

Unilever in 1985

ANNUAL REPORT AND SALIENT FIGURES



ENGLISH VERSION IN GULDERS

UNILEVER N.V. ANNUAL REPORT 1985 AND SALIENT FIGURES

Contents	Page
Unilever	2
Financial highlights	3
The Board	4
Foreword	5
Directors' report	
- general	6
- review by regions	9
- review by operations	13
- other subjects	26
Salient figures	31
Capital and listing	39
Dates for dividend and interest payments	39

Introduction

The first part of this booklet comprises an English translation of the Unilever N.V. Directors' Report for 1985, preceded by a foreword from the Chairmen of the two Unilever parent companies. The second part, entitled 'Salient Figures', contains extracts from the combined consolidated annual accounts 1985 of Unilever N.V. and Unilever PLC, comparative figures for earlier years, and further information of interest to shareholders. Except where stated otherwise, currency figures in this booklet are expressed in guilders and are for N.V. and PLC combined.

The complete Unilever N.V. annual accounts for 1985, together with the auditors' report thereon and some additional information, are contained in a separate publication in Dutch, which is also available in an English translation entitled 'Unilever in 1985, Annual Accounts'. That booklet comprises the annual accounts expressed in guilders of N.V. and the N.V. Group, the PLC Group, and the combined N.V. and PLC Groups.

The original Dutch versions of the two booklets mentioned above together comprise the complete annual report and accounts and further statutory information, as drawn up by the Board of Directors of Unilever N.V. in accordance with Dutch legislation.

There are also English versions of both booklets issued by Unilever PLC with currency figures in pounds sterling. In addition an English version of this booklet is available, with currency figures translated into US dollars.

For further information about the various versions and where these can be obtained, see page 40.

UNILEVER

The Unilever group of companies provides a wide range of products and services in some 75 countries, employing about 300 000 people. In most of these countries the products are manufactured locally. Unilever has existed for more than 50 years as a group, but can trace its roots back much further than that.

There are two parent companies: Unilever N.V., Rotterdam, and Unilever PLC, London, which operate as nearly as is practicable as a single company. They have identical Boards of Directors and are linked by a series of agreements of which the principal is the Equalisation Agreement. Among other things, this equalises the dividends payable on the ordinary capitals of N.V. and PLC according to a formula set out in the Agreement.

The combined affairs of N.V. and PLC are, therefore, more important to shareholders than those of the two separate companies and this review deals with the operations and results of Unilever as a whole. Unilever shares are listed in Amsterdam, London, New York and on other stock exchanges in Continental Europe.

The larger part of Unilever's business is in consumer goods, mainly food and drinks, detergents and personal products. The food and drinks include margarine, edible fats and oils, frozen foods and ice cream, tea, soups, dressings and meat.

Unilever's other activities include speciality chemicals, agribusiness operations including plantations and animal feeds, and paperboard and packaging materials. In addition UAC International has substantial interests, mostly in associated companies, in tropical Africa and the Arabian Gulf which are engaged in the distribution of specialised consumer and industrial products and capital goods.

FINANCIAL HIGHLIGHTS

	1984	1985
Results		
Fl. million		
Turnover	66 791	66 771
Operating profit	3 841	3 797
Profit on ordinary activities before taxation	3 823	3 814
Profit on ordinary activities after taxation	2 218	2 223
Profit on ordinary activities attributable to shareholders	2 078	2 064
Extraordinary items	(108)	—
Ordinary dividends	(684)	(718)
Profit of the year retained	1 270	1 330
Earnings per share ^{a)}		
Guilders per Fl. 20 of capital	37.01	36.79
Pence per 25p of capital	134.33	137.96
Ordinary dividends		
N.V.: Guilders per Fl. 20 of capital	14.11	14.82
PLC: Pence per 25p of capital	35.52	38.62
Shareholders' equity per share		
Guilders per Fl. 20 of capital	248	238
Pence per 25p of capital	901	892
	%	%
Return on capital employed	9.9	10.5

^{a)} For method of calculation see note on page 37.



F. A. Maljers



Sir Kenneth Durham

Directors of N.V. and PLC

F. A. Maljers
Chairman N.V.
Vice-Chairman PLC

Sir Kenneth Durham
Chairman PLC
Vice-Chairman N.V.

Sir Geoffrey Allen
M. R. Angus (*Vice-Chairman PLC*)
R. W. Archer
M. Dowdall
P. V. M. Egan
H. Eggerstedt
J. P. Erb  (*Vice-Chairman N.V.*)
J. A. Houtzager
H. Meij
M. S. Perry
A. W. P. Stenham
G. K. G. Stevens
M. Tabaksblat
T. Thomas
K. H. Veldhuis
E. J. Verloop

Advisory Directors of N.V. and PLC

B. W. Biesheuvel
T. Browaldh
Fletcher L. Byrom
The Rt. Hon. the Lord Hunt of Tanworth
Fran ois-Xavier Ortoli
D. Spethmann
E. P. Wellenstein

Secretaries of N.V. and PLC

T. Drion
M. D. Snoxall

Auditors of N.V.

Price Waterhouse Nederland
Coopers & Lybrand Nederland

Auditors of PLC

Coopers & Lybrand
Price Waterhouse

This list contains the names of all the Directors in office both at 31st December, 1985, and at the date of signing the Report and Accounts 1st April, 1986.

As stated in the Report and Accounts 1984
Mr. J. Louden, Mr. F. W. L. Mann,
Jhr. I. E. B. Quarles van Ufford and
Mr. C. F. Sedcole retired at the Annual General Meetings in 1985.

FOREWORD

There was good progress in 1985 towards strengthening the key areas of the business. Investment continued in the restructuring and expansion of our European operations, and we are pleased to tell you that the measures taken in the last few years have resulted in a substantial increase in operating profit. This is crucial to the health of the Concern because Europe is and will remain the heartland of Unilever.

1985 was a year of major investment in our brands in the United States, mainly in detergents. Several new products had been successful in test market and we were determined to invest in this success. We knew this would decrease profitability in 1985 but we wanted to increase our volume and market share. Our targets have been achieved in spite of sustained resistance from our competitors.

Our reported results in 1985 were bedevilled by fluctuating exchange rates especially in the last quarter. This was particularly marked because of the decline in the dollar and other overseas currencies against both the guilder and sterling. Our earnings at comparable rates increased by 15%, but at closing rates they fell in guilders by 1% and increased in sterling by only 3%. On the other hand profit attributable expressed in US dollars rose by 28%.

A major continuing strategic aim is to strengthen our market position by selective acquisitions and in 1985 companies were acquired which support our core activities in a number of countries including the United States. We also made an offer for Richardson-Vicks, a large American toiletry company which would have been an extremely good strategic fit, but we were not prepared to pay more than our assessment of its worth and were overbid. It remains our intention to be more strongly represented in the United States; this will be achieved by investment in internal growth as in 1985, and by way of further acquisitions – but at the right price.

The acquisition of Brooke Bond has been a great success. The major parts of the group have settled well and remarkably quickly into our Food & Drinks business, whilst Baxters (Butchers) and the Mallinson-Denny timber operations have been sold. Good progress has also been made in selling other companies which no longer form part of our strategic thrust, and the end of our disposal programme is now in sight.

The overall direction of UAC International has been reviewed and steps have already been taken to implement its agreed targets. Its profits have improved despite difficult trading conditions in many of its territories.

Although we cannot report a dramatic increase in results because of the effect of exchange rate movements, there has been real progress. Unilever is well placed to take advantage of the opportunities ahead. Our companies are more efficient than ever and are applying the most modern technologies. Our attention is clearly focused on businesses and markets in which we have a proven track record. We will continue to improve our skills in all aspects of our business. We are resolved to increase the momentum of innovation and to bring our new products to the market place more quickly.

Sir Kenneth Durham
Chairman Unilever PLC
Vice-Chairman Unilever N.V.

F. A. Maljers
Chairman Unilever N.V.
Vice-Chairman Unilever PLC

DIRECTORS' REPORT GENERAL

Results

Nearly all parts of Unilever's business performed well in 1985.

In Europe our programme for strengthening the business and improving our competitive position is bearing fruit. In the United States our planned investment, especially in detergents, met with considerable success, although it has reduced results in the year. Elsewhere we made good progress. Brooke Bond made a significant contribution.

As has been noted in the Chairmen's Foreword, the weakening in 1985 of many currencies against both the guilder and sterling depressed our results when translated into our reporting currencies. In guilders sales were at the same level as last year and profit on ordinary activities attributable to shareholders was 1% lower; in sterling both increased by 3%. Profit attributable when expressed in US dollars appreciated considerably.

Our 1984 results contained an extraordinary provision of Fl. 356 million for losses consequent on the decision to withdraw from certain activities. We have made good progress towards realising the disposal of the businesses concerned and are satisfied that the provision made in 1984 is adequate.

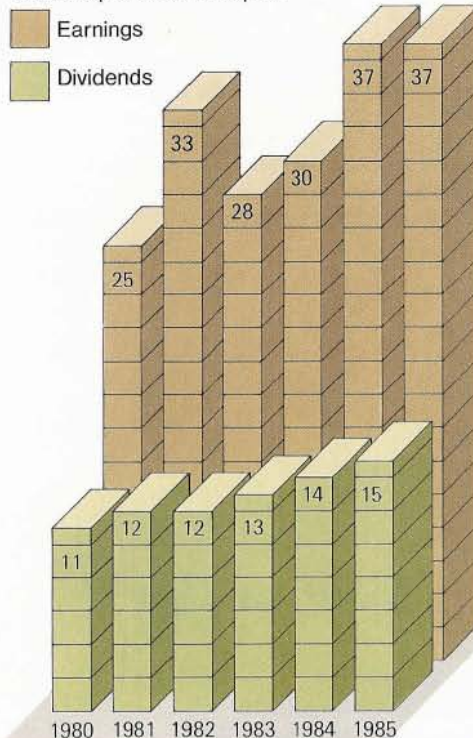
We continued our efforts to improve our core business by restructuring to meet changing needs. The major costs are included in the exceptional items charge of Fl. 137 million in the annual accounts (1984: Fl. 249 million).

As announced last year the sales and operating profit of the Brooke Bond Group for the fourth quarter 1984 were taken up in Unilever's results for the first quarter 1985. These amounted to Fl. 1 152 million and Fl. 68 million respectively; the operating profit was after deduction of the finance costs incurred in 1984 by reason of the acquisition.

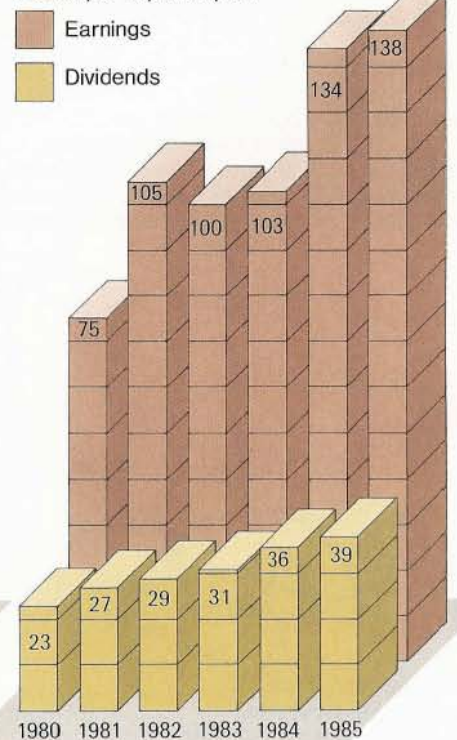
Nearly all parts of our business performed well in 1985

Earnings and dividends per share

Guilders per Fl. 20 of capital



Pence per 25p of capital





A salesman from East Africa Industries takes the product to the consumer in Nyeri, Kenya

Capital expenditure and finance

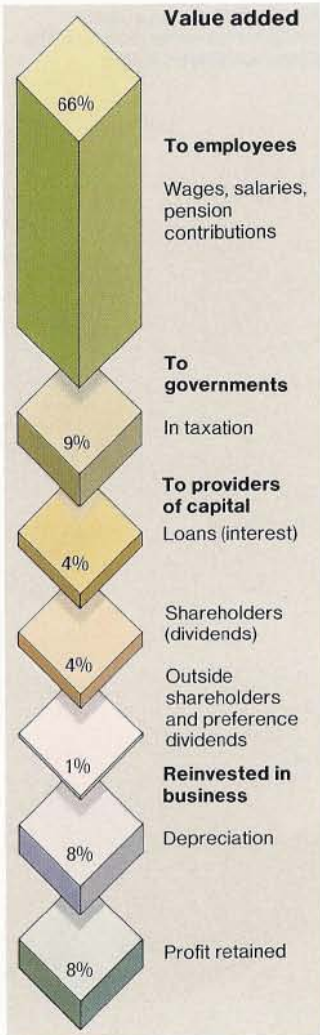
Capital expenditure in 1985 amounted to Fl. 2 653 million (1984: Fl. 2 466 million). The tables on page 35 give an analysis by geographical areas and by operations both for 1985 and for earlier years.

During 1985 we spent Fl. 442 million on acquisitions, and received Fl. 844 million from the disposal of businesses which did not fit our strategy of concentrating on our core businesses.

Our net liquid funds increased by Fl. 999 million to Fl. 1 971 million.

Interest rates in a number of major financial markets were lower than in recent years and increased competition in these markets led to a wider range of financing options being available. Opportunities were taken to refinance some of our

short-term borrowings with longer-term debt on very competitive terms. This process has continued in 1986, taking advantage of the general decline in interest rates. In 1985, we added to our short-term borrowing lines with the negotiation of a 1 000 million dollar Euronote Issuance facility. Additionally, we make use of the 'swaps' and 'futures' markets on a highly selective basis.



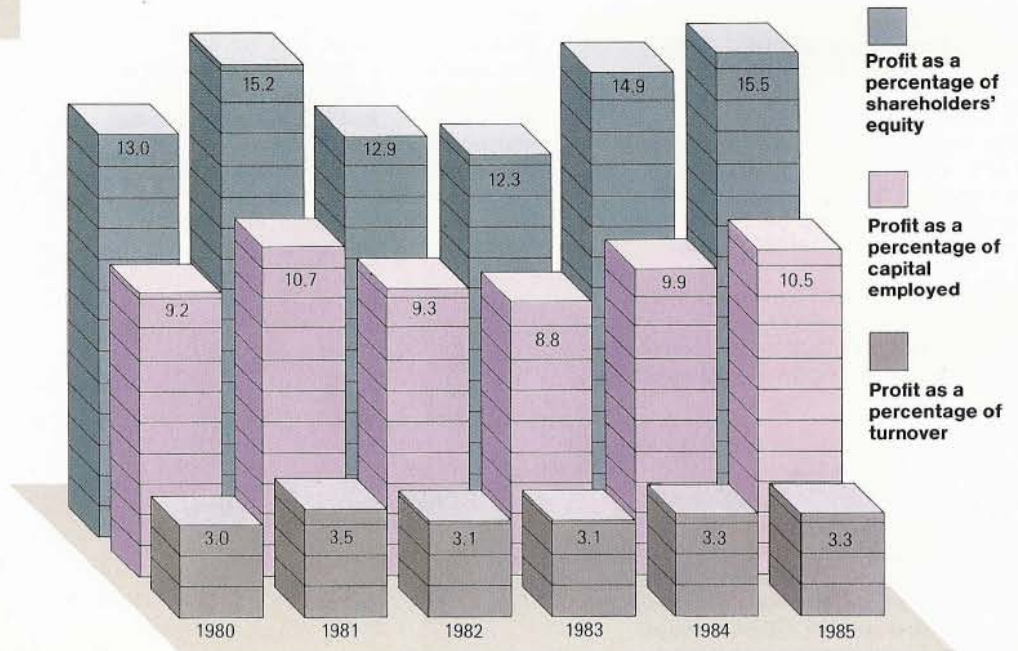
Outlook for 1986

We expect that the fall in oil prices will generally have a positive effect on economic growth in most of the countries which are important to us, with the obvious exception of those few countries where oil exports are a significant factor in the balance of trade. Furthermore edible oil and tea prices at the beginning of 1986 were low in relation to previous years, and the average cost should remain well below the level experienced in 1985.

In 1985 Board approval was given to capital projects totalling Fl. 2 352 million (1984: Fl. 2 538 million). Some of the more important projects appear on page 27. Capital expenditure will continue in 1986 at the same level as in 1985 and will be financed out of funds generated by the business.

Because of new technologies and improved efficiencies, we do not expect that there will be any increase overall in the number of employees in our existing activities.

We shall continue to concentrate on our core businesses and with the benefit of past restructuring we expect to see a continued improvement in profitability.



DIRECTORS' REPORT REVIEW BY REGIONS

Turnover by geographical areas 1985

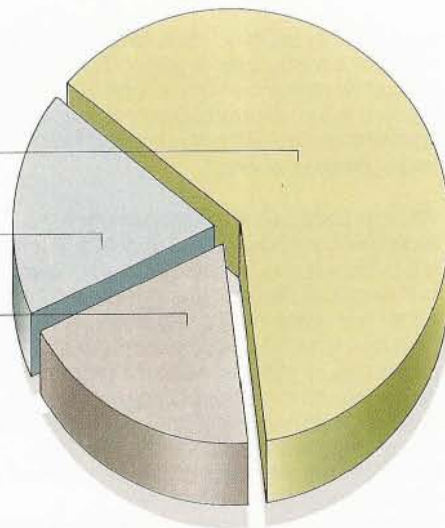
(Fl. million)

Europe **42 381**

North America **11 553**

Rest of the World **12 837**

Total **66 771**



Operating profit by geographical areas 1985

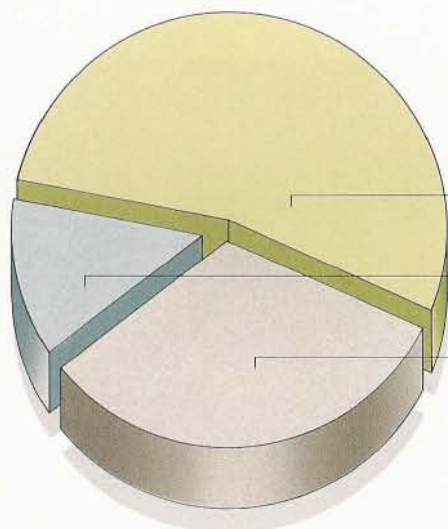
(Fl. million)

Europe **2 083**

North America **432**

Rest of the World **1 282**

Total **3 797**



Europe

The economic background in 1985 was much as we had expected. Growth was again modest, although it was at or above the average in our three most important countries – the Netherlands, the United Kingdom and Germany. Private investment picked up, but in most countries consumer demand was restrained. Many of our markets were virtually static, which meant that there was no let-up in the fight for growth by means of increased market share.

Against this background the reshaping of our European business, which has been a major strategic issue in recent years, has contributed to the improvement in performance. Our strategy has been to strengthen our competitive position in our

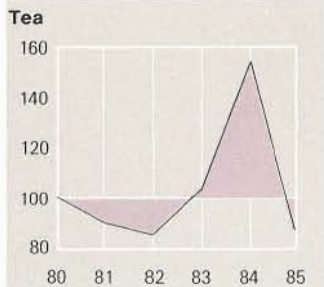
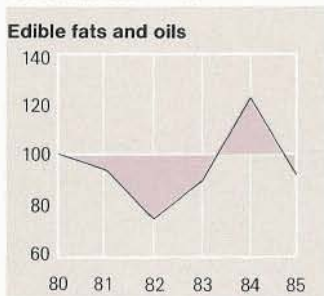
core activities by restructuring and investment, and to expand by means of product innovation, aggressive marketing and acquisition whilst at the same time selling companies which no longer form part of our core business. As a result of this strategy we have improved efficiencies and made our products more price competitive and therefore more attractive both to the trade and to the consumer.

The prices of our two most important commodity raw materials – edible oils and tea – remained at the high levels reached in 1984 during the early months of 1985, and then fell sharply from May. The increase in other input costs was lower than in recent years as a result of the measures taken to improve efficiency in all aspects of our operations. Operating profit increased by 22%. There were significant gains in the United Kingdom, helped in part by the contribution of Brooke Bond, and in Germany results were also much better

Fl. million	1984	1985
Turnover	40 544	42 381
Operating profit	1 707	2 083

World raw material price developments

Indices are based on yearly average prices expressed in US dollars 1980 = 100



We have improved efficiencies and made our products more competitive and attractive to the trade and the consumer

than the low level of 1984. Most other countries made useful gains. The process of restructuring continued and we expect that it will be an ongoing factor in our operations as technologies and market requirements change.

We continued to support our core activities by acquisitions in areas such as ice cream in the Netherlands and Sweden, edible oils in Germany and Italy, and oleochemicals in Italy. Agreement was reached with Nestlé to purchase at the beginning of 1986 its minority shareholding in our frozen products companies in Austria, Germany and Italy. A number of companies were sold during the year, including the Bendsorp companies in the Netherlands and Austria, Nairn International and Kennedy's in the United Kingdom, and Mallinson-Denny and Baxters (Butchers) which were acquired with the Brooke Bond Group. We merged our fresh dairy businesses in Belgium and France with those of Nestlé, and retained minority interests. Agreement in principle was reached to sell our transport activities in France and Spain. Agreement was also reached to sell animal feeds activities in the Netherlands and France.

The agricultural problems of the European Community still have to be solved. Despite the quotas farmers are still producing too much milk, which in turn is converted into excess stocks of butter. Once again the Commission tried at the end of 1984 to reduce these stocks by means which not only entailed a heavy cost to the Community budget, but also did considerable damage to the margarine industry. It must by now be common ground that the dumping of cheap butter on the Community market does nothing to address the root cause of the problem and is more expensive than alternative measures.

We also believe that there is a need for action in the area of fiscal harmonisation, and strongly support the objectives of the package of Directives on company taxation and fiscal arbitration which are presently under discussion. Within the Community it should be possible as a shareholder to invest in another member state without suffering tax disadvantages in comparison with shareholders resident in the country of investment.



North America

After peaking in 1984 the rate of economic growth in both the United States and Canada slowed down markedly in 1985, but growth in private consumption remained strong. Competition for market share was even greater than before, and so it was encouraging that our companies were able to achieve their objective of a substantial increase in volume. The necessary investment both in new products and in the defence of our established brands was heavy, and because of this, and also because of the significant fall in the value of the dollar,

operating profit in all the companies was below 1984 when expressed in guilders and sterling.

Much of the investment occurred in Lever Brothers in support of the extension of major brands and in their defence against strong competitive retaliation. Volume growth in detergents of 15% was achieved together with significant improvements in market shares. The margarine business also increased volume and market share. Agreement was reached to buy the J.H. Filbert margarine company which has a strong presence in the north east of the United States.

Some of the key markets of National Starch were affected by recession in the

Fl. million	1984	1985
Turnover	12 838	11 553
Operating profit	784	432



We have invested heavily in our brands and have achieved our objective of a substantial increase in volume

The Fl. 140 million extension at Lever Research and Development Centre at Edgewater, New Jersey, overlooking Manhattan

paper, textile and semi-conductor manufacturing industries. Nevertheless there was satisfactory progress in dollar sales and profit.

Our interest in the speciality chemicals market was strengthened by the acquisition of an oleochemicals business.

Lipton once again improved dollar sales and profit. There was considerable activity in new products in soups, side dishes and instant tea which contributed to a substantial increase in volume. Growth in the tea market was restrained by high prices, but we gained in market share.

Our Canadian business recorded an increase in volume, but results remained unsatisfactory.

The Rest of the World

Fl. million	1984	1985
Turnover	13 409	12 837
Operating profit	1 350	1 282

Operating conditions varied widely, but what is important to us is that private consumer spending in general grew faster than in 1984. Many of our companies were able to record a substantial increase in sales volume, and also in profit when stated in local currencies.

In Latin America trading conditions were not easy in an environment of high inflation and debt, and in the circumstances our companies did well. During 1985 we acquired a bakery materials business in Brazil, and signed an agreement with Anderson Clayton to purchase their majority holdings in companies in Brazil and Mexico which primarily manufacture and sell edible fats.

In much of Africa and the Middle East there was little economic growth and our businesses were constrained in some countries by the difficulty of importing raw materials. Nevertheless our sales volume in the region continued to grow.

The Far East was particularly affected by the slowing down of world trade, but some of the economies in the Asian Pacific region are now so strong that any tendency towards recession was avoided.

This is an area in which we continue to seek opportunities for growth; we entered into partnership with a detergents company in Korea, and increased our shareholding in our Taiwan company to 70%.

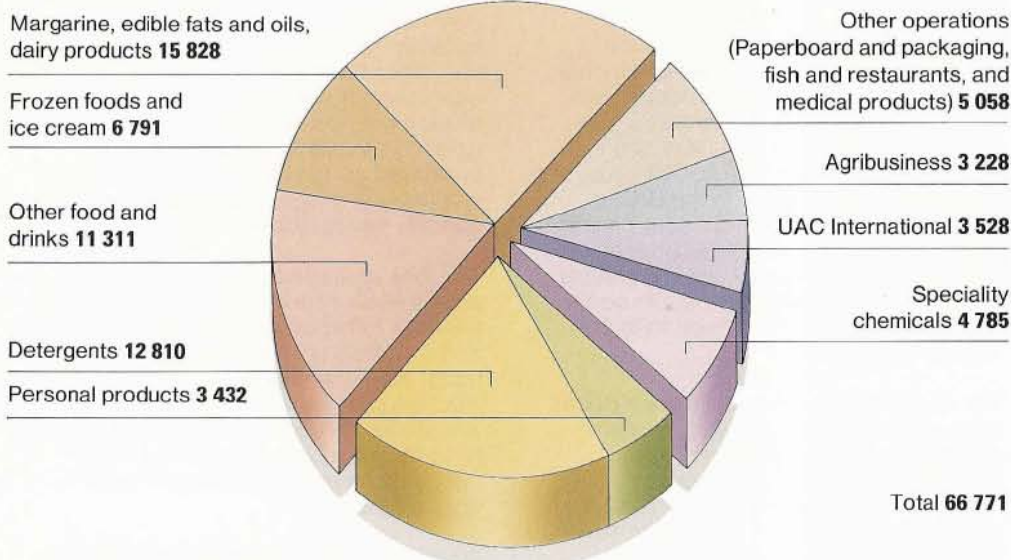
Most currencies weakened in 1985 against both the guilder and sterling, and as a result sales and operating profit were lower than in 1984 in the consolidated accounts. The intrinsically strong performance of the majority of our companies is therefore masked by the movement in exchange rates.

Many companies have increased volume and profit in local currencies

DIRECTORS' REPORT REVIEW BY OPERATIONS

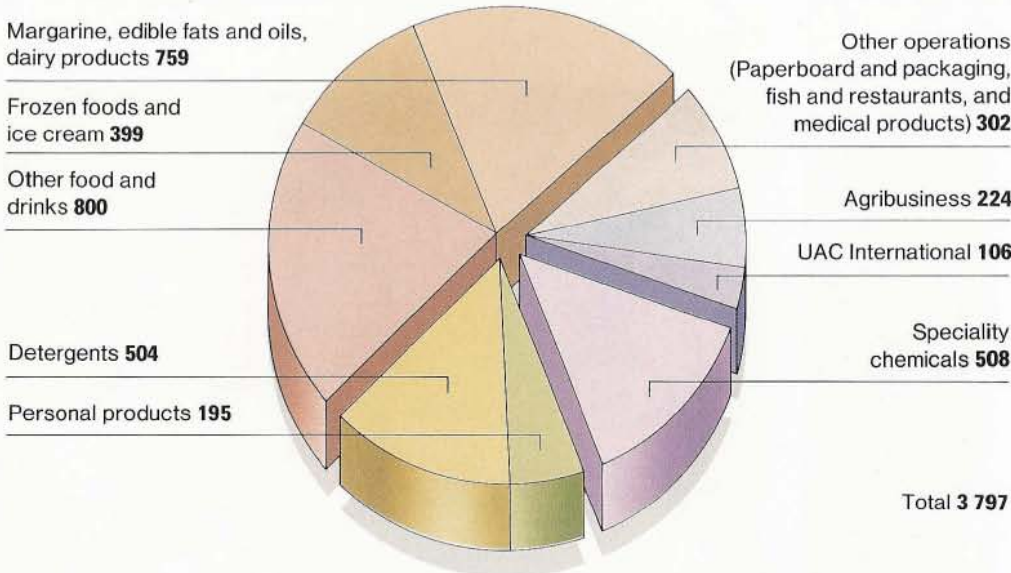
Turnover by operations 1985

(Fl. million)



Operating profit by operations 1985

(Fl. million)



Margarine, edible fats and oils, dairy products

Our edible fats and dairy companies in Europe again had to contend with difficult market conditions. The exceptionally high raw material prices noted last year continued until May, and the effects of the European Community Christmas 1984 cheap butter promotion were also felt well into 1985. This combination of external

forces had a significant impact on profits in the first half of the year, but they recovered in the second half, although in the United Kingdom and France the recovery was restrained by a very competitive market. Further reorganisation costs were incurred at about the same level as in 1984.

The general trend towards lower fat consumption caused both the margarine and butter markets to fall below the 1984 level of sales. On the other hand low fat spreads and other low calorie products

Fl. million	1984	1985
Turnover	17 100	15 828
Operating profit	825	759

benefited from the same trend and continued to grow.

We now sell low fat products in most countries where they are allowed by law, and have developed new products with better taste and eating characteristics. These have already been launched in a number of countries, with notable success in Sweden and Belgium. In the United Kingdom *Delight!*, a low fat spread made with buttermilk, was launched in test market in the fourth quarter. In Germany the range of low calorie products under the name *Du darfst* continued to make excellent progress.

We increased our share of the European liquid oil market with a specially good performance in the Mediterranean countries. In November we acquired the edible oil interests of Costa, a company with a strong position in the Italian olive and seed oil markets. In France we launched *Eclat d'Or*, a groundnut oil, to stand alongside our successful sunflower and corn oil brands.

Once again our business serving the bakery and catering trades had a good year despite increased sales of subsidised butter. Our policy of improving our specialised products and developing new ones for specifically defined requirements is working well. Sales of refined bulk oils and hardened fats produced good results, as did our speciality products designed to meet the specific needs of industrial users.

The loss on fresh dairy products was substantially reduced. At the end of the year the *Elite* brand in Germany was sold and the fresh dairy businesses trading under the names Jacky in Belgium and La Roche aux Fées in France were merged with those of Nestlé, with Unilever retaining minority shareholdings. Our German cheese business achieved further growth in sales and profits.

Oil seed crushing margins for European plants were very low in 1985. Soyabean crushing suffered from imports of South American meal and poor quality United

In Germany the successful low-calorie range of *Du darfst* products appeals to health-conscious consumers



States soyabeans. Margins on crushing sunflower and rapeseed of European Community origin were lower than in previous years, and poor weather delayed the rape harvest. We are negotiating with Archer Daniels Midland the sale of our integrated oil mill and edible oil refinery at Hamburg, and the oil mills at Europoort in the Netherlands and Spyck in Germany. We will continue large scale oil milling at Erith in the United Kingdom and Mannheim in Germany.

Our business in the United States performed well, building on the continued success of the *Country Crock* brand. Results in Canada on the other hand were disappointing.

In the rest of the world volume grew strongly and results improved considerably. This was in spite of depressed margarine markets and our inability to recover in full the increase in raw material costs in some countries because of price control. Margarine was introduced in Pakistan and reduced fat spreads in Brazil. Specialised products for bakers were launched in Chile and Pakistan, and continued to make good progress in Japan and a number of other countries. At the end of the year we reached agreement with Anderson Clayton to purchase the majority holdings in their edible fats businesses in Brazil and Mexico.



With the increased demand for greater convenience products, sales of ready meals, such as *Thuis Menu* in the Netherlands, are developing well

Frozen foods and ice cream

The improvement in performance which was noted in 1984 was maintained in 1985. Volume increased and profits improved.

The European frozen food market was boosted by an additional demand for frozen vegetables following a severe winter in most countries and also by the introduction of new products offering greater convenience. We maintained our market shares and most of our companies improved upon their previous year's results. Our operations in the Netherlands and Italy did particularly well.

Our European ice cream business had mixed fortunes as the very poor summer in

Fl. million	1984	1985
Turnover	6 417	6 791
Operating profit	374	399

the North was counterbalanced by a much happier picture in the South. Sales were better than in 1984, but this also had been a disappointing year with poor weather over much of the Continent. Our market position improved and profits increased, particularly in Germany, Italy and Spain. There was again considerable innovation in our international product range, and impulse brands such as *Cornetto* and *Calippo* strengthened their position in all countries as did our premium desserts of which *Viennetta* is an outstanding example.

In the United Kingdom the programme of reorganising the distribution of frozen products from a large number of small depots to seven regional distribution centres has been completed, and the restructuring of production facilities is proceeding according to plan. A new ice cream operation has been started in

Greece with encouraging results and the construction of a factory has begun. During the year we increased our interest in the Swedish ice cream company, Glace-Bolaget, from 40% to 90%.

Outside Europe there was another good year in Australia, but our Malaysian business was affected by economic recession.

Other food and drinks

Our other food and drinks activities cover a wide range of products, but resources have been concentrated on the key areas of tea, soups, dressings and meat.

Continued attention has been given to the reorganisation of the companies and progress has been satisfactory in most areas.

The acquisition of the Brooke Bond Group in 1984 has had a significant impact. The company has been quickly integrated and synergies are already being realised.

Our European tea businesses continued to make excellent progress both in terms of market share and profits. The *Lipton* brand was strongly marketed, and flavoured teas and herbal infusions contributed to the gain in share. In the United Kingdom Brooke Bond has also improved its position and the successful test launch of *PG Tags* was the most significant recent development in the United Kingdom tea market. Lipton Export had another successful year and Fralib in France also did well. In the United States Lipton gained market share and again improved dollar profits despite the lower growth of the tea market. In other territories performance was generally good and in some countries our tea interests were strengthened by the incorporation of the local Brooke Bond business.

Our *Cup-a-Soup* instant soup continued to grow and was market leader in most countries where it is sold. In many European markets our regular soups were relaunched with strong marketing support and there has been a significant increase

Fl. million	1984	1985
Turnover	9 990	11 311
Operating profit	802	800



The introduction of *PG Tags*, with its flavour-flow heat sealed bag, marks a major marketing development in the UK tea market



The filling line for 'upside down' dispensers of *Calvé* dressing at the Calvé-De Betuwe factory, Delft in the Netherlands

in volume after some years of decline. Similarly the range was extended and improved in the United States in order to maintain market leadership. Good results were also achieved in Australia.

The dressings area covers a variety of sauces, dressings, condiments and flavourings. There has been a satisfactory growth in Europe with the lead coming from mayonnaise and meat and fish sauces. The 'upside down bottle' concept was successful in Germany and has now

been launched in the Netherlands. The seventy-fifth anniversary of *Oxo* cubes in the United Kingdom was celebrated with excellent results. In the United States a range of side dishes based on noodles or rice with sauce have had considerable success.

The meat companies had a satisfactory year apart from Wall's in the United Kingdom whose traditional markets of sausages and pies have weakened as a result of changes in consumer preference.

Meat snacks such as *Bi-Fi* and *Peperami* sold well, and our business in pâtés was strengthened by the acquisition of Les Nutons, which is a leading producer in Belgium with an extensive export trade.

Detergents

The detergents market worldwide grew by 3% and our market share again improved.

In Europe competition in consumer sales was again very robust in a virtually static market. We lost ground slightly with fabric powders and toilet soaps, but good progress with fabric softeners and hand dishwash liquids ensured that our overall market position remained virtually unchanged.

Good sales growth in Greece, Italy and Sweden and a small improvement elsewhere were offset by lower volumes in Austria, Germany and Spain. The results of our German business were again disappointing, and we have provided for further restructuring. Profits were much



Above right: Technical customer service and specialist Leverindus products ensure effective internal cleaning of these high-speed milk-filling lines at a dairy near Stockholm, Sweden

Right: The toilet soaps automatic palletiser is part of a major investment in new technology at the Lever Brothers factory in Port Sunlight



better on the other hand in the United Kingdom and France, whilst the Netherlands and Italy continued to make a very satisfactory contribution.

Our industrial detergents business had another good year and increased both turnover and profits. The companies in the United Kingdom, France, Spain and Switzerland did particularly well. We successfully concentrated on total cleaning and hygiene systems in market sectors where high added value and service are all-important.

In the United States competition intensified. We took a strategic decision to increase the support behind our brands and achieved a substantial increase in tonnage and improved market share in all product categories. We successfully defended *Wisk* against the launch of a number of competing liquid fabric detergents. We extended *Snuggle* liquid fabric softener and *Sunlight* powder for automatic dishwashing machines nationally, *Surf* laundry detergent into another region and *Snuggle* fabric softener sheets to about half of the United States.

Elsewhere we had an excellent year with substantial increases in volume and profit. This resulted from the growth of our existing businesses, especially in Chile, the Ivory Coast and Thailand, and from expansion through acquisitions in Brazil and Taiwan and a new joint venture in Korea.

Fl. million	1984	1985
Turnover	13 734	12 810
Operating profit	840	504



Personal products

The world market for personal care products was again buoyant and in all areas except North America, our business grew at a faster rate than the market.

In Europe better operating efficiencies contributed to an improvement in margins, and all major countries registered a satisfactory increase in profit, with significant gains being achieved in the United Kingdom and Italy.

Fl. million	1984	1985
Turnover	3 637	3 432
Operating profit	190	195



Following its success throughout Europe the international brand *Timotei* was launched in Japan

We held our share in the highly competitive European toothpaste market with the help of strong performances in Italy, Spain and Sweden. Our leading deodorant brands *Impulse* and *Rexona* made good progress and, together with the successful extension into a number of countries of a new body spray for men, ensured an improved share in the deodorant market. The continuing success of *Timotei* shampoo and the wider distribution of a conditioner of the same name led to significant gains in the United Kingdom, Italy and Spain and an overall improvement

in our share of the European shampoo market.

We had a difficult year in the United States and our market position declined. This, together with the cost of defending our brands against competitive launches, was the cause of a disappointing result.

In the rest of the world we continued to increase share in the toothpaste and shampoo markets and maintained our clear leadership of the deodorants market. There was notable progress in the

South-East Asian countries and Australia. Brazil too did well despite restricted consumer disposable income. *Timotei* was launched on the Japanese market with encouraging initial indications of performance.

The company's adhesive business in Mexico was expanded through an acquisition.

The oleochemicals business, which operates under the name Unichema, was extended into Southern Europe by the acquisition of a majority holding in Simel in Italy. A manufacturing base in the United States was also acquired through the acquisition of the fatty acid business of Darling & Company. This has greatly strengthened our presence in the important United States market.

PPF International further expanded its business worldwide in fragrances, flavours and food ingredients. The modernised facilities at Bromborough in the United Kingdom were commissioned. By the acquisition of Norda the company has been able to enhance its position significantly in the United States and to gain entry into the Canadian and Mexican markets. A company was also established in Bangkok to service the South-East Asian market more effectively.

Speciality chemicals

We concentrated on the expansion of the speciality segments of our chemicals business by investment in internal growth and selective acquisitions.

National Starch continued to perform well despite the lower growth rate in the United States economy. Important investments were made in speciality starch capacity, both in the United States at our recently acquired wet milling plant and in Thailand.

Crosfields developed a new generation of petroleum cracking catalysts based on our own technology to meet the changing needs of the petroleum industry. The silicates and silicas business continued to perform well both in the United Kingdom and on the Continent of Europe. A new factory was opened at Eijsden in the Netherlands for the production of metasilicate for use in the detergents and other industries.

Fl. million	1984	1985
Turnover	4 998	4 785
Operating profit	533	508



At Eijsden in the Netherlands a new factory for the production of metasilicate was opened

UAC International

Fl. million	1984	1985
Turnover	3 548	3 528
Operating profit	78	106

UAC International consists of a group of subsidiary companies, whose sales and operating profit are shown in the margin, and substantial holdings in associated companies. It is predominantly concerned with activities in tropical Africa and the Arabian Gulf but also has interests in the United Kingdom and France which are directly connected with the activities overseas.

The group's principal business is the distribution of specialised consumer and industrial products and capital goods, which are sourced both from world markets and to an increasing degree from local investments in manufacturing and assembly. Main product areas include African textiles, beers, foods and personal products; electrical and diesel equipment and materials; construction, earth-moving and agricultural equipment; commercial and passenger vehicles. In many countries the group still continues its traditional trading role.

Following the 1984 strategic review several companies which were peripheral to mainstream operations have been sold, and the head offices and central services have been restructured. The benefits of this rationalisation are apparent in the much improved results.

Nigeria is the largest single country of the group's operations. Despite the uncertain business environment the local results of UAC of Nigeria were better than in 1984. Most activities contributed to the improved performance, in particular textiles,

personal products, motors and the restructured business in diesel-powered equipment.

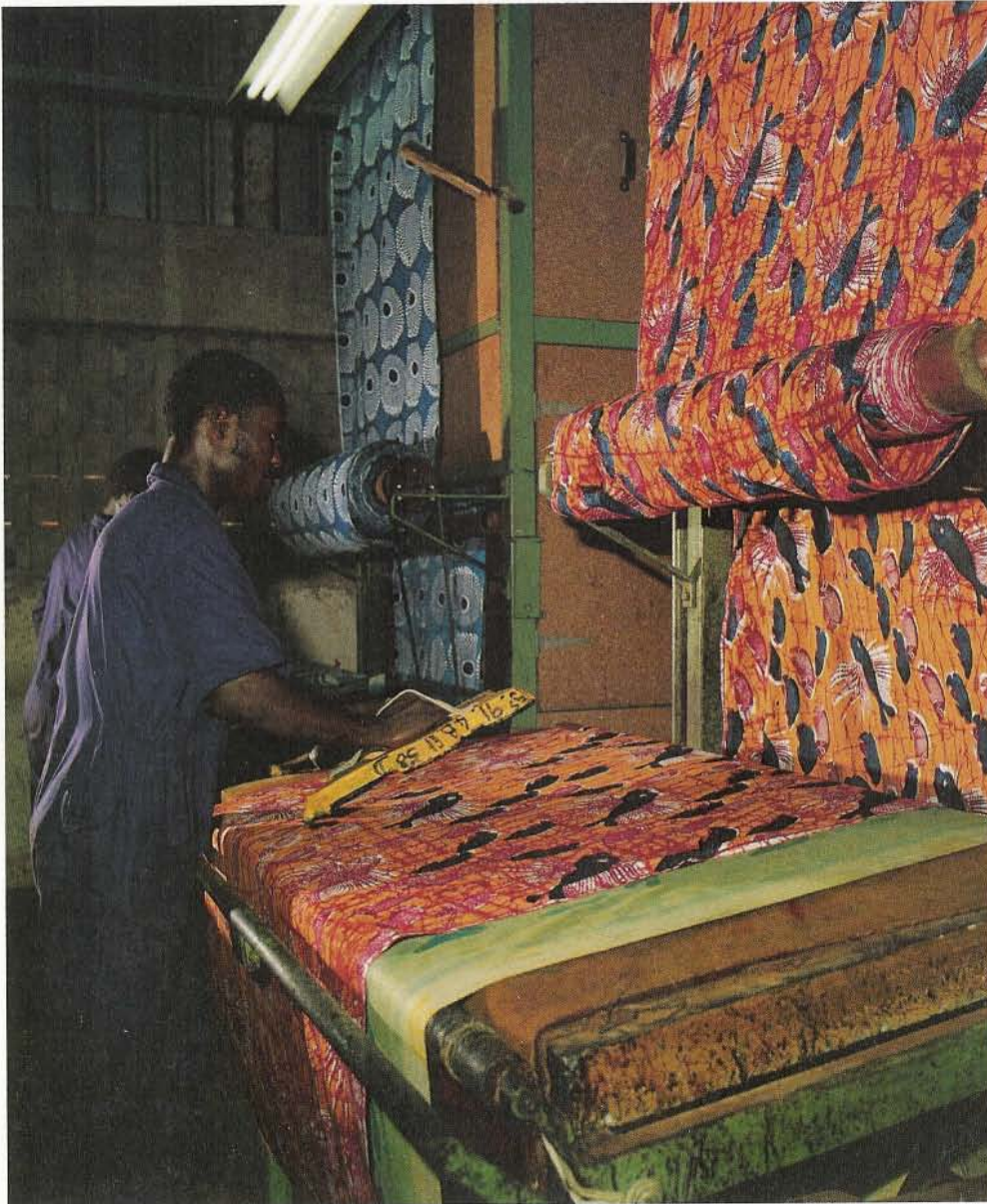
The production levels and results of both the Nigerian brewery companies were affected by constraints on the availability of import licences and consequent shortages of materials. Steps are being taken to increase the use of local raw materials in line with the government's import substitution policy for the brewery industry.

The businesses in French-speaking Africa performed well, helped by strong consumer demand for textiles in Cameroun, the Ivory Coast and Zaïre.

The results of UAC International's other businesses in East and West Africa in total showed an improvement on 1984, due in part to the better climatic conditions.

In the Middle East the partnership companies did well to improve their overall result marginally against a background of lower oil revenues and depressed economies.

The businesses in the United Kingdom and France, part of whose role is to provide expertise for the overseas operations, continued to develop satisfactorily.



Textile production at the Uniwax factory at Abidjan, Ivory Coast, forms a key part of UACI's activities in West Africa

Agribusiness

Our agribusiness interests consist of plantations companies, animal feeds and agricultural merchandising businesses in the United Kingdom, and fish farming both in the United Kingdom and in tropical waters.

Despite a sharp fall in the prices of palm oil and other commodities during the year our plantations business continued to be

profitable because of improved productivity and a greater focus on marketing the produce.

Favourable growing conditions in all major tea areas of the world produced record crops in 1985, causing over-supply and a fall in tea prices. In the Brooke Bond tea estates we were able to mitigate the worst effects of lower prices by improvements in efficiency and quality, but profits were inevitably below the exceptionally high levels of 1984.

Fl. million	1984	1985
Turnover	3 462	3 228
Operating profit	101	224



In the United Kingdom our animal feeds business reacted promptly to the fall in demand for dairy feeds which resulted from the imposition of milk quotas by the European Community and a satisfactory level of profit has been restored. Provision has been made for further restructuring in the merchandising business.

Marine Harvest, our salmon farming operation in Scotland, achieved significantly higher sales volume and profit. The development of prawn farming in some Asian countries continues.

Other operations

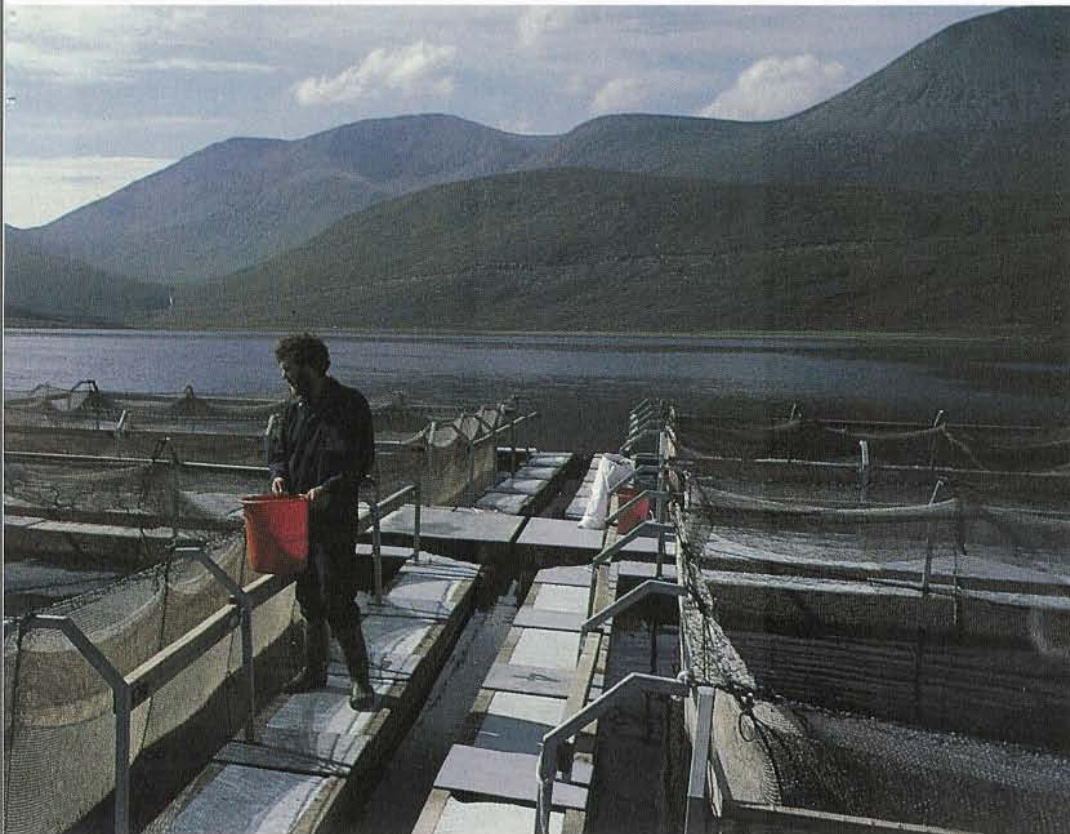
Paperboard and packaging

In the United Kingdom the Thames group increased cartonboard sales volume at Workington and there was a considerable improvement in profitability at this unit. The board making activities at Purfleet were, on the other hand, adversely affected by price competition caused by excess international capacity of kraft liner.

The '4P' group of companies in Germany was helped by lower than expected raw material costs and favourable exchange rates, and produced a further substantial improvement in profit.

Fish and restaurants

Nordsee, our fish and restaurants operation, had a good year. At the end of the year the deep-sea trawling business was transferred to a new company which was formed with the help of the German government and in which we have a minority shareholding.



Left: Salmon farming at Marine Harvest in Scotland is part of the newly formed Agribusiness group

Below: The quality assurance laboratory at Oxoid, Basingstoke in the United Kingdom



Our fast food operation in Canada again had a very successful year.

Medical products

Our medical products company which operates under the name of Unipath launched its first over-the-counter product, a pregnancy test kit called *Clearblue*, in the United Kingdom and achieved market leadership. Other diagnostic products are under development.

Oxoid, whose business is principally the manufacture of products for use in microbiological laboratories, improved its position both in the United Kingdom and in export markets.

DIRECTORS' REPORT OTHER SUBJECTS



Experimental work on catalysts, which are vital for hydrogenation (fat hardening) in the soap and margarine industries, shown here in the Unilever Research Laboratory at Vlaardingen in the Netherlands

Research and development

In 1985 research and development expenditure amounted to Fl. 1 013 million (1984: Fl. 1 000 million). This substantial investment in science and technology is dedicated to the continuing improvement and development of our products and manufacturing processes, in order to compete effectively in our markets and to satisfy the requirements and expectations of the consumer.

We have made considerable improvements to the quality of low fat margarines and as a result of this work new products have been introduced in many countries. The quality of polyunsaturated margarines has also been further improved.

Technical developments have made an important contribution to our ice cream business by making possible the launch throughout Europe of products with novel and creative presentations.

We have developed new techniques for handling meat, and now have new meat

products with considerably improved texture both in frozen and chilled distribution. Similarly studies of food coatings have enabled the introduction of new frozen fish products in response to the growing consumer preference for oven cooking or grilling.

Work on detergents and personal products has been boosted by the extension to the Lever Research and Development Centre at Edgewater, New Jersey, in which Fl. 140 million was invested. We have had for some time a programme of exchange of scientists in both directions across the Atlantic. This has made it possible to bring the extension into operation very quickly and greatly facilitates the co-operation between Europe and the United States.

Research into the physical structure of soaps has resulted in a new manufacturing process and better quality. We have made good progress in our research into the prevention of tooth decay and gingivitis, and as a result have developed a toothpaste with improved anti-plaque properties.

Product requirements for countries outside Europe and North America are

often unique because of different customs and social needs. We have developed an increasing number of innovative products in answer to specific market needs, most of which are based on advanced technology.

As a major producer of consumer goods we allocate significant resource to ensure that our products are safe and compatible with the environment. We have made considerable progress in developing reliable new testing methods which do not involve animals.

Capital projects

Capital projects totalling Fl. 2 352 million were approved by the Board in 1985. These projects include:

Modernisation of our speciality fats refinery in the Netherlands.

Replacement and rationalisation of a soft-cheese production plant in Germany.

Construction of an ice cream factory in Greece.

Construction of a new cold store and palletisation facilities at an ice cream factory in Italy.

Modernisation of a processed meat unit in the United Kingdom.

Construction of a personal products factory in the United Kingdom.

Expansion of detergents powder manufacturing facilities in the United States.

Extension of our food development and research laboratory in the United States.

Construction of a chemical research and administrative building in Canada.

Construction of a soap factory in India.

Relocation of our detergents and personal products factory in Malaysia.

Relocation of our liquid detergents factory in Australia.

Personnel

Because of the diversity of our operations and of the many countries in which we operate, we recognise that it is not feasible to impose a uniform set of personnel policies from the centre. We believe in the decentralisation of operating decisions and the responsibility for personnel issues is firmly vested in local management.

We continue to devote a great deal of time and resource to the recruitment of top

quality management trainees and to their development through positions of increasing responsibility. We also continue to work hard on raising productivity in order to stay competitive, and our organisation structures are being adapted to meet changing market and economic conditions. To do this successfully and maintain the commitment of all our employees, there must be a procedure for open and purposeful communication and consultation. The particular form that this will take depends on the local situation and the different requirements in each country, but the practice of consultation is to be found throughout the Concern as an integral part of our management policy.

The focus on productivity and core businesses has undoubtedly put a great strain on all our employees over the last four years. There have been many changes and the business environment in

the majority of countries has been far from easy. We recognise that the successful implementation of our strategy is due to the unremitting efforts of management and staff, for which we thank them.

The table below shows the numbers of employees in our parent and group companies and in our associated companies at the end of the year.

(000's)	Parent and group companies		Associated companies		Total	
	1984	1985	1984	1985	1984	1985
Europe	148	131	3	4	151	135
North America	22	22	—	—	22	22
Rest of the World	149	151	44	45	193	196
Total	319	304	47	49	366	353

Morning exercise for the employees of the Formosa United Industrial Corporation, Taiwan



Directors

Sir Kenneth Durham, whose forthcoming retirement from Unilever has already been announced, will not offer himself for re-election at the Annual General Meetings.

Sir Kenneth joined Unilever in 1950 as a physicist in Unilever Research Laboratory, Port Sunlight and became head of the laboratory in 1961. He was appointed head of the Colworth Research Laboratory in 1965 and Chairman of the United Kingdom Animal Feeds Group in 1970. In 1971 he became Chairman of the newly formed BOCM Silcock. He became a Director of Unilever in 1974, a Vice-Chairman of PLC in 1978 and Chairman of PLC and a Vice-Chairman of N.V. in 1982. He received his knighthood in the Queen's 1985 New Year's Honours list and in the same year Queen Beatrix of the Netherlands made him a Commander of the Order of Oranje-Nassau. His colleagues record their appreciation of his fine record of service to Unilever and pay warm tribute to his outstanding leadership.

As already announced the Boards intend to elect Mr M. R. Angus to succeed Sir Kenneth Durham as Chairman of PLC and a Vice-Chairman of N.V.

All the remaining Directors named on page 4 will, in accordance with the Articles of Association of N.V. and PLC, retire from office at the forthcoming Annual General Meetings and will offer themselves for re-election. In addition Mr W. K. Grubman and Mr M. G. Heron have been nominated for election as Directors of both Companies.

Mr Grubman, who is a United States citizen, joined National Starch and Chemical Corporation in 1950. He was appointed Chief Executive Officer in 1983 and Chairman in 1984. He has been Chemicals Co-ordinator since 1st January, 1986.

Mr Heron joined Unilever in 1958 and worked in the animal feeds business in the United Kingdom until 1976 when he became Chairman of Batchelors Foods. He took up his present post of Operations Member of Food and Drinks Co-ordination in 1982.

Advisory Directors

In 1985 Dr François-Xavier Ortoli, former President of the European Commission in Brussels, was appointed an Advisory Director of N.V. and PLC.

Viscount Leverhulme, grandson of William Lever the founder of the British business, retired as an Advisory Director, an office he had held with distinction in PLC since 1949 and in N.V. since 1978. The Directors wish to express their deep gratitude to him for his long and valued association, and are grateful that he has accepted the office of Honorary Advisory Director of PLC for life.

Secretaries

Mr T. Drion will retire at the Annual General Meetings after 32 years service with Unilever in the Rotterdam legal department. He has been a Secretary of N.V. and PLC since 1982 and is an Officer of the Order of Oranje-Nassau. The Directors record their appreciation of his distinguished service. He will be succeeded by Mr D. C. Buijs.

Dividends

The Boards have resolved to recommend to the Annual General Meetings on 14th May, 1986 the declaration of final dividends on the ordinary capitals in respect of 1985 at the rates shown in the table below, which are equivalent in value in terms of the Equalisation Agreement:

	1984	1985
N.V. per Fl. 20 ordinary capital		
Interim	Fl. 4.66	Fl. 4.66
Final	Fl. 9.45	Fl. 10.16
Total	Fl. 14.11	Fl. 14.82
PLC per 25p ordinary share		
Interim	11.49p	11.57p
Final	24.03p	27.05p
Total	35.52p	38.62p

The N.V. final dividend will be payable as from 27th May, 1986 (or in the case of the New York shares on 10th June, 1986).

The PLC final dividend will be paid on 28th May, 1986 (or in the case of holders of American Depositary Receipts on 5th June, 1986) to shareholders registered on 29th April, 1986.

For the purpose of equalising dividends under the Equalisation Agreement, Advance Corporation Tax (ACT) in respect of any dividend paid by PLC has to be treated as part of the dividend. PLC's 1985 final dividend has been calculated by reference to the rate of ACT announced by the United Kingdom Chancellor of the Exchequer in his Budget Statement on 18th March, 1986; if the effective rate applicable to payment of the dividend is different the amount will be adjusted accordingly and a further announcement made to the shareholders of PLC.

Auditors

Resolutions will be proposed for the reappointment of Price Waterhouse Nederland and Coopers & Lybrand Nederland as auditors of N.V. and Coopers & Lybrand and Price Waterhouse as auditors of PLC. Their present appointments will end at the conclusion of the Annual General Meetings.

By Order of the Board

T. Drion
M. D. Snoxall
Secretaries of Unilever N.V.

1st April, 1986

SALIENT FIGURES

The following figures are largely extracted from the full combined consolidated Unilever N.V. and Unilever PLC Annual Accounts for 1985 and earlier years, which have been prepared under the historical cost convention. They are in accordance with accounting principles generally accepted in the Netherlands and the United Kingdom, except that the treatment of deferred taxation, for which full provision is made, complies with Dutch legislation as currently applied rather than with generally accepted accounting principles in the United Kingdom.

The figures on the following pages are expressed in Dutch guilders, except where stated otherwise. Fluctuations in exchange rates over time affect the combination of the financial statements of N.V. and PLC into a single currency, with the result that trends reflected in the guilder combined statements can differ significantly from the trends shown in the pounds sterling and US dollar combined statements contained in other versions of this booklet.

Statement from the auditors

We have issued an unqualified report dated 1st April, 1986 on the full accounts of Unilever N.V. and Unilever PLC and their combined accounts for the year 1985, which are included in the Annual Accounts 1985 of Unilever N.V. and Unilever PLC.

Auditors of Unilever N.V.:

Price Waterhouse Nederland
The Hague

Coopers & Lybrand Nederland
Rotterdam

Auditors of Unilever PLC:

Coopers & Lybrand
London

Price Waterhouse
London

1st April, 1986

EXTRACTS FROM THE COMBINED CONSOLIDATED PROFIT AND LOSS ACCOUNTS OF UNILEVER N.V. AND UNILEVER PLC

for the year ended 31st December

Fl. million	1980	1981	1982	1983	1984	1985
Turnover ^{a)}	51 468	56 115	55 903	59 434	66 791	66 771
Costs	(48 554)	(52 790)	(52 904)	(56 111)	(62 950)	(62 974)
Operating profit	2 914	3 325	2 999	3 323	3 841	3 797
Income from fixed investments ^{b)}	234	313	295	264	292	302
Other interest receivable and similar income	355	435	477	494	459	494
Interest payable and similar charges	(603)	(726)	(703)	(665)	(769)	(779)
Financial items	(14)	22	69	93	(18)	17
Profit on ordinary activities before taxation	2 900	3 347	3 068	3 416	3 823	3 814
Taxation	(1 371)	(1 381) ^{c)}	(1 351)	(1 566)	(1 605)	(1 591)
Profit on ordinary activities after taxation	1 529	1 966	1 717	1 850	2 218	2 223
Outside interests in group companies	(92)	(102)	(122)	(137)	(140)	(159)
Profit on ordinary activities attributable to shareholders	1 437	1 864	1 595	1 713	2 078	2 064
Extraordinary items, less taxation and outside interests	-	-	-	-	(108) ^{d)}	-
Profit after extraordinary items attributable to shareholders	1 437	1 864	1 595	1 713	1 970	2 064
Preference dividends	(16)	(16)	(16)	(16)	(16)	(16)
Dividends on ordinary capital	(540)	(586)	(578)	(634)	(684)	(718)
Profit of the year retained	881	1 262	1 001	1 063	1 270	1 330
Movements in profit retained						
Profit of the year retained	881	1 262	1 001	1 063	1 270	1 330
Goodwill	(15)	66	(165)	(51)	(973)	(152)
Effect of exchange rate changes ^{e)}	50	287	12	128	315	(1 526)
Sterling/guilder realignment ^{e)}	938	(419)	(676)	322	(514)	(209)
Net movements during year	1 854	1 196	172	1 462	98	(557)
Profit retained - 1st January	8 126	9 980	11 176	11 348	12 810	12 908
Profit retained - 31st December	9 980	11 176	11 348	12 810	12 908	12 351

^{a)} Turnover comprises sales of goods and services after deduction of discounts and sales taxes. It includes sales to related companies but does not include sales by related companies or sales between group companies.

^{b)} Includes share of associated companies' profit before taxation

	1980	1981	1982	1983	1984	1985
UAC International	133	177	159	162	185	137
Other operations	67	84	73	56	72	93
	200	261	232	218	257	230

^{c)} Includes Fl. 105 million stock relief benefit, mainly applicable to 1980, arising from changes contained in the United Kingdom Finance Act 1981.

^{d)} Includes an extraordinary charge, net of tax relief, of Fl. 356 million for losses arising, and provisions for estimated losses less surpluses, consequent on the decision to withdraw from certain activities, and a deferred taxation credit of Fl. 248 million following the reductions in rates of corporation tax legislated in the United Kingdom Finance Act 1984.

^{e)} Exchange differences arising in the accounts of individual companies from transactions denominated in foreign currencies are dealt with in the individual companies' profit and loss accounts.

In preparing the consolidated accounts of N.V. in guilders and of PLC in sterling, profit and loss accounts for the year and assets and liabilities at the year-end are translated at year-end rates of exchange. The effect of exchange rate changes during the year on the assets and liabilities at the beginning of the year is recorded as a movement in profit retained. In arriving at the combined figures in guilders or sterling, the figures for N.V. in guilders or PLC in sterling are translated at the year-end sterling/guilder exchange rate, except for the ordinary capital of N.V. or PLC, which is translated at the Equalisation Agreement rate of £1 = Fl. 12. The effect of restating the assets and liabilities of N.V. and PLC at the beginning of the year at the year-end sterling/guilder exchange rate is described as sterling/guilder realignment and is shown as a movement in profit retained.

EXTRACTS FROM THE COMBINED CONSOLIDATED BALANCE SHEETS OF UNILEVER N.V. AND UNILEVER PLC

as at 31st December

Fl. million	1980	1981	1982	1983	1984	1985
Fixed assets						
Tangible assets	8 943	9 752	10 108	11 110	12 915	12 162
Fixed investments	1 394	1 472	1 562	1 454	1 626	1 246
Current assets						
Stocks	8 130	8 863	8 390	9 267	11 501	9 744
Debtors	6 867	7 579	7 442	8 336	9 359	8 259
Current investments	403	895	865	1 744	1 856	3 492
Cash at bank and in hand	2 355	2 376	2 349	2 400	2 752	2 398
	17 755	19 713	19 046	21 747	25 468	23 893
Less: Creditors due within one year						
Borrowings	2 306	2 077	1 952	2 032	4 285	3 919
Trade and other creditors	6 660	7 593	7 146	8 362	10 155	9 404
Taxation on profits	740	911	931	949	1 048	1 020
Dividends	342	372	372	432	480	502
Net current assets	7 707	8 760	8 645	9 972	9 500	9 048
Total assets less current liabilities	18 044	19 984	20 315	22 536	24 041	22 456
Creditors due after more than one year						
Borrowings	2 743	2 992	2 844	2 739	3 274	2 587
Other creditors	147	165	204	429	436	419
Provisions for liabilities and charges						
Pensions and similar obligations	1 566	1 841	2 066	2 526	2 930	2 978
Deferred taxation and other provisions	1 795	1 893	1 951	2 213	2 551	2 258
Outside interests in group companies	553	678	692	597	738	684
Capital and reserves						
Called up share capital	1 480	1 478	1 476	1 477	1 400	1 399
Share premium account	96	94	90	91	89	87
Profit retained and other reserves	9 664	10 843	10 992	12 464	12 623	12 044
	11 240	12 415	12 558	14 032	14 112	13 530
Total capital employed	18 044	19 984	20 315	22 536	24 041	22 456

EXTRACTS FROM THE COMBINED CONSOLIDATED SOURCE AND USE OF FUNDS OF UNILEVER N.V. AND UNILEVER PLC

for the year ended 31st December

Fl. million	1980	1981	1982	1983	1984	1985
Funds generated from operations						
Profit on ordinary activities before taxation	2 900	3 347	3 068	3 416	3 823	3 814
Elimination of items not involving a flow of funds:						
Depreciation	1 015	1 098	1 153	1 319	1 395	1 385
Others	339	299	367	540	370	403
	4 254	4 744	4 588	5 275	5 588	5 602
Increase/decrease in borrowings due after more than one year	91	292	(84)	(135)	107	(473)
Total sources	4 345	5 036	4 504	5 140	5 695	5 129
Taxation payments during the year	(1 073)	(924)	(1 091)	(1 325)	(1 198)	(1 406)
Capital expenditure less disposals	(1 937)	(1 911)	(1 821)	(1 960)	(2 101)	(2 363)
Purchase/sale of group companies	(131)	52	(370)	(46)	(2 340)	402
Purchase/sale of fixed investments	(15)	(18)	1	280	(7)	57
Increase/decrease in stocks, debtors, trade and other creditors	(476)	(794)	(263)	(95)	(659)	388
Dividends paid during the year	(544)	(564)	(580)	(591)	(641)	(690)
Other uses	(169)	1	(209)	(425)	(361)	(518)
Total uses	(4 345)	(4 158)	(4 333)	(4 162)	(7 307)	(4 130)
Net increase/decrease in net liquid funds ^{a)}	-	878	171	978	(1 612)	999
Net liquid funds - 31st December	451	1 189	1 262	2 112	323	1 971
of which:						
Current investments	400	897	865	1 744	1 856	3 492
Cash at bank and in hand	2 358	2 374	2 349	2 400	2 752	2 398
Borrowings due within one year	(2 307)	(2 082)	(1 952)	(2 032)	(4 285)	(3 919)

^{a)} Excludes effect of exchange rate changes on opening balances.

ADDITIONAL GEOGRAPHIC AND SEGMENTAL INFORMATION

Fl. million	1980	1981	1982	1983	1984	1985
Turnover						
Europe	36 280	37 943	36 503	37 938	40 544	42 381
North America	5 464	7 020	7 565	9 550	12 838	11 553
Rest of the World	9 724	11 152	11 835	11 946	13 409	12 837
	51 468	56 115	55 903	59 434	66 791	66 771
Food products						
Detergents and personal products	23 997	25 770	25 800	28 485	33 507	33 930
Speciality chemicals	11 637	13 210	13 763	15 407	17 371	16 242
Other operations	2 943	3 418	3 596	4 068	4 998	4 785
	12 891	13 717	12 744	11 474	10 915	11 814
	51 468	56 115	55 903	59 434	66 791	66 771
Operating profit						
Europe	1 723	1 783	1 363	1 473	1 707	2 083
North America	260	360	428	622	784	432
Rest of the World	931	1 182	1 208	1 228	1 350	1 282
	2 914	3 325	2 999	3 323	3 841	3 797
Food products						
Detergents and personal products	1 361	1 545	1 445	1 622	2 001	1 958
Speciality chemicals	801	1 030	984	1 070	1 030	699
Other operations	214	272	309	433	533	508
	538	478	261	198	277	632
	2 914	3 325	2 999	3 323	3 841	3 797
Profit on ordinary activities attributable to shareholders						
Europe	862	1 080	825	877	1 103	1 359
North America	98	155	194	298	349	159
Rest of the World	477	629	576	538	626	546
	1 437	1 864	1 595	1 713	2 078	2 064
Capital employed						
Europe	12 754	13 531	13 152	14 243	13 811	13 884
North America	2 416	2 897	3 056	3 692	4 607	3 942
Rest of the World	2 874	3 556	4 107	4 601	5 623	4 630
	18 044	19 984	20 315	22 536	24 041	22 456
Capital expenditure						
Europe	1 597	1 338	1 233	1 270	1 333	1 515
North America	189	208	254	443	675	704
Rest of the World	414	555	546	467	458	434
	2 200	2 101	2 033	2 180	2 466	2 653
Food products						
Detergents and personal products	839	882	843	843	1 028	1 056
Speciality chemicals	416	468	522	574	698	616
Other operations	171	146	132	204	244	457
	774	605	536	559	496	524
	2 200	2 101	2 033	2 180	2 466	2 653

QUARTERLY RESULTS

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total year
Turnover					
1985					
Fl. million	17 314	16 663	16 301	16 493	66 771
%	26	25	24	25	100
1984					
Fl. million	15 793	16 909	16 476	17 613	66 791
%	24	25	25	26	100
Operating profit					
1985					
Fl. million	817	959	960	1 061	3 797
%	22	25	25	28	100
1984					
Fl. million	824	1 151	994	872	3 841
%	21	30	26	23	100
Profit on ordinary activities before taxation					
1985					
Fl. million	782	948	979	1 105	3 814
%	20	25	26	29	100
1984					
Fl. million	796	1 127	1 014	886	3 823
%	21	29	27	23	100
Profit on ordinary activities attributable to shareholders					
1985					
Fl. million	383	492	527	662	2 064
%	18	24	26	32	100
1984					
Fl. million	389	574	567	548	2 078
%	19	28	27	26	100
Earnings per share					
1985					
Guilders per Fl. 20 of capital	6.81	8.77	9.39	11.82	36.79
Pence per 25p of capital	25.60	32.87	35.30	44.19	137.96
1984					
Guilders per Fl. 20 of capital	6.91	10.21	10.11	9.78	37.01
Pence per 25p of capital	25.04	37.15	36.61	35.53	134.33

The figures differ from those originally published due to results for both years having been recalculated at the year-end rates of exchange used for the respective years.

ADDITIONAL FINANCIAL DATA

	1980	1981	1982	1983	1984	1985
Shareholders' equity per share						
Guilders per Fl. 20 of capital	197	218	220	247	248	238
Pence per 25p of capital	581	692	781	833	901	892
Earnings per share ^{a)}						
Guilders per Fl. 20 of capital	25.49	33.16	28.34	30.46	37.01	36.79
Pence per 25p of capital	75.41	105.39	100.41	102.84	134.33	137.96
Earnings plus depreciation per share						
Guilders per Fl. 20 of capital	43.71	52.87	49.03	54.13	62.04	61.67
Pence per 25p of capital	129.31	168.03	173.91	182.79	225.33	231.19
Ordinary dividends						
N.V. - Guilders per Fl. 20 of capital	11.12	12.04	12.04	13.02	14.11	14.82
PLC - Pence per 25p of capital	22.91	26.87	28.83	30.86	35.52	38.62
Capital expenditure (Fl. million)						
Depreciation (Fl. million)	2 200	2 101	2 033	2 180	2 466	2 653
	1 015	1 098	1 153	1 319	1 395	1 385
Employees (group companies)						
Staff costs (Fl. million)	10 120	10 814	10 697	11 491	11 701	11 418
Number (in thousands) at 31st December	300	292	283	267	254 ^{b)}	304
Ratios						
Return on shareholders' equity (%)	13.0	15.2	12.9	12.3	14.9	15.5
Return on capital employed (%)	9.2	10.7	9.3	8.8	9.9	10.5
Turnover : capital employed	2.8	2.8	2.7	2.6	2.8	3.0
Turnover per employee (Fl. 000's)	171.6	192.2	197.5	222.6	263.0	219.6
Dividends : earnings	0.38	0.32	0.37	0.37	0.33	0.35
Gearing ^{c)}	0.30	0.28	0.26	0.25	0.34	0.31
Current assets : current liabilities	1.8	1.8	1.8	1.8	1.6	1.6
Share prices						
N.V. per Fl. 20 ordinary share						
In Amsterdam (guilders)	High	129	164	211	254	317
	Low	102	123	143	188	231
PLC per 25p ordinary share						
In London (pence)	High	512	652	805	895	1 100
	Low	388	438	555	695	835

^{a)} The calculation of earnings per share is based on the combined profit of the year on ordinary activities attributable to ordinary capital divided by the combined number of share units representing the combined issued ordinary capital of N.V. and PLC. For the calculation of combined ordinary capital the rate of exchange £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement. This Agreement requires as a general rule the dividends and other rights and benefits attaching to each Fl. 12 nominal of ordinary capital of N.V. to be equal in value at the relevant sterling/guilder rate of exchange to those attaching to each £1 nominal of ordinary share capital of PLC as if each such unit formed part of the ordinary capital of one and the same company.

^{b)} Excludes 65 000 employees of the Brooke Bond Group, for whom no staff costs were included in 1984 as a consequence of the decision to take up in Unilever's 1985 results the profits of the Brooke Bond Group for the fourth quarter 1984.

^{c)} Gearing is borrowings divided by the sum of borrowings, capital and reserves and outside interests in group companies.

SALIENT FIGURES IN VARIOUS CURRENCIES

1985 above 1984	Dutch Guilders	Sterling Pounds	Belgian Francs	German Marks	French Francs	Austrian Schillings	US Dollars	Swiss Francs
Rates of exchange ^{a)} (one unit of currency = Fl.)		4.00 4.13	0.0551 0.0564	1.1264 1.1289	0.3670 0.3687	0.1603 0.1609	2.7600 3.5600	1.3365 1.3700
In millions of currency								
Turnover	66 771 66 791	16 693 16 172	1 211 902 1 184 280	59 260 59 190	181 952 181 127	416 487 415 137	24 205 18 760	49 912 48 678
Operating profit	3 797 3 841	949 930	68 912 68 110	3 370 3 404	10 346 10 417	23 683 23 875	1 376 1 078	2 838 2 800
Profit on ordinary activities before taxation	3 814 3 823	953 925	69 219 67 795	3 385 3 388	10 392 10 369	23 788 23 765	1 382 1 073	2 851 2 787
Profit on ordinary activities after taxation	2 223 2 218	556 537	40 340 39 332	1 973 1 966	6 056 6 015	13 863 13 787	805 622	1 661 1 617
Profit on ordinary activities attributable to shareholders	2 064 2 078	516 503	37 467 36 851	1 832 1 842	5 625 5 636	12 876 12 918	748 583	1 543 1 515
Ordinary dividends	718 684	179 165	13 042 12 120	638 606	1 958 1 854	4 482 4 248	260 192	537 498
Profit of the year retained	1 330 1 270	333 308	24 139 22 535	1 180 1 126	3 624 3 447	8 296 7 899	482 357	994 926
In units of currency								
Earnings per share								
Per Fl. 20 of capital	36.79 37.01	919.71p 895.56p	667.67 656.15	32.66 32.78	100.24 100.37	229.50 230.00	13.33 10.39	27.53 27.01
Per 25p of capital	5.52 5.55	137.96p 134.33p	100.15 98.42	4.90 4.92	15.04 15.06	34.42 34.50	2.00 1.56	4.13 4.05
Ordinary dividends ^{b)}								
N.V. - per Fl. 20 of capital	14.82 14.11	370.50p 341.65p	268.97 250.18	13.16 12.50	40.38 38.27	92.45 87.69	5.37 3.96	11.09 10.30
PLC - per 25p of capital	1.54 1.47	38.62p 35.52p	28.04 26.01	1.37 1.30	4.21 3.98	9.64 9.12	0.56 0.41	1.15 1.07
Shareholders' equity per share								
Per Fl. 20 of capital	237.92 248.14	5 949.40p 6 008.69p	4 318.00 4 399.59	211.22 219.80	648.29 673.00	1 484.23 1 542.18	86.20 69.70	178.02 181.12
Per 25p of capital	35.69 37.22	892.41p 901.30p	647.70 659.94	31.68 32.97	97.24 100.95	222.63 231.33	12.93 10.46	26.70 27.17

^{a)} Rates of exchange are the respective year-end rates used in translating the combined figures in the various currencies.

^{b)} The value of dividends received by shareholders in currencies other than guilders or sterling will be affected by fluctuations in the rates of exchange after the year-end.

Movements between 1984 and 1985 will vary according to the currencies in which the figures are expressed.

CAPITAL AND LISTING

N.V.

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

The geographical spread of N.V.'s ordinary shareholdings (which are largely in bearer form) based on the country of payment of the final dividend paid in 1984 and 1985 was:

	1984	1985
	%	%
The Netherlands	47	45
United States	18	21
Switzerland	18	17
United Kingdom	8	7
Germany	3	3
Belgium	3	3
France	2	2
Other countries	1	2
	100	100

PLC

The shares of Unilever PLC are listed on The Stock Exchange in the United Kingdom and Ireland and, as American Depository Receipts, in New York.

In 1985, as in 1984, the holders of over 99% of PLC's ordinary shares had registered addresses in the United Kingdom.

DATES FOR DIVIDEND AND INTEREST PAYMENTS

Ordinary dividends**N.V. and PLC**

Interim	Announced November, Paid December
Final	Proposed March, Paid May/June

Preferential dividends**N.V.**

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

PLC

5% Preference	
7% Preference	Paid 2nd January and 1st July
8% Preference	
20% Preferred Ordinary	

Loan stock interest**N.V.**

6% 1972/91	Paid 15th January
9¼% 1987	Paid 15th July
4½% 1984/91	Paid 7th June
9¾% 1986/90	Paid 15th July
6¾% 1991	Paid 26th August
7½% 1993	Paid 12th November

PLC

Unsecured loan stocks	Paid 30th June and 31st December
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Interim announcements of results

First quarter results	Mid-May
First half-year results	Mid-August
Nine months results	Mid-November
Provisional results for the year	Early March

This booklet, in which the currency figures are expressed in guilders, is also available in the original Dutch version as well as in a German translation. In addition there is an English version issued by Unilever PLC with currency figures in pounds sterling and containing the Unilever PLC Directors' Report, as well as an English version with currency figures translated into US dollars. All these versions are identical with this booklet except for the difference in currencies and except that the PLC version contains some additional details which are not required by Dutch legislation.

The complete Unilever N.V. annual accounts for 1985, together with the auditors' report thereon and some additional information, are contained in a separate booklet entitled 'Unilever in 1985, Annual Accounts', which is an English translation of the original Dutch publication and in which the currency figures are likewise expressed in guilders. In addition an English version of that booklet, issued by Unilever PLC, is available with currency figures expressed in pounds sterling and containing the complete Unilever PLC annual accounts for 1985.

Both N.V. and PLC make filings with the United States Securities and Exchange Commission (SEC) in the form required by United States legislation.

Copies of all versions of the above-mentioned booklets and of the filings made with the SEC, as well as of the quarterly results publications are available free of charge from Unilever N.V., External Affairs Department, P.O. Box 760, 3000 DK Rotterdam, the Netherlands, or from Unilever PLC, External Affairs Department, P.O. Box 68, London EC4P 4BQ, United Kingdom.