

Istanbul 2011: Setting the Scene

Jean-Marc Huët - CFO



Key takeaways



- 1 The transformation of Unilever is well underway
- 2 There are significant untapped opportunities
- 3 There is still more to do

Continuing to build a track record of superior, consistent performance

Our strategy is clear and well understood

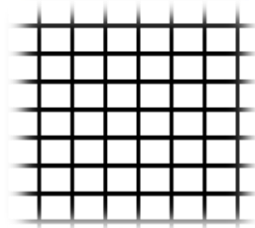


Conglomerate

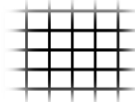


One Unilever

2005
Pre-One
Unilever



2007
One
Unilever



2008
MCO's



Today

THE COMPASS

WE ARE UNILEVER...

VISION	We are a successful, growing, sustainable business	We work to create a better future every day. We help people feel good, look good and get more out of life with brands and services that are good for them and good for others. We will inspire people to take small everyday actions that can add up to a big difference for the world. We will develop new ways of doing business with the aim of doubling the size of our company while reducing our environmental impact.
BEHAVIOURS	We focus on consumers and customers with a bias for action	Our first priority is to our consumers, then customers, employees and communities. When we fulfil our responsibilities to them, our shareholders will be rewarded. We will win through a growth mentality and a positive approach to all our stakeholder, based on clear accountability and bias for action.

WHERE WE WILL WIN...

PRIORITIES
 Win share and grow volume in every category and country

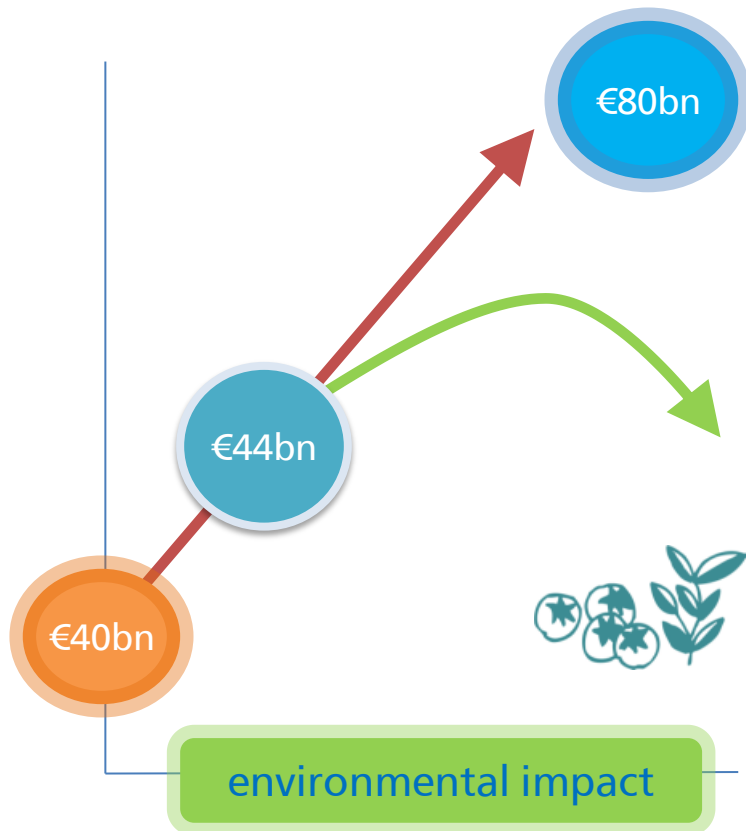
HOW WE WILL WIN...

NON-NEGOTIABLES	Winning with brands and innovation	1	Deliver superior products, design, branding and marketing
	Winning in the marketplace	2	Bigger, better, faster innovations
		3	Appeal to more consumers; across needs and price points
		4	Lead market development
	Winning through continuous improvement	5	Win with winning customers
		6	Be an execution powerhouse
		7	Lean, responsive and consumer led value chain
		8	Drive return on brand support
	Winning with people	9	Agile, cost competitive organisation
		10	Organisation and diverse talent pipeline ready to match our growth ambitions
		11	Performance culture which respects our values
		12	Leverage our operating framework for competitive advantage

The USLP is an integral part of our business model



Doubling the size of the business,
reducing the environmental impact



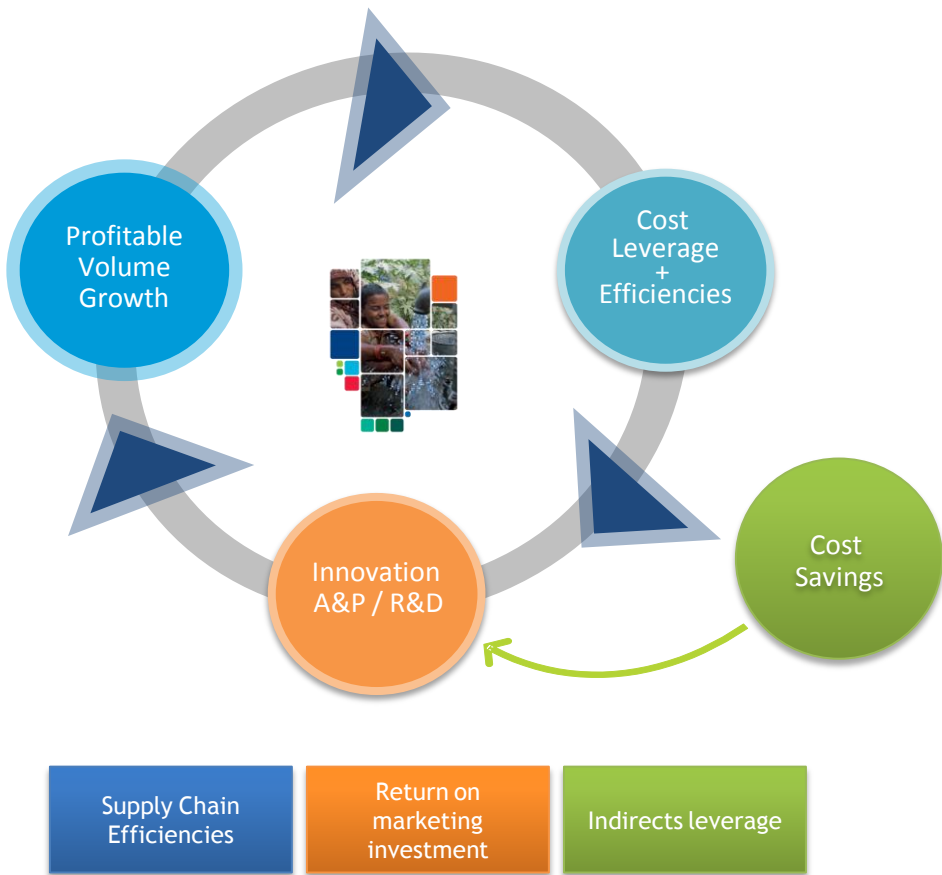
Unilever Sustainable Living Plan



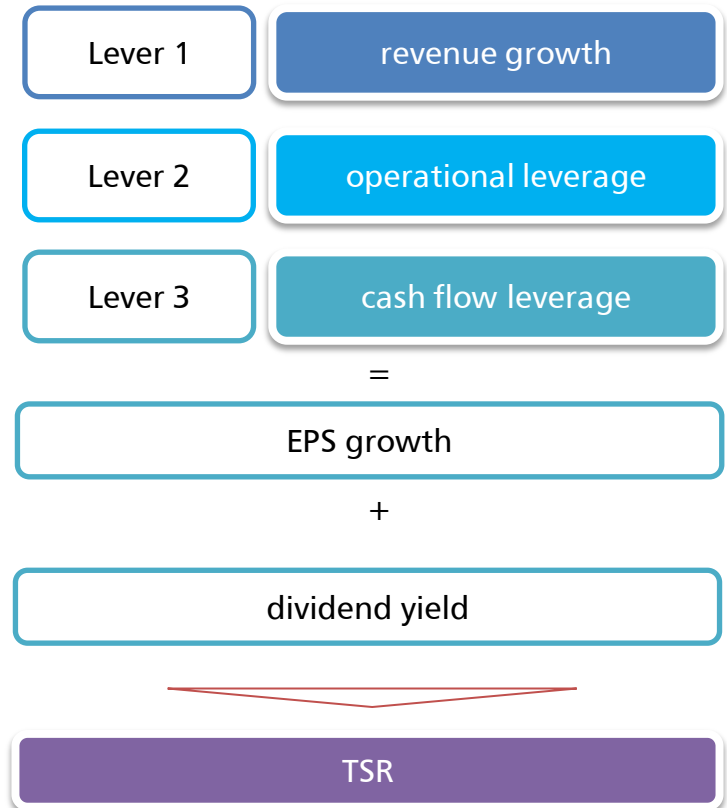
We have a business model that works



Embedding the virtuous circle of growth



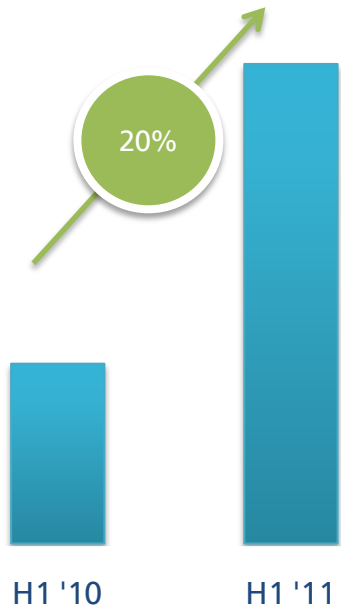
Financial Growth Model



Our innovations are bigger, better and faster



Bigger innovations

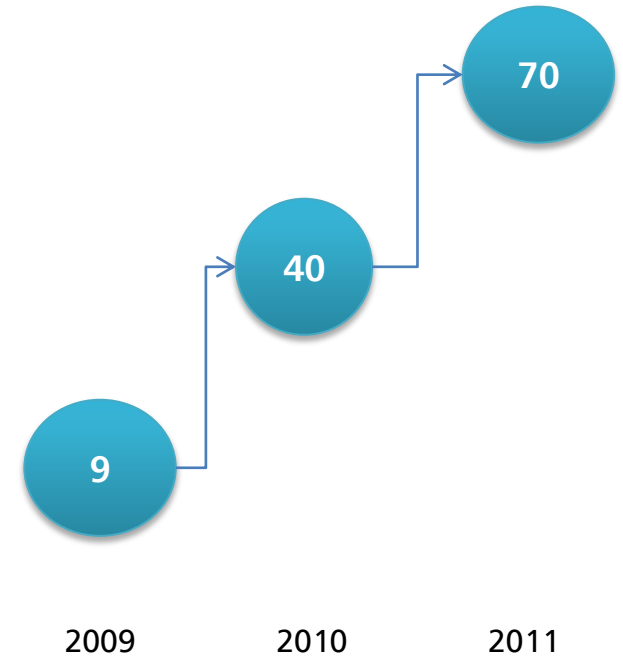


Top 10 projects Δ turnover

Better quality



Faster roll-outs

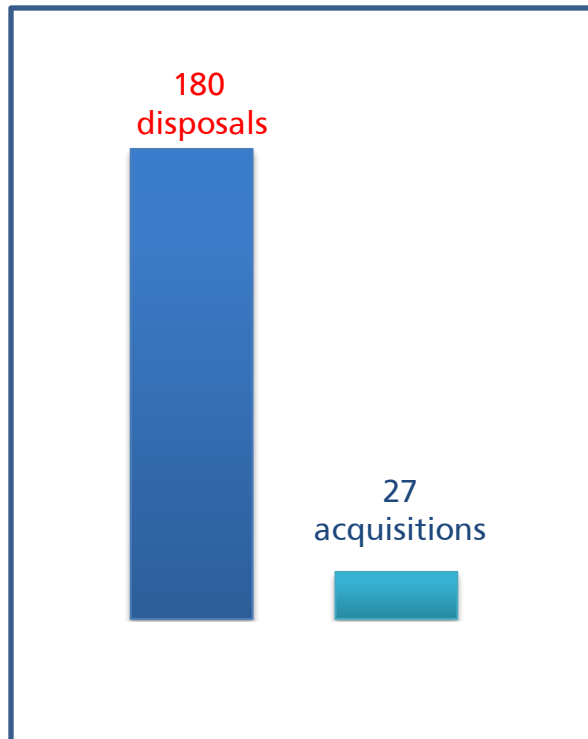


10+ countries roll outs

Our strategy is enhanced by bolt-on acquisitions



Last 10 years



2009 - Today

€5bn spent on acquisitions:

- 14 acquisitions
- 7 in emerging markets
- >80% Turnover in PC



M&A is now accretive to turnover - the first time in 10 years

We are leveraging global scale in IT and services



From:	Fragmented systems >200	Decentralised	Internally focused
To:	Core ERP platform 4 ERP / 1 Global HR	Centralised Enterprise Support	Connected to customers and suppliers
Benefit	Speed, transparency and compliance	Disciplined approach, better service, lower cost	Better customer service, shopper insights

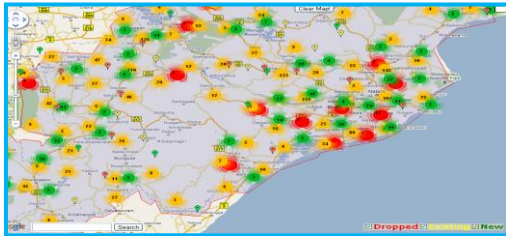
New technology enabling new ways of working - reducing cost and carbon

Repositioning IT to help drive growth



Supporting Customer Development

Improving coverage, quality of information and insights in traditional trade



- More stores
- More perfect stores

Fast integration of acquisitions



- Integrated in 6 months

Supporting Brands

- Global Digital capability



- Global partnerships
- Common technology platform

A more effective organisation – faster, fewer touchpoints



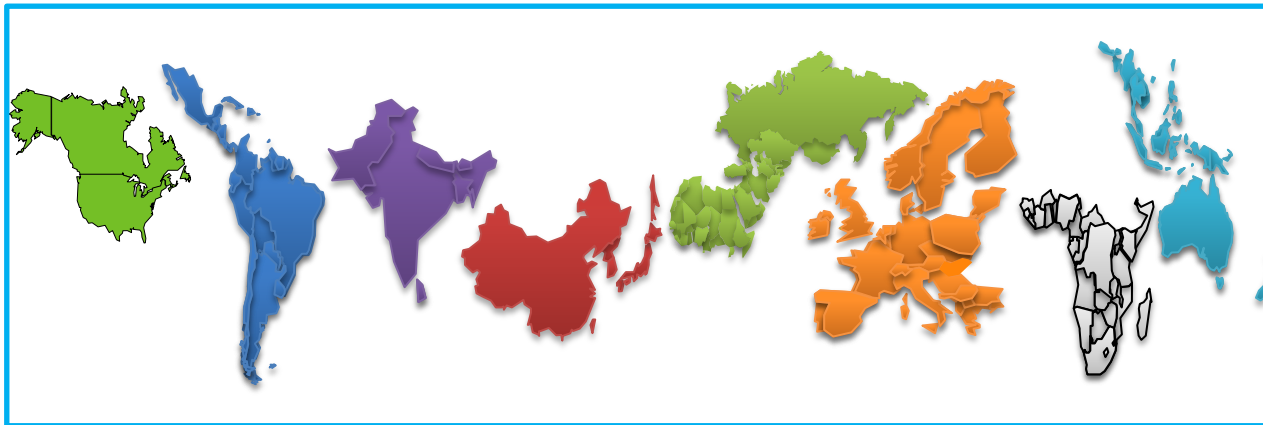
Personal Care

8 clusters

Food



Home Care



Refreshment

Achieving the benefits of scale whilst ensuring local proximity

There are significant untapped opportunities



Winning in the Markets: 'Straddling the Pyramid'



Reaching Down

Competing for non-users at the "bottom of the pyramid"



Reaching Up

Competing for share gain & premiumisation



Reaching Wide

Be first and fast in "white spaces"



And there is still substantial work to be done



- 1
- 2
- 3
- 4

Winning with brands and innovation

Winning in the marketplace

Winning through continuous improvement

Winning with people

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Build stronger brands

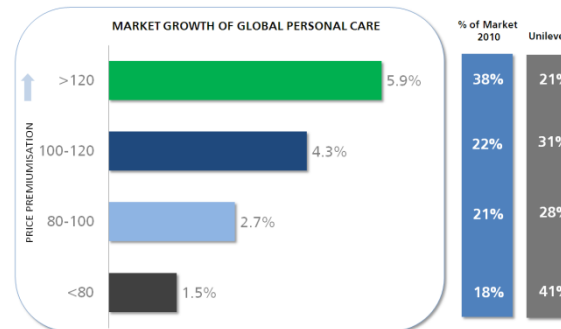
Drive mix through premiumisation

Need for bigger, better innovation

Innovate on the Core: Dove Hair Damage Therapy



Premiumisation: Reaching up – Market Premiumisation



Building another Storey: Innovation



Perfect stores:
continue to roll-out



Drive channels:
↑ drugstores & pharmacy

Drive market
development



Reaching Wide
Be First and Be Fast in "white spaces"



- Geography fill**  Build stronger presence in Central Africa and Central Asia
- Portfolio fill**  Increase brand coverage
- Consumer segment fill**  Fully deploy Male Grooming, Afro-Beauty, Safe Water.
- Channel fill** 
 - Double UL business in Drug stores
 - Establish presence in e-commerce.

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3 Further drive continuous improvement



Maximise return on investment

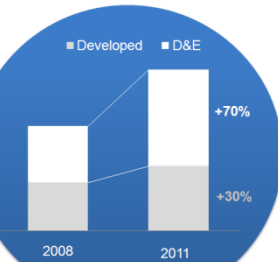
Maximising global scale and local agility

Rigorous control end-to-end SC costs

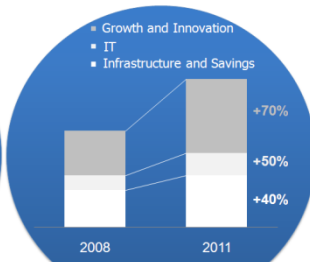
Step-up in CapEx to fuel growth



Increased focus on D&E



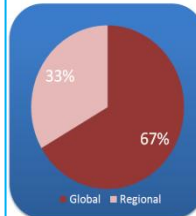
Increased focus on growth and innovation



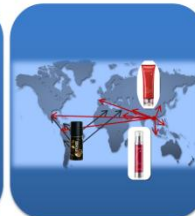
Global Scale



€31bn Procurement

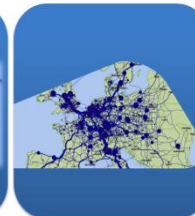


Global Sourcing from Low Cost Countries



D&E >150 of 260 Factories

Scale in Logistics



Improving margins through Cost Excellence Low Cost Business Models



Replicable E2E Solutions

- Demand Volatility Management
- Network Redesign
- Direct Deliveries
- Product Formulation
- Improved A&P and TTS Investment
- Indirects Management

Significant potential*



Reaping the benefits



* Operating Margin Improvement for Products in scope LCB

Fully aligned organisation

Reward linked to performance

Continuously raise the bar

Goal Setting and 3+1s



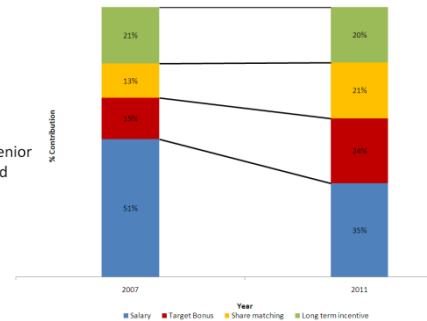
- Everyone in Unilever have 3 business goals and 1 development goal
- This is about aligning everyone's actions and getting things done
- Clear direction on key priorities
- KPIs and targets to focus employees' actions and assess results
- Aligned to Compass from the top right down to the rank and file

Reward linked to Performance

- Shift towards more variable basis



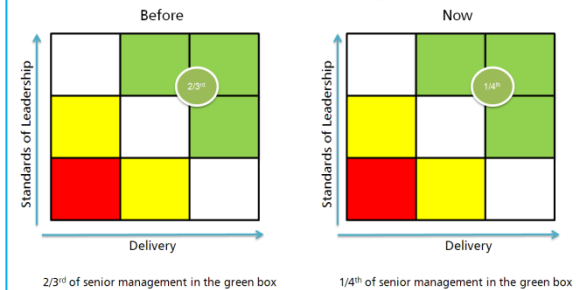
Reward linked to Performance is reflected in the changes to the composition of senior managers' reward package



Sharper in our differentiation



Leadership Ranking



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