vitamins.

Unilever is the world's biggest ice cream business. Brands such as *Carte d'Or*, *Magnum* and *Solero* are all about the fun and indulgence of **ice cream**. These brands are sold under the instantly recognisable *Heart* logo which was relaunched in 2003 – another step in building the world's most powerful ice cream brand. Innovations under the *Heart* and leading North American brands *Ben & Jerry's* and *Breyers* include the international roll-out of *Magnum 7 Sins*, lower-fat options and ice creams for use in low-carb diets.

Our **frozen foods** business is number one in Europe. The *Iglo*, *Birds Eye*, *Findus* brand family is focused on children's nutrition, convenience and concepts based on fresh and natural ingredients.

We lead the market in **tea-based beverages** with *Lipton* – the global market leader in leaf and ready-to-drink tea. The new Pepsi *Lipton* International partnership is designed to accelerate our growth in ready-to-drink teas.

In our **health & wellness** category, *Slim•Fast* is the number one weight management brand in the US. Despite the challenge of the trend towards low-carb diets, *Slim•Fast* remains a strong brand based on the proven efficacy of the *Slim•Fast* plan.

UBF Foodsolutions, our global foodservice business, works with caterers, restaurateurs and major hotel and quick-service chains. The business is delivering solid growth despite challenging conditions in key markets.

Looking ahead, we will continue to grow our brands through quality products that provide the taste, enjoyment and convenience that people want as part of a healthy lifestyle. In the developing world we are addressing poor nutrition with affordable, fortified, nutritious foods. Our brands are under-pinned by strong scientific knowledge and expertise in health and nutrition provided by the Unilever Health Institute, the guardian of our nutritional standards. We are at the heart of international initiatives to tackle health issues linked to food and drink and find solutions that empower people to enjoy food, enjoy health and enjoy life.

Lipton
The refreshing taste and natural goodness of *Lipton* Ice Tea can now be enjoyed more easily in restaurants and other catering outlets, thanks to the revolutionary *Lipton* Iced Tea system, developed by *UBF Foodsolutions* and the *Lipton* team. A dispenser branded in *Lipton* yellow uses highly advanced techniques, *Lipton*-patented liquid tea extract and an innovative aroma chamber to deliver the taste and flavour of freshly brewed ice tea every time. *Lipton* Brewed Iced Tea systems are now in 15 000 locations across North America.

Home & Personal Care division Financial overview 2003

€ billion	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
Turnover	18.4	20.8	20.8	0%
Operating profit	2.8	3.1	2.9	9%
Operating profit BEIA	2.9	3.3	3.1	5%

£ billion	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
Turnover	12.7		13.1	
Operating profit	1.9		1.8	
Operating profit BEIA	2.0		2.0	

$ billion	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
Turnover	20.7		19.6	
Operating profit	3.1		2.7	
Operating profit BEIA	3.2		2.9	

2002 figures have been restated. See pages 26-27 for details.

Home & Personal Care

Our purpose is to meet the hygiene and beauty needs of people everywhere – making life more rewarding and enjoyable for the people who use our brands.

The mission above draws its inspiration from the founder of Lever Brothers, Lord Leverhulme, and is expressed through contemporary brands which are increasingly marketed globally. Each of our brands has the same inherent brand values around the world, but offers a product range suited to the needs of local consumers – adapted to skin and hair types, textiles used in clothes, washing habits, climate and other factors. They are truly multi-local multinational brands.

Personal care includes six global brands – *Axe*, *Dove*, *Lux*, *Pond's*, *Rexona* and *Sunsilk* – which have a record of exceptional growth. Each has its own distinctive character. The growth of these brands is based on building equity through advertising, promotion, innovation and launching into new markets.

These brands are complemented by others such as *Suave* (a value brand, principally in North America) together with 'health brands', such as *Clear*, *Lifebuoy* and *Vaseline*, and regional/local 'jewels'.

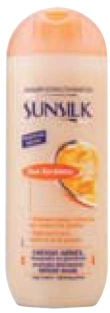
We lead the global skin cleansing and deodorants markets and are in the top three in daily hair care and mass-market skin care. We also have a global prestige fragrance business with the *Calvin Klein* range (including *cK one*, *Eternity* and *Obsession*) and ranges developed with other designers.

Our oral care business is centred on *Signal*, with *Close Up* playing an important complementary role. We have leading positions in 15 countries and have concentrated on those markets where we can achieve distinctive market positions. Our strengths lie mainly in developing and emerging markets, in which we play our part in improving the oral health of the population.

Through our **home care** businesses, we aim to achieve growth coupled with competitive levels of profitability. Our main laundry brands, *Comfort*, *Omo*, *Radiant*, *Skip, Snuggle* and *Surf* each have a consumer positioning that is shared around the world and can be recognised in their advertising and common livery. For example, throughout the world *Radiant* offers consumers superior whiteness and brightness for their clothes to help them feel at their best. We are market leaders in laundry products in developing and emerging markets, with number two positions in North America and most of Europe.

Household cleaners are strongest in Europe, where *Cif* and *Domestos* help families to protect and enjoy their homes. Both hold leading positions in the key markets in which they operate.

Looking ahead, we will continue to drive growth through our global brands, introducing new products that meet the beauty, health and hygiene needs of consumers around the world.



Sunsilk
Hair care for women in the real world – not for impossibly beautiful models tossing their heads in slow motion. That was the promise behind *Sunsilk* advertising in Latin America, where the brand has been achieving outstanding growth in market after market. We carried this insight over into the European launch this year where we have introduced a range of tailor-made solutions for different hair needs: from frizz-prone curly hair to hair that is damaged by the daily wear and tear of brushing and drying. The results have been just as exciting in Europe as in Latin America, with strong share growth in key markets.

Performance review by region

In a difficult year for Europe and North America progress was maintained by the strong performances in our other major markets.

Europe

Difficult economic conditions in a number of countries have been reflected in the consumer, retail and competitive environment in 2003 and in general market growth rates have slowed significantly. Against this background, underlying sales grew by 0.6%, with volume ahead by 0.4%. Turnover was 4% lower than last year through the impact of planned disposals.

Highlights of another good year in personal care were the launch of *Sunsilk* across the region and the roll-out of *Dove* shampoo. Other key innovations included the *Dove Silk* hand, body and shower range, *Dove* exfoliating bar, new variants of *Axe* and the *Crystal* variant of *Rexona/Sure*.

In laundry, good progress has been made in improving the profitability of our business through cost reduction and a strategy of focus on priority brands and markets. This has allowed us both to increase margins and to generate the funds to respond to increased levels of price competition which had led to the loss of one market share point in the year, primarily to retailer own brands.

There has been good growth in spreads and cooking products for our Healthy Heart brands *Becel/Flora*, while for *Rama* and *Blue Band* we adopted a strategy of recovering substantial increases in edible oil costs which some competitors have not followed. Overall we have held market share in spreads.

Knorr Mealkits and *Good For You* soups were successfully launched, though overall growth for the year was held back by low consumption in the very hot summer months. *Hellmann's* and *Bertolli* both grew strongly, with the latter benefiting from extensions into pasta sauces, dressings and toppings. Growth in *UBF Foodsolutions* accelerated through the year, returning to a good level in the second half, particularly through soups in the UK, *Bertolli* in Italy and the launch of *Knorr* dairy cream alternatives.

Tea-based beverages have performed well, with an excellent contribution from *Lipton* ready-to-drink, including green tea and fruit juice variants. Ice cream sales also grew strongly, helped by the hot summer weather and innovations including *Magnum 7 Sins*, *Magnum Moments, Magnum* snacking bars and the roll-out of the *Fruit & Fresh* mix of yoghurt and ice cream.

In frozen foods we have been reshaping around faster-growing segments of the market and have been restructuring with further gains in profitability.

The regional operating margin BEIA at 16.5% was 2.5% ahead of last year. This reflects the contribution from our restructuring and savings programmes, improved mix from portfolio change and our strategy for improving profitability in home care.

North America

Underlying sales declined by 3.1%, including a positive 0.2% from pricing. The performance of *Slim•Fast* and prestige fragrances, in combination with the one-off impacts of trade de-stocking and weak out-of-home channels in the first half of the year diluted underlying sales growth by 3.6%. Turnover, including the impact of disposals, declined by 7%.

In mass personal care we improved our overall market position through *Axe* deodorants, and have established the *Dove* brand in daily hair care. In laundry we have further improved profitability, notwithstanding negative pricing in a competitive market.

Knorr

Knorr Cubitos are a great example of a small innovation that makes a big difference. *Knorr Cubitos* seasoning cubes are a new solution for people who love to cook with traditional Caribbean flavours but without the time-consuming chopping and 'aromatic fingers'! Flavours include garlic, tomato and chicken, and onion and green seasonings. They come in a convenient, no-mess form and tiny, affordable dice cubes. In parts of the world where the cost of food can represent a large portion of a person's daily wage, *Knorr* is helping to make the great tastes, flavours, convenience and goodness of home-cooking available to everyone – one reason why *Knorr* is Unilever's biggest brand.

Our prestige fragrance business has declined in weak markets. Our priority has been to restructure the business and put it on a more robust footing. We have refocused the brand portfolio and are reducing costs to release funds for future investment behind innovation in the leading brands.

Unilever Bestfoods sales grew in a competitive market and in a year in which we successfully introduced a new 'go to market' approach. Particular strengths were *Hellmann's*, *Lipton* and *Bertolli* through pasta sauces and frozen foods. These were partly offset by declines in spreads consumption because of lower butter prices, and by declines in *Bertolli* olive oil and *Ragú* pasta sauces due to changes in our approach to promotional plans and timing.

In ice cream we continue to grow well and gain market share, notwithstanding weak out-of-home markets. *Breyers* and *Good Humor* performed strongly in grocery channels including the extension of the health range and the introduction of *Slim•Fast* ice cream.

Slim•Fast has been heavily affected by changing consumer tastes and dieting choices. We have responded with the launch of a range of new products in the second half of the year, and a relaunch of the brand at the start of 2004. We remain confident of the longer-term growth opportunity, based on our leadership of this large growth market and the proven approach of *Slim•Fast* to healthy weight management underpinned by clinical studies and continued strong endorsement from the medical profession.

The regional operating margin BEIA at 16.9% was 0.4% ahead of the prior year.

Africa, Middle East and Turkey

Underlying sales grew 7.4% with 5% from volume growth. Turnover grew 5% including the net impact of acquisitions and disposals.

Financial overview 2003

Total Unilever

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	42.9	47.7	48.8	(2)%
Operating profit	5.5	6.1	5.1	19%
Operating profit BEIA	6.8	7.5	7.0	6%
£ billion				
Turnover	29.7		30.6	
Operating profit	3.8		3.2	
Operating profit BEIA	4.7		4.4	
$ billion				
Turnover	48.4		45.8	
Operating profit	6.2		4.8	
Operating profit BEIA	7.6		6.6	

Africa, Middle East and Turkey

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	3.3	3.4	3.2	5%
Operating profit	0.4	0.4	0.3	48%
Operating profit BEIA	0.4	0.5	0.3	29%
£ billion				
Turnover	2.3		2.0	
Operating profit	0.3		0.2	
Operating profit BEIA	0.3		0.2	
$ billion				
Turnover	3.7		3.0	
Operating profit	0.5		0.3	
Operating profit BEIA	0.5		0.3	

Europe

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	18.3	18.8	19.7	(4)%
Operating profit	2.6	2.6	1.6	62%
Operating profit BEIA	3.0	3.1	2.7	13%
£ billion				
Turnover	12.6		12.3	
Operating profit	1.8		1.0	
Operating profit BEIA	2.1		1.7	
$ billion				
Turnover	20.6		18.5	
Operating profit	2.9		1.5	
Operating profit BEIA	3.4		2.6	

Asia and Pacific

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	7.1	8.1	7.9	3%
Operating profit	1.1	1.2	1.1	10%
Operating profit BEIA	1.0	1.2	1.1	4%
£ billion				
Turnover	4.9		4.9	
Operating profit	0.7		0.7	
Operating profit BEIA	0.7		0.7	
$ billion				
Turnover	8.0		7.4	
Operating profit	1.2		1.0	
Operating profit BEIA	1.2		1.1	

North America

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	9.9	11.7	12.6	(7)%
Operating profit	1.1	1.3	1.6	(17)%
Operating profit BEIA	1.7	2.0	2.1	(5)%
£ billion				
Turnover	6.8		7.9	
Operating profit	0.8		1.0	
Operating profit BEIA	1.1		1.3	
$ billion				
Turnover	11.1		11.8	
Operating profit	1.2		1.5	
Operating profit BEIA	1.9		1.9	

Latin America

	2003 at 2003 rates	2003 at 2002 rates	2002 at 2002 rates	Change at 2002 rates
€ billion				
Turnover	4.4	5.7	5.4	5%
Operating profit	0.4	0.5	0.5	(3)%
Operating profit BEIA	0.6	0.8	0.8	5%
£ billion				
Turnover	3.0		3.4	
Operating profit	0.2		0.3	
Operating profit BEIA	0.4		0.5	
$ billion				
Turnover	4.9		5.1	
Operating profit	0.4		0.5	
Operating profit BEIA	0.7		0.7	

2002 figures have been restated. See pages 26-27 for details.

Omo
Any child's development is largely dependent on the freedom to play, to explore – and to get very, very dirty. This belief that "Dirt is Good" is at the heart of our innovation, which makes getting rid of stains, even from the most difficult places such as pockets, easier for parents. As a part of this relaunch the product has been upgraded with new cleaning ingredients, a new scent and new packaging across Africa, Latin America and the Middle East.

Innovations behind the *Omo* and *Surf* brands were the drivers of an excellent performance in laundry. In personal care, *Dove*, *Lux* and *Rexona* all grew at over 20%, while *Sunsilk* has achieved the leading position in hair care in Turkey.

In Foods, growth in savoury was led by *Knorr*, and included the launch into a number of countries in the Middle East. Ice cream and *Lipton* tea also grew well, while volumes declined in cooking oils, especially in French West Africa.

The regional operating margin BEIA at 13.3% was 2.5% ahead of last year, mainly through higher gross margins from production cost reduction and the benefits of volume growth.

Asia and Pacific

Underlying sales grew by 3.7%, almost entirely from volume. Turnover, including the net impact of acquisitions and disposals, increased by 2.7%.

In our Home & Personal Care consumer business, growth has been strong. Activities behind *Lux* included the launch of the *Spa* range in Japan and *Super Rich* shampoo in a number of markets. *Lifebuoy* was relaunched in India with new variants and the distribution of *Lifebuoy* shampoo was extended in Indonesia. *Pond's* growth was led by the launch of mini-pack moisturisers in Indonesia and good performances in China and India. Laundry benefited from the relaunch of *Breeze Colour* in Thailand, improved formulations in Vietnam and launches of variants of *Surf* with fabric conditioner. Sales in low-margin, non-consumer businesses were sharply lower, as planned.

In Foods we acquired the outstanding part of the CPC/Ajinomoto joint venture, and disposed of, or withdrew from, several non-leading brands. There was a progressive pick-up in the growth of the leading brands over the year. Indonesia has made further progress with *Bango*, *Royco* and *Sariwangi* as we improved distribution. In India, *Brooke Bond* tea was relaunched and *Knorr Soupy Snax* were introduced.

The regional operating margin BEIA at 14.4% was 0.2% ahead of the previous year.

Latin America

Underlying sales grew by 8.1%, entirely through pricing as we recovered earlier devaluation-led cost increases. The speed of economic recovery is, however, uneven and Brazil in particular remains weak although we have seen a strong improvement in Argentina. Including the impact of disposals, turnover increased 5%.

The key drivers of growth have been our personal care brands: *Lux*, which has been relaunched with innovations in both product and packaging; *Sunsilk*, including the test launch of hair colourants in Argentina, Brazil and Mexico and the success of the *Lisage* hair straightening variant; *Rexona* with the launch of a deodorant spray in Colombia and Venezuela; and *Axe*, which moved into new countries.

In laundry we have continued to hold strong share positions and have delivered good growth. A series of innovations were introduced under the *Omo*, *Radiant* and *Surf* brands, and fabric conditioners in Argentina performed particularly well.

In Foods, markets continue to be competitive and consumption remains weak, especially in Brazil. Nonetheless we have continued to improve the base of our business. Innovations have boosted strong growth for the *AdeS* soy-based drink, and *Arisco* has grown well in Brazil. The savoury portfolio has been strengthened through the migration of the *Cica* brand to *Knorr* in Brazil and the introduction of *Knorr* to Central America. Overall growth in Foods is impacted by our actions to reduce the tail of non-leading brands.

The regional operating margin BEIA at 14.2% was 0.1% ahead of last year.

Amora, Calvé **and** ***Hellmann's***
The success of this new range of snack sauces shows how brands with different names in different countries can come together to address a global consumer trend. Competing pressures on people's time and a more relaxed approach to eating make snacking a growing feature of daily life around the world. This range of snack sauces adds an irresistible touch to the most popular, every day snacks, together with fun, innovative 'upside-down' packaging. This range is sold under the *Amora, Calvé* and *Hellmann's* brand names across Europe – one range of recipes, one packaging design, one production investment.

People

Our future success lies in the hands of the 234 000 people who work for Unilever in around 100 countries. Harnessing, developing and rewarding their skills, energy and commitment is our priority.

People are at the heart of our business. Our continued success depends on the commitment, enthusiasm and energy of our people around the world.

Recruiting, developing and rewarding our people for their skills and expertise remains a priority. We aim to recruit and retain high-calibre people through our graduate recruitment programmes, augmented by mid-career entrants and by promoting those who have demonstrated ability to take responsibility in their roles.

Our commitment to creating an enterprise culture – one of our six strategic priorities – gained momentum in 2003. New programmes were developed and these, combined with our established initiatives, show our creative approach to developing individuals and diverse, well-led teams.

An example of this is our Leadership Growth Journeys led by the Chairmen, which provide an opportunity for our future leaders to share their experiences and discuss future strategies.

There are many other examples, such as the HPC Learning Forum and the Knowledge Management Group that provide learning opportunities for managers at all levels. We believe learning that is related to the needs of the business and that results in clear action plans is essential to the development of high-performance teams.

Our internal e-learning programme, a screen-based education system, has been extended. More than 24 000 employees have used the facility, with 40% returning to use the sites more than once.

Our international management training centre has been redeveloped to allow more people to benefit from focused learning programmes.

Professional skills training has continued with two new learning academies for Human Resources and Supply Chain set up in 2003. Increasingly our academies will link up and share best practice and learning across Unilever.

Many of our learning experiences involve our people taking part in a wide range of projects based in local communities – these have included helping to renovate old school premises, providing days out for disadvantaged children and helping with educational programmes. These, together with the 'getting into the skin' programme, which gives managers the opportunity to experience for themselves the lives of consumers and their families, help us to engage with the communities in which we operate. We also believe these activities underline our commitment to being a responsible corporate citizen.

We have continued to use the results of our 2002 Global People Survey as the basis for much of our thinking on how to link business performance with personal development.

A priority has been to help people understand their role in achieving our performance targets. Our organisational and reward systems reflect the changing needs of the business and the need to reward high performance.

Unilever is one of the most diverse companies in the world – our top team is made up of 32 nationalities – and we continue to strive to leverage this strength.

In 2004 all these activities will continue to help shape the business for future growth and foster a sense of belonging to a truly international enterprise.

Path to Growth Awards
This annual event has been part of the Unilever calendar since 1999. The awards recognise achievements relating to the Path to Growth initiative. This year there are two Gold Award winners. *Axe* Global Brand Team won for delivering on three of the Path to Growth targets – enterprise culture, reconnect with consumers and brand focus. Together with their 'Taking the Red Pill' initiative, the team increased growth from 6% (1998-2001) to 24% in 2003. The other Gold Award winner is Unilever Bestfoods Greece management team for delivering outstanding growth through a powerful sense of enterprise culture. They achieved growth across all categories – spreads and cooking category +15%, beverages +25%, and dressings +23%.

Developing suppliers to meet consumer needs
New *Annapurna Krrunchy* biscuits are fortified with vitamin A and zinc to boost children's immune systems. Unilever developed these in Ghana by sharing its knowledge and business expertise with a third-party manufacturer to keep costs down and make an affordable product to appeal to low-income consumers.

Engaging with consumers
Unilever is part of the European industry-wide initiative Washright, designed to reduce the environmental impact of laundry detergents. Through on-pack labelling, TV advertising and www.washright.com, it has encouraged consumers to make a significant reduction in the consumption of household laundry detergents, poorly biodegradable ingredients, water, electricity and packaging.

Supporting local communities
Unilever Indonesia's Foundation worked jointly with the local university to provide financial, technical and training support to over 300 farmers of black soya beans in 2003. Guaranteed markets and prices secured farmers' incomes; some harvests increased by nearly a third; and Unilever Indonesia secured supplies of beans for its *Kecap Bango* soy sauce.

Corporate responsibility

We seek to be a responsible employer, business partner and good corporate citizen, earning respect for our values wherever we operate.

Putting our values into practice

Unilever has clear values and standards that govern the way we do business around the world. They are set out in our Corporate Purpose and our Code of Business Principles which are available at www.unilever.com. It is by putting these shared values into everyday working practice that we can operate successfully as a multinational company, and as a trusted corporate citizen in diverse local societies.

Our Code Committee oversees compliance with the Code of Business Principles throughout our business. During 2003 we rolled out a global e-learning programme for new employees, and developed and rolled out an e-learning programme on European competition law to support understanding of the Code. We also completed work on a set of key principles to achieve greater transparency of social and environmental standards in our supply chains.

Our business in action

Two examples illustrate our commitment to the local communities in which we operate. In India, Hindustan Lever is taking part in an innovative scheme that trains villagers in business skills and creates a new sales and distribution mechanism for its products. Through project Shakti, Hindustan Lever provides free business training to women's self-help groups set up by Non-Governmental Organisations (NGOs) and the government. Once trained, the women have the option to become local small-scale sellers of Unilever's products, which can generate a steady income of around $20 per month, nearly double their usual household incomes.

In Ghana, our *Annapurna* iodine-fortified salt has increased its sales and brought essential micronutrients within the reach of low-income consumers. *Annapurna* consumer-education programmes have helped promote UNICEF and government health messages on the need for an improved diet.

Engaging with consumers and citizens

Our business depends on understanding and meeting consumers' needs. We also need to understand societies' evolving needs if we are to anticipate potential concerns – as well as trends that present business opportunities. This is why we continually seek to engage with our stakeholders. We listen and learn through consumer carelines, focus groups and websites, research with universities and participation in industry and government working groups. We are also involved in dialogue with NGOs and support international initiatives such as the UN Global Compact.

Partnerships are an effective way to help address social issues; they are a common feature of our many community initiatives, on which we spent approximately €66 million (at current rates of exchange) in 2003. Our new global partnership with the World Heart Federation is just one example: heart disease is now regarded as the principal cause of death worldwide and our *Becel/Flora* brand is helping to promote a healthy heart lifestyle around the world.

Open and transparent reporting

To gain the support of our stakeholders, we need to foster their understanding of our business and the challenges we face. Our local companies recognise this clearly, and have started to produce reports that cover their interaction with their local societies. Following our second Unilever-wide social review in 2002, last year saw new social reports from some of our businesses such as those in Brazil and the UK. Designed for local people, they share the common core theme of responsibility towards consumers, employees, business partners and society as the way towards sustainable growth for our business. In 2003 we have continued to work on the assessment and measurement of our corporate responsibility performance, to ensure that our next social review in 2005 gives an insightful and rounded view of our business.

Bringing in the harvest – Sustainably
Unilever's work on sustainable agriculture focuses on five crops: palm oil, peas, spinach, tea and tomatoes. Through our Lead Agriculture Programmes we are investigating ways of farming these crops that protect the environment and maximise social and economic benefits. Our work started with peas (1) in eastern England in 1997, quickly followed by palm oil (2) in Malaysia, and in 2001 in Ghana. Spinach (3) projects started in Germany in 1999, and in Italy in 2000. Tea (4) projects have been running in Kenya since 1999, in India since 2000 and in Tanzania since 2001. Tomato (5) projects began in 2000 in Australia and Brazil, and in 2001 in the USA. Drip irrigation systems have saved water and increased tomato yields in Australia and Brazil.

An independent observer (6), working with the Fisheries Audit Service from New Zealand, checks a sample of hoki for size and quality.

Environment

We continue to make progress towards our long-term eco-efficiency objectives, as well as driving forward our three main initiatives on sustainable agriculture, fish and water. All these activities are central to our commitment to contribute to sustainable development.

Manufacturing performance

Our manufacturing operations use seven parameters for reporting emissions and setting future reduction targets for eco-efficiency. We have continued to improve our eco-efficiency performance although we did not meet three out of seven of our targets in 2002 (latest data). The setting and achievement of targets at site level can be difficult, for example, ongoing changes in our business through acquisitions, disposals and closures have an impact on our site operations.

The sustainable agriculture programme

If we are to secure a continuing high-quality supply of our main agricultural raw materials, sustainable production methods are crucial. In 2003, five years after laying the foundations for the current programme, we published Good Agricultural Practice Guidelines for five crops – palm oil, peas, spinach, tea and tomatoes. We also began implementing these guidelines across a broader supply base. Learning and sharing with all stakeholders is vital, and some success stories are available on www.growingforthefuture.com. The next challenge is to develop programmes for more crops, beginning with vegetable oils. This work is being supported by the food industry's jointly established Sustainable Agriculture Initiative Platform.

Fishing for the future

The Marine Stewardship Council (MSC) has established a global standard for sustainable fisheries. We encourage our suppliers to work towards the MSC Standard, and three important fisheries are making good progress towards this certification – Alaskan pollock, Chilean hake and South African hake.

At the start of 2003, we were buying more than a third of our fish from sustainable sources, and by 2005, we expect this figure to rise to 75%. Although this will fall short of the 100% target set in 1996, we have nevertheless achieved very substantial improvements. We remain firmly committed to working with others to help drive the whole fisheries market towards a sustainable future.

Taking care of water

Almost all our products rely on water – in growing ingredients, in manufacturing and in use by the consumer. Our manufacturing sites have continued to reduce water consumption. Unilever Indonesia, for example, has since 2001 pioneered a Zero Industrial Waste policy, which has now been rolled out to all its Indonesian operations. In Jakarta, treated effluent from ice cream and food plants is pumped across the industrial estate to our detergent factory and used as process water. As a result, the factory has cut water consumption by up to 60%.

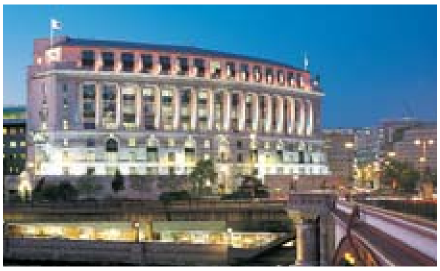
Updating our strategy

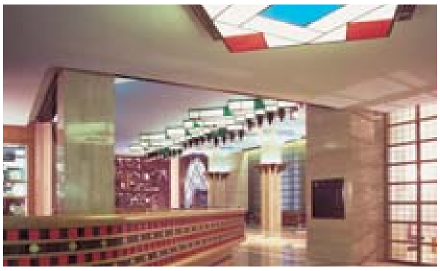
We are implementing our environmental strategy to tackle three additional areas: connecting with the consumer on environmental care; leveraging our eco-manufacturing skills across the wider supply chain; and embedding environmental sustainability in our decision-making processes. We shall report on progress in 2005.

Recognising responsible business practice

We continue to be the leading company in the food industry category in two of the Dow Jones Sustainability Indexes (DJSI), one for the fifth year running – the DJSI World Index. We were ranked top of the food sector in the UK's first Corporate Responsibility Index, published by Business in the Community in 2003.

For more information about Unilever's environmental and social activities, visit www.unilever.com/environmentsociety.





Unilever House, London

Organisational structure

Unilever has always aspired to the highest standards of governance and we believe we are well regarded for the effectiveness and transparency of our governance arrangements.

Business structure
Our operations are organised into two global divisions – Foods and Home & Personal Care – headed by Divisional Directors. This structure allows the appropriate focus on Foods and Home & Personal Care activities at both the regional and global levels. It allows for faster decision-making and strengthens our capacity for innovation by more effectively integrating research into the divisional structure.

Reporting to their respective Divisional Directors are the Foods and the Home & Personal Care Business Presidents, responsible for the profitability of their regional and global businesses. The businesses remain the driving force behind Unilever, comprising as they do the operating companies which provide the key interface with customers and consumers, allowing a quick response to the needs of local markets.

Top management structure
Antony Burgmans and Niall FitzGerald, the Chairmen of NV and PLC respectively, jointly head Unilever's Executive Committee, which is responsible for overall business performance and for setting global strategy. The other members of the Executive Committee are the Corporate Development Director, the Financial Director, the Foods Director, the Home & Personal Care Director and the Personnel Director.

Legal structure
NV and PLC are the twin parent companies of the Unilever Group, having separate legal entities and separate stock exchange listings for their shares. However, with their group companies they operate, as far as is practicable, as a single entity and constitute a single group for the purposes of presenting consolidated accounts. They also have the same Directors and are linked by a number of agreements which mean that all shareholders, whether of NV or PLC, share in the prosperity of the whole business.

NV and PLC are holding and service companies. Unilever's businesses are carried out by their operating companies around the world, which are normally owned ultimately by either NV or PLC, although some companies are held jointly by NV and PLC.

Corporate governance
The Chairmen and all the Directors are directors of both NV and PLC and are responsible for the conduct of the business as a whole. Directors are elected by shareholders at the Annual General Meetings of NV and PLC and submit themselves for re-election each year. The Boards have direct responsibility for a number of designated areas, but control NV and PLC on a day-to-day basis through the Executive Committee.

It has been Unilever's practice hitherto for all Directors to be full-time executives, holding specific management responsibilities. Proposals will be put to the Annual General Meetings in 2004 to make individuals who are currently Advisory Directors formal members of the Boards of NV and PLC, with the full rights and responsibilities of non-executive directors.

Advisory Directors, although neither non-executive directors nor members of a supervisory board, have hitherto been the principal external presence in the governance of Unilever, and provide a strong independent

Unilever House, Rotterdam

element. They are chosen for their broad experience, international outlook and independence. Advisory Directors give advice to the Boards in general, and to the Executive Committee in particular, on corporate governance, business, social and economic issues. They form the Audit Committee, the External Affairs and Corporate Relations Committee, the Remuneration Committee and the majority of the Nomination Committee.

A more detailed corporate governance statement is contained in the Unilever Annual Report & Accounts and Form 20-F 2003.

Niall FitzGerald KBE

In February 2004 we announced that Niall FitzGerald would be retiring as a Director of NV and PLC on 30 September 2004. All of his colleagues wish to record their sincere appreciation of his major contribution to the development of Unilever over 38 years of service, 18 of them as a Director and the last 9 as a Chairman.

Patrick Cescau will succeed him as Chairman of PLC and Vice-Chairman of NV. Kees van der Graaf will succeed Patrick Cescau as Foods Director.

Board changes

The current Directors are shown on page 22.

All the Directors held office throughout the year and all will be offering themselves for re-election at the 2004 Annual General Meetings (AGMs), with the exception of Charles Strauss who will be retiring at the 2004 AGMs. His colleagues wish to thank him for his contribution to Unilever over the past 17 years.

Kees van der Graaf is nominated for election as a Director of NV and PLC at the 2004 AGMs. He is currently Business President for Ice Cream and Frozen Foods Europe. His biography is set out in the Notices of the AGMs.

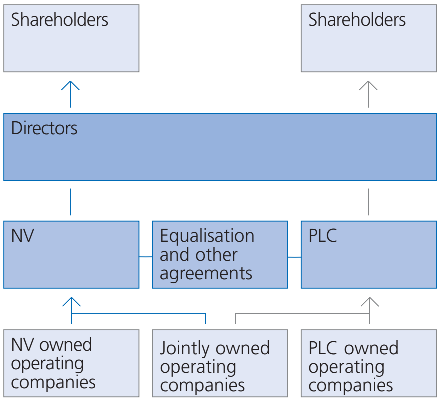
Leon Brittan, Lynda Chalker, Bertrand Collomb, Wim Dik, Oscar Fanjul, Claudio Gonzalez, Hilmar Kopper, David Simon and Jeroen van der Veer are nominated for election as Non-Executive Directors of NV and PLC at the 2004 AGMs. All were Advisory Directors in 2003 and their biographies are set out on page 23.

These nominations for election as Non-Executive Directors are a key part of the proposals being put to the 2004 Annual General Meetings to change Unilever's corporate governance arrangements. The nominations are made subject to shareholders approving the changes set out in the Notices of the AGMs.

Senator George Mitchell retires at the 2004 AGMs and his colleagues thank him for his wise counsel over the past six years.

As anticipated, Frits Fentener van Vlissingen and Charles R Shoemate retired as Advisory Directors in 2003.

Legal structure



Directors and Advisory Directors

Board of Directors

1 Antony Burgmans[*a]
Chairman, Unilever N.V.
Aged 57. Dutch. Chairman of Unilever N.V. and Vice-Chairman of Unilever PLC since 4 May 1999. Joined Unilever 1972. Appointed Director 8 May 1991. Previous posts include: Vice-Chairman of Unilever N.V. 1998. Business Group President, Ice Cream & Frozen Foods – Europe and Chairman of Unilever Europe Committee 96/98. Responsible for South European Foods business 94/96. Personal Products Co-ordinator 91/94. External appointments include: Member, Supervisory Board of ABN AMRO Bank N.V., Non-Executive Director of BP p.l.c. and Member, International Advisory Board of Allianz AG.

2 Niall FitzGerald KBE[*a]
Chairman, Unilever PLC
Aged 58. Irish. Chairman of Unilever PLC and Vice-Chairman of Unilever N.V. since 1 September 1996. Joined Unilever 1967. Appointed Director 20 May 1987. Previous posts include: Vice-Chairman of Unilever PLC 1994. Detergents Co-ordinator 91/95. Member, Foods Executive 89/91. Edible Fats & Dairy Co-ordinator 89/90. Financial Director 87/89. External appointments include: Non-Executive Director of Reuters Group PLC.

3 Clive Butler[*]
Corporate Development Director
Aged 57. British. Corporate Development Director since 1 January 2001. Joined Unilever 1970. Appointed Director 6 May 1992. Previous posts include: Category Director, Home & Personal Care 1996. Personnel Director 93/96. Corporate Development and IT Director 1992.

4 Patrick Cescau[*b]
Foods Director
Aged 55. French. Foods Director since 1 January 2001. Joined Unilever 1973. Appointed Director 4 May 1999. Previous posts include: Financial Director 1999. Controller and Deputy Financial Director 98/99. President, Lipton USA 97/98. President and CEO, Van den Bergh Foods USA 95/97. Chairman, Indonesia 91/95. External appointments include: Non-Executive Director of Pearson plc and Conseiller du Commerce Extérieur de la France in the Netherlands.

5 Keki Dadiseth[*b]
Home & Personal Care Director
Aged 58. Indian. Home & Personal Care Director since 1 January 2001. Joined Unilever 1973. Appointed Director 3 May 2000. Previous posts include: Hindustan Lever Chairman 1996, Vice-Chairman and Managing Director 95/96. External appointments include: Non-Executive Director of The Indian Hotels Company. Member, International Advisory Board of DaimlerChrysler AG.

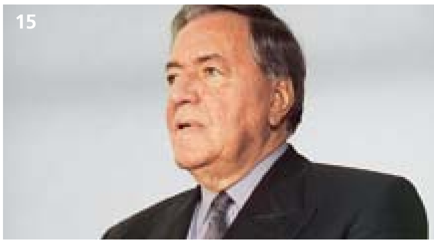
6 André baron van Heemstra[*b]
Personnel Director
Aged 58. Dutch. Personnel Director since 3 May 2000. Joined Unilever 1970. Appointed Director 3 May 2000. Previous posts include: Business Group President, East Asia Pacific 1996. Chairman, Langnese-Iglo 92/96.

7 Rudy Markham[*c]
Financial Director
Aged 57. British. Financial Director since 4 August 2000. Joined Unilever 1968. Appointed Director 6 May 1998. Previous posts include: Strategy & Technology Director 1998. Business Group President, North East Asia 96/98. Chairman, Nippon Lever Japan 92/96. Chairman, Unilever Australasia 89/92. Group Treasurer 86/89. External appointments include: Non-Executive Director of Standard Chartered PLC.

8 Charles Strauss
President, Home & Personal Care North America and Global Prestige Business. Chairman, North America Committee
Aged 61. American. Joined Unilever 1986 upon Unilever's acquisition of Ragú Foods. Appointed Director 3 May 2000. Previous posts include: Business Group President, Latin America 96/99. President, Lever Brothers USA 93/96. Chairman, Langnese-Iglo 89/92. External appointments include: Non-Executive Director of Hartford Financial Services Group, Inc. and Aegis Group PLC.

* Member Executive Committee
a Member Nomination Committee
b Member Corporate Risk Committee
c Chairman Corporate Risk Committee
d Member External Affairs and Corporate Relations Committee
e Chairman External Affairs and Corporate Relations Committee
f Chairman Nomination Committee
g Chairman Remuneration Committee
h Member Audit Committee
i Chairman Audit Committee
j Member Remuneration Committee

Advisory Directors



9 The Rt Hon The Lord Brittan of Spennithorne QC, DL[d]
Aged 64. British. Appointed 2000. Vice-Chairman of UBS Investment Bank and Chairman of UBS Limited. Member of the European Commission and Vice-President 89/99. Member of the UK Government 79/86. Home Secretary 83/85 and Secretary of State for Trade and Industry 85/86.

10 Baroness Chalker of Wallasey[e]
Aged 61. British. Appointed 1998. Director of Freeplay Energy plc, Group 5 (Pty) Ltd and Ashanti Goldfields Company Ltd. Member, International Advisory Board of Lafarge et Cie. UK Minister of State at the Foreign and Commonwealth Office 86/97. Created Life Peer in 1992. Member of Parliament for Wallasey 74/92.

11 Bertrand Collomb[f,g]
Aged 61. French. Appointed 1994. Chairman of Lafarge S.A. Director of Vivendi Universal, TotalFinaElf and Atco. Member, Supervisory Board of Allianz AG and Advisory Board of Banque de France.

12 Professor Wim Dik[d]
Aged 65. Dutch. Appointed 2001. Professor at Delft University of Technology. Chairman, Supervisory Boards of Van Gansewinkel Groep, Holland Casino and N.V. Casema. Member, Supervisory Boards of ABN AMRO Bank N.V. and Tele Atlas N.V. Non-Executive Director of Aviva plc and LogicaCMG plc. Chairman and CEO of Koninklijke PTT Nederland (KPN) 88/98 and Koninklijke KPN N.V. (Royal Dutch Telecom) 98/00. Minister for Foreign Trade, Netherlands 81/82.

13 Oscar Fanjul[h]
Aged 54. Spanish. Appointed 1996. Honorary Chairman of Repsol-YPF S.A. Director of Marsh & McLennan Companies, the London Stock Exchange, Acerinox S.A. and Técnicas Reunidas S.A. Member, International Advisory Boards of Marsh & McLennan Companies and Sviluppo Italia and of the European Advisory Board of the Carlyle Group. Chairman and CEO of Repsol 86/96.

14 Claudio X Gonzalez[h]
Aged 69. Mexican. Appointed 1998. Chairman and CEO of Kimberly-Clark de Mexico S.A. Director of Kimberly-Clark Corporation, Kellogg Company, General Electric Company (USA), Grupo Carso S.A., Grupo Alfa, Grupo Mexico, Grupo Televisa, Fondo Mexico, Home Depot, America Movil and Investment Company of America. Member, International Advisory Council of JPMorgan Chase Bank. Special Advisor to the President of Mexico 88/94.

15 Hilmar Kopper[i]
Aged 68. German. Appointed 1998. Chairman, Supervisory Board of DaimlerChrysler AG. Non-Executive Director of Xerox Corp. Former CEO and former Chairman of the Supervisory Board of Deutsche Bank AG.

16 Senator George J Mitchell[d]
Aged 70. American. Appointed 1998. Partner of the law firm Piper Rudnick. Director of Walt Disney Company, Federal Express Corp., Starwood Hotels and Resorts and Staples Inc. Member, International Advisory Board of Thames Water Plc. Member of the US Senate 80/95 and Senate Majority Leader 88/95. Chairman of the Northern Ireland Peace Initiative 95/99.

17 The Lord Simon of Highbury CBE[a,j]
Aged 64. British. Appointed 2000. Member, Advisory Board of LEK Consulting and International Advisory Council of Fortis. Non-Executive Director of Suez Group. Member, Supervisory Board of Volkswagen AG. Senior Advisor and Member, European Advisory Board of Morgan Stanley Dean Witter. UK Government Minister 97/99. Group Chief Executive of BP 92/95 and Chairman 95/97.

18 Jeroen van der Veer[a,j]
Aged 56. Dutch. Appointed 2002. President of Royal Dutch Petroleum Company and Chairman of the Committee of Managing Directors of Royal Dutch/Shell Group of Companies. Member, Supervisory Board of De Nederlandsche Bank.

Financial highlights

Global highlights

Turnover
€ million

2003	**42 942**
2002	48 760
2001	52 206

Operating profit
€ million

2003	**5 529**
2002	5 091
2001	5 030

Operating profit BEIA
€ million

2003	**6 772**
2002	7 054
2001	7 032

Turnover
£ million

2003	**29 682**
2002	30 621
2001	32 472

Operating profit
£ million

2003	**3 822**
2002	3 196
2001	3 129

Operating profit BEIA
£ million

2003	**4 681**
2002	4 429
2001	4 374

Turnover
$ million

2003	**48 353**
2002	45 839
2001	46 740

Operating profit
$ million

2003	**6 225**
2002	4 785
2001	4 503

Operating profit BEIA
$ million

2003	**7 625**
2002	6 630
2001	6 296

Progress against targets

Underlying sales growth*
%

2003	**1.5**
2002	4.2
2001	4.0

Operating margin BEIA
%

2003	**15.7**
2002	14.5
2001	13.5

Earnings per share BEIA growth
%

2003	**11.0**
2002	23.6
2001	12.2

*Turnover growth per annum excluding the year-on-year impact of acquisitions and disposals in all years.

	03	02	01
Leading brands (at year end) % turnover	**93**	89	84

Earnings and dividends

Combined earnings per share and dividends per share	Ordinary €0.51 shares of NV **2003**	2002	2001	Ordinary 1.4p shares of PLC **2003**	2002	2001
Basic earnings per share	**€2.82**	€2.14	€1.66	**€0.42** **29.26p**	€0.32 20.19p	€0.25 15.46p
Basic earnings per share (BEIA)	**€4.02**	€3.95	€3.39	**€0.60** **41.69p**	€0.59 37.22p	€0.51 31.60p
Dividend per share	**€1.74**	€1.70	€1.56	**18.08p**	16.04p	14.54p

Combined earnings per share and dividends per share for shares traded on New York Stock Exchange (on a UK GAAP[(a)] basis) in US$	New York €0.51 shares of NV **2003**	2002	2001	5.6p American Depositary Receipts of PLC **2003**	2002	2001
Basic earnings per share	**$3.18**	$2.02	$1.48	**$1.91**	$1.21	$0.89
Basic earnings per share (BEIA)	**$4.53**	$3.71	$3.03	**$2.72**	$2.23	$1.82
Dividend per share[(b)]	**$2.15**	$1.85	$1.42	**$1.31**	$1.02	$0.85

[(a)] Generally Accepted Accounting Principles
[(b)] Further details of US dividends and exchange rates used are given on page 27.

The figures shown in global highlights and earnings and dividends above are in euros, sterling and US dollars at current rates of exchange. The figures shown in progress against targets above are at constant rates of exchange, ie translated at the average rates of exchange for the earlier year.
During the year, average exchange rates for the euro strengthened by 10% against a representative basket of currencies for Unilever. Reported at current rates in euros, turnover and operating profit BEIA were 10% lower than at constant rates whilst earnings per share (BEIA) was 8% lower than at constant rates. Earnings per share (BEIA) growth was 9% lower at 2%.

Operating profit, operating profit BEIA and earnings per share measures for 2001 and 2002 have been restated following changes in our accounting policy for pensions and other post employment benefits and in our accounting policy for share based payments.

Axe
How do you launch a new deodorant into one of the most fiercely competitive markets in the world? Answer: with flair. Our initial US campaign for *Axe* included internet exposure, in-store teaser TV ads, helicopter descents on Manhattan and a team of '*Axe* Angels'. One year after launch, *Axe* has overachieved its launch targets in both sales and market share, accelerated the growth of the deodorant category and won various awards, including 'Guerilla Marketer' of the year.

Summary financial statement

This Summary Financial Statement is a summary of information contained in Unilever's financial statements, Report of the Directors and Remuneration Report as set out in the Unilever Annual Report & Accounts and Form 20-F 2003.

This Statement does not contain sufficient information to allow as full an understanding of the results and state of affairs of Unilever, and of its policies and arrangements concerning Directors' remuneration, as would be provided by the full report.

Copies of the Unilever Annual Report & Accounts and Form 20-F 2003, which are produced in both English and Dutch, can be accessed directly or ordered through www.unilever.com/investorcentre/financialreports. Shareholders may also elect to receive the Annual Report & Accounts and Form 20-F for all future years by request to the appropriate share registrars. Further details are provided on page 33.

The auditors have issued an unqualified audit report on the full accounts and the auditable part of the Directors' Remuneration Report. 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 and the auditable part of the Remuneration Report contains no such statement.

The following Summary Financial Statement should be read together with the narrative set out earlier in this Annual Review which mentions, to the extent applicable, any important future developments or post-balance sheet events.

Auditors' statement to the shareholders of Unilever N.V. and Unilever PLC

We have examined the Summary Financial Statement in euros set out on pages 26 to 32.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Review 2003 in accordance with applicable law. Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement within the Annual Review with the full annual accounts and the Directors' Report, and its compliance with the relevant requirements of section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review and consider implications for our report if we become aware of any apparent misstatements or material inconsistencies within the Summary Financial Statement.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The Auditors' Statement on the Summary Financial Statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the Summary Financial Statement is consistent with the full annual accounts and the Directors' Report of the Unilever Group for the year ended 31 December 2003 and complies with the applicable requirements of section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder.

PricewaterhouseCoopers Accountants N.V. Rotterdam, The Netherlands	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors London, England
As auditors of Unilever N.V.	As auditors of Unilever PLC

2 March 2004

Unilever website

The maintenance and integrity of the Unilever website are the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the Netherlands and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Quarterly results announcements

These are available on our website at www.unilever.com/investorcentre in English or Dutch, with figures in euros, and in English, with sterling or US dollar figures.

International Financial Reporting Standards

Unilever will adopt International Financial Reporting Standards (IFRS) with effect from 1 January 2005. The impact of the change to IFRS on our reported capital and reserves and on reported net profit is being assessed. In particular, our current accounting policies for retirement benefits, financial instruments, goodwill and intangible assets, biological assets, deferred taxes and proposed dividends differ from IFRS.

Accounting policies

The accounts are prepared under the historical cost convention and comply in all material respects with legislation in the Netherlands and the United Kingdom and with applicable accounting standards in the United Kingdom.

As a result of the operational and contractual arrangements in place between NV and PLC and the internal participating interests of these companies, NV and PLC and their group companies constitute a single group under Netherlands and United Kingdom legislation for the purposes of preparing consolidated accounts. Accordingly, the accounts of the Unilever Group are presented by both NV and PLC as their respective consolidated accounts. On the face of the balance sheet on page 29, an analysis is given indicating how consolidated capital and reserves are attributed to NV and PLC. PLC currently has negative capital and reserves. This arises largely because of an accounting policy of writing off goodwill, directly to reserves, arising on acquisitions in previous years and on transfers of businesses between the NV and PLC parts of the Group. These write-offs do not have an impact on distributable reserves.

United Kingdom Financial Reporting Standard 17 (FRS 17) has been adopted by the Group for the year ended 31 December 2003. The standard requires that pension assets and liabilities be stated at fair values. The impact of adoption of the standard has been reflected in all periods covered by the Annual Review 2003 by means of prior period adjustments to the balance sheet and profit and loss accounts.

In line with recommendations of various standard setting bodies, from 1 January 2003 the accounting policy for share options was changed. The impact of adoption of this change has been reflected in all periods covered by the Annual Review 2003 by means of prior period adjustments to the profit and loss accounts. Share option programmes have been hedged by buying shares at the time of grant and taking the financing cost within interest. The accounting change is to include an additional non-cash charge against operating profit to reflect the full value to the employee of the share options granted. In determining this charge, we are applying an option pricing model (usually an adjusted Black-Scholes or multinomial model) of which the resulting cost is spread over the vesting period of the option.

During 2003 Unilever changed its presentation of securities held as collateral in respect of derivative financial instruments. Until 2002 Unilever presented such collateral under cash at bank and in hand and under bonds and other loans. Because, in normal circumstances, Unilever has to return the securities in the same form as the original security received, and Unilever does not retain the benefit of any dividends or interest on those securities, they are no longer presented as assets and liabilities of the Group.

Reporting currency and exchange rates

The sterling and US dollar figures shown on this page and on pages 28 to 29 have been provided for the convenience of users and do not form part of the audited accounts of the Unilever Group. These figures have been translated from euros using the following rates of exchange:

	Annual average rates			Year-end rates		
	2003	2002	2001	**2003**	2002	2001
€1 = £	**0.6912**	0.6280	0.6220	**0.7077**	0.6505	0.6109
€1 = $	**1.1260**	0.9401	0.8953	**1.2610**	1.0490	0.8854

Dividends

The Boards have resolved to recommend to the Annual General Meetings on 12 May 2004 the declaration of final dividends on the ordinary capital of NV and of PLC in respect of 2003 at the rates shown in the tables below. The dividends will be paid in accordance with the timetable set out on page 33.

NV	**2003**	2002
Per €0.51 of ordinary capital		
Interim	**€0.59**	€0.55
Final	**€1.15**	€1.15
Total	**€1.74**	€1.70

PLC	**2003**	2002
Per 1.4p of ordinary capital		
Interim	**6.16p**	5.21p
Final	**11.92p**	10.83p
Total	**18.08p**	16.04p

Dividends for US shareholders

	Per €0.51 of NV ordinary capital		Per 5.6p of PLC ordinary capital	
	2003	2002	**2003**	2002
Interim	**$0.69**	$0.54	**$0.42**	$0.32
Final	**$1.46***	$1.31	**$0.89***	$0.70
Total	**$2.15**	$1.85	**$1.31**	$1.02

*Proposed final dividends translated into US dollars at the rate of exchange ruling on 11 February 2004 (€1 = $1.27, £1 = $1.87 (rounded to two decimal places)). These dividends will be paid using the exchange rates ruling on 12 May 2004.

Summary information under US GAAP in US$ (unaudited)

	2003	2002 restated	2001 restated
Combined net income (million)	**4 287**	3 958	1 295
Combined net income per share			
Per €0.51 of ordinary capital	**4.39**	4.01	1.27
Per 1.4p of ordinary capital	**0.66**	0.60	0.19
Combined diluted net income per share			
Per €0.51 of ordinary capital	**4.27**	3.89	1.24
Per 1.4p of ordinary capital	**0.64**	0.58	0.19
Capital and reserves (million)			
Attributable to NV	**15 082**	10 443	8 270
Attributable to PLC	**1 752**	1 906	3 730

The Summary Financial Statement of Unilever has been prepared under accounting principles which differ in certain respects from those generally accepted in the United States.

Key differences arise from the treatment of goodwill, certain intangible assets, derivative financial instruments, pensions and the recognition of certain restructuring costs. Further details of significant differences are given in the Unilever Annual Report & Accounts and Form 20-F 2003.

Summary financial statement

Profit and loss account for the year ended 31 December

	€ million 2003	€ million 2002 restated	£ million 2003	£ million 2002 restated	$ million 2003	$ million 2002 restated
Turnover	**42 942**	48 760	**29 682**	30 621	**48 353**	45 839
Less: Share of turnover of joint ventures	**(249)**	(490)	**(172)**	(308)	**(280)**	(460)
Group turnover	**42 693**	48 270	**29 510**	30 313	**48 073**	45 379
Cost of sales	**(21 192)**	(24 049)	**(14 648)**	(15 103)	**(23 863)**	(22 609)
Gross profit	**21 501**	24 221	**14 862**	15 210	**24 210**	22 770
Distribution, selling and administrative costs	**(16 018)**	(19 214)	**(11 072)**	(12 067)	**(18 037)**	(18 064)
Group operating profit	**5 483**	5 007	**3 790**	3 143	**6 173**	4 706
After charging:						
Exceptional items	**(97)**	(707)	**(67)**	(444)	**(110)**	(665)
Amortisation of goodwill and intangible assets	**(1 139)**	(1 245)	**(787)**	(782)	**(1 283)**	(1 170)
Add: Share of operating profit of joint ventures	**46**	84	**32**	53	**52**	79
Operating profit	**5 529**	5 091	**3 822**	3 196	**6 225**	4 785
After charging:						
Exceptional items	**(100)**	(702)	**(69)**	(441)	**(113)**	(659)
Amortisation of goodwill and intangible assets	**(1 143)**	(1 261)	**(790)**	(792)	**(1 287)**	(1 186)
Share of operating profit of associates	**25**	34	**17**	21	**29**	32
Other income from fixed investments	**(3)**	(7)	**(2)**	(4)	**(4)**	(7)
Interest	**(847)**	(1 173)	**(586)**	(737)	**(954)**	(1 103)
Other finance income/(cost) - pension and similar obligations	**(166)**	108	**(114)**	68	**(186)**	102
Profit on ordinary activities before taxation	**4 538**	4 053	**3 137**	2 544	**5 110**	3 809
Taxation on profit on ordinary activities	**(1 527)**	(1 605)	**(1 056)**	(1 007)	**(1 720)**	(1 508)
Profit on ordinary activities after taxation	**3 011**	2 448	**2 081**	1 537	**3 390**	2 301
Minority interests	**(249)**	(312)	**(172)**	(196)	**(281)**	(292)
Net profit	**2 762**	2 136	**1 909**	1 341	**3 109**	2 009
Attributable to: **NV**	**1 976**	1 679	**1 366**	1 054	**2 225**	1 579
PLC	**786**	457	**543**	287	**884**	430
Dividends	**(1 709)**	(1 701)	**(1 182)**	(1 069)	**(1 925)**	(1 600)
Preference dividends	**(27)**	(42)	**(19)**	(27)	**(31)**	(40)
Dividends on ordinary capital	**(1 682)**	(1 659)	**(1 163)**	(1 042)	**(1 894)**	(1 560)
Result for the year retained	**1 053**	435	**727**	272	**1 184**	409
Combined earnings per share						
Basic earnings per share:						
Earnings per share per €0.51 of ordinary capital	**€2.82**	€2.14			**$3.18**	$2.02
Earnings per share per 1.4p of ordinary capital	**€0.42**	€0.32	**29.26p**	20.19p	**$0.48** (1)	$0.30 (1)
On a diluted basis the figures would be:						
Earnings per share per €0.51 of ordinary capital	**€2.74**	€2.08			**$3.08**	$1.96
Earnings per share per 1.4p of ordinary capital	**€0.41**	€0.31	**28.40p**	19.59p	**$0.46** (2)	$0.29 (2)

(1) Rounded to two decimal places. Equivalent to $1.91 (2002: $1.21) per PLC American Depositary Receipt (5.6p of PLC ordinary capital).
(2) Rounded to two decimal places. Equivalent to $1.85 (2002: $1.17) per PLC American Depositary Receipt (5.6p of PLC ordinary capital).

Statement of total recognised gains and losses for the year ended 31 December

	€ million 2003	€ million 2002 restated	£ million 2003	£ million 2002 restated	$ million 2003	$ million 2002 restated
Net profit	**2 762**	2 136	**1 909**	1 341	**3 109**	2 009
Unrealised gain on partial disposal of a group company	**–**	56	**–**	35	**–**	52
Pension and similar obligations:						
Net actuarial gain/(loss) recognised	**148**	(4 152)	**102**	(2 607)	**167**	(3 904)
Deferred taxation thereon	**(176)**	1 341	**(122)**	842	**(199)**	1 261
Currency retranslation	**159**	(1 567)	**403**	(720)	**1 374**	(440)
Total recognised gains/(losses) for the year	**2 893**	(2 186)	**2 292**	(1 109)	**4 451**	(1 022)
Prior year restatements	**(1 165)**		**(758)**		**(1 222)**	
Total recognised gains/(losses) since last annual accounts	**1 728**		**1 534**		**3 229**	

Balance sheet as at 31 December

	€ million		£ million		$ million	
	2003	2002 restated	**2003**	2002 restated	**2003**	2002 restated
Fixed assets	**24 567**	28 389	**17 385**	18 467	**30 978**	29 781
Goodwill and intangible assets	**17 713**	20 274	**12 535**	13 188	**22 336**	21 268
Other fixed assets	**6 854**	8 115	**4 850**	5 279	**8 642**	8 513
Current assets	**13 401**	13 975	**9 484**	9 090	**16 899**	14 661
Stocks	**4 175**	4 500	**2 955**	2 927	**5 265**	4 721
Debtors due within one year	**5 082**	5 875	**3 597**	3 821	**6 408**	6 163
Debtors due after more than one year	**799**	696	**565**	453	**1 008**	731
Cash at bank and in hand and current investments	**3 345**	2 904	**2 367**	1 889	**4 218**	3 046
Creditors due within one year	**(17 074)**	(19 955)	**(12 083)**	(12 980)	**(21 530)**	(20 935)
Borrowings	**(7 434)**	(8 937)	**(5 261)**	(5 812)	**(9 374)**	(9 375)
Trade and other creditors	**(9 640)**	(11 018)	**(6 822)**	(7 168)	**(12 156)**	(11 560)
Net current assets/(liabilities)	**(3 673)**	(5 980)	**(2 599)**	(3 890)	**(4 631)**	(6 274)
Total assets less current liabilities	**20 894**	22 409	**14 786**	14 577	**26 347**	23 507
Creditors due after more than one year	**9 130**	11 574	**6 461**	7 530	**11 513**	12 140
Borrowings	**8 466**	10 933	**5 991**	7 113	**10 676**	11 468
Trade and other creditors	**664**	641	**470**	417	**837**	672
Provisions for liabilities and charges (excluding pensions and similar obligations)	**1 645**	1 578	**1 164**	1 026	**2 074**	1 655
Net liabilities for pensions and similar obligations	**3 759**	3 936	**2 660**	2 560	**4 740**	4 130
Net pension asset for funded schemes in surplus	**(490)**	(381)	**(347)**	(248)	**(618)**	(399)
Net pension liability for funded schemes in deficit	**1 629**	1 767	**1 153**	1 149	**2 054**	1 854
Net pension liability for unfunded schemes	**2 620**	2 550	**1 854**	1 659	**3 304**	2 675
Minority interests	**440**	619	**311**	403	**555**	650
Capital and reserves	**5 920**	4 702	**4 190**	3 058	**7 465**	4 932
Attributable to: **NV**	**6 869**	5 938	**4 861**	3 862	**8 662**	6 230
PLC	**(949)**	(1 236)	**(671)**	(804)	**(1 197)**	(1 298)
Total capital employed	**20 894**	22 409	**14 786**	14 577	**26 347**	23 507

Cash flow statement for the year ended 31 December

	€ million		£ million		$ million	
	2003	2002 restated	**2003**	2002 restated	**2003**	2002 restated
Cash flow from group operating activities	**6 780**	7 883	**4 689**	4 951	**7 637**	7 411
Dividends from joint ventures	**52**	83	**36**	52	**58**	78
Returns on investments and servicing of finance	**(1 180)**	(1 386)	**(816)**	(871)	**(1 330)**	(1 303)
Taxation	**(1 423)**	(1 817)	**(983)**	(1 141)	**(1 602)**	(1 708)
Capital expenditure and financial investment	**(1 024)**	(1 706)	**(708)**	(1 071)	**(1 153)**	(1 604)
Acquisitions and disposals	**622**	1 755	**429**	1 102	**700**	1 650
Dividends paid on ordinary share capital	**(1 715)**	(1 580)	**(1 186)**	(992)	**(1 931)**	(1 485)
Cash flow before management of liquid resources and financing	**2 112**	3 232	**1 461**	2 030	**2 379**	3 039
Management of liquid resources	**(41)**	(592)	**(29)**	(372)	**(47)**	(557)
Financing	**(2 917)**	(3 078)	**(2 016)**	(1 933)	**(3 285)**	(2 894)
Increase/(decrease) in cash in the period	**(846)**	(438)	**(584)**	(275)	**(953)**	(412)
(Increase)/decrease in net debt in the period	**4 411**	6 233	**2 151**	3 137	**1 965**	2 743

Summary remuneration report

Dear Shareholder,

We should like to make some introductory remarks about the Summary Remuneration Report for 2003.

Our philosophy
Our remuneration philosophy remains that of attracting, motivating and retaining the highest calibre of business executives. We ensure that all elements of Directors' remuneration are carefully benchmarked in the market. The Directors are also required to build up a personal shareholding in Unilever in order to link their personal interests with those of other shareholders.

We believe this approach is essential to the successful leadership and effective management of Unilever as a major global company.

Rewards based on performance
The current Directors' package dates from 2001 when, following shareholder approval, various changes were introduced. Among these was the introduction of the Total Shareholder Return (TSR) based Long-Term Incentive Plan and the increase of the annual bonus to a maximum of 100% of base salary. The package was designed to support enhanced shareholder value during the period to 2004, as set out in the Path to Growth strategy.

The package is linked to clear measures of performance. In this way, when results are outstanding, the variable elements can form a significant part of the total remuneration package. Equally important, this ensures that indifferent or unsatisfactory performance is not rewarded. This approach delivers appropriate rewards for outstanding performers who create outstanding value for shareholders. It is also consistent with the performance-related remuneration culture in place across the Unilever Group.

The bonus payable in respect of 2003 is substantially less than the bonus paid for 2002 because the business results for 2003 were below expectations, particularly with regard to growth in leading brands.

Our commitment
Our continuing commitment is to link Directors' pay with performance. We are focused on achieving business goals, rewarding outstanding performance and retaining the best talent.

Looking ahead
The Committee keeps the Directors' package under constant review to ensure it remains in line with the European market. We strive to ensure that the package continues to deliver the best possible value for shareholders.

Bertrand Collomb, Chairman
David Simon
Jeroen van der Veer

Unilever's Remuneration Committee

Directors' remuneration policy
The remuneration policy for the Directors is set by the Remuneration Committee – an independent committee consisting of Advisory Directors (see page 23). The Committee members are chosen for their broad experience, international outlook and independence. The Committee meets at least three times a year and recommends whatever adjustments to remuneration levels are necessary. In 2003 the Committee met on four occasions and all members were present at each meeting. The Committee is assisted by the Secretary of the Remuneration Committee, JAA van der Bijl, Joint Secretary of Unilever. A Burgmans and NWA FitzGerald attend part of the Committee meetings in their capacity as Chairmen of NV and PLC respectively.

The objective of Unilever's remuneration policy is to attract, motivate and retain top-class business executives who are able to direct and lead our global business, and to reward them accordingly based on their performance. Levels of remuneration are reviewed annually in the light of company and market developments.

The Committee does not formally retain remuneration consultants but seeks professional advice as it sees fit. During 2003 professional advice was sought from an independent firm of human resource specialists, Towers Perrin. This firm also provides general consultancy advice to Unilever Group companies on pension, communications and other human resource matters.

In line with the Path to Growth strategy, it is the Remuneration Committee's policy to link a significant proportion of the Directors' remuneration to a number of key measures of Unilever Group performance. Broadly, if the Group achieves its target level of performance, the variable elements of the remuneration package will account for about 60% of the Directors' total remuneration. The variable elements would, of course, reduce considerably if performance was below target.

The key features of the remuneration package are:

Base salary – Whilst one overall salary framework applies to all Directors, separate salary ranges are agreed each year for the Directors based in continental Europe, the UK and the US.

Allowances & Benefits in Kind – Directors enjoy similar benefits to many other employees of the Unilever Group. These include subsidised medical insurance, the use of company cars (or cash in lieu) and assistance with relocation costs.

Annual Bonus – This can range between 0% and 100% of base salary. The Remuneration Committee sets stretching annual targets based on a combination of corporate results and personal performance.

The corporate targets are a combination of the yearly increase in earnings per share (BEIA) and underlying sales growth of leading brands. The earnings per share growth is determined by reference to current rates of exchange. Personal targets are based on agreed key objectives relative to the Director's specific responsibilities.

At the end of each year the Remuneration Committee reviews the results against the targets which had been set previously.

Long-Term Incentive Plans – These essentially comprise three elements:

(a) Matching Shares A quarter of the annual bonus is paid in the form of NV and PLC shares. Unilever, on its part, awards an equivalent number of matching shares which vest three years later (provided that the original 'bonus' shares have been retained and that the Director has not resigned or been dismissed during that period).

The Remuneration Committee wishes to encourage Directors to hold shares in NV and PLC to further align the interests of the Directors with those of the shareholders in general. The necessity to hold the 'bonus' shares for a minimum of a three-year period reinforces this commitment on the part of the Directors.

(b) Executive Option Plans Options in NV and PLC shares are awarded annually (subject to certain conditions, see below) which are exercisable over a period of 3 to 10 years from date of grant.

The level of actual grants made in a particular year varies depending on the percentage increase, over inflation, of the earnings per share (BEIA) at current rates of exchange for the financial year preceding the date of grant.

Options are granted at not less than the open market price of the shares at date of grant.

(c) TSR Long-Term Incentive Plan Under this plan conditional rights to shares in NV and PLC are awarded annually to Directors and certain senior managers. The awards vest three years after grant but the number of shares to vest is dependent on the total shareholder return of Unilever when compared with a peer group of 20 comparator companies. No shares will vest if Unilever is ranked at less than position 11 of the TSR ranking table over the three-year period. Between 25% and 200% will vest depending on the position of Unilever in the top half of the ranking table.

This plan addresses our objective to achieve a business performance above the median, and preferably within the top third, of our peer group in terms of the creation of total shareholder return.

Pension Arrangements – Directors are members of a final salary defined benefit arrangement which provides for a pension, from age 60, broadly equivalent to two-thirds of final pensionable pay. For this purpose 'pensionable pay' includes the average annual bonus element of the remuneration package paid in the last three years, subject to it not exceeding 20% of base salary.

Directors' service contracts

The Articles of Association of NV and PLC require that all Directors retire from office at every Annual General Meeting.

The Directors are long-serving Unilever executives who can reasonably expect, subject to satisfactory performance, to be employed by the Unilever Group until retirement.

The Directors have service contracts with both NV and PLC which provide for 12 months' notice of termination on the part of the Companies. NV and PLC may, if they choose, pay to the Directors a sum equal to 12 months' salary in lieu of notice.

Unilever's position relative to two broad-based equity indices for the last five years

Under the UK Directors' Remuneration Report Regulations 2002 we are required to show Unilever's relative share performance against a broad-based equity index for the last five years. The Remuneration Committee has decided to show Unilever's performance against two indices (FTSE 100 index and Euronext Amsterdam AEX index) as these are the most generally used indices in the UK and the Netherlands where we have our principal listings.

Unilever PLC vs FTSE 100
Five years ended 31 December 2003

Unilever NV vs AEX Amsterdam
Five years ended 31 December 2003

Summary financial statement

Directors' emoluments and income arising from long-term incentives – 2003

Directors' total emoluments for the year ended 31 December 2003 including other income arising from long-term incentives were €11 530 000 (2002: €20 351 080). The equivalent totals in pounds sterling were £7 970 000 (2002: £12 780 484). The details for each Director for 2003 are set out in the table below:

The following table gives details of the total monetary value received by each Director from the remuneration programme in 2003:

	Annual Emoluments 2003						Other Income arising from Long-Term Incentives in 2003		
Name and Base Country	Base salary '000	Allowances '000	Value of benefits in kind '000	Annual bonus '000	**Total annual emoluments for 2003** '000	Total annual emoluments 2002 '000	Vesting of matching shares in 2003 '000	Gains on exercise of share options in 2003 '000	**Total of annual emoluments and other income arising from long-term incentives in 2003** '000
A Burgmans	**€1 310**	**€74**	**€140**	**€262**	**€1 786**	€2 681	**€42**		**€1 828**
NL	[£905]	[£51]	[£96]	[£181]	[£1 233]	[£1 684]	[£29]		[£1 262]
NWA FitzGerald	**€1 476**	**€159**	**€79**	**€295**	**€2 009**	€3 340	**€74**		**€2 083**
UK	[£1 020]	[£110]	[£54]	[£204]	[£1 388]	[£2 097]	[£51]		[£1 439]
AC Butler	**€738**	**€3**	**€34**	**€148**	**€923**	€1 664			**€923**
UK	[£510]	[£2]	[£24]	[£102]	[£638]	[£1 045]			[£638]
PJ Cescau	**€1 020**	**€6**	**€162**	**€204**	**€1 392**	€2 205			**€1 392**
NL	[£705]	[£4]	[£112]	[£141]	[£962]	[£1 385]			[£962]
KB Dadiseth	**€926**	**€4**	**€80**	**€185**	**€1 195**	€2 098		**€15**	**€1 210**
UK	[£640]	[£3]	[£56]	[£128]	[£827]	[£1 318]		[£11]	[£838]
AR van Heemstra	**€700**	**€6**	**€74**	**€140**	**€920**	€1 549			**€920**
NL	[£484]	[£4]	[£51]	[£97]	[£636]	[£972]			[£636]
RHP Markham	**€839**	**€10**	**€36**	**€168**	**€1 053**	€1 787			**€1 053**
UK	[£580]	[£7]	[£25]	[£116]	[£728]	[£1 122]			[£728]
CB Strauss	**€933**	**€17**	**€163**	**€379**	**€1 492**	€1 990		**€629**	**€2 121**
USA	[£645]	[£12]	[£113]	[£262]	[£1 032]	[£1 250]		[£435]	[£1 467]

For convenience the amounts are shown both in euros and in pounds sterling in brackets

Share Matching Plan

In March 2003 matching shares equivalent in value to 25% of the annual bonus for 2002 were awarded on a conditional basis to each Director. These shares will vest in March 2006. In March 2004 further matching shares will be awarded equal to 25% of the bonus for 2003. The shares will vest in March 2007.

Executive share option grants – 2003

In 2003 the following options were granted under the Option Plans to each Director:

Chairmen: 18 000 NV shares and 120 000 PLC shares
US-based Director: 18 000 NV shares and 120 000 PLC shares
Other Directors: 11 250 NV shares and 75 000 PLC shares

In addition 'premium options' were granted to each Director equivalent to 20% of the number of options granted in 1998. The number of these premium options granted in 2003 ranged between 900 and 3 600 NV shares and between 6 000 and 24 000 PLC shares per person.

TSR – Long-Term Incentive Plan conditional awards – 2003

In 2003 conditional rights to shares in NV and PLC were awarded to the Chairmen and Directors as follows.

Chairmen: 7 260 NV shares and 46 198 PLC shares
US-based Director: 3 646 NV shares and 23 284 PLC shares (5 821 ADRs)
Other Directors: 4 537 NV shares and 28 877 PLC shares

Between 0% and 200% of the above shares will vest in March 2006 dependent on the TSR performance of Unilever against a peer group of 20 comparator companies over the performance period 1 January 2003 to 31 December 2005.

No rights vested under this plan in 2003.

The first conditional award under this plan was made in May 2001 and this award will vest in May 2004. The number of shares to vest will depend upon our TSR share performance over the three years ended 31 December 2003. For this period we were ranked number six out of our peer group of 20 comparator companies and therefore 100% of share awards will vest.

Directors' pensions – 2003

The total amount set aside by the Unilever Group during 2003 to provide pension, retirement or similar benefits for all current Directors was €2 640 664 (£1 825 227).

Advisory Directors

Advisory Directors were not formally members of the Boards of NV and PLC in 2003. They receive an annual fee and are reimbursed expenses incurred in attending meetings. They do not receive any performance-related bonuses, pension provisions, share options or any other form of benefit in respect of their role as Advisory Directors.

In 2003 fees of £35 000 per annum were paid to each of Lord Brittan, Lady Chalker, CX Gonzalez, Senator Mitchell and Lord Simon, and €55 000 per annum were paid to each of B Collomb, Professor W Dik, O Fanjul, H Kopper and J van der Veer. In addition €27 500 was paid to FH Fentener van Vlissingen and £14 583 was paid to CR Shoemate.

Lady Chalker and Senator Mitchell also benefited, directly or indirectly, from other payments made in 2003 in respect of advice provided to various Unilever business groups.

The Summary Financial Statement was approved by the Boards of Directors on 2 March 2004.

A Burgmans NWA FitzGerald KBE
Chairmen of Unilever

Shareholder information

Financial calendar

Annual General Meetings

NV	10.30am Wednesday 12 May 2004 Rotterdam
PLC	11.00am Wednesday 12 May 2004 London

Announcements of results

First Quarter	28 April 2004
First Half Year	28 July 2004
Third Quarter	27 October 2004
Final for Year (provisional)	10 February 2005

Dividends on ordinary capital

Final for 2003 – announced 12 February 2004 and to be declared 12 May 2004

	Ex-Dividend Date	Record Date	Payment Date
NV	14 May 2004	13 May 2004	14 June 2004
PLC	19 May 2004	21 May 2004	14 June 2004
NV – New York Shares	14 May 2004	18 May 2004	14 June 2004
PLC – ADRs	19 May 2004	21 May 2004	14 June 2004

Interim for 2004 – to be announced 27 October 2004

	Ex-Dividend Date	Record Date	Payment Date
NV	28 Oct 2004	27 Oct 2004	26 Nov 2004
PLC	3 Nov 2004	5 Nov 2004	26 Nov 2004
NV – New York Shares	28 Oct 2004	1 Nov 2004	26 Nov 2004
PLC – ADRs	3 Nov 2004	5 Nov 2004	26 Nov 2004

Preferential dividends NV

4% Cumulative Preference	Payable 1 January
6% Cumulative Preference	Payable 1 October
7% Cumulative Preference	Payable 1 October
€0.05 Cumulative Preference	Payable 9 June and 9 December

Unilever website

Shareholders are encouraged to visit our website, www.unilever.com, which has a wealth of information about the Unilever Group. There is a section designed specifically for investors at www.unilever.com/investorcentre.

Electronic communications

Shareholders of Unilever PLC can elect not to receive paper copies of the Annual Review and other shareholder documents by registering at www.shareview.co.uk. Shareholders will then be alerted by email to view these documents on our website at www.unilever.com/investorcentre/shareholderinformation.

United Kingdom capital gains tax

The market value of PLC 1.4p ordinary shares at 31 March 1982 would have been 34.58p per share.

Since 1982, PLC ordinary shares have been sub-divided on two occasions and consolidated once. Firstly, with effect on 26 June 1987, the 25p shares were split into five shares of 5p each. Secondly, with effect on 13 October 1997, the 5p shares were split into four shares of 1.25p each. Lastly, with effect on 10 May 1999, the shares were consolidated by replacing every 112 shares of 1.25p each with 100 shares of 1.4p each.

Listing details

NV The shares or certificates (depositary receipts) of NV are listed on the stock exchanges in Amsterdam, New York, Frankfurt and Zürich. NV terminated its listings in London, Paris and four German Exchanges on 1 December, 11 December and 31 December 2003 respectively.

PLC The shares of PLC are listed on the London Stock Exchange and, as American Depositary Receipts (each evidencing four ordinary shares of 1.4p each), in New York.

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