Unilever Annual Review 2000

and Summary Financial Statement

meeting everyday needs of
people everywhere

Unilever

Contents

Powerful innovation and consumer understanding, assisted by a regional economic upturn, boosted demand for our Home & Personal Care products in South East Asia.

our corporate purpose

Our purpose in Unilever is to meet the everyday needs of people everywhere – to anticipate the aspirations of our consumers and customers and to respond creatively and competitively with branded products and services which raise the quality of life.

Our deep roots in local cultures and markets around the world are our unparalleled inheritance and the foundation for our future growth.

We will bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively and to a willingness to embrace new ideas and learn continuously.

We believe that to succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live.

This is Unilever's road to sustainable, profitable growth for our business and long-term value creation for our shareholders and employees.

The two parent companies, Unilever N.V. (NV) and Unilever PLC (PLC), operate as nearly as is practicable as a single entity (the Unilever Group, also referred to as Unilever or the Group). This Annual Review therefore deals with the operations and the results of the Unilever Group as a whole.

The brand names shown in *italics* in this Annual Review are trademarks owned by or licensed to companies within the Unilever Group.

From 1 January 2000, Unilever has adopted the euro as its principal reporting currency. The figures in this Review are expressed in euros, sterling and US dollars. Changes in exchange rates can cause different trends in results reported in each of these currencies. To eliminate this effect, the commentary throughout this Review is based, unless otherwise stated, on trends at constant exchange rates (that is, the same rates as the preceding year). For each two year period, the year-on-year comparisons in euros are the same as those which would arise if the results were shown in sterling or US dollars at constant exchange rates. Unless otherwise stated, the commentary is also before exceptional items and amortisation of goodwill and intangibles.

Details of the exchange rates used in the preparation of this Annual Review are given on page 25.

driving our strategy forward

Chairmen's Statement The Path to Growth is yielding clear and impressive results, including record operating margins and faster growth of our leading brands.

Niall FitzGerald and Antony Burgmans, Chairmen of Unilever

- Continued momentum in growth of leading brands
- Operating margins reach a record 12.1% of sales
- Acquisitions bring powerful brands and strong management
- Strong €6.7 billion cash flow from operations
- The new divisions will drive forward Foods and Home & Personal Care
- Forging an enterprise culture

We are pleased to report on the successful delivery of the first year of the Path to Growth strategy that we announced in February 2000.

In 2000, there was continuing momentum in the sales of our leading brands, which grew at 3.8%. Operating margins, before exceptional items and amortisation of goodwill (BEIA), reached a record 12.1% and earnings per share, before exceptional items, grew by 10.5%, on a basis consistent with the Path to Growth targets.

In Path to Growth, we are committed to delivering annual top line growth of 5–6% and operating margins of over 16%, by 2004. This will be achieved by focusing on Unilever's leading brands and supporting them with strong innovation, increased marketing support, a supply chain based on around 150 key sites, simpler business processes and the restructuring or divestment of under-performing businesses.

Path to Growth progress

The total cost of the programme was estimated at €5 billion over five years, yielding annual savings of €1.5 billion. In addition, we expected a further €1.6 billion savings from the move to global buying. One year on, we can report good progress and execution in line with our plan. The growth rate of leading brands gained momentum, quarter-by-quarter, in 2000. The acquisition of Bestfoods, together with Amora Maille, Slim•Fast and Ben & Jerry's, added further outstanding brands to our portfolio. They also brought strong, experienced management who are helping to ensure a smooth integration.

Significant progress has been made in adapting the supply chain to serve our focused brand portfolio. We forecast a reduction of around 100 manufacturing sites by 2004. In 2000 we closed or exited from 23, with a 5 300 reduction in headcount. Restructuring costs of €1.8 billion charged in 2000 are in line with the plans announced in February 2000 and at the time of acquiring Bestfoods.

New organisation structure

In August 2000, we announced a new organisation structure, based on two divisions, to give sharper focus to Foods and Home & Personal Care. The two divisions, including the integrated Unilever Bestfoods business, were operating as planned by 1 January 2001.

on track for growth

Our leading brands drive our success. In 2000, they gained further momentum with the acquisitions of Bestfoods, Slim·Fast and Ben & Jerry's.

We moved swiftly in executing the divestment programme announced around the acquisition of Bestfoods, and in early 2001, we successfully concluded agreements to sell a number of European food brands and the Bestfoods Baking Company.

In further moves, we completed the sale of our European bakery business in 2000 and of Elizabeth Arden in January 2001. We have now placed our successful and profitable Prestige fragrance brands within a single organisation, Unilever Cosmetics International, dedicated to growth.

In 2000, operating profit BEIA grew by 10%, excluding the contribution from Bestfoods. Total operating margins reached record levels, increasing by almost a full percentage point to 12.1%. Cash flow from operations was strong at €6.7 billion, up by more than €1 billion from the previous year.

The sharp fall in the share price in late 1999 and early 2000 seriously affected our Total Shareholder Return (TSR) ranking. In our peer group of 21 international businesses we dropped to 13th place, measured over three years. Successful execution of the Path to Growth will generate substantial and sustained value for shareholders. We are committed to achieving a sustained top third TSR ranking.

Categories

Sales of home care and professional cleaning products grew by 4% over 1999, with personal care up by 6%. Skin and hair care products and deodorants grew even faster, with *Dove* continuing to grow at over 20%. The successful launch of the *mod's hair* care range in Japan was particularly notable. In laundry we held market share gains made in recent years and grew share in Latin America.

In Foods, excluding Bestfoods, sales grew by 1%. Growth in our ice cream, beverages and culinary and frozen foods businesses was offset by a decline in oil and dairy based foods and bakery. Our cholesterol-lowering spreads are now market leaders in Australia, Brazil, North America and key European markets. Building on its Mediterranean image, the *Bertolli* brand volume grew by more than 20% and the range is being extended.

Regions

Asia and Pacific continued its powerful recovery, with sales up 7%. North America also performed strongly, with sales growing by 9%, excluding Bestfoods. Operating profit BEIA was up by 20%. Sales and profits grew in Latin America after the intense competitive activity in 1999. Europe showed good progress in leading brands but overall sales were held back by a poor ice cream season and a decline in the 'tail' brands. Africa and Middle East sales grew by 3%, with operating profits up 9%.

Our website: www.unilever.com harnesses leading technology and creative ingenuity to provide timely and accurate information to stakeholders. In 2000, its quality of information made it one of the leaders in an independent league table of corporate websites.

Japan: Innovation delivered significant rewards in Japan. *mod's hair* products won over fashion-conscious youth and *Pond's Double White* continued to perform strongly. *Dove* experienced exceptional growth, with facial foam capturing 17% of the sector.

Acquisitions: Significant acquisitions – including Bestfoods, Slim·Fast, Ben & Jerry's, Amora Maille and Central American food, drink and cleaning products company Cressida – strengthened our reach and portfolio around the world.

Sustainable development

We have made good progress in our commitment to sustainable development. Our focus is on sustainable agriculture, water stewardship and renewable marine stocks. Early in 2001 we published our first Social Review. This sets out Unilever's approach to corporate social responsibility. This is a companion document to our online Environment Report which demonstrates continuing progress in reducing our global environmental impact.

The Unilever team

2000 was a year of enormous effort by our people throughout the organisation. Without their commitment, the substantial progress described here would not have been achieved. Our thanks are due to all of them.

Throughout its history, Unilever has successfully adapted to change. However, today the intensity and pace of change are unprecedented. In the last year we have done much to improve the quality of the leadership team. This has involved significant changes to the composition of the top team and how it works together. We have radically adjusted the remuneration of our managers which is now sharply directed towards variable reward for delivery of growth and shareholder value. We are committed to building a team with a passion for growth and winning.

The way ahead

In 2001, we will continue to meet the milestones outlined in our Path to Growth strategy. We expect to see increased momentum in the growth of our leading brands and to continue to expand profit margins. Our divestment programme will both reduce borrowings and further simplify our business. We confidently reaffirm our strong commitment to the objective of sustainable low double digit earnings growth.

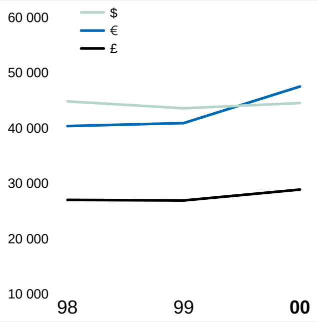
Antony Burgmans and Niall FitzGerald
Chairmen of Unilever

financial highlights

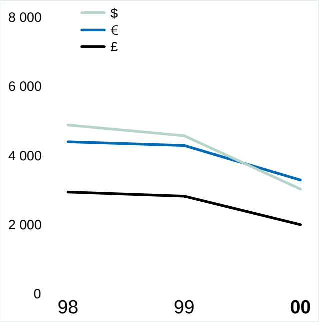
In 2000, we saw the benefits of the first year of our Path to Growth strategy. Our focus on leading brands, complemented by global procurement and supply chain improvements, boosted turnover, operating profit BEIA* and margin.

At current exchange rates†

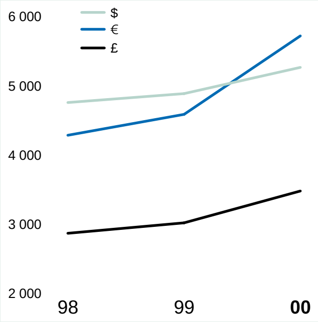
Group turnover
million



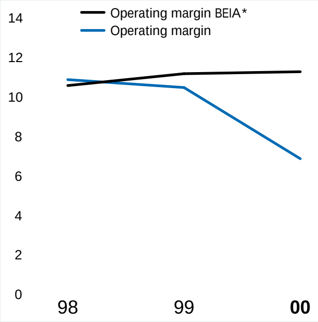
Group operating profit
million



Group operating profit BEIA*
million



Group operating margin
%

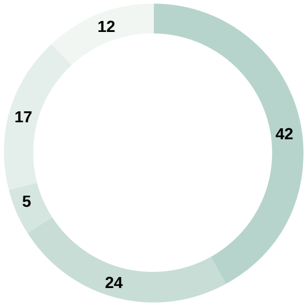


Group turnover, operating profit and operating profit BEIA*
million

	€ 1998	€ 1999	**€ 2000**	£ 1998	£ 1999	**£ 2000**	$ 1998	$ 1999	**$ 2000**
Group turnover	40 437	40 977	**47 582**	27 094	26 994	**28 963**	44 895	43 650	**43 809**
Group operating profit	4 410	4 303	**3 302**	2 955	2 835	**2 010**	4 896	4 584	**3 040**
Group operating profit BEIA*	4 293	4 595	**5 729**	2 876	3 027	**3 487**	4 766	4 895	**5 274**

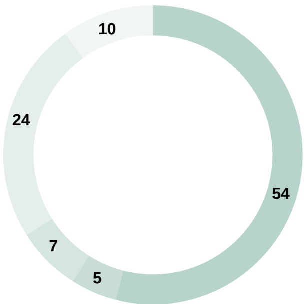
*BEIA = Before exceptional items and amortisation of goodwill and intangibles

†The figures quoted in Financial highlights and in the Summary Financial Statement are in euros, sterling and US dollars at current rates of exchange, unless otherwise stated. The profit and loss and cash flow information is translated at average rates of exchange for the relevant year and the balance sheet information at year end rates of exchange.



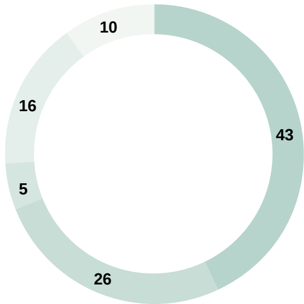
Group turnover by region %

Year	00	99	98
Europe	**42**	46	47
North America	**24**	22	21
Africa & Middle East	**5**	6	6
Asia & Pacific	**17**	16	14
Latin America	**12**	10	12



Group operating profit by region %

Year	00	99	98
Europe	**54**	50	53
North America	**5**	20	21
Africa & Middle East	**7**	6	5
Asia & Pacific	**24**	15	10
Latin America	**10**	9	11



Group operating profit by region BEIA*%

Year	00	99	98
Europe	**43**	50	50
North America	**26**	21	21
Africa & Middle East	**5**	5	5
Asia & Pacific	**16**	15	12
Latin America	**10**	9	12

Earnings and dividends

	Ordinary shares of NV			Ordinary shares of PLC		
Combined earnings per share and dividends	**Fl. 1.12 2000**	Fl. 1.12 1999	Fl. 1 1998	**1.4p 2000**	1.4p 1999	1.25p 1998
Basic earnings per share	**€1.07 Fl. 2.36**	€2.63 Fl. 5.80	€2.63 Fl. 5.80	**€0.16 9.79p**	€0.39 26.01p	€0.39 26.45p
Basic earnings per share BEIA*	**€3.21 Fl. 7.07**	€2.83 Fl. 6.24	€2.59 Fl. 5.71	**€0.48 29.34p**	€0.42 27.96p	€0.39 26.04p
Dividend per share (excluding special dividend) (a) (b)	**€1.43 Fl. 3.15**	€1.27 Fl. 2.79	€1.14 Fl. 2.51	**13.07p**	12.50p	10.70p
Special dividend per share (a)			€6.58 Fl. 14.50			66.13p

	NV New York shares			American Depositary Receipts of PLC		
Combined earnings per share and dividends for shares traded on New York Stock Exchange (on a UK/Netherlands GAAP (c) basis) in US$	**Fl. 1.12 2000**	Fl. 1.12 1999	Fl. 1 1998	**5.60p 2000**	5.60p 1999	5.00p 1998
Basic earnings per share	**$0.99**	$2.80	$2.92	**$0.59**	$1.68	$1.75
Basic earnings per share BEIA*	**$2.96**	$3.01	$2.88	**$1.77**	$1.81	$1.73
Dividend per share (excluding special dividend) (b) (d)	**$1.30**	$1.19	$1.25	**$0.76**	$0.76	$0.69
Special dividend per share			$6.95			$4.23

(a) Dividends of NV were declared and paid in guilders for 1998 and 1999, and in euros for 2000. For the purposes of this comparison, values have been converted at the official conversion rate of €1 = Fl. 2.20371, rounded to two decimal places.
(b) It is not possible to make a direct comparison between dividends paid before and after 6 April 1999 because of the abolition of United Kingdom ACT (Advance Corporation Tax) from that date.
(c) Generally accepted accounting principles.
(d) Further details of US dividends and exchange rates used are given on page 24.

Health and wellness: Functional foods – products with scientifically based nutritional or health benefits – are an important growth area for Unilever. Our growing brands include *Slim•Fast*, *Annapurna*, *AdeS* and *Flora/Becel pro•activ*.

developing great brands

Foods and Home & Personal Care Our new divisional structure, of Foods and Home & Personal Care, was launched in January 2001. The new organisation is better equipped to act quickly, to roll out major innovations and to fuel brand growth.

Foods
In 2000, we began the transformation of our Foods business in line with the Path to Growth strategy.

Bestfoods brought us leadership in the culinary category, a strong position in the expanding food service sector and outstanding talent. The acquisition of Slim•Fast, Ben & Jerry's and Amora Maille further strengthened us in the key areas of functional foods, premium ice cream and culinary products.

These businesses are being rapidly integrated into our new divisional structure, putting us in a good position to meet our strategic targets.

We remain world leader in margarine and related spreads and branded olive oil. Margins improved, reflecting lower raw material costs and supply chain improvements.

Our cholesterol-lowering spreads *Flora/Becel pro•activ* were successfully launched in 10 European countries, following clearance from the European Union.

In ice cream, the Ben & Jerry's acquisition gave us a presence in the super premium sector for the first time. Excluding acquisitions, overall volumes were in line with 1999. Sales of impulse ice creams fell in Europe.

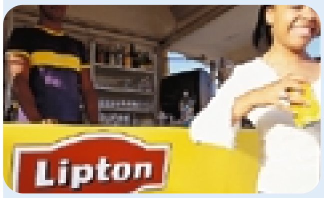
As part of our response to rising out-of-home demand for scooped and soft ice cream, we successfully extended our *Carte d'Or* dessert range.

Our focus on our leading brands, *Lipton* and *Brooke Bond*, helped tea sales increase by 4%. In Europe, volumes grew but operating margin fell due to increased marketing investment and a rise in raw material costs.

'Paint the World Yellow' – the *Lipton* marketing campaign which has seen us brand everything from windsurfing boards to Chevrolets – raised brand awareness around the globe.

Culinary sales rose by 4%, excluding acquisitions. We continued to apply innovations to our product formulations, for example, capitalising on *Sizzle & Stir*'s great success in the UK with a spicy variant, *Stir it Up*.

driving innovation



Tea: *Lipton* is 'Painting the World Yellow'. Around the globe, focused advertising, high visibility branding and innovative promotions have energised sales of both hot and cold *Lipton* beverages.

Laundry tablets: Tablets are continuing to drive our success in laundry. Now rolled out in more than 30 countries, including the US and Canada, new variants include a mix for delicate fabrics.

***Carte d'Or*:** Inspired by the traditional desserts of neighbourhood ice cream parlours, *Carte d'Or Artisanal* is a great success in Europe and has infused the strong *Carte d'Or* brand with fresh dynamism.

Our frozen foods portfolio is now focused on a few strong brands. Our progress in cutting less profitable lines, complemented by low cost manufacturing and new technologies, contributed to increased margins. The category is expected to show good, sustainable growth from the end of 2001.

We exited from the European bakery business and in February 2001 we successfully concluded an agreement to sell the Bestfoods Baking Company. We have also entered into a contract to divest part of our culinary business in Europe, primarily dry soup and sauces businesses. This transaction is subject to approval by the regulatory authorities.

Functional foods – that is, foods and beverages with scientifically based nutritional or health benefits – are an important growth area for Unilever. A dedicated team focuses on maximising their potential across all brands and categories. A priority will be the rolling out of the *Slim•Fast* range beyond the US.

Concern over food safety continues, particularly in Europe. Public confidence must be restored and we support transparent and effective regulation to reassure consumers about the integrity of the food chain. We welcome the new European Food Authority but believe it would function more effectively with executive, rather than advisory, powers.

Home & Personal Care

In Home & Personal Care, it was a year of growth across most categories and regions, with particular advances in personal care.

This success followed our decision to focus resources behind fewer, stronger brands with international reach and consumer appeal. It also reflected our ability to innovate – and to extend that innovation rapidly throughout the world.

We strengthened our position in the home care market, which includes fabric and surface cleaning and domestic hygiene products. Highlights included the rapid growth of the *Vim* dishwash bar in India and the successful roll-out of *Domestos* wipes in Europe. In 2000, excluding acquisitions, overall home care sales rose by 2%.

In the laundry category, we expanded our market position in tablets. These are now available in more than 30 countries, including the US and Canada. In South Latin America, we were particularly pleased by the development of our laundry market share in the face of intense competition.

Our DiverseyLever business provides cleaning and hygiene products and services to the food and beverage industry and to institutions. In 2000, we entered into several significant long-term supply and service contracts with major international customers.

forward

Foods and Home & Personal Care†

€ billion 2000 at constant 1999 rates	€ billion 2000 at current 2000 rates	€ billion 1999 at current 1999 rates	€ billion Change at constant 1999 rates		£ billion 2000 at current 2000 rates	£ billion 1999 at current 1999 rates	$ billion 2000 at current 2000 rates	$ billion 1999 at current 1999 rates
				Group turnover				
22.3	**23.9**	20.3	9%	Foods	**14.5**	13.4	**22.0**	21.7
20.8	**22.8**	19.8	5%	Home & Personal Care	**13.9**	13.0	**21.0**	21.1
				Group operating profit				
1.6	**1.7**	1.8	(8)%	Foods	**1.1**	1.2	**1.6**	1.9
1.5	**1.5**	2.4	(38)%	Home & Personal Care	**0.9**	1.6	**1.4**	2.5
				Group operating profit BEIA*				
2.6	**2.7**	2.0	26%	Foods	**1.7**	1.3	**2.5**	2.2
2.7	**3.0**	2.4	11%	Home & Personal Care	**1.8**	1.6	**2.7**	2.6

†Calculated using unrounded numbers
*BEIA = Before exceptional items and amortisation of goodwill and intangibles

We enjoyed another outstanding year in personal care, where we hold the number one position in skin cleansing products and deodorants and have major businesses in toothpaste, skin care and hair care. Significant increases in turnover and operating profit were recorded in all regions. Once again, *Dove* led the way. Building on its position as the world's leading cleansing product, the brand proved equally robust when extended into other categories such as deodorants.

In a major global marketing initiative, we redefined *Lux* as a contemporary and effective beauty treatment. An early launch, in Brazil, yielded encouraging results.

In deodorants, *Rexona* and *Axe/Lynx* continued to drive our success. A rationalisation of *Rexona*'s ingredients and packaging achieved a single global mix and made selecting the right product easier for consumers.

Our hair care business grew by almost 10%. Expansion was driven by the strong performance of *Sunsilk*, particularly in Asia and Pacific and Latin America. Also, the launch of *mod's hair* in Japan was a stunning success.

In oral care, we followed a strategy of selective investment, in both geography and products. We enjoyed good growth with *Signal* in Europe and *Close-Up* in Asia and Pacific.

Our Prestige fragrance business is one of the largest in the world. We sell fragrances under the *Calvin Klein* name, as well as other premier designers, such as *Cerruti*, *Lagerfeld*, *Chloé* and *Valentino*. In January 2001, we concluded the sale of the Elizabeth Arden skin business and related fragrances to concentrate on growing our designer fragrance business.

Marketing highlights during the year included the launch of *Calvin Klein Truth* and the development of the *Nautica* range.

at home everywhere

Regional highlights Innovation, acquisition and brand focus helped us to grow in all regions in 2000. Economic recovery in South East Asia and the beginning of an upturn in Latin America gave further impetus to our performance.

Europe – Progress in leading brands but overall sales hit by a poor ice cream season and disposals
In Western Europe, our Home & Personal Care business achieved sales growth of 3%.

Progress was led by our *Dove* brand which grew by 18%, boosted by new range extensions. Further impetus to growth came from a range of innovative launches, including colour laundry tablets, *Domestos/Cif* easy-to-use wipes, *Easy Iron* fabric conditioner and new variants of *Axe/Lynx* deodorant.

Foods in Western Europe had a mixed year as sales of ice cream and beverages suffered from a poor summer season.

It was a more encouraging story in the other categories, leading to overall growth of 3%. In spreads and cooking products, volumes developed favourably with the introduction of *Flora/Becel pro•activ* cholesterol-lowering spreads. *Bertolli* blended olive oil spreads added momentum in the second half of the year.

The culinary products business performed well, led by the continuing growth of *Sizzle & Stir* cooking sauces and the sales of Amora Maille which were 7% ahead of last year. In frozen foods, our *4 Salti in Padella* range of high quality ready meals brought innovation and growth to the sector. Our planned exit from low margin commodity businesses reduced sales but improved margins. Our tea business grew with the roll-out of pyramid tea bags and *Lipton Tchaé*.

The overall sales level in Western Europe also reflected our disposal of under-performing businesses, including the sale of our European bakery operation.

Central and Eastern Europe There was a modest improvement in overall market conditions, however the impact of the financial crisis in Turkey held back sales in the fourth quarter.

Personal care achieved high single digit volume growth, driven by deodorants and hair products. Overall, lower prices held back sales growth, as we passed on lower edible oil input costs, repositioned our spreads and tea brands in Russia and responded to competitive pressures in spreads and laundry in Poland and Turkey.

***Omo*:** An ambitious relaunch of *Omo* boosted laundry market leadership in Brazil. This initiative, which was rolled out globally, included an improved mix, dynamic advertising and nationwide promotional activity.

around the world

***Cif Oxy-Gel*:** General purpose cleaner *Cif Oxy-Gel* is now successfully established in 10 European countries. In addition, all *Jif* products in the UK and Ireland have been rebranded *Cif* – the most widely used name for the popular range.

Barbershop: In 2000, we launched a London barbershop and a new razor and shaving gel range as part of our strategy to extend the leading *Axe/Lynx* brand.

Ice cream: The *Breyers Parlor* range of traditional-style desserts helped us to a 10% increase in packaged ice cream sales in North America, while the acquisition of Ben & Jerry's gave us an important stake in the super premium ice cream sector.

North America – Good sales and margin growth in both Foods and Home & Personal Care

Sales rose by 13%, with a strong contribution from Bestfoods, Slim•Fast and Ben & Jerry's. Operating margins showed a significant increase, as the benefits of restructuring, portfolio improvement and procurement savings came through.

Although Bestfoods sales in the fourth quarter were around €100 million short of our expectations, this was largely as a result of action taken to reduce trade inventories in the US in both the retail and foodservice channels.

In Foods, our ice cream, tea and culinary products businesses achieved good sales growth. In ice cream, the most significant contributions came from the *Breyers Parlor* take home range and from new *Popsicle* and *Klondike* novelties. In culinary products *Lipton* meal makers, driven by *Sizzle & Stir,* led the advance, while *Lipton Cold Brew* was a key player in tea's success. In the US, we successfully launched a creamy fruit variant of *Brummel & Brown* spreads.

In Home & Personal Care, volumes grew by 4% as a result of an active and strongly supported innovation programme.

Dove, Caress and *Suave* led growth in personal care and in hair care we have relaunched *Salon Selectives*.

Our fabric care business maintained its overall market position, despite price competition, and the launch of laundry tablets began well.

In our Prestige fragrance business we sold much of the Elizabeth Arden business and launched *Nautica* and *Calvin Klein Truth*.

Africa and Middle East – A resilient performance in a challenging economic environment

In Africa and Middle East, overall sales were up by 3%, with profits increasing by 9%.

The momentum in Africa was driven by progress across all our key categories, with particularly strong performances from laundry, oral care, deodorants and culinary products. We increased the direct coverage of outlets with the roll-out of a distribution model based on our experience in rural India.

In South Africa, we introduced laundry tablets, with other innovative launches including *Omo* liquid bleach*, Flora pro•activ* and *Lipton Ice Tea*.

Unilever consumer product businesses are being supplied with innovative tea products from our East African plantations.

In the Middle East, sales stagnated in adverse business conditions and we concentrated on maintaining market positions.

Regional highlights†

€ billion 2000 at constant 1999 rates	€ billion 2000 at current 2000 rates	€ billion 1999 at current 1999 rates	Change at constant 1999 rates		£ billion 2000 at current 2000 rates	£ billion 1999 at current 1999 rates	$ billion 2000 at current 2000 rates	$ billion 1999 at current 1999 rates
				Group turnover				
19.2	**19.8**	18.8	2%	Europe	**12.1**	12.4	**18.2**	20.0
10.0	**11.6**	8.8	13%	North America	**7.1**	5.8	**10.7**	9.4
2.4	**2.4**	2.3	3%	Africa & Middle East	**1.5**	1.5	**2.3**	2.4
7.2	**8.0**	6.7	7%	Asia & Pacific	**4.9**	4.4	**7.4**	7.2
5.0	**5.7**	4.3	14%	Latin America	**3.4**	2.9	**5.2**	4.6
				Group operating profit				
1.7	**1.8**	2.2	(20)%	Europe	**1.1**	1.4	**1.6**	2.3
0.1	**0.2**	0.8	(83)%	North America	**0.1**	0.6	**0.2**	0.9
0.2	**0.2**	0.3	(10)%	Africa & Middle East	**0.1**	0.2	**0.2**	0.3
0.7	**0.8**	0.6	11%	Asia & Pacific	**0.5**	0.4	**0.7**	0.7
0.3	**0.3**	0.4	(21)%	Latin America	**0.2**	0.3	**0.3**	0.4
				Group operating profit BEIA*				
2.4	**2.5**	2.3	6%	Europe	**1.5**	1.5	**2.3**	2.4
1.3	**1.5**	1.0	30%	North America	**0.9**	0.6	**1.4**	1.0
0.3	**0.3**	0.3	9%	Africa & Middle East	**0.2**	0.2	**0.3**	0.3
0.8	**0.9**	0.7	23%	Asia & Pacific	**0.5**	0.4	**0.8**	0.7
0.5	**0.6**	0.4	24%	Latin America	**0.4**	0.3	**0.6**	0.5

†Calculated using unrounded numbers
*BEIA = Before exceptional items and amortisation of goodwill and intangibles

Asia and Pacific – Another year of strong growth and increased profit

Sales in the year were 7% ahead of 1999, driven by excellent performances in South East Asia and Japan. Profitability rose significantly across the region, while at the same time we maintained a high level of marketing support.

Our businesses in South East Asia and Japan generated double digit sales growth in each quarter. Progress was broad-based, in both category and geography.

In skin care and hair care, innovation and strong marketing support levels helped us to good results. Brand successes included the performance of *Dove, Pond's, mod's hair* and *Lux* in Japan and *Vaseline* shampoo in the Philippines. In Australasia, we achieved sales growth in ice cream and gained market share in laundry.

In China, a repositioned *Omo* and new variants of *Zhonghua* toothpaste helped both brands achieve volume growth above 20%. In Taiwan, *Dove* shampoo vied for the number one market position.

We made further progress in sales of consumer brands in India, as our renewed focus on building mass market share began to have an impact. At the premium end of the laundry market, *Surf* continued to perform well. Overall sales revenues were affected by our exit from the imported fertiliser business and by the impact of lower edible oil prices.

Latin America – Encouraging sales growth against a background of recovering economies

Sales growth for the year of 14% reflected a significant contribution from Bestfoods and other acquisitions. There were encouraging signs of growth in Brazil, while Mexico continued to perform strongly. Recovery was slower in Argentina and North Latin America.

In laundry, volume growth progressed during the year with share gains in Brazil and Argentina. In personal care, brand focus continued to deliver very good progress in Brazil.

In Foods, growth was spurred by an excellent performance in our Mexican business in ice cream, spreads and culinary. We also saw the first signs of a recovery in our ice cream operations in Brazil.