



## Venezuela price inflation

Unilever does not apply hyperinflationary accounting to Venezuela as the impact on reported turnover and profit is not material and does not justify the additional cost of applying hyperinflation accounting. We consolidate using the rate at which we last remitted dividends which was updated to 4,500Bs/USD at the end of September 2017.

In recent months inflation in Venezuela has increased significantly and was well above 1000% in the fourth quarter of 2017.

Our Underlying Sales Growth (USG) calculation is primarily based on using constant exchange rates so as to exclude the impact of the movement in foreign exchange rates. However it also excludes price growth from countries where inflation rates have escalated to extreme levels, and where management forecast that this situation is going to continue for an extended period of time. On this basis as with effect from 1st October 2017 Venezuelan price growth is excluded from the USG calculation and will be treated as a movement in foreign exchange. It will be excluded until at least 30 September 2018 when the situation will be reassessed.

Note: In the first 9 months, price growth in Venezuela contributed around 40bps to total Unilever USG.

In the case of any questions, please call the Unilever Investor Relations team on: +44 (0) 20 7822 6830 or email [investor.relations@unilever.com](mailto:investor.relations@unilever.com)

