

Unilever Full Year 2014 Results

Paul Polman / Jean-Marc Huët

20th January 2015



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SAFE HARBOUR STATEMENT

This announcement may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever group (the “Group”). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever’s global brands not meeting consumer preferences; Unilever’s ability to innovate and remain competitive; Unilever’s investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high ethical standards; and managing regulatory, tax and legal matters. Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, NYSE, Euronext in Amsterdam and the US Securities and Exchange Commission, including the Group’s Annual Report on Form 20-F for the year ended 31 December 2013 and Annual Report and Accounts 2013. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

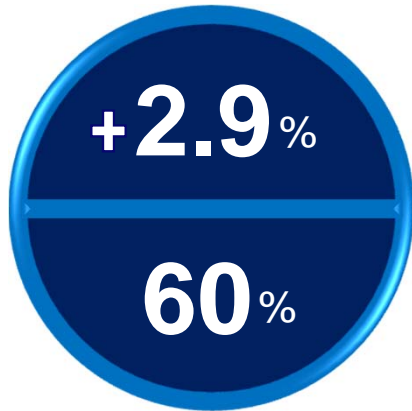
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2014: Competitive and profitable growth

Growth ahead of our markets

Underlying sales growth



Winning share

Improved core operating margin



Strong free cash flow

Adjusted for tax on disposals

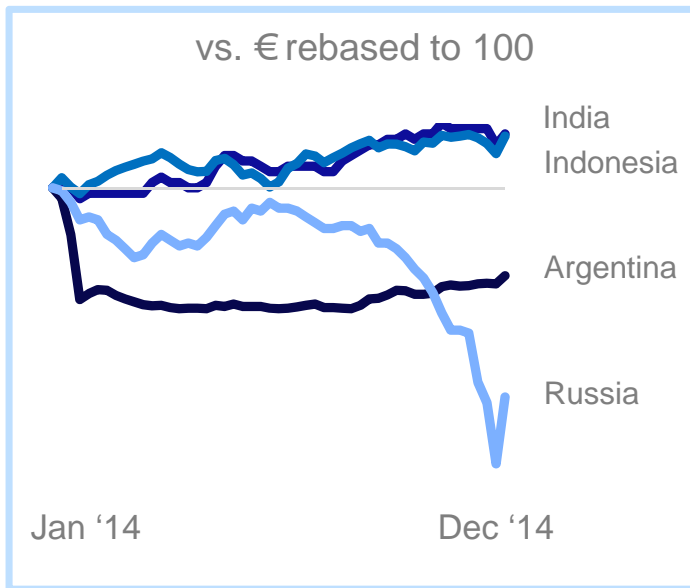


As reported

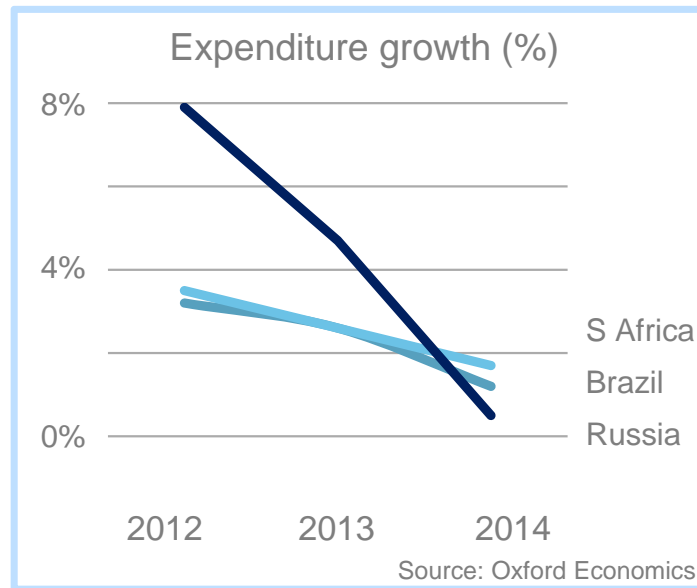
Consistent delivery of top and bottom line growth over 6 years

2014: A very tough environment

Unstable currencies



Reduced consumer spend



Volatile environment



Building the long-term pillars of growth

Investing in brands

Top 50 FMCG brands



Source: Kantar Worldpanel 2014

Investing in operations

Extending distribution



South East Asia: €500m opportunity

Investing in people



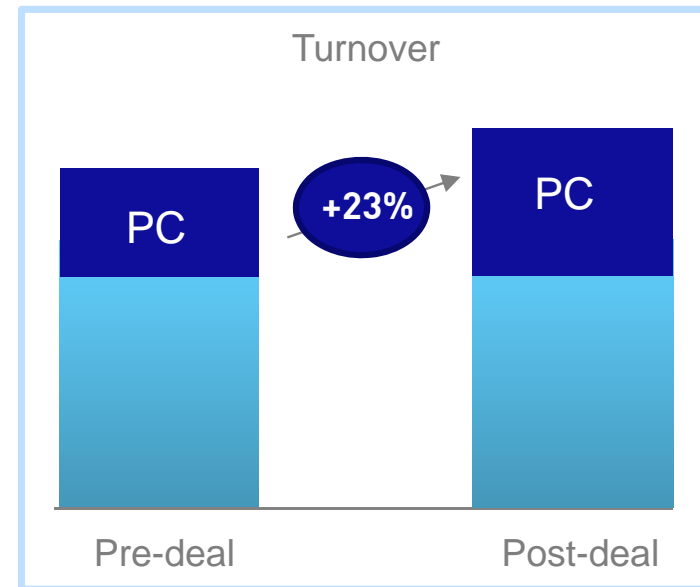
Management development

Continuing to strengthen the portfolio – e.g. Camay and Zest

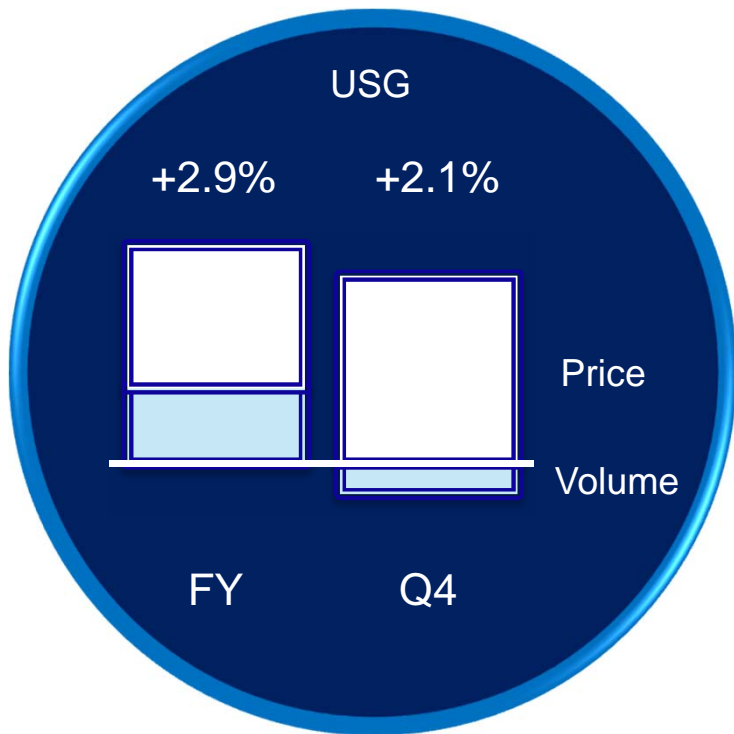
Complementary brands



Expanding PC in Mexico



Making choices for sustainable top and bottom line delivery

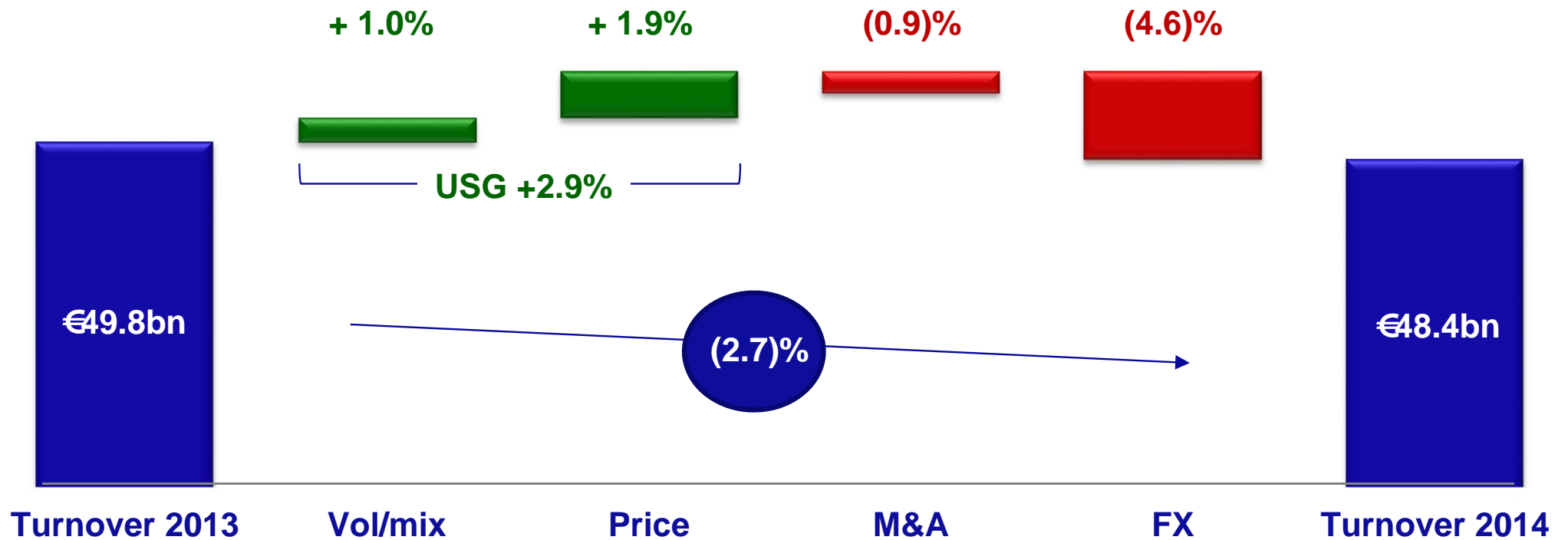


- ❑ Q4 2014: volume growth disappointing
- ❑ De-stocking in China similar to Q3, largely complete
- ❑ High competitive intensity, especially in Personal Care
- ❑ Discipline in activities and costs

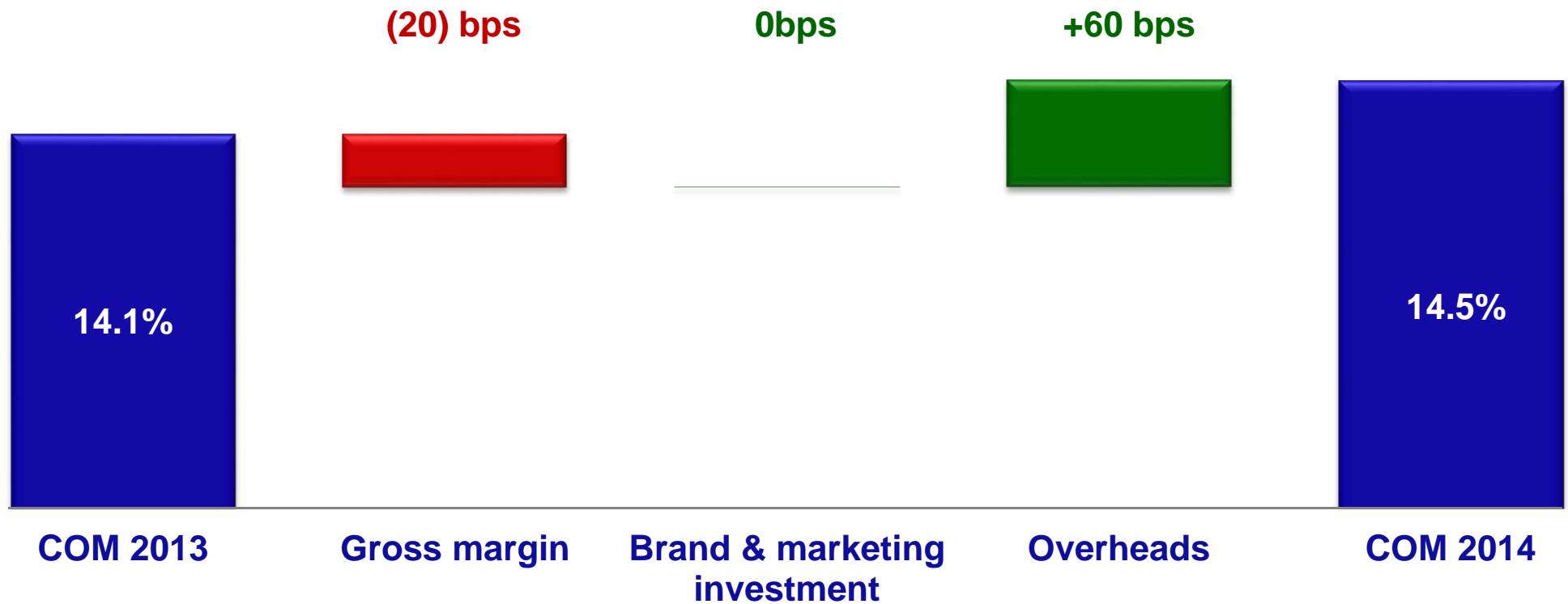
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Turnover: Full year 2014



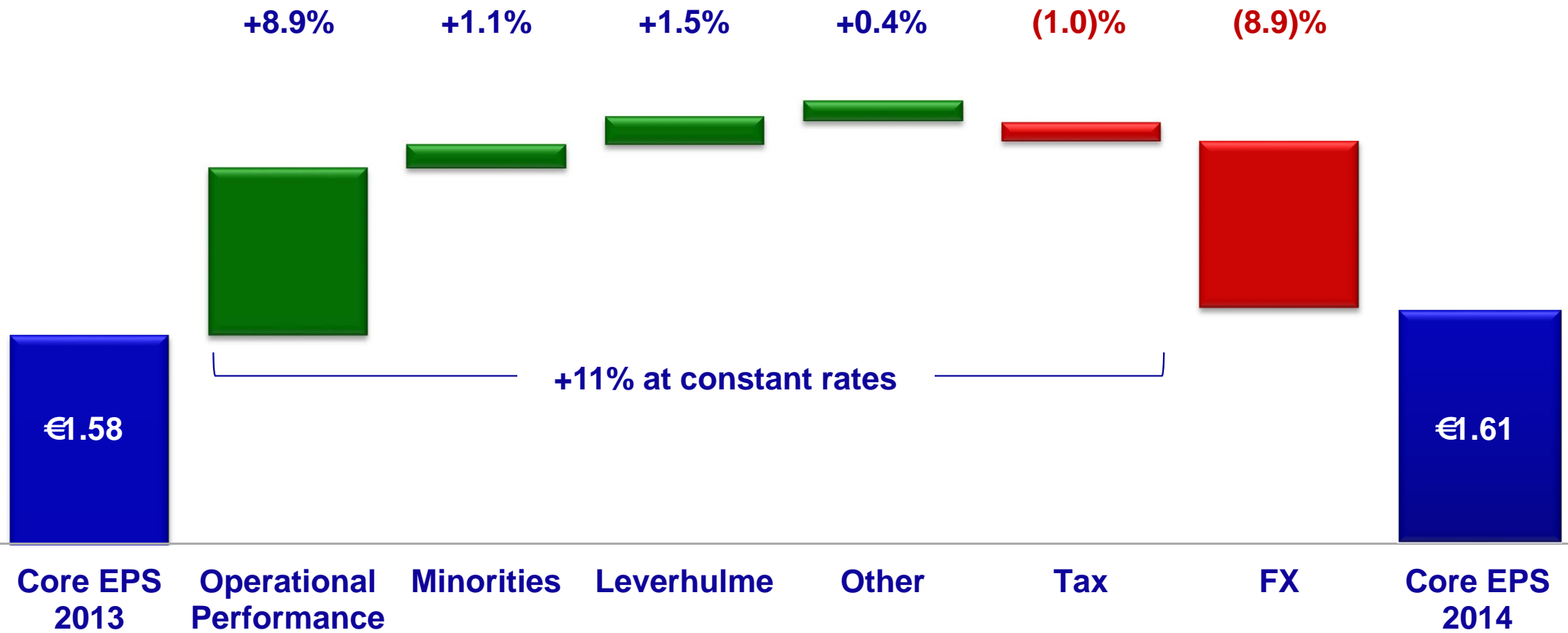
Core operating margin up 40bps despite FX headwinds



Category contribution to operational performance

	Personal Care	Foods	Refreshment	Home Care
Growth	 +3.5%	 -0.6%	 +3.8%	 +5.8%
Margin	 +90 bps	 +90 bps	 -30 bps	 -10 bps

Core EPS up 2% despite FX headwinds



Delivering strong cash flow

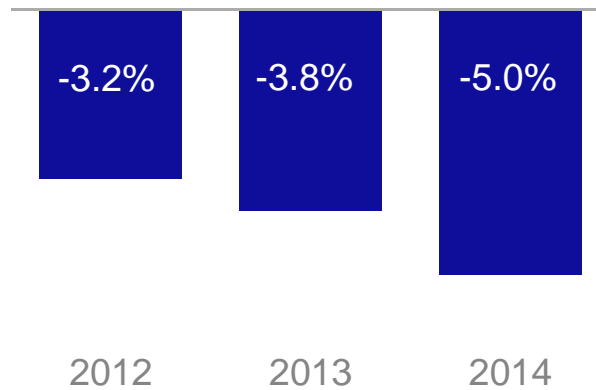
Strong cash delivery

2014 free cash flow
Adjusted for tax on disposals



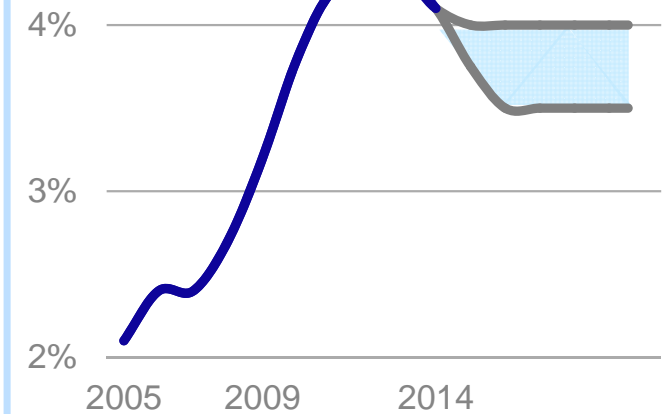
Improving working capital

Average trading working capital



Investing in capex

Capex % turnover



2014: Balance Sheet

Net debt
€9.9bn

Up €1.4bn

Pension deficit
€3.6bn

Up €1.6bn

Cash contribution
to pensions

€650m

2015 circa €700m

Quarterly
dividend per share

€0.285

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Still scope to drive efficiencies

Supply chain savings

Annualised savings



Boosted by LCBM

Overheads improvement

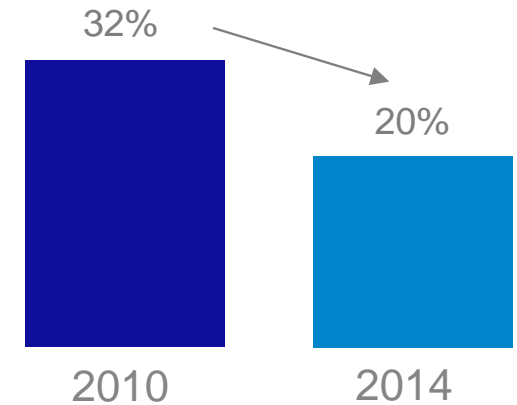
Realised in 2014



Similar savings in 2015

Reduction in advertising production costs

% of advertising spend



Focus on digital in 2015

Driving sharper Category choices

Home Care



**Sustain growth,
double COM**

Spreads



**Stabilize turnover,
sustain strong cash flow**

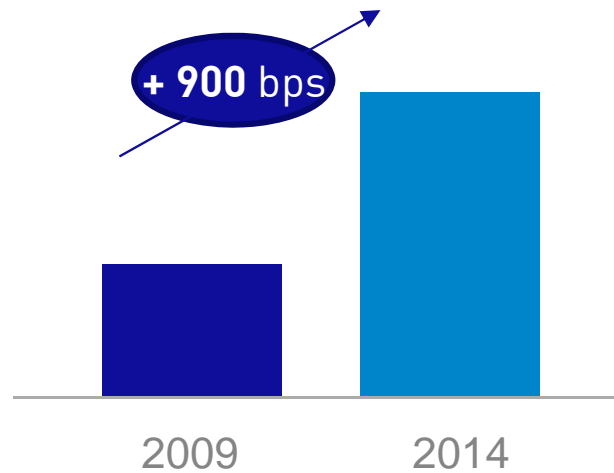
Improving operational discipline

Improved product quality

Beating competition



Improved on-shelf availability

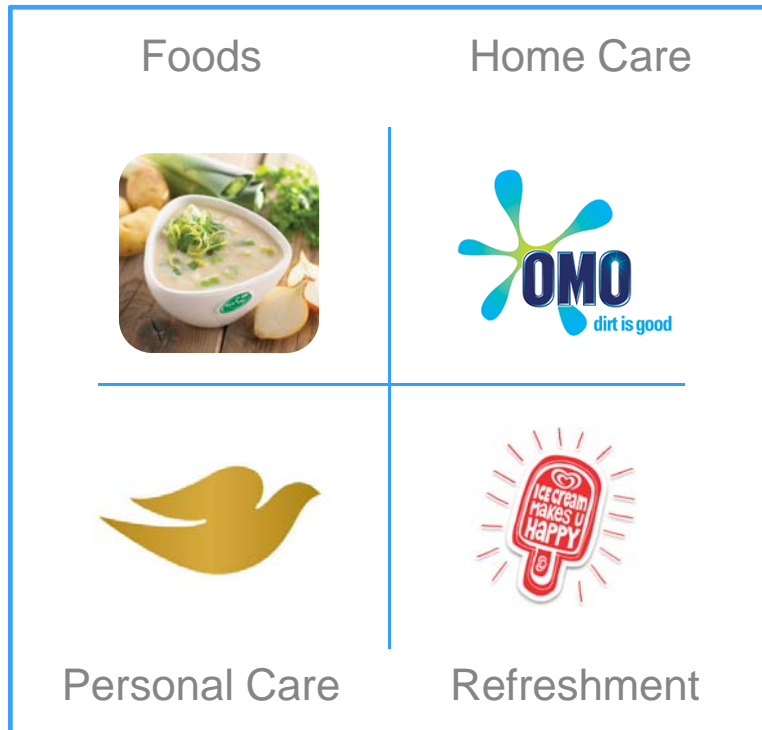


Investment in Supply Chain and IT



Still plenty of scope for sharper execution

Continuously adapting the portfolio



- ❑ Increasing presence in more premium segments
- ❑ Targeting acquisitions in Personal Care
- ❑ Limited disposals of non-core brands
- ❑ Addressing new growth opportunities in Foods

2015 priorities

- Volume growth ahead of our markets**
- Steady and sustainable improvement in core operating margin**
- Strong cash flow**

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