

Unilever in 1983



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Unilever

The Unilever group of companies provides a wide range of products and services in some 75 countries, employing about 270 000 people. In most of these countries the products are manufactured locally. Unilever has existed for more than 50 years as a group, but can trace its roots much further back than that.

There are two parent companies: Unilever N.V., Rotterdam, and Unilever PLC, London, which operate as nearly as practicable as a single company. They have identical Boards of Directors and are linked by a series of agreements of which the principal is the Equalisation Agreement. Amongst other things, this requires as a general rule the dividends and other rights and benefits attaching to each Fl. 12 nominal of ordinary capital of N.V. to be equal in value at the relevant sterling/guilder rate of exchange to those attaching to each £1 nominal of ordinary share capital of PLC as if each such unit formed part of the ordinary capital of one and the same company. The combined affairs of N.V. and PLC are, therefore, more important to shareholders than those of the two separate companies and this Review deals with the operations and results of Unilever as a whole. Unilever shares are listed in London, Amsterdam, New York and on many stock exchanges in Continental Europe.

The larger part of Unilever's business is in branded and packaged consumer goods: mainly foods, detergents and toilet preparations. The foods include margarine, other fats and oils, ice cream, frozen and other convenience products, meat, fish, tea and other drinks.

Unilever's other activities include chemicals, paper, plastics and packaging, animal feeds, transport and tropical plantations. UAC International, also a Unilever company, has substantial interests in Africa and other parts of the world in diverse industrial ventures, and as merchants and specialist distributors.

Directors

H. F. van den Hoven
*Chairman N.V.,
Vice-Chairman PLC*

K. Durham
*Chairman PLC,
Vice-Chairman N.V.*

Sir Geoffrey Allen
M. R. Angus
R. W. Archer
P. V. M. Egan
J. P. Erbé (*Vice-Chairman N.V.*)
J. A. Houtzager
J. Louden
F. A. Maljers
F. W. L. Mann
H. Meij
Jhr. I. E. B. Quarles van Ufford
C. F. Sedcole (*Vice-Chairman PLC*)
A. W. P. Stenham
G. K. G. Stevens
T. Thomas
K. H. Veldhuis
E. J. Verloop

Advisory Directors

B. W. Biesheuvel
T. Browaldh
Fletcher L. Byrom
Sir Eric Faulkner
The Rt. Hon. the Lord Hunt of Tanworth
The Rt. Hon. the Viscount Leverhulme
P-P. Schweitzer
D. Spethmann
E. P. Wellenstein

Secretaries

T. Drion
J. D. Keir

Auditors

Coopers & Lybrand
Price Waterhouse

The list above contains the names of all the Directors in office both at 31st December, 1983, and at the date of signing the Report and Accounts, 3rd April, 1984.

3rd April, 1984

This booklet contains selected text and figures from the consolidated Reports and Accounts of Unilever N.V., Rotterdam, and of Unilever PLC, London, for 1983, together with additional information relating to 1983 and previous years. The figures are expressed in Dutch guilders and except where stated otherwise are for N.V. and PLC combined.

The Reports and Accounts contain complete financial statements of Unilever N.V. and of Unilever PLC and the combined accounts of N.V. and PLC. The figures in the N.V. Report and Accounts are expressed in Dutch guilders and in the PLC Report and Accounts in pounds sterling. The financial statements have been prepared on the historical cost convention and in accordance with accounting principles generally accepted in the Netherlands and the United Kingdom, except that the treatment of deferred taxation for which full provision is made complies with Dutch law as currently applied rather than with generally accepted accounting principles in the United Kingdom. Unilever's joint auditors have issued unqualified audit reports on the accounts, which also contain current cost accounts. In preparing the Reports and Accounts we adhere to the disclosure recommendations of the OECD Guidelines for Multinational Enterprises. Copies of the Reports and Accounts of Unilever N.V. and Unilever PLC for 1983 will be filed with the Commercial Registry in Rotterdam and with the Registrar of Companies in the United Kingdom respectively.

Versions of this booklet are available in English with figures in pounds sterling and with figures translated into US dollars. Versions with figures in Dutch guilders are available in Dutch, English, French and German. Copies of these versions or of the full 1983 Report and Accounts of N.V. (in Dutch or in English) or PLC (in English) can be obtained without charge on application to: Unilever N.V., External Affairs Department, PO Box 760, 3000 DK Rotterdam, or Unilever PLC, External Affairs Department, PO Box 68, Unilever House, London EC4P 4BQ.

Fluctuations in exchange rates over time affect the combination of the financial statements of N.V. and PLC into a single currency with the result that trends as reflected in the sterling combined statements can differ significantly from the trends shown in the guilder and US dollar combined statements.

Review of 1983

When we were reviewing the year 1982 we concluded that our plans for 1983 should be based on an assumption of no real improvement in economic conditions. It was not only encouraging but beneficial to many of our businesses that the world economy showed signs of economic recovery, though this was by no means uniform and there were significant variations even within countries and regions. Unemployment decreased in the United States but increased in most other countries.

The downward trend in interest rates of the previous year was halted and rates remained at a relatively high level during the year. Within the European Monetary System exchange rates, after the realignment in March 1983, remained stable, but the currencies in the System weakened against the United States dollar. Sterling showed a stronger trend against the dollar than the other European currencies during most of the year.

Europe had no general economic recovery, though there were signs of an upturn, particularly in the United Kingdom and in Germany. In the United States there was a marked improvement with a sharply rising GNP, lower inflation and a strong dollar. The Pacific region showed increased economic activity. The problem areas were Latin America and Africa; Nigeria in particular remained in serious economic trouble and is currently in discussions designed to reschedule its substantial outstanding trade indebtedness.

The price of oils and fats, which are amongst our most important raw materials, rose sharply and remained high. Tea prices also rose sharply at the end of 1983.

Against this background after a slow start results improved and we finished the year well. Sales value was up on 1982 but sales volume was little changed. Results were better than last year and showed an 11% improvement in Dutch guilders and a 6% improvement in sterling. The difference arises from the change in the sterling/guilder rate of exchange at the end of 1983 compared with 1982. The results are arrived at after exceptional items, including restructuring, of some Fl. 211 million. An upward trend in sales volume in the second half of the year played its part in the improved results of 1983. We also continued to benefit from what we have done in previous years to save costs and increase efficiency.

In Europe we improved or maintained our market shares and results showed a worthwhile increase on last year. Edible fats, detergents and food and drinks did particularly well. Amongst the industrial businesses, chemicals continued to improve and paper, plastics and packaging, though still showing a loss, reaped the benefit of efficiency and cost saving measures and began a recovery.

In the United States we had an excellent year with total results very significantly above last year. Thomas J. Lipton seized the opportunity of growth in their markets and set a new sales record and National Starch did exceptionally well in growing markets and achieved much higher profits. Lever Brothers too performed well in achieving a modest profit after many years of difficulties.

In the remaining areas of the world in which we operate results have been mixed and in total they are not much changed compared with 1982. Margins in Latin America were under pressure, except in Chile where the full year's effect of acquisition added to an improved performance. Good growth was achieved by our operations in India, Kenya, Malaysia, Thailand and Zimbabwe. Trinidad had a good year for profit improvement.

Exports to third parties, not including exports by UAC International to associated companies in Africa, produced good results in 1983.

UAC International, whose results were well below last year,

continues to be confronted by unfavourable conditions in most of the countries where it operates. Nigeria, with its severe economic and political difficulties, is the major problem area. In addition, the effects of widespread drought and the weak mineral oil market on the economies of other countries of West Africa, including oil exporters such as Cameroun, Gabon and the Ivory Coast, had an adverse impact on UAC International's operations there.

Capital expenditure in 1983 was Fl. 2 180 million (1982: Fl. 2 033 million). During the year significant investments were made in the United Kingdom, the Netherlands, Belgium, Pakistan, South Africa, Spain, Turkey and the United States.

We acquired a silicate business in the Netherlands, adhesives companies in Australia and Sweden and a tapioca starch company in Thailand. We have also acquired a majority shareholding in substantial oil palm plantations in Thailand and at the end of 1983 negotiations to acquire in the United States the Shedd Food Products Division, the margarine division of Beatrice Foods Company, were at an advanced stage. The purchase was completed in February, 1984.

We remain strong financially, with net liquid funds Fl. 850 million higher than last year.

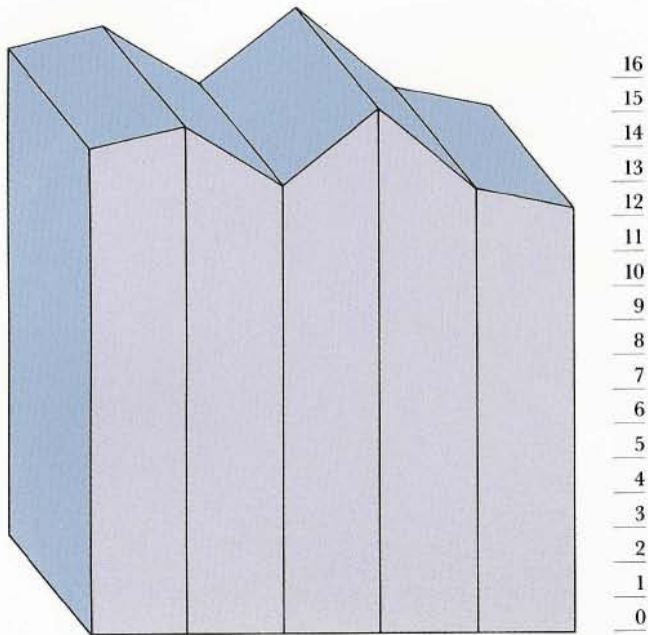
It is troubling to see the difficulties being faced by the European Community. The long-standing budget problems remain unsolved though there have been signs that some progress may be made towards reaching agreement on the urgently needed reform of the Common Agricultural Policy. The European Commission has proposed to limit price guarantees in the milk and dairy products sector by paying a much lower price for milk delivered in excess of a quota. If properly implemented, this might be a step in the direction of tackling the problem of structural surpluses. The Commission has however linked to this a wholly unsatisfactory proposal for taxing oils and fats other than butter which would seek to overcome the surplus in one sector at the expense of another sector and its consumers.

In the United States we are concerned that some states are taxing international companies, including some of ours, not on the normal commercial profits of the business in that state, but on a proportion of the group's world-wide income. This system, known as the combined unitary tax method, is contrary to well-established and OECD-supported principles and practices of taxation in general use by developed countries, including the United States Federal Government itself. This method has given rise to strong protests to the United States Federal Administration from the EC and from national and international representative bodies throughout the world. We very much hope that a solution will be found, one acceptable to the international trading community.

We remain cautiously optimistic of continued improvements in the economic conditions under which we operate although many major problems, such as unemployment, are still to be resolved. In the future we see scope for continued growth and strengthening of our diverse and well-established businesses. We shall continue to place the greatest emphasis on keeping down costs and increasing efficiency and productivity, whilst at the same time pursuing innovation and extension of our product range by research and development as well as by continued support for our brands. We shall seek to expand our operations by acquisition or otherwise in areas in which we are already successful or into which we think we can successfully enter. In particular, we shall continue to seek to expand our operations in the United States.

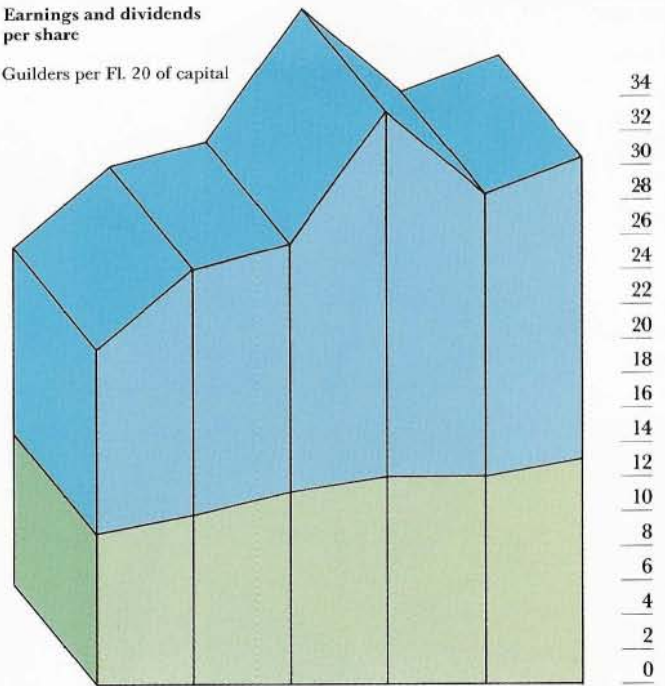
During 1983 Unilever PLC initiated steps for the variation, under the relevant legislation, of the trusts of the will of the first Viscount Leverhulme, the founder of the PLC business. These

Profit as percentage of shareholders' equity

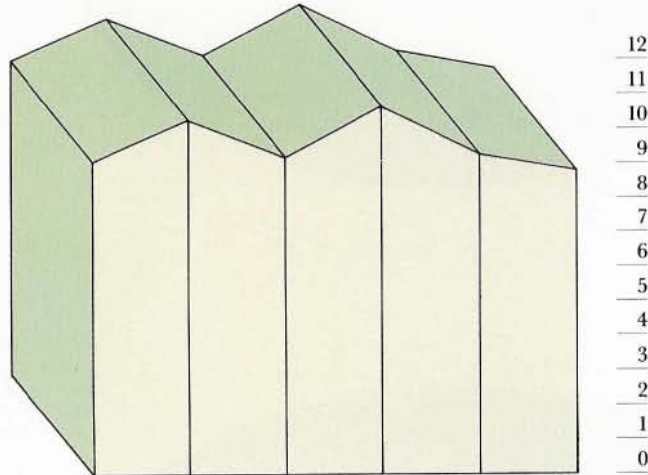


Earnings and dividends per share

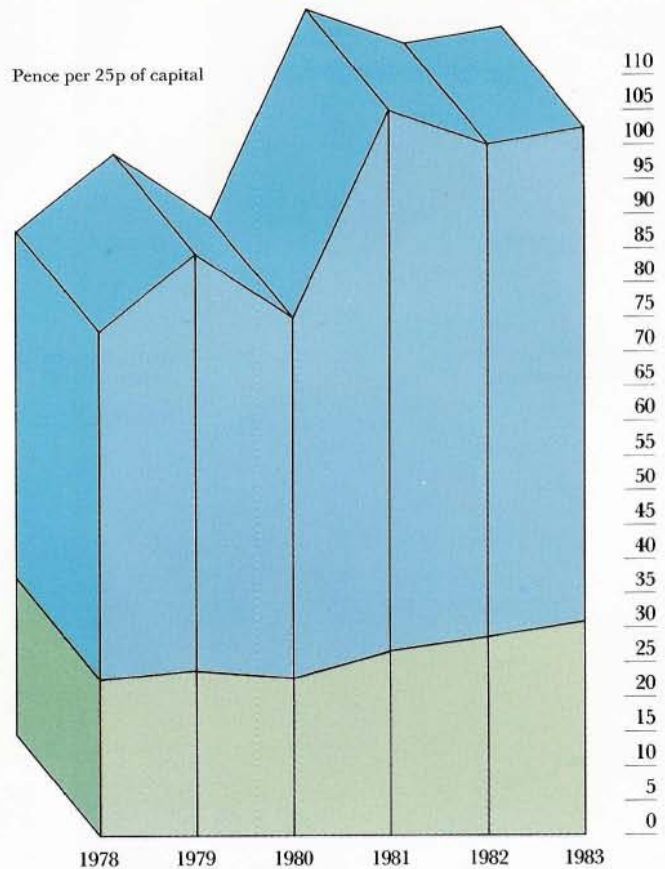
Guilders per Fl. 20 of capital



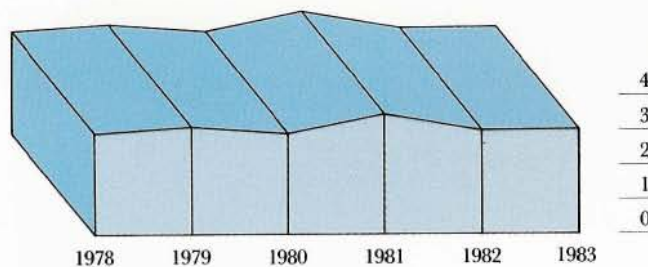
Profit as percentage of capital employed



Pence per 25p of capital



Profit as percentage of turnover



■ Earnings ■ Dividends

trusts are well known as the Leverhulme Trust. A wholly-owned subsidiary of PLC had a beneficial interest in the income of the Trust which arose from dividends on ordinary capital of PLC held by the Trust. With the consent of all parties interested, the variation of the trusts was approved by the High Court on 14th October, 1983, and a reduction of the capital of PLC by the cancellation of the shares in which PLC's subsidiary had an interest was approved by the shareholders at an Extraordinary General Meeting on 12th December, 1983. This reduction was confirmed by the High Court on 24th January, 1984, and became effective on 27th January.

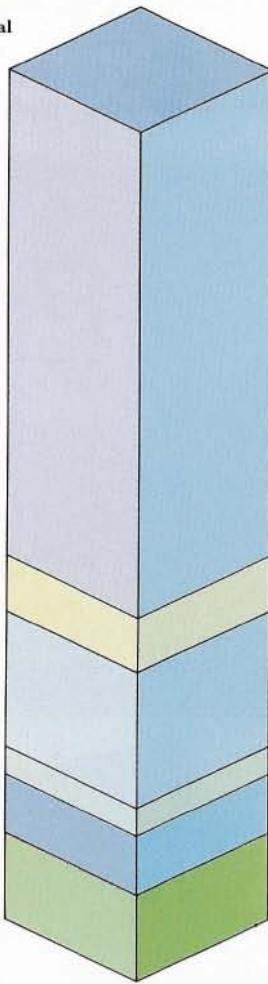
The full background to the variation was explained in the letter which was sent to PLC's shareholders with the notice convening the Extraordinary General Meeting in December, 1983. As there explained, the variation confers substantial benefits on PLC as well as on the important charitable purposes of the Trust.

Finally, when reporting on our achievements during 1983, it must be remembered that none of this could have been done without skilled and committed employees who work effectively together. Those whom Unilever employs throughout the world have acquitted themselves in 1983 with the same high standards as in the years gone by and our thanks are due to all of them.

Turnover by geographical areas 1983

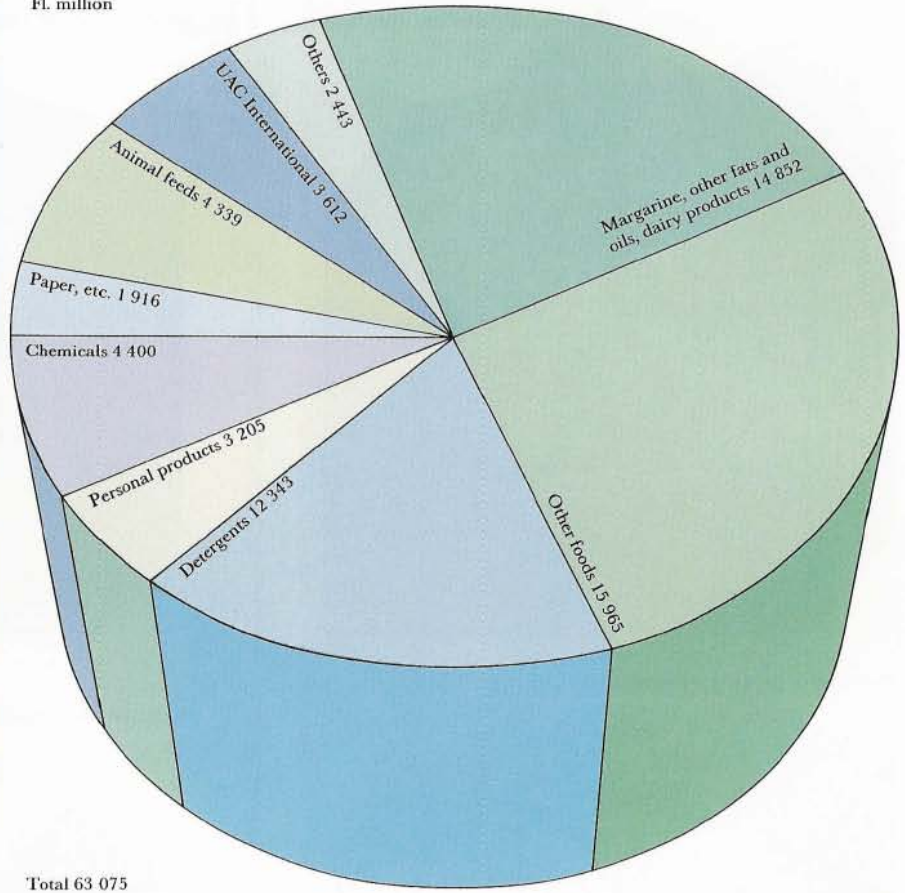
Fl. million

European Community countries	34 085
Other European countries	3 853
North America	9 550
Central and South America	1 621
Africa	4 173
Asia, Australia, New Zealand	6 152
Total	59 434



Total turnover by operations 1983

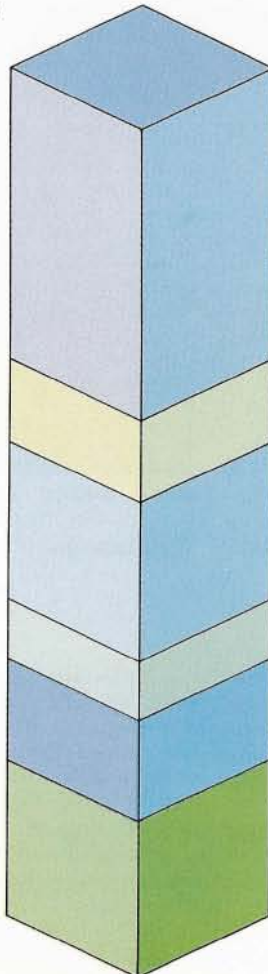
Fl. million



Operating profit by geographical areas 1983

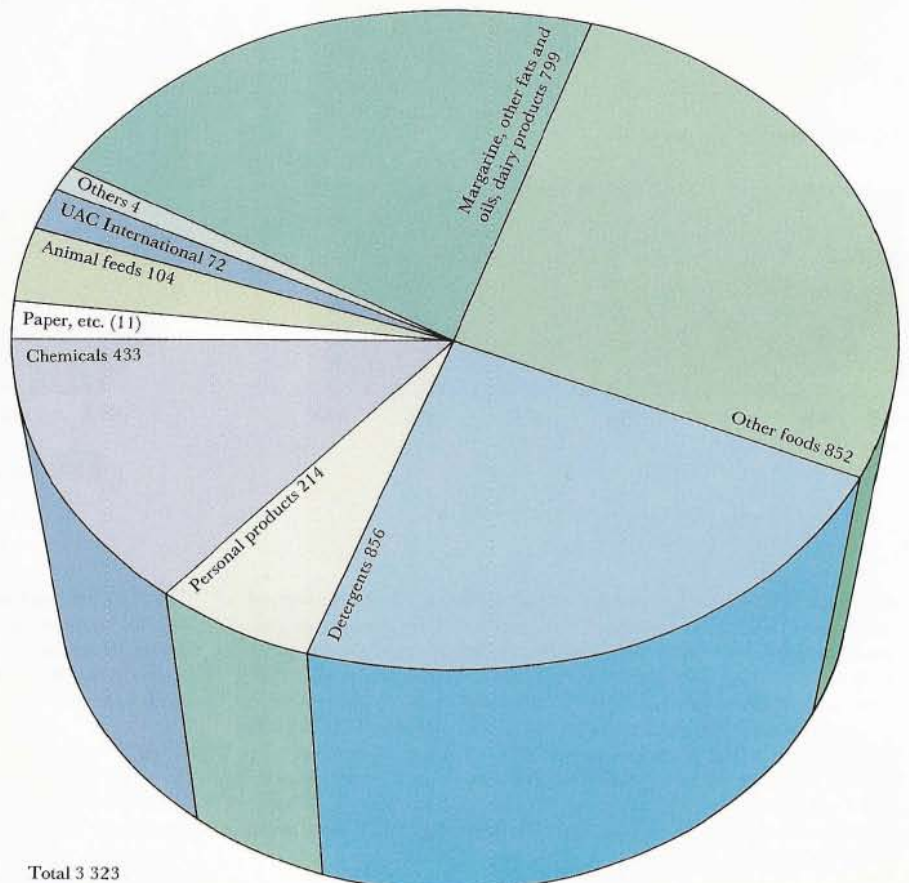
Fl. million

European Community countries	1 146
Other European countries	327
North America	622
Central and South America	235
Africa	399
Asia, Australia, New Zealand	594
Total	3 323



Operating profit by operations 1983

Fl. million



Value added

To employees in wages, salaries, pension contributions	68%
To governments in taxation	9%
To providers of capital	
- loans (interest)	4%
- shareholders (dividends)	4%
- outside shareholders and preference dividends	1%
Reinvested in business	
- depreciation	8%
- profit retained	6%



Review of operations

In our edible fats operations volume increased by 1% in 1983, the same percentage increase as in 1982, and margins were better partly as a result of further improvements in efficiency. Our companies selling consumer products had higher profits and our oil milling and industrial businesses made a strong recovery from their depressed 1982 performances. Raw material prices rose sharply during the second half of 1983. For the first time for many years the European margarine market declined though we increased our share of it slightly and this, together with a healthy growth in sales of vegetable oils, enabled us to improve our total sales volume in Europe. In the United States we achieved a volume growth of 8%, despite exceptionally heavy competition; in the rest of the world our volume grew by 2%. Profitability in most African countries improved but in some other countries, notably Australia, competition adversely affected margins. In Europe our bakery trade business developed successfully both in volume and profit despite a stagnant market; in other parts of the world steady progress was maintained. Our European oil mills did much better in 1983, as did our businesses selling speciality fats for the food manufacturing industry.

In frozen products our total volume showed little growth. However, we had better results in most countries arising from substantial efficiency improvements, though restructuring costs caused total results to be substantially below those of 1982. During the early part of 1983 markets for quick frozen foods in most of Europe remained rather depressed, but began to recover in the second half of the year, stimulated by a better demand for frozen vegetables. Results for ice cream in southern Europe were

good. The ice cream markets in northern Europe showed only modest growth with a good summer compensating for a poor spring. There was higher demand for dessert products. Outside Europe improved results were more than offset by much lower results from Streets in Australia. In the United Kingdom, Birds Eye Wall's has embarked on an extensive restructuring programme. The results of Nordsee, our trawling, restaurant and fish retailing business, substantially exceeded those of 1982. In Canada our A & W fast food chain continued to grow.

Our other food and drinks business has a broad product range; amongst these products our tea business continued to show increased volume and results in most markets against a background of steeply increasing world tea prices. Growth was particularly good in France and in the Lipton export business from the United Kingdom. Tea-based drinks showed progress in a number of markets and were particularly successful in Switzerland and the United States. The 'Cup-a-Soup' range was considerably extended and 'Cup-a-Soup Special' was very successful in the United Kingdom; our relaunch of 'Unox' canned soups in the Netherlands was a marked success. Sales of mayonnaise and salad dressings continued to grow. Markets for meat products in Europe continued weak, but recoveries in some products and generally lower raw material prices resulted in improved total profitability; our meat business in Canada had a difficult year in an extremely competitive market; our company in Mexico continued to grow strongly. In the United Kingdom all our companies performed better than in 1982. Sales of canned salmon improved significantly after the serious interruption in 1982. In the United States, Thomas J. Lipton once again increased both sales and profits. An important contribution to the company's continued growth came from new products: iced tea mixes with 'NutraSweet', new varieties of noodles and sauce, and fruit snacks under the 'Sunkist' brand.

'Peperami', Zwan's individually packed salami sausage, on sale in a supermarket in Mexico City.



In a growing detergents market our progress in sales volume and market share in Europe was widespread. Competitive activity was again extremely heavy throughout the year, especially in the fabrics market. Although margins continued to come under pressure, improved sales during 1983 yielded better profits. Lever Brothers in the United Kingdom relaunched 'Persil Automatic' with a new formulation and record sales. 'Wisk', a new heavy duty liquid, was successfully introduced in France. In Germany, trading conditions were extremely difficult. Concentrated fabric softener products were introduced in several European countries. In specialist household cleaners and dishwashing liquids we maintained our position and the liquid abrasive cleaners market continued to grow. In the United States our business developed strongly: established brands in dish washing, fabric washing and softening and toilet bars did well. Elsewhere, our performance was generally satisfactory and sales volume continued to increase; Chile, India and South Africa had particularly good results in 1983.

The world market for personal products grew by some 2½% in volume. Our share of it continued to increase, particularly in dentifrices, shampoos and deodorants. Total results were little changed from those of 1982. In all European countries our businesses made very successful product launches, notably in the highly competitive European dentifrice market. In the United States we rebuilt our dentifrice business after the price war of 1982 and achieved a substantial improvement in sales. Elsewhere dentifrice volume also increased, particularly in Brazil, India, Indonesia, Sri Lanka and Thailand, while shampoo volume in

The bread improvers at Ulmer Spatz in Germany are evaluated in the on-site bakery which is also used for demonstrations and customer service.

Indonesia, the Philippines, Thailand and Turkey has achieved major growth.

Our chemical businesses in Europe benefited from better conditions and the restructuring of recent years. Unichema, the oleochemicals business, showed a significant recovery in profits. PPF International, which manufactures food flavours and ingredients and perfume fragrances, made very good progress. The emulsions business, Vinyl Products, has shown steady growth in its speciality high pressure emulsions. The emulsions and the silicate business are being extended into the Continent of Europe. National Starch had an excellent year, particularly in the United States, where the growth of the market helped sales and profits in its three major businesses of adhesives, resins and starch products.

Though our paper, plastics and packaging operations still made a loss in 1983, there was a significant improvement over 1982. This was attributable to lower costs and restructuring charges and improved trading in some specific areas. The dominant factor affecting all our businesses was the squeezing of margins because of overcapacity in the industries in which we operate. In packaging materials strict control of costs enabled profits on the Continent of Europe to be maintained. Thames Group, making carton boards and case materials, operated in markets severely affected by overcapacity, but improvements arose from increased efficiency, output and product range from the Workington board mill and the concentration on market segments offering some growth and better margins. In the United Kingdom and North America both the vinyl wallcovering and floorcovering markets resumed growth and Nairn increased its share of these markets.

Our compounds animal feeds business in the United Kingdom had another good year. In France we improved our results by increasing productivity. Although we made a loss in the



Netherlands it was considerably less than in 1982. Our agricultural merchandising companies continued to make good progress and our salmon farming business in Scotland had a good year. There was no improvement in the trading conditions for our poultry business which made a loss in 1983.

UAC International, which has interests in varied manufacturing and trading operations in Africa, the United Kingdom and elsewhere, had a difficult year and profits again fell. In Nigeria, export earnings were drastically reduced by cuts in national mineral oil output and world prices. The Government's measures to curtail imports and payments in foreign currency quickly took effect on our businesses there and our income from United Kingdom exports. UAC International's interests in breweries there were a welcome bright spot in a gloomy scene. Results were also not very good from our operations in French-speaking Africa. In the United Kingdom our businesses derived some benefit from the modest economic recovery. In the Solomon Islands our timber operation suffered from lower log prices and disruption to output; the Gulf operations performed satisfactorily.

The results from our plantations were very satisfactory in 1983 even though widespread drought in Asia and Africa caused a significant fall in production in almost all countries. A majority shareholding was acquired in a group of oil palm plantation companies in Thailand.

In our transport businesses on the Continent of Europe profits were maintained through greater efficiency but there was volume growth in very few sectors. Norfolk Line increased its shipping capacity and achieved substantial volume growth. Our United Kingdom transport business had a poor year and has been undergoing considerable change.

Research and development

In 1983 our research and development expenditure was Fl. 923 million (1982: Fl. 808 million), divided between our research and engineering facilities in Europe, India and the United States and company development laboratories in more than 40 countries throughout the world. Our research programme continues to be a blend of the three main elements: physico-chemical science, bioscience and manufacturing technology. In most cases the successful exploitation of developments in the first two elements will be dependent upon our proficiency in the third, which will become increasingly important for our longer-term profitability. In many aspects of research our activities are closely linked to the work of the wider scientific community. In addition to publishing many of our own research results, this participation includes involvement of our technical staff with the academic world. This enables us to react quickly to advances in the external world of science and technology. In 1983 significant progress was made in expanding our research capabilities in the United States.

The use of high-speed video techniques for problem-solving in factories is one aspect of the practical applications of research on manufacturing technology.



Capital expenditure and projects

Capital expenditure in 1983 amounted to Fl. 2 180 million, an increase of Fl. 147 million over 1982. The tables on page 12 give the analysis both by geographical areas and operations. In 1983 Board approval was given to capital projects totalling Fl. 2 538 million (1982: Fl. 2 064 million). Amongst these projects it is worth inviting particular attention to:

Reconstruction, modernisation and centralisation of manufacturing facilities for ice cream, frozen desserts, cakes and pastries in the United Kingdom.

Replacement and expansion of a toilet soap plant in the United States.

Reconstruction, modernisation and centralisation of manufacturing facilities for frozen meat comminutes in the United Kingdom.

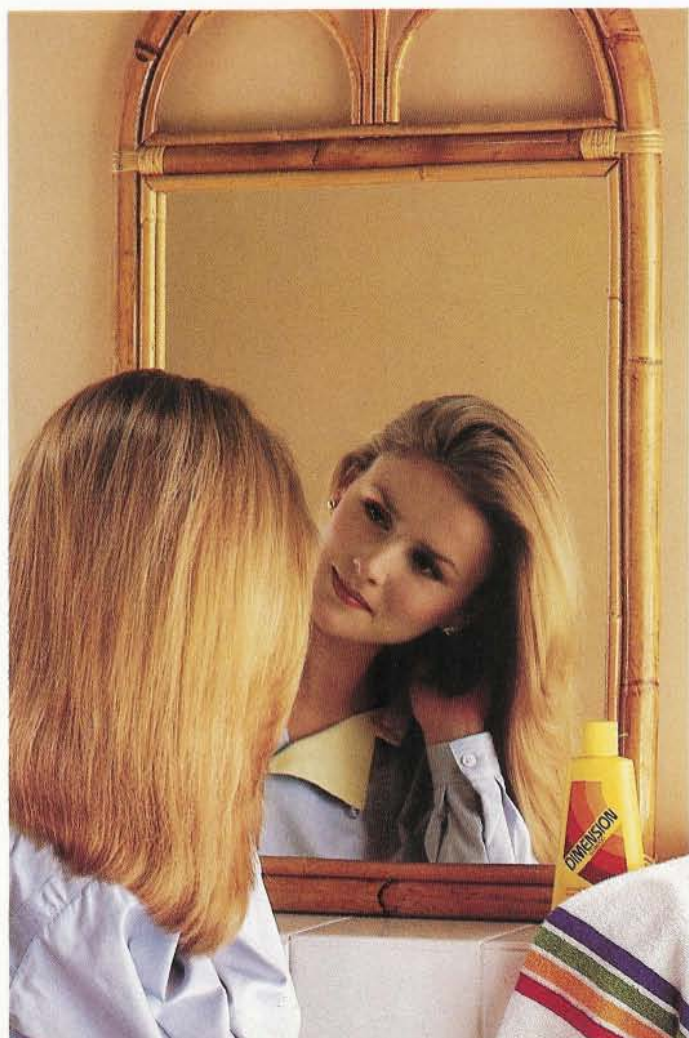
Personnel

Continued fierce competition and conditions of limited market growth have led us to intensify our efforts to improve efficiency and reduce costs throughout Unilever. Although we have reduced numbers of employees at all levels, we continue to recruit, train and develop those people who will be needed in key jobs in the future.

The table shows the total number of employees and the employees in our associated companies at the end of the year. It also gives a picture of the geographical distribution, together with comparable figures for 1982:

(in thousands)	Parent and group companies		Associated companies		Totals	
	1982	1983	1982	1983	1982	1983
European Community countries	142	134	3	3	145	137
Other European countries	14	14	1	1	15	15
North America	20	19	—	—	20	19
Central and South America	12	11	2	2	14	13
Africa	56	50	32	28	88	78
Asia, Australia, New Zealand	39	39	5	5	44	44
	283	267	43	39	326	306

'Dimension', the shampoo for beautiful, healthy-looking hair, began its national launch in the United States after two years' successful test marketing.



Extracts from the combined consolidated profit and loss accounts of Unilever N.V. and Unilever PLC

for the year ended 31st December

Fl. million	1978	1979	1980	1981	1982	1983
Turnover ^{a)}	39 271	43 251	51 468	56 115	55 903	59 434
Costs	(36 924)	(40 682)	(48 554)	(52 790)	(52 904)	(56 111)
Operating profit	2 347	2 569	2 914	3 325	2 999	3 323
Income from fixed investments ^{b)}	275	207	234	313	295	264
Other interest receivable and similar income	188	219	355	435	477	494
Interest payable and similar charges	(379)	(439)	(603)	(726)	(703)	(665)
Financial items	84	(13)	(14)	22	69	93
Profit on ordinary activities before taxation	2 431	2 556	2 900	3 347	3 068	3 416
Taxation	(1 259)	(1 133)	(1 371)	(1 381) ^{c)}	(1 351)	(1 566)
Profit on ordinary activities after taxation	1 172	1 423	1 529	1 966	1 717	1 850
Outside interests in group companies and preference dividends	(84)	(95)	(108)	(118)	(138)	(153)
Profit attributable to ordinary capital	1 088	1 328	1 421	1 848	1 579	1 697
Extraordinary items, less taxation and outside interests	—	486 ^{c)}	—	—	—	—
	1 088	1 814	1 421	1 848	1 579	1 697
Dividends on ordinary capital	(423)	(489) ^{d)}	(540)	(586)	(578)	(634)
Profit of the year retained	665	1 325	881	1 262	1 001	1 063
Movements in profit retained						
Profit of the year retained	665	1 325	881	1 262	1 001	1 063
Goodwill	(557)	(123)	(15)	66	(165)	(51)
Effect of exchange rate changes ^{f)}	(212)	(100)	50	287	12	128
Sterling/guilder realignment ^{f)}	(283)	199	938	(419)	(676)	322
Net additions to profit retained	(387)	1 301	1 854	1 196	172	1 462
Profit retained – 1st January	7 212	6 825	8 126	9 980	11 176	11 348
Profit retained – 31st December	6 825	8 126	9 980	11 176	11 348	12 810

^{a)} Turnover comprises sales of goods and services after deduction of discounts and sales taxes. It includes sales to related companies but does not include sales by related companies or sales between group companies. However, the analysis of turnover by operations on page 13 includes internal turnover, which represents sales between different product groups within Unilever. The inclusion of internal turnover in the total turnover of the individual product groups properly reflects the turnover to which the operating profit of these groups should be related.

^{b)} Includes share of associated companies' profit before taxation
UAC International

185	115	133	177	159	162
71	64	67	84	73	56
256	179	200	261	232	218

^{c)} Release of deferred taxation in respect of United Kingdom stock relief.

^{d)} Includes additional dividends of Fl. 13 million declared in respect of earlier years due to change in rate of Advance Corporation Tax.

^{e)} Includes Fl. 105 million stock relief benefit, mainly applicable to 1980 arising from changes contained in the United Kingdom Finance Act 1981.

^{f)} Currency translation

Exchange differences arising in the accounts of individual companies from transactions denominated in foreign currencies are dealt with in the individual companies' profit and loss accounts.

In preparing the consolidated accounts of N.V. in guilders and of PLC in sterling, profit and loss accounts for the year and assets and liabilities at the year-end are translated at year-end rates of exchange. The effect of exchange rate changes during the year on the assets and liabilities at the beginning of the year is recorded as a movement in profit retained.

In arriving at the combined figures in sterling or guilders, the figures for N.V. in guilders or PLC in sterling are translated at the year-end sterling/guilder exchange rate, except for the ordinary capital of N.V. or PLC, which is translated at the Equalisation Agreement rate of £1 = Fl. 12. The effect of restating the assets and liabilities of N.V. and PLC at the beginning of the year at the year-end sterling/guilder exchange rate is described as sterling/guilder realignment and is shown as a movement in profit retained.

Extracts from the combined consolidated balance sheets of Unilever N.V. and Unilever PLC

as at 31st December

Fl. million	1978	1979	1980	1981	1982	1983
Fixed assets						
Tangible assets	6 630	7 209	8 943	9 752	10 108	11 110
Fixed investments	1 257	1 355	1 394	1 472	1 562	1 454
Current assets						
Stocks	6 374	7 184	8 130	8 863	8 390	9 267
Debtors	4 900	5 579	6 867	7 579	7 442	8 336
Current investments	418	316	403	895	865	1 744
Cash at bank and in hand	2 153	1 864	2 355	2 376	2 349	2 400
	13 845	14 943	17 755	19 713	19 046	21 747
Less:						
Creditors due within one year						
Borrowings	1 720	1 781	2 306	2 077	1 952	2 032
Trade and other creditors	5 007	5 546	6 660	7 593	7 146	8 362
Taxation on profits	694	738	740	911	931	949
Dividends	443	309	342	372	372	432
Net current assets	5 981	6 569	7 707	8 760	8 645	9 972
Total assets less current liabilities	13 868	15 133	18 044	19 984	20 315	22 536
Creditors due after more than one year						
Borrowings	2 546	2 515	2 743	2 992	2 844	2 739
Other creditors	315	97	147	165	204	429
Provisions for liabilities and charges						
Pensions and similar obligations	1 101	1 253	1 566	1 841	2 066	2 526
Deferred taxation and other provisions	1 384	1 401	1 795	1 893	1 951	2 213
Outside interests in group companies	502	532	553	678	692	597
Capital and reserves						
Called up share capital	1 475	1 476	1 480	1 478	1 476	1 477
Share premium account	88	89	96	94	90	91
Other reserves	(368)	(356)	(316)	(333)	(356)	(346)
Profit retained	6 825	8 126	9 980	11 176	11 348	12 810
	8 020	9 335	11 240	12 415	12 558	14 032
Total capital employed	13 868	15 133	18 044	19 984	20 315	22 536

Extracts from the combined consolidated source and use of funds of Unilever N.V. and Unilever PLC

for the year ended 31st December

Fl. million	1978	1979	1980	1981	1982	1983
Funds generated from operations						
Profit on ordinary activities before taxation	2 431	2 556	2 900	3 347	3 068	3 416
Elimination of items not involving a flow of funds:						
Depreciation	777	857	1 015	1 098	1 153	1 319
Others	36	85	339	299	367	540
	3 244	3 498	4 254	4 744	4 588	5 275
Increase/decrease in borrowings due after more than one year	283	(114)	91	292	(84)	(135)
Total sources	3 527	3 384	4 345	5 036	4 504	5 140
Taxation payments during the year	(729)	(746)	(1 073)	(924)	(1 091)	(1 325)
Capital expenditure less disposals	(1 211)	(1 413)	(1 937)	(1 911)	(1 821)	(1 960)
Purchase/sale of group companies	(1 054)	(77)	(163)	68	(320)	(54)
Purchase/sale of fixed investments	(64)	33	(15)	(18)	1	280
Increase/decrease in stocks, debtors, trade and other creditors	(560)	(781)	(476)	(794)	(263)	(95)
Dividends paid during the year	(372)	(654)	(544)	(564)	(580)	(591)
Other uses	(64)	(299)	(137)	(15)	(259)	(417)
Total uses	(4 054)	(3 937)	(4 345)	(4 158)	(4 333)	(4 162)
Net increase/decrease in net liquid funds ^{a)}	(527)	(553)	—	878	171	978
Net liquid funds – 31st December	854	401	451	1 189	1 262	2 112
of which:						
Current investments	419	317	400	897	865	1 744
Cash at bank and in hand	2 155	1 865	2 358	2 374	2 349	2 400
Borrowings due within one year	(1 720)	(1 781)	(2 307)	(2 082)	(1 952)	(2 032)

^{a)} Excludes effect of exchange rate changes on opening balances.

Additional information on capital expenditure

Fl. million	1978	1979	1980	1981	1982	1983
Analysis by geographical areas and operations						
European Community countries	857	1 052	1 485	1 221	1 118	1 147
Other European countries	102	103	112	117	115	123
North America	125	179	189	208	254	443
Central and South America	55	55	145	110	65	43
Africa	81	79	124	163	201	143
Asia, Australia, New Zealand	138	106	145	282	280	281
	1 358	1 574	2 200	2 101	2 033	2 180
Margarine, other fats and oils, dairy products	225	252	310	321	359	340
Other foods	364	378	529	561	484	503
Detergents	211	230	346	384	437	487
Personal products	50	49	70	84	85	87
Chemicals	101	133	171	146	132	204
Paper, plastics, packaging	112	177	177	152	78	61
Animal feeds	42	58	108	49	46	59
UAC International	95	90	94	92	125	82
Plantations, transport and other	158	207	395	312	287	357
	1 358	1 574	2 200	2 101	2 033	2 180

Additional information on turnover, profit and capital employed

Fl. million	1978	1979	1980	1981	1982	1983
Turnover by geographical areas and operations						
European Community countries	26 353	28 638	32 953	34 239	33 046	34 085
Other European countries	2 598	2 894	3 327	3 704	3 457	3 853
North America	3 613	4 431	5 464	7 020	7 565	9 550
Central and South America	1 004	972	1 466	1 629	1 682	1 621
Africa	2 858	3 105	3 852	4 198	4 818	4 173
Asia, Australia, New Zealand	2 845	3 211	4 406	5 325	5 335	6 152
	39 271	43 251	51 468	56 115	55 903	59 434
Margarine, other fats and oils, dairy products	11 248	12 092	13 381	14 360	14 019	14 852
Other foods	11 332	12 038	13 246	14 070	14 316	15 965
Detergents	6 412	7 265	9 410	10 695	11 119	12 343
Personal products	1 706	1 907	2 430	2 675	2 799	3 205
Chemicals	1 806	2 727	3 269	3 737	3 893	4 400
Paper, plastics, packaging	1 615	1 774	2 041	1 954	1 856	1 916
Animal feeds	2 444	2 934	3 875	3 959	3 933	4 339
UAC International	4 017	3 784	4 729	5 433	5 175	3 612
Plantations, transport and other	2 558	3 023	3 921	4 180	2 582	2 443
Total turnover	43 138	47 544	56 302	61 063	59 692	63 075
Less: internal turnover	(3 867)	(4 293)	(4 834)	(4 948)	(3 789)	(3 641)
	39 271	43 251	51 468	56 115	55 903	59 434
Operating profit by geographical areas and operations						
European Community countries	1 464	1 489	1 471	1 472	1 092	1 146
Other European countries	151	192	252	311	271	327
North America	151	249	260	360	428	622
Central and South America	112	92	153	229	218	235
Africa	216	240	339	373	406	399
Asia, Australia, New Zealand	253	307	439	580	584	594
	2 347	2 569	2 914	3 325	2 999	3 323
Margarine, other fats and oils, dairy products	600	538	706	841	699	799
Other foods	577	713	700	732	768	852
Detergents	469	500	631	777	779	856
Personal products	60	105	170	253	205	214
Chemicals	132	228	214	272	309	433
Paper, plastics, packaging	42	32	23	8	(109)	(11)
Animal feeds	65	68	54	62	79	104
UAC International	268	210	217	259	170	72
Plantations, transport and other	134	175	199	121	99	4
	2 347	2 569	2 914	3 325	2 999	3 323
Profit attributable to ordinary capital by geographical areas						
European Community countries	635	787	708	867	634	616
Other European countries	51	107	138	197	175	245
North America	70	92	98	155	194	298
Central and South America	70	38	69	97	49	22
Africa	168	170	242	278	289	257
Asia, Australia, New Zealand	94	134	166	254	238	259
	1 088	1 328	1 421	1 848	1 579	1 697
Capital employed by geographical areas						
European Community countries	8 743	9 617	11 405	12 000	11 634	12 260
Other European countries	1 060	1 185	1 349	1 531	1 518	1 983
North America	1 865	2 039	2 416	2 897	3 056	3 692
Central and South America	318	315	513	680	725	746
Africa	1 207	1 221	1 336	1 444	1 743	1 930
Asia, Australia, New Zealand	675	756	1 025	1 432	1 639	1 925
	13 868	15 133	18 044	19 984	20 315	22 536

Additional financial data

	1978	1979	1980	1981	1982	1983
Shareholders' equity per share						
Guilders per Fl. 20 of capital	139	162	197	218	220	247
Pence per 25p of capital	522	577	581	692	781	833
Earnings per share ^{a)}						
Guilders per Fl. 20 of capital	19.53	23.83	25.49	33.16	28.34	30.46
Pence per 25p of capital	73.44	84.71	75.41	105.39	100.41	102.84
Earnings plus depreciation per share						
Guilders per Fl. 20 of capital	33.47	39.21	43.71	52.87	49.03	54.13
Pence per 25p of capital	125.85	139.38	129.31	168.03	173.91	182.79
Ordinary dividends ^{b)}						
N.V. – Guilders per Fl. 20 of capital	8.80	9.88	11.12	12.04	12.04	13.02
PLC – Pence per 25p of capital	22.67	24.05	22.91	26.87	28.83	30.86
Capital expenditure (Fl. million)						
Depreciation (Fl. million)	1 358	1 574	2 200	2 101	2 033	2 180
	777	857	1 015	1 098	1 153	1 319
Employees (group companies)						
Staff costs (Fl. million)	7 577	8 419	10 120	10 814	10 697	11 491
Number (in thousands) at 31st December	316	309	300	292	283	267
Ratios						
Return on shareholders' equity (%)	14.1	14.7	13.0	15.2	12.9	12.3
Return on capital employed (%)	9.1	10.3	9.2	10.7	9.3	8.8
Turnover : capital employed	2.8	2.8	2.8	2.8	2.7	2.6
Turnover per employee (Fl.)	124 275	139 971	171 560	192 175	197 537	222 599
Dividends : earnings	0.39	0.36	0.38	0.32	0.37	0.37
Gearing ^{c)}	0.33	0.30	0.30	0.28	0.26	0.25
Current assets : current liabilities	1.8	1.8	1.8	1.8	1.8	1.8
Share prices						
N.V. per Fl. 20 ordinary share						
In Amsterdam	High	130	132	129	164	211
	Low	111	112	102	123	143
PLC per 25p ordinary share						
In London	High	602	680	512	652	805
	Low	476	450	388	438	555

^{a)} The calculation of earnings per share is based on the combined profit of the year attributable to ordinary capital divided by the combined number of share units representing the combined issued ordinary capital of N.V. and PLC of Fl. 1 189 million less Fl. 75 million (1982: Fl. 75 million) being 74% (1982: 74%) of the ordinary capital held by the Leverhulme Trust at 31st December, 1983 on which the trustees have waived their rights to dividends; these dividends would otherwise flow back to the Company through a wholly-owned group company which at 31st December, 1983 had a beneficial interest in the income of the Trust. For the calculation of combined ordinary capital the rate of exchange £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement.

^{b)} Dividends are included at the amounts paid or to be paid to the shareholders. The PLC dividends shown are the amounts declared. In 1978 the amounts paid were lower because of statutory dividend controls. The balance (together with deferred amounts from earlier years) was paid in August, 1979 on cessation of such controls.

^{c)} Gearing is borrowings divided by the sum of borrowings, capital and reserves and outside interests in group companies.

Salient figures in various currencies

1983 above 1982	Dutch Guilders	Sterling Pounds	Belgian Francs	German Marks	French Francs	Austrian Schillings	US Dollars	Swiss Francs
Rates of exchange ^{a)} (one unit of currency = Fl.)		4.44 4.23	0.0550 0.0561	1.1232 1.1052	0.3676 0.3897	0.1594 0.1570	3.0600 2.6300	1.4077 1.3157
In millions of currency								
Turnover	59 434 55 903	13 386 13 216	1 080 647 996 466	52 874 50 616	161 702 143 391	372 798 356 032	19 410 21 277	42 166 42 555
Operating profit	3 323 2 999	748 709	60 429 53 451	2 957 2 715	9 042 7 692	20 846 19 098	1 085 1 141	2 358 2 283
Profit on ordinary activities before taxation	3 416 3 068	769 725	62 116 54 696	3 039 2 778	9 295 7 871	21 429 19 543	1 116 1 168	2 424 2 336
Profit on ordinary activities after taxation	1 850 1 717	416 406	33 630 30 599	1 645 1 554	5 032 4 403	11 602 10 933	604 653	1 312 1 307
Profit attributable to ordinary capital	1 697 1 579	382 373	30 836 28 141	1 509 1 429	4 614 4 050	10 638 10 055	554 601	1 203 1 202
Ordinary dividends	634 578	143 137	11 520 10 303	564 523	1 724 1 483	3 974 3 682	207 220	449 440
Profit of the year retained	1 063 1 001	239 236	19 316 17 838	945 906	2 890 2 567	6 664 6 373	347 381	754 762
In units of currency								
Earnings per share Per Fl. 20 of capital	30.46 28.34	685.58p 669.43p	553.75 505.14	27.12 25.64	82.85 72.72	191.07 180.50	9.95 10.78	21.64 21.54
Per 25p of capital	4.57 4.25	102.84p 100.41p	83.06 75.77	4.07 3.85	12.43 10.91	28.66 27.08	1.49 1.62	3.25 3.23
Ordinary dividends ^{b)} N.V. – per Fl. 20 of capital	13.02 12.04	293.24p 284.63p	236.73 214.62	11.59 10.89	35.42 30.90	81.68 76.69	4.25 4.58	9.25 9.15
PLC – per 25p of capital	1.37 1.22	30.86p 28.83p	24.91 21.74	1.22 1.10	3.73 3.13	8.59 7.77	0.45 0.46	0.97 0.93
Shareholders' equity per share Per Fl. 20 of capital	246.67 220.23	5 556.43p 5 206.46p	4 484.82 3 925.65	219.61 199.27	671.02 565.12	1 547.46 1 402.73	80.61 83.74	175.23 167.39
Per 25p of capital	37.00 33.03	833.46p 780.97p	672.72 588.85	32.94 29.89	100.65 84.77	232.12 210.41	12.09 12.56	26.28 25.11

^{a)} Rates of exchange are the respective year-end rates used in translating the combined figures in the various currencies.

^{b)} The value of dividends received by shareholders in currencies other than guilders or sterling will be affected by fluctuations in the rates of exchange after the year-end.

Movements between 1982 and 1983 will vary according to the currencies in which the figures are expressed.

Capital and membership

The shares or certificates of Unilever N.V. are listed on the stock exchanges in Amsterdam, London, Antwerp, Brussels, Berlin, Düsseldorf, Frankfurt, Hamburg, Munich, Paris, Dublin, Luxembourg, Vienna, New York, Basle, Geneva, Lausanne and Zürich.

The geographical spread of N.V.'s ordinary shareholdings based on the country of payment of the final dividend paid in 1982 and 1983 was:

	1982	1983
	%	%
The Netherlands	42	41
Switzerland	21	18
United States	7	18
United Kingdom	19	13
Germany	4	4
France	3	3
Belgium	2	2
Other countries	2	1
	100	100

The shares of Unilever PLC are listed on The Stock Exchange in the United Kingdom and Ireland and, as American Depositary Receipts, in New York.

In 1983, as in 1982, the holders of over 99% of PLC's ordinary shares had registered addresses in the United Kingdom.

Dividends

The Boards have resolved to recommend to the Annual General Meetings on 16th May, 1984 the declaration of final dividends on the ordinary capitals in respect of 1983 at the following rates, which are equivalent in value in terms of the Equalisation Agreement:

	1982	1983
N.V. per Fl. 20 ordinary capital		
Interim	Fl. 4.44	Fl. 4.44
Final	Fl. 7.60	Fl. 8.58
Total	Fl. 12.04	Fl. 13.02
PLC per 25p ordinary share		
Interim	9.96p	10.57p
Final	18.87p	20.29p
Total	28.83p	30.86p

The N.V. final dividend will be payable as from 29th May, 1984 (or in the case of the New York shares on 12th June, 1984).

The PLC final dividend will be paid on 29th May, 1984 (or in the case of holders of American Depositary Receipts on 6th June, 1984) to shareholders registered on 30th April, 1984.

Dates for dividend payments

Unilever N.V. and Unilever PLC
Ordinary dividends

Interim

Announced mid-November.
Payable second half of December.

Final

Proposed early March.
Payable end of May/early June.

Unilever N.V.
7% and 6% Cumulative Preference dividends
4% Cumulative Preference dividends

Payable 1st October.
Payable 1st January.

Unilever PLC
5% First Cumulative Preference dividends
7% First Cumulative Preference dividends
8% Second Cumulative Preference dividends
20% Third Cumulative Preferred Ordinary dividends

Payable 2nd January and
1st July.

Both N.V. and PLC make filings with the United States Securities and Exchange Commission in the form required by United States legislation. Any shareholder who wishes to see a copy of the filings made with the SEC should apply in the case of N.V. to Unilever N.V., External Affairs Department, P.O. Box 760, 3000 DK Rotterdam, the Netherlands, or in the case of PLC to Unilever PLC, External Affairs Department, Unilever House, Blackfriars, London EC4P 4BQ.

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