

**2009 CAGNY Conference**  
**Unilever Presentation by Jim Lawrence, CFO**  
**Tuesday 17 February 2009**

**Chart 1: Title Chart**

Thank you, Andrew. Good afternoon everyone.

This is my 2<sup>nd</sup> CAGNY as CFO of Unilever, and my 11<sup>th</sup> meeting in total. It is always a pleasure to be here.

On stage I am joined by James Allison and this is his 1<sup>st</sup> CAGNY as Head of IR.

**Chart 2: Safe Harbour Statement**

Before I get going, may I draw your attention to the usual disclaimer relating to forward looking statements and non-GAAP measures.

**Chart 3: Agenda**

The agenda today.

I'll start with a brief overview of our business. Then I will provide you with an update on our recent financial performance,

Next I want to shift gears a bit and put the spotlight on growth, before going on to describe the steps taken in recent years to make the company leaner, faster, and more cost competitive.

Finally, I'll discuss our priorities and outlook for 2009.

#### **Chart 4: The essence of our mission in 1890**

More than 100 years ago, long before the expression “mission statement” had been coined, William Hesketh Lever had a vision:

- To make cleanliness commonplace
- To lessen work for women
- To foster health and contribute to personal attractiveness
- So that life may be more enjoyable and rewarding for the people who use our products

#### **Chart 5: Is still reflected in our mission today**

The essence of what drives Unilever today is remarkably similar. We now express it as “Adding Vitality to Life”.

While the mission is similar, Unilever has undergone many transformations in its portfolio, geographic reach and the way the company is managed.

I hope that it will be clear from this presentation that Unilever has changed and continues to evolve.

First, a few facts and figures.

#### **Chart 6: A leading consumer products company**

Unilever is the world's 3<sup>rd</sup> largest consumer products company.

Our sales in 2008 were nearly \$ 60 billion, with underlying earnings before interest and tax of close to \$ 9 billion.

### **Chart 7: Scale and geographic reach**

We do business in more than 120 countries.

As you can see, we have a balanced footprint across our three operating regions - Western Europe, the Americas and Asia Africa Central & Eastern Europe.

The US accounts for around 17% of group sales. Outside the US, no single country accounts for more than 6% of sales.

### **Chart 8: Unrivalled strength in D&E markets**

We have unrivalled strength in developing and emerging markets – now accounting for nearly half of overall company turnover.

With around 1 billion new consumers entering these markets in the next 10 years and the potential for significant increase in per capita consumption, D&E markets represent a huge potential source of growth for Unilever.

Later I will talk about why we are well positioned to take advantage of these very encouraging demographic trends.

Now, let's look at Unilever from a category perspective.

### **Chart 9: Broad category portfolio**

You will see from the chart that 54% of Unilever's turnover comes from our Foods categories with Personal Care accounting for 28% and Homecare 18%.

## **Chart 10: Strong leadership positions**

We operate in 11 key categories with global leadership positions in 7. You can see these marked in green - Savoury, Dressings, Spreads, Ice Cream, Tea, Deodorants and Mass Skin.

In Laundry and Daily Hair Care, we are global #2 with very strong positions in the D&E markets.

In Oral Care and Household Cleaning, we have strong leadership positions in specific geographies, with turnover well in excess of € 1 billion in each category.

Overall, more than 70% of turnover comes from market positions where we have leadership.

## **Chart 11: Big global brands**

We have some of the world's best known and most loved brands.

Our 'top 25' account for nearly 75% of our global turnover – close to € 30 billion. Knorr alone had sales in excess of € 4 billion in 2008

And we have 13 global brands with annual sales of over € 1 billion – that's one higher than this time last year with Axe the newest member of this elite club.

Overall we have several hundred local brands allowing us to cover a wide range of price points in many of the markets and categories in which we compete.

## **Chart 12: Local roots with global scale**

From the days of William Hesketh Lever in the 1890's, our businesses have always been deeply rooted in the cultures and society in which they are located. This is especially true in the developing and emerging markets.

At the same time, our One Unilever programme is transforming our business model, and giving us the capability to really leverage our global scale.

We believe that our combination of exceptionally strong local roots when harnessed with global scale will increasingly prove to be a source of competitive advantage.

## **Chart 13: Agenda – Financial Performance**

Let me now take you through our financial performance in 2008.

## **Chart 14: Key financials**

In 2008, we grew 7.4%, well ahead of our 3-5% target range.

Growth was increasingly driven by price as the year progressed, reflecting the strong and concerted pricing action taken in the face of rapidly escalating input costs.

Despite this, we improved our underlying margin by 10 basis points.

Our operating margin and earnings per share were boosted by one-off profits on disposals, including the sale of our North American laundry business in September 2008.

Overall, a good year with sales growing, in aggregate, in line with the markets.

That said, volumes were flat for the year and down in the 4<sup>th</sup> quarter reflecting:

- The impact of pricing,
- The combined impact of consumer and retailer de-stocking, and
- The impact of recessionary conditions in most markets.

We are taking action to address volume growth and I will come back to this later in the presentation.

### **Chart 15: 4<sup>th</sup> year of accelerating growth**

2008 represents a fourth consecutive year of accelerating organic sales growth from less than half a percent in 2004 to over 7% last year.

This has been achieved, in part, by a substantial increase in advertising and promotional expenditure.

### **Chart 16: Additional €1.0 billion invested in A&P**

In the last 4 years, we have increased our annual advertising and promotional investment by close to € 1 billion, including a further € 50 million increase in 2008.

Our share of advertising spend relative to competitors in our markets increased in 2008 – in both Foods and Home and Personal Care. We have continued to invest to strengthen our brands.

Savings from media efficiency programmes have been reinvested and media rates in a number of markets are on a downward trend. This has enabled us to get more ‘bang for our buck’ and we expect our money to go even further in 2009.

Now let me say a few words about input costs and savings.

### **Chart 17: Sharp rise in commodity costs**

The rise in input costs in 2008 was unprecedented.

Commodity costs added € 2.7 billion to our cost base in the year – that's equivalent to 640 basis points of margin compression. You can see from this chart just how much these costs have stepped up versus previous years.

The good news is that the commodity cost impact peaked in Q3. Q4 saw costs rise, but at a lower growth rate than Q3.

We expect input cost pressures to remain high for a few more months, but to ease beyond Q1 2009. As we said when we released results, margin comparisons will be easier in the back half of 2009.

As I mentioned we took pricing early in order to offset the impact of the cost inflation. This was supplemented by another year of strong savings programmes.

### **Chart 18: Step up in cost savings delivery**

In 2008, we generated € 1.1 billion of incremental savings.

This includes buying savings, restructuring savings and the benefit from local efficiency programmes.

Our restructuring programmes are well on track, and I will give you a more detailed update later in this presentation.

Let me now show you what this has meant for our operating profit performance in 2008.

## **Chart 19: Drivers of operating profit**

This chart is plotted in absolute money with constant exchange rates.

- The combined effect from volume and mix was around €200 million.
- Price increases added €2.9 billion.
- As I mentioned earlier, commodity cost increases reduced operating profit by around €2.7 billion.
- And other costs increased by just under €1.0 billion.

So whilst pricing covered commodity cost increases it was not sufficient to cover overall cost increases – still less to maintain gross margins.

- As I mentioned, our savings programmes delivered €1.1 billion in the year and
- Finally, advertising and promotional expenditure increased by €50 million.

This left an underlying increase in operating profit of €370 million, 6% up on 2007 in constant exchange rates.

Let me now turn to balance sheet and cash flow.

## **Chart 20: Strong balance sheet and cash flow**

We target a strong single A credit rating.

Our strong balance sheet and prudent financial management have enabled us to access low cost debt throughout the financial crisis. We believe that this ready access to low cost financing is a competitive strength.

In 2008, we generated €5.3 billion in cash flow from operating activities, €100 million up on the year before.

We continued our practice of paying an attractive, sustainable and growing dividend, raising our full year dividend for NV shares by 3% and PLC shares by 19%.

This will bring the total dividend payment for the year to €2.1 billion and the total cash returned to shareholders to €3.6 billion – including €1.5 billion of share buy backs.

We also announced our intention to move to quarterly dividends from 2010.

This will simplify our dividend practice, with one dividend calendar and one set of exchange rates for all share listings. This is subject to approval at our Annual General Meetings in May.

If approved, this will allow us to announce a dividend each quarter, and to pay the same US dollar amount for both NV and PLC ADR's listed in New York.

### **Chart 21: Strong balance sheet and cash flow**

Last week, we issued \$ 1.5 billion in new bonds in the US market, in two parts:

- \$750 million of 5-year notes, priced at 3.65 percent or 170 basis points over US Treasuries, and
- An equal amount of 10-year notes at 4.8% or 180 basis points over the benchmark.

Both tranches were substantially over-subscribed.

### **Chart 22: Agenda – Growth Strategy**

Now let's change gears a bit and turn our attention to Unilever's growth agenda.

### **Chart 23: Strategic growth priorities**

In 2005, we defined our strategic growth priorities: Personal Care, the markets of the developing and emerging countries (D&E), and Vitality.

Let me begin with Vitality.

### **Chart 24: Vitality**

Underpinning all our category strategies is the theme of Vitality.

This is the lens that we use to help identify the faster-growing, on-trend segments within our markets.

In Foods, we can clearly see the trend towards Health & Vitality as consumers strive for healthy eating and more healthy lifestyles.

An increasing proportion of our innovation and communication has been directed at this opportunity. And today, over one third of our food products specifically address Health & Vitality needs.

We do that in different ways:

- By making great tasting foods which consumers love but with more natural ingredients, such as Knorr bouillon gel
- By offering products with functional benefits, such as Lipton Linea slimming teas
- And by offering more sustainable products, such as teas certified by the Rainforest Alliance.

## **Chart 25: Vitality – Ads**

Now let's look at two examples that will bring our Vitality approach to life.

First, an ad for Bertolli Frozen Meals – offering authentic Italian quality meals at home, but priced at a significant discount to a meal in a restaurant.

Then, an ad for Lipton Linea – enriched with twice the normal level of catechins to help improve the body's shape.

[2 ADS SHOWN]

## **Chart 26: Personal Care**

Now let's turn to our second priority area – Personal Care.

Personal Care has been an attractive category for Unilever, consistently delivering above average levels of growth at above average margins. It is a category where our strong brands can powerfully communicate both functional and emotional benefits.

We are well positioned. We are world #1 in mass skin and world #1 in deodorants, and world #2 in daily hair care. Five of our brands have annual sales of over € 1 billion.

- We are driving growth by offering products with stronger functional claims, such as the new hair minimising deodorants.
- We are driving growth with superior technology such as our Pond's Age Miracle face care range in D&E markets.
- We are driving growth by offering compelling sensorial experiences, for example the Dove Go Fresh range.

- And we are driving growth by building new consumer segments, such as Axe hair care for men

### **Chart 27: Personal Care – Ads**

Let me show you two of our Personal Care ads.

First, the new Dove deodorant with hair minimising technology.

Second, an ad for the recent entry of Axe into the US hair care market.

[2 ADS SHOWN]

### **Chart 28: D&E Markets**

As I said before, we are very excited about the growth potential in D&E markets, based on demographic and economic trends as well as the potential for significant increase in per capita consumption.

We believe that Unilever is uniquely positioned to capture this opportunity.

Our portfolios offer a variety of products covering the key price points in the value, mid-tier and premium segments – providing ample opportunities for consumers to both trade up and trade down, depending on their needs and circumstances.

In many markets, we are increasing penetration and building consumption with affordable and easily accessible offerings – for example Knorr mini cubes, mini-stick deodorants and shampoo sachets.

Converting consumers from scratch-made food to convenient and consistent quality packaged food is a big opportunity. We are building a fast growing Foods business, leveraging the scale and infrastructure available from our HPC business.

## Chart 29: D&E Markets – Ads

Let's look at 2 ads from our D&E world.

First, an ad for Rama in South Africa – explaining the health benefits of margarine.

Then, an ad for Surf Excel in India – a local expression of our global “Dirt is Good” campaign.

[2 ADS SHOWN]

## Chart 30: Long-term strength in D&E

Before I move on, let me address a question raised by some investors – the sustainability of growth in D&E markets during recessionary times such as these.

Looking back over the past 20 years or so we have;

- Grown organically at 9% per year on average, and 7% in hard currency
- Grown volumes at an average of 5% per year
- Grown volumes in every one of those years

And this is despite periods of sharp economic turbulence in particular geographies.

We are confident in our ability to navigate our D&E businesses through either calm or choppy waters. Our strengths in D&E add up to a powerful combination.

In summary, we have:

- Deep local roots
- A portfolio across all relevant price points
- A broad geographic footprint, and
- The added leverage of global scale which we are now starting to fully utilise.

### **Chart 31: Fewer, bigger innovations**

A key driver of our growth strategy is innovation, and we have made clear and measurable progress in two important areas.

The first is that we have reduced the number of projects in the innovation funnel from over 5000 to around 700.

At the same time the turnover potential from the innovation projects in the funnel has increased.

This reflects a more global and regional approach to innovation, rather than locally generated projects which are smaller in nature and rarely travel to other markets.

### **Chart 32: Faster roll-out to more markets**

The second area is the faster roll out of innovation to many more countries.

The chart shows a number of examples. Axe Temptation, launched in January 2008, was rolled out to 52 markets by the end of the year, and Dove Go Fresh has now been launched in 55 markets. These are clearly setting a new standard.

So good progress but further still to travel, and I will come back to this later in the presentation.

Let's now turn to R&D.

### **Chart 33: Science and technology strengths**

As many of you know, we appointed Professor Genevieve Berger to the executive team as Chief R&D Officer. Genevieve was previously a non-executive Director of Unilever and led one of the world's largest research institutes.

Under her leadership more than 300 start-up businesses were launched. We feel that she is well equipped to take our science and technology to a new level.

We are making changes to our R&D network around the world. With new facilities in Shanghai and Bangalore, we will have 40% of our R&D people based in the D&E world. This is unique, and a real source of competitive advantage.

In terms of capabilities, Genevieve will build on the strengths we already have in our science and technology base, such as:

- Spray technology used for example in Deodorants and Household Cleaners.
- Product processing expertise used, for example, in both Ice Cream and Laundry.
- Structured oils and emulsions used in Dressings as well as Skin Care.

#### **Chart 34: Leverage technology across the portfolio**

But our ambition is to accelerate the delivery of breakthroughs.

We will win by connecting disruptive science and technology with the needs and aspirations of consumers. We are setting priorities and focusing on game-changing technologies. This leads to what we call our 'Genesis' projects.

Importantly, we have found that most of these Genesis projects can be applied and leveraged across our portfolio – in Foods, Personal Care and Home Care.

#### **Chart 35: Playing the price piano**

But we will not succeed only by innovating.

In these challenging economic times, we need to ensure that we align our product offerings and marketing strategies with changing consumer needs.

In all our categories we are strengthening the portfolio at all price points – such as here in ice cream.

We have launched new Ben & Jerry's variants and Magnum Temptation products at super premium price points to encourage up-trading. But we are also strengthening our water ice range and offering family fun multi-packs to appeal to more value-oriented consumers.

### **Chart 36: Strengthen our value brands**

We are also adjusting our communication and promotional strategies.

In this country, Suave is our value hair shampoo.

Recently Suave created a website "InTheMotherhood.com", encouraging moms to look and feel beautiful without spending a lot of time or money. The website has attracted the attention of millions of moms – so much so, that it has been picked up by ABC TV. It will be the first Web-only series ever to make the transition to TV, thus significantly boosting the reach of the Suave media budget.

### **Chart 37: Strengthen our value brands**

Here is a short video.

[VIDEO SHOWN]

### **Chart 38: Agenda – Fit for Growth**

We know that our growth strategy will only succeed if it is implemented by an organisation that is able to execute brilliantly – one that is fit for growth.

Since 2005, we have embarked on a major transformation of our business model and organisation structure – the One Unilever programme. In 2007, we took action to further accelerate change.

Much progress has been made and we should complete it by 2010.

The change has been massive. Much more fundamental than most people realise. All areas of the business have been affected. And it's started to make Unilever into a simpler, faster, leaner and more efficient business.

Let me walk you through the key features.

### **Chart 39: Multi-country organisations**

First we integrated the 3 separate Unilever companies in each country –one Foods, one HPC and one Ice Cream – into a One Unilever company. Now we are grouping countries into clusters – we call them multi-country organisations or MCO's.

These changes have allowed us to move from around 200 operating units in 2004 to 29 MCO's – and this number should go down to around 20-25 by 2010.

This is a major simplification. It makes us more cost efficient as we better leverage scale in our go-to-market operations. And it also allows us to build better capabilities where it matters, for example in customer management and shopper marketing.

### **Chart 40: One Unilever in the UK**

This example shows our UK business.

In the last two years, we have moved from three separate UK businesses – each with their own boards, head offices, transaction systems etc – to a single operating company. And this has now been combined into a UK/Ireland MCO.

This has resulted in a leaner organisation with far fewer touch points. Decisions are made faster, cost is in line with external benchmarks, and the focus on the Customer is razor-sharp. And the business is now gaining market share.

UK/Ireland now serves as a model for our other businesses in Europe.

#### **Chart 41: Building regional supply chains**

One of the most important areas of transformation is the supply chain.

Historically, Unilever managed its factories and distribution networks locally, with a focus on serving local markets and customers.

We are now moving to regional supply chain companies, which are responsible for aligning the capacity of our regional manufacturing network with demand. They are also responsible for optimising our warehouse network and for transport buying at a regional level.

By 2010, we will have closed or streamlined 50 to 60 manufacturing sites out of the 300 or so we had at the end of 2006. We are well advanced with this programme.

#### **Chart 42: Radical simplification in W Europe**

The most radical simplification is taking place in Western Europe.

It was obvious to me before I joined Unilever, a year and a half ago, that our European cost structure was too heavy.

In Western Europe:

- We now have 9 multi-country organisations covering the region
- We have one single SAP system, and
- We have one single European supply chain company, based in Switzerland.

An enormous sequence of change – and as Paul Polman recently remarked: “We have been changing the engine, whilst driving the car even faster”.

#### **Chart 43: Number of managers almost halved**

As a result of the One Unilever programme and the changes that I have just described, we have in the last 3 years been able to:

- Replace half of our top management, and
- Reduce overall senior management numbers by 45%

#### **Chart 44: Restructuring is well on track**

We are well on track to deliver the restructuring programme on time and in full.

Our objective is to deliver € 1.5 billion in restructuring savings by 2010, and so far – in the last two years – we have delivered € 700 million. So there is another € 800 million to go for, and we have the right actions in place to do so.

#### **Chart 45: Disposals in 2008**

In 2008, we completed the disposal of a number of businesses with a combined turnover of around € 1.6 billion.

This includes:

- Our North American Laundry business, which we sold to Vestar Capital Partners who then merged it with Huish Detergents
- The Lawry's seasonings brand, which we sold to McCormick's.

These disposals have raised the long term growth profile of Unilever and generated returns well in excess of the retention value of the businesses we have sold. The after-tax profit on disposals for the year as a whole was €1.6 billion and the after tax cash proceeds from disposal were €1.9 billion.

### **Chart 46: Acquisitions**

We will make bolt-on acquisitions which strengthen our core categories and priority countries and which are aligned with our strategic priorities – Vitality, Personal Care and D&E. Only, of course, at the right price.

In the last 18 months, we have acquired:

- Buavita, a small Vitality drinks business in Indonesia.
- Inmarko, the leading ice cream company in Russia.

And last month, we announced the acquisition of the TIGI professional hair care business – with strong and funky brands such as Bedhead, S-Factor and Catwalk. TIGI fits nicely at the top of our hair care range.

### **Chart 47: Agenda – Priorities and Outlook**

Let me now turn to our priorities and outlook for 2009.

First, I want to make a remark about the team that is leading Unilever today.

### **Chart 48: Unilever's top management team**

This chart shows the Unilever Executive team, along with our non-executive Chairman.

### **Chart 49: A global management team**

This is a global management team for a global company.

The spread of nationalities in this team is diverse – 3 Americans, 2 Indians, and one each from Holland, Sweden, France and Zimbabwe.

### **Chart 50: Strengthened with external top talent**

The top 3 appointments – Chairman, CEO and CFO – have been filled over the last two years with executives from outside of Unilever. Two others, the president of the Americas and the Chief R&D officer, have also joined Unilever in the recent past. In fact, only 3 of the 9 are Unilever lifers.

A transformation that would have been unthinkable even 5 years ago.

Paul Polman, the new CEO, joined the company towards the end of 2008 having spent the last 3 years at Nestle and before 26 years with Procter and Gamble.

Paul is now very much in the business and driving change.

Let me now turn to the initiatives which Paul and the leadership team are pushing and the priorities we have set for ourselves.

## **Chart 51: Priorities for 2009**

Whilst the global economic downturn has impacted consumers everywhere, we will use the economic crisis as a catalyst to act faster and more decisively – to galvanise the actions necessary to take Unilever to the next stage of its evolution.

We have made clear, measurable progress in the development of the business and in our competitiveness but now we plan to set the bar even higher.

And this means, in particular, stepping up volume growth – consistently, sustainably and profitably. It means putting the consumer and customer very firmly at the heart of all that we do.

We believe that this is the surest way to create long term value for our shareholders.

To support this we will take further action to remove cost from the business – over and above what we have already planned. This will allow us to protect cash flow and margins whilst reinvesting savings behind our brands.

Let me now turn to the specific actions we are taking to reignite volume growth.

## **Chart 52: Strengthen brands and portfolio**

Following the price increases taken in 2008 to offset unprecedented input cost increases, we will now make sure that the price positioning of our brands is not out of step with the market – in specific categories and in specific countries.

If we have gaps versus our competitive set, we will address them and we are already reviewing 30-day 'fix-it' plans.

Second we will drive innovation harder and faster. We will bring some innovations forward from 2010, and we will rollout our most successful innovations more quickly to more markets.

Third, we will continue to strengthen our portfolios in the value segment.

And fourth, we will look for investment opportunities in those developing countries where our presence is less developed and where the current crisis is likely to hit hard, specifically in Russia and China.

At the same time, we will improve our go to market capabilities.

### **Chart 53: Improve go-to-market capabilities**

We are integrating all the different supply chain functions under a global Chief Supply Chain Officer, David Blanchard, who reports to me. By doing so, we aim to be more cost effective whilst improving service levels and consumer and customer satisfaction.

We will also strengthen our customer development operations – sharpening our focus on faster growing, more successful customers.

We have opened our new Customer Innovation Centre in Englewood Cliffs and customers are already coming through the doors. This facility will allow us to build excellence in shopper marketing and understanding, and to work collaboratively with customers to grow both their business and ours.

And we also aim to sharpen our organisation and culture.

### **Chart 54: Sharpen organisation and culture**

We have announced leadership changes in the last few days which will strengthen key category and country operations. More particularly we are building the profile of our category leadership positions.

We are also reducing the time horizon of the variable pay scheme, from 12 months to 6 months, to quickly align the organisation behind the new key performance metrics of volume growth, underlying operating margin and working capital – the last being another important and measurable component of cash generation.

Now let me turn to the actions we are taking to protect cash flow and margins.

### **Chart 55: Protect cash flow and margin**

On top of the remainder of the restructuring programme mentioned earlier in the presentation, on top of the normal level of buying and efficiency savings we generate each year and on top of any tailwinds we receive in the back half of the year from commodity cost reductions, we have announced further belt tightening measures.

These include:

- The freezing of management salaries
- The bringing forward of management headcount reduction, and
- Substantial cuts in many parts of our discretionary spending.

In addition we are determined to use our scale to buy better. In this respect we recently appointed a global Chief Procurement Officer.

Finally we will continue to increase the efficiency of our spending in marketing and sales.

All these together will give us headroom to invest more in our brands and in our products, whilst protecting margins and cash generation.

Now let me turn to outlook.

## Chart 56: Outlook

The global economic climate is more difficult than any of us have ever seen.

The extent of the economic downturn is very difficult to predict. I am not going to pretend to know – how long it will last, how deep it will be, when it will turn and how fast it will then recover.

In these circumstances, we believe it is important to focus on the things we should do in the short term to further strengthen our competitive position.

As I said earlier, our priorities for 2009 will be to reignite volume growth whilst protecting margins and the strong cash generation capacity of our business.

We no longer wish to target the business to deliver an operating margin in excess of 15% in 2010. This target was set at a very different time and in very different circumstances.

To be clear, we do not consider the 15% margin target for 2010 to be unobtainable. What we do feel is that to be locked into delivering the 15% is ill-advised.

We need to ensure that we focus on creating long term value for our shareholders in today's climate. Hence, our focus on volume growth and strengthening the competitive position of our brands.

The progress Unilever has made in recent years is clear and encouraging. We have great brands, an unrivalled geographic reach and leadership positions in 70% of our business.

We will use the current economic downturn to galvanise action that will bring Unilever more quickly to the next stage in our evolution.

I have no doubt that we will be able to lift the growth profile of the business while steadily improving margins.

With that, ladies and gentlemen, I am happy to take questions.

**Chart 57: Questions**

[LIPTON TEA BREAK]