

STERLING SUPPLEMENT TO THE UNILEVER THIRD QUARTER AND NINE MONTHS RESULTS 2008

This document is a supplement to the Unilever third quarter and nine months results 2008 and is prepared for reference purposes only. Unilever's reporting currency is the euro. The income statement and cash flow statement are translated at rates current in each period. These rates were €1 = £0.78 for the first nine months of 2008 and €1 = £0.68 for the first nine months of 2007. The balance sheet is translated at period-end rates of exchange. These were €1 = £0.80 at 30 September 2008, €1 = £0.73 at 31 December 2007 and €1 = £0.70 at 30 September 2007.

INCOME STATEMENT

(unaudited)

Third Quarter				£ million	Nine Months			
2008	2007	Increase/ (Decrease)			2008	2007	Increase/ (Decrease)	
		Current rates	Constant rates			Current rates	Constant rates	
Continuing operations:								
8 276	6 964	19%	7%	Turnover	23 724	20 496	16%	6%
1 993	953	109%	94%	Operating profit	4 459	2 806	59%	48%
660	(149)			After (charging)/crediting: Restructuring, business disposals and other items	800	(280)		
(48)	(42)			Net finance costs	(158)	(137)		
22	34			Finance income	61	82		
(96)	(105)			Finance costs	(297)	(293)		
26	29			Pensions and similar obligations	78	74		
26	16			Share in net profit/(loss) of joint ventures	83	55		
1	–			Share in net profit/(loss) of associates	7	34		
4	4			Other income from non-current investments	12	25		
1 976	931	112%	97%	Profit before taxation	4 403	2 783	58%	46%
(623)	(204)			Taxation	(1 204)	(568)		
1 353	727	86%	72%	Net profit from continuing operations	3 199	2 215	44%	33%
–	–			Net profit/(loss) from discontinued operations	–	51		
1 353	727	86%	72%	Net profit for the period	3 199	2 266	41%	30%
Attributable to:								
55	41			Minority interests	160	124		
1 298	686	89%	74%	Shareholders' equity	3 039	2 142	42%	30%
Combined earnings per share								
0.46	0.24	93%	78%	Continuing operations (Sterling)	1.08	0.73	49%	36%
0.44	0.23	93%	78%	Continuing operations – diluted (Sterling)	1.04	0.70	49%	36%
–	–			Discontinued operations (Sterling)	–	0.01		
–	–			Discontinued operations – diluted (Sterling)	–	0.02		
0.46	0.24	94%	78%	Total operations (Sterling)	1.08	0.74	45%	33%
0.44	0.23	94%	78%	Total operations – diluted (Sterling)	1.04	0.72	45%	33%

CASH FLOW STATEMENT

(unaudited)

£ million

	Nine Months	
	2008	2007
<u>Operating activities</u>		
Cash flow from operating activities	2 504	2 343
Income tax paid	(582)	(589)
Net cash flow from operating activities	1 922	1 754
<u>Investing activities</u>		
Interest received	67	71
Net capital expenditure	(563)	(429)
Acquisitions and disposals	1 167	23
Other investing activities	41	143
Net cash flow from/(used in) investing activities	712	(192)
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(1 069)	(1 027)
Interest and preference dividends paid	(233)	(224)
Change in financial liabilities	323	938
Share buy-back programmes	(1 172)	(774)
Other movements on treasury stock	31	194
Other financing activities	(123)	(319)
Net cash flow from/(used in) financing activities	(2 243)	(1 212)
Net increase/(decrease) in cash and cash equivalents	391	350
Cash and cash equivalents at the beginning of the year	661	477
Effect of foreign exchange rate changes	(278)	50
Cash and cash equivalents at the end of period	774	877

BALANCE SHEET

(unaudited)

£ million	As at 30 September 2008	As at 31 December 2007	As at 30 September 2007
Non-current assets			
Goodwill	9 637	8 989	8 515
Intangible assets	3 600	3 312	3 209
Property, plant and equipment	4 943	4 614	4 376
Pension asset for funded schemes in surplus	1 435	1 474	1 675
Deferred tax assets	763	736	671
Other non-current assets	1 186	974	849
Total non-current assets	21 564	20 099	19 295
Current assets			
Inventories	3 497	2 859	2 881
Trade and other current receivables	4 154	3 079	3 492
Current tax assets	131	269	183
Cash and cash equivalents	1 032	806	1 095
Other financial assets	279	159	165
Non-current assets held for sale	158	117	102
Total current assets	9 251	7 289	7 918
Current liabilities			
Financial liabilities	(3 566)	(3 059)	(3 562)
Trade payables and other current liabilities	(6 608)	(5 886)	(5 847)
Current tax liabilities	(790)	(289)	(416)
Provisions	(585)	(711)	(539)
Liabilities associated with non-current assets held for sale	(33)	(9)	(30)
Total current liabilities	(11 582)	(9 954)	(10 394)
Net current assets/(liabilities)	(2 331)	(2 665)	(2 476)
Total assets less current liabilities	19 233	17 434	16 819
Non-current liabilities			
Financial liabilities due after one year	4 671	4 026	3 457
Non-current tax liabilities	170	171	161
Pensions and post-retirement healthcare benefits liabilities:			
Funded schemes in deficit	641	607	611
Unfunded schemes	1 687	1 667	1 635
Provisions	590	510	528
Deferred tax liabilities	945	891	899
Other non-current liabilities	156	150	168
Total non-current liabilities	8 860	8 022	7 459
Equity			
Shareholders' equity	10 022	9 095	9 006
Minority interests	351	317	354
Total equity	10 373	9 412	9 360
Total capital employed	19 233	17 434	16 819