



SECOND QUARTER AND HALF YEAR RESULTS 2005

Encouraging progress towards restoring top line growth and increased competitiveness.

FINANCIAL HIGHLIGHTS

(unaudited)

Second Quarter 2005			€ million	Half Year 2005		
Current rates	Current rates	Constant rates		Current rates	Current rates	Constant rates
			Continuing operations:			
10 222	1%	2%	Turnover	19 367	2%	3%
1 265	(18)%	(18)%	Operating profit	2 657	(7)%	(6)%
1 124	(20)%	(20)%	Pre-tax profit	2 382	(8)%	(7)%
787	(26)%	(26)%	Net profit from continuing operations	1 751	(6)%	(6)%
			Total operations:			
0.75	(29)%	(29)%	EPS - NV (Euros)	1.71	(6)%	(6)%
11.19	(29)%	(29)%	EPS - PLC (Euro cents)	25.63	(6)%	(6)%

KEY FEATURES OF THE QUARTER

- Underlying sales grew by 3.3%, entirely from volume.
- Overall market shares have been stabilised since the start of the year.
- Underlying profitability was robust, with savings programmes and a better mix largely offsetting higher input costs and increased marketing investment.
- Operating profit of €1.3 billion includes €353 million write-down on *Slim-Fast*.

CHIEF EXECUTIVE'S COMMENT AND OUTLOOK

The second quarter marks another encouraging step as we execute our plans to improve top line performance. We have strengthened our innovation programme and halted the decline in overall market share.

We are making good progress against our business priorities. Developing and emerging markets are once again a key driver of growth for Unilever, with strong sales in buoyant markets, and in personal care the improvement made in the first quarter has been sustained. Conditions in Western Europe generally remain difficult and we have more to do to improve our competitiveness there.

We have made major changes in the way the business is organised and I am pleased that these are gaining traction. The focus on competitiveness is translating into more and better innovation, into keener pricing of our products and sharper execution in the way in which we bring our brands to the market.

We continue to drive cost efficiency through our savings programmes and these are being reinforced as we integrate our foods and home and personal care

operations around the world. This has meant that so far this year we have largely contained the impact on operating margin of higher input costs and the increased level of investment behind our brands.

The meal replacement category declined further in the first half year. While this is less than 1% of our business, the reduced market size requires an additional write-down on *Slim-Fast* which affects operating profit and earnings per share in the quarter.

Looking forward, we do not expect significant change in the market environment in the rest of the year. Input costs and investment behind our brands will increase the pressure on margins. Against this background we remain focused on the job of improving our competitiveness and restoring top line growth.

Patrick Cescau

Group Chief Executive

4 August 2005