

**CONSOLIDATED PROFIT AND LOSS ACCOUNT – CONSTANT EXCHANGE RATES (unaudited)**

Note: A description of the exchange rate conventions used is given on page 13.

Second Quarter			£ Millions – constant rates	Half Year		
2004	2003	% Incr./ (Decr.)		2004	2003	% Incr./ (Decr.)
7,488	7,716	(3)%	<b>TURNOVER</b>	14,254	14,631	(3)%
(38)	(40)		Less: Share of turnover of joint ventures	(69)	(90)	
7,450	7,676	(3)%	<b>Group turnover</b>	14,185	14,541	(2)%
914	858	6%	<b>Group operating profit</b>	1,671	1,731	(3)%
8	9		Add: Share of operating profit of joint ventures	15	17	
922	867	6%	<b>OPERATING PROFIT</b>	1,686	1,748	(4)%
1,115	1,138	(2)%	Operating profit beia *	2,121	2,151	(1)%
2	(60)		Exceptional items	(45)	(14)	
(195)	(211)		Amortisation of goodwill and intangible assets	(390)	(389)	
8	11		Share of operating profit of associates	15	3	
14	(10)		Other income from fixed investments	15	(8)	
(118)	(159)		Interest	(232)	(305)	
(17)	(29)		Other finance income/(cost) - pensions and similar obligations	(32)	(58)	
809	680	19%	<b>PROFIT BEFORE TAXATION</b>	1,452	1,380	5%
(240)	(253)		Taxation	(480)	(474)	
569	427	33%	<b>PROFIT AFTER TAXATION</b>	972	906	7%
(37)	(32)		Minority interests	(74)	(78)	
532	395	34%	<b>NET PROFIT</b>	898	828	8%
716	650	10%	<b>Net profit beia *</b>	1,304	1,201	9%
<b>COMBINED EARNINGS PER SHARE</b> (Constant rates)						
8.20	6.02		- per 1.4p ordinary PLC share (pence)	13.81	12.61	
11.08	9.96		- per 1.4p ordinary PLC share – beia * (pence)	20.13	18.37	
7.96	5.84		- per 1.4p ordinary PLC share – diluted (pence)	13.40	12.24	

\* Before exceptional items and amortisation of goodwill and intangible assets

**NET PROFIT AND EARNINGS PER SHARE – CURRENT EXCHANGE RATES (unaudited)**

Net profit and earnings per share given below are stated at current exchange rates i.e. the results in both years have been translated at the exchange rates prevailing during the appropriate period.

For further details of the results at current exchange rates and impact of exchange rate movements see notes on page 13.

<b>Second Quarter</b>			£ Millions – current rates	<b>Half Year</b>		
<b>2004</b>	<b>2003</b>	<b>% Incr./ (Decr.)</b>		<b>2004</b>	<b>2003</b>	<b>% Incr./ (Decr.)</b>
501	397	26%	<b>NET PROFIT</b>	853	823	4%
677	652	4%	<b>Net profit beia *</b>	1,237	1,197	3%
<b>COMBINED EARNINGS PER SHARE (Current rates)</b>						
7.73	6.03		- per 1.4p ordinary PLC share (pence)	13.11	12.52	
10.45	9.98		- per 1.4p ordinary PLC share – beia * (pence)	19.08	18.30	
7.49	5.85		- per 1.4p ordinary PLC share – diluted (pence)	12.71	12.15	

\* Before exceptional items and amortisation of goodwill and intangible assets

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)**

£ Millions – current rates	<b>Half Year</b>	
	<b>2004</b>	<b>2003</b> Restated
Net profit	853	823
Pension – actuarial gains / (losses) net of tax	(28)	(36)
Currency retranslation	(341)	500
Total recognised gains since last annual accounts	484	1,287

**MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)**

£ Millions – current rates

	<b>Half Year</b>	
	<b>2004</b>	<b>2003</b>
		Restated
Shareholders' equity as at 1 January	4,190	3,058
Net profit	853	823
Dividends	7	7
Goodwill written back on disposals	3	7
Change in number of shares or certificates of shares held in connection with share options	(248)	(262)
Actuarial gains / (losses) on pension schemes net of tax	(28)	(36)
Share option credit	82	58
Currency retranslation	(346)	530
Shareholders' equity as at the end of the period	<u>4,513</u>	<u>4,185</u>

**SUMMARY BALANCE SHEET (unaudited)**

£ Millions – current rates

	<b>As at 26 June 2004</b>	<b>As at 31 December 2003</b>	<b>As at 28 June 2003</b>
Goodwill and intangible assets	11,669	12,535	13,436
Other fixed assets	4,607	4,850	5,199
Stocks	2,877	2,955	3,266
Debtors	4,382	4,162	4,989
Cash and current investments	2,320	2,367	2,016
Trade and other creditors	(6,612)	(7,292)	(7,300)
	<u>19,243</u>	<u>19,577</u>	<u>21,606</u>
Borrowings	10,890	11,252	13,150
Provisions for liabilities and charges (excluding pensions and similar obligations)	1,000	1,164	1,323
Net pension asset for funded schemes in surplus	(382)	(347)	(259)
Net pension liability for funded schemes in deficit	1,163	1,153	952
Net pension liability for unfunded schemes	1,801	1,854	1,964
Minority interests	258	311	291
Capital and reserves	<u>4,513</u>	<u>4,190</u>	<u>4,185</u>
	<u>19,243</u>	<u>19,577</u>	<u>21,606</u>

Amounts for June 2003 have been restated following a number of reclassifications, principally the presentation of net pension assets for funded schemes in surplus.

**CASH FLOW STATEMENT (unaudited)**

£ Millions – current rates

	<b>Half Year</b>	
	<b>2004</b>	<b>2003</b>
Cash flow from group operating activities	1,720	1,705
Dividends from joint ventures	2	7
Returns on investments and servicing of finance	(241)	(358)
Taxation	(388)	(447)
Capital expenditure and financial investment	(454)	(504)
Acquisitions and disposals	(4)	13
Dividends paid on ordinary share capital	(649)	(731)
<b>CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>	(14)	(315)
Management of liquid resources	(592)	242
Financing	283	(322)
<b>INCREASE / (DECREASE) IN CASH IN THE PERIOD</b>	(323)	(395)

**RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT (unaudited)**

£ Millions – current rates

	<b>Half Year</b>	
	<b>2004</b>	<b>2003</b>
<b>NET DEBT AT 1 JANUARY</b>	(8,885)	(11,036)
<b>INCREASE / (DECREASE) IN CASH IN THE PERIOD</b>	(323)	(395)
Cash flow from (increase)/decrease in borrowings	(186)	322
Cash flow from sale and leaseback transaction	(97)	-
Cash flow from increase/(decrease) in liquid resources	592	(242)
Change in net debt resulting from cash flows	(14)	(315)
Borrowings within group companies acquired	-	(18)
Borrowings within group companies sold	28	3
Liquid resources within group companies sold	(1)	(2)
Non cash movements	(425)	186
Currency retranslation	630	48
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	218	(98)
<b>NET DEBT AT PERIOD END</b>	(8,667)	(11,134)

**GEOGRAPHICAL ANALYSIS (at constant rates – unaudited)**

Second Quarter			£ Millions – constant rates	Half Year		
2004	2003	% Incr./ (Decr.)		2004	2003	% Incr./ (Decr.)
7,488	7,716	(3)%	<b>TURNOVER</b>	14,254	14,631	(3)%
3,165	3,393	(7)%	Europe	5,933	6,299	(6)%
1,769	1,736	2%	North America	3,339	3,373	(1)%
585	586	0%	Africa, Middle East and Turkey	1,087	1,105	(2)%
1,221	1,251	(2)%	Asia and Pacific	2,381	2,399	(1)%
748	750	0%	Latin America	1,514	1,455	4%
1,115	1,138	(2)%	<b>OPERATING PROFIT – beia *</b>	2,121	2,151	(1)%
501	568	(12)%	Europe	932	1,036	(10)%
272	238	14%	North America	476	452	5%
81	70	15%	Africa, Middle East and Turkey	142	127	11%
154	176	(13)%	Asia and Pacific	321	354	(9)%
107	86	24%	Latin America	250	182	37%
14.9%	14.8%		<b>OPERATING MARGIN – beia *</b>	14.9%	14.7%	
15.8%	16.7%		Europe	15.7%	16.4%	
15.4%	13.7%		North America	14.3%	13.4%	
13.9%	12.1%		Africa, Middle East and Turkey	13.0%	11.5%	
12.6%	14.1%		Asia and Pacific	13.5%	14.8%	
14.4%	11.5%		Latin America	16.5%	12.5%	

\* Before exceptional items and amortisation of goodwill and intangible assets

**OPERATIONAL ANALYSIS (at constant rates – unaudited)**

Second Quarter			£ Millions – constant rates	Half Year		
2004	2003	% Incr./ (Decr.)		2004	2003	% Incr./ (Decr.)
7,488	7,716	(3)%	<b>TURNOVER</b>	14,254	14,631	(3)%
4,316	4,526	(5)%	Foods	8,017	8,353	(4)%
1,514	1,501	1%	Savoury and dressings	2,914	2,883	1%
803	858	(6)%	Spreads and cooking products	1,568	1,692	(7)%
594	646	(8)%	Health & wellness and beverages	1,162	1,239	(6)%
1,405	1,521	(8)%	Ice cream and frozen foods	2,373	2,539	(7)%
1,198	1,242	(4)%	Home care	2,409	2,476	(3)%
1,927	1,906	1%	Personal care	3,727	3,703	1%
47	42	12%	Other operations	101	99	2%
1,115	1,138	(2)%	<b>OPERATING PROFIT – beia *</b>	2,121	2,151	(1)%
676	717	(6)%	Foods	1,207	1,227	(2)%
252	203	24%	Savoury and dressings	497	443	12%
121	124	(2)%	Spreads and cooking products	250	251	0%
78	76	3%	Health & wellness and beverages	158	159	0%
225	314	(28)%	Ice cream and frozen foods	302	374	(19)%
125	160	(22)%	Home care	294	319	(8)%
316	258	22%	Personal care	624	606	3%
(2)	3	(159)%	Other operations	(4)	(1)	(464)%
14.9%	14.8%		<b>OPERATING MARGIN – beia *</b>	14.9%	14.7%	
15.7%	15.8%		Foods	15.1%	14.7%	
16.7%	13.6%		Savoury and dressings	17.1%	15.4%	
15.1%	14.5%		Spreads and cooking products	15.9%	14.8%	
13.2%	11.7%		Health & wellness and beverages	13.7%	12.8%	
16.0%	20.6%		Ice cream and frozen foods	12.7%	14.7%	
10.4%	12.9%		Home care	12.2%	12.9%	
16.4%	13.5%		Personal care	16.7%	16.4%	
(4.9)%	9.2%		Other operations	(4.4)%	(0.8)%	

\* Before exceptional items and amortisation of goodwill and intangible assets

**Earnings per share in Sterling for the half year**

	<b>Constant rates</b>		<b>Current rates</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
	Thousands of units			
Average number of combined share units of 1.4p	6,433,454	6,476,222	6,433,454	6,476,222
	£ Millions			
<b><u>COMBINED EPS</u></b>				
Net profit	898	828	853	823
Less: Preference dividends	(10)	(12)	(9)	(12)
Net profit attributable to ordinary capital	<u>888</u>	<u>816</u>	<u>844</u>	<u>811</u>
Combined EPS per 1.4p	<u>13.81</u>	<u>12.61</u>	<u>13.11</u>	<u>12.52</u>
	£ Millions			
<b><u>COMBINED EPS – beia *</u></b>				
Net profit	898	828	853	823
Add back exceptional items net of tax	36	1	39	1
Add back amortisation of goodwill / intangible assets net of tax	370	372	345	373
Net profit beia *	<u>1,304</u>	<u>1,201</u>	<u>1,237</u>	<u>1,197</u>
Less: Preference dividends	(10)	(12)	(9)	(12)
Net profit attributable to ordinary capital – beia *	<u>1,294</u>	<u>1,189</u>	<u>1,228</u>	<u>1,185</u>
Combined EPS – beia * per 1.4p	<u>20.13</u>	<u>18.37</u>	<u>19.08</u>	<u>18.30</u>
	Thousands of units			
<b><u>COMBINED EPS – Diluted</u></b>				
Adjusted average combined share units of 1.4p	6,632,384	6,673,136	6,632,384	6,673,136
	£ Millions			
Net profit attributable to ordinary capital	<u>888</u>	<u>816</u>	<u>844</u>	<u>811</u>
Combined diluted EPS per 1.4p	<u>13.40</u>	<u>12.24</u>	<u>12.71</u>	<u>12.15</u>

\* Before exceptional items and amortisation of goodwill and intangible assets