

Driving profitable growth



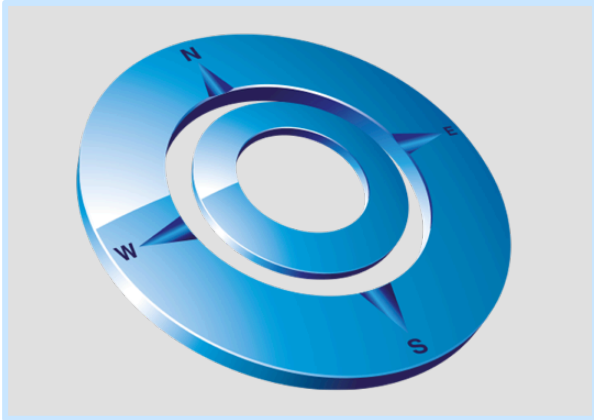
Jean-Marc Huët
London, 4th December 2014



Three themes today



A sharpened strategy



Enhancing agility



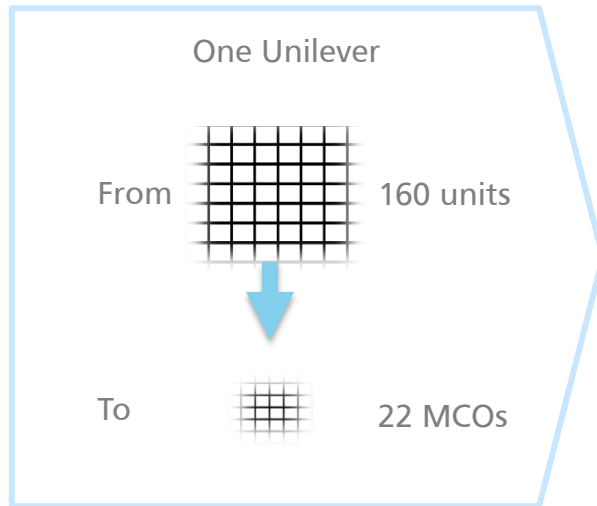
EPS growth and cash delivery





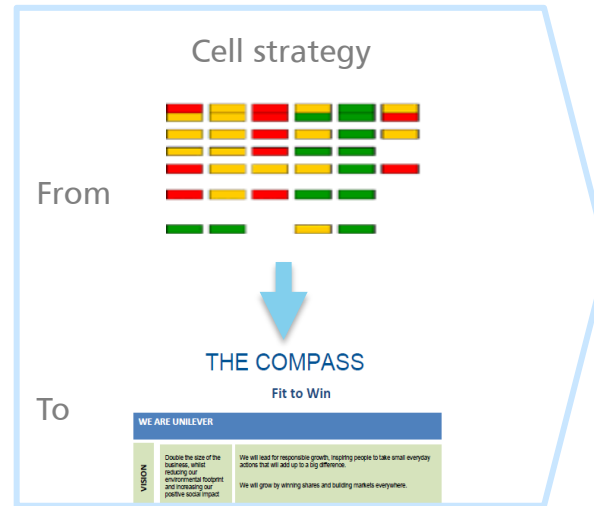
A sharpened strategy over time

2005



Driving efficiencies

2009



Winning everywhere

2011



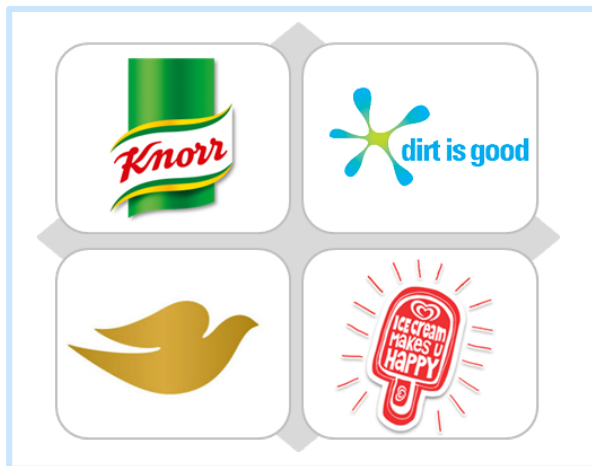
4 categories x 8 clusters





Active portfolio management

4 strong categories

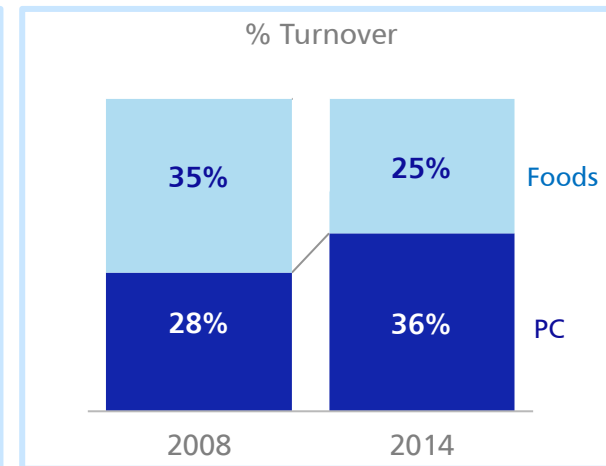


Enhanced by M&A

2009 - 2014

Disposal cash proceeds:	€5.3bn
Acquisition investment:	€5.6bn
Minorities, Leverhulme:	€4.0bn

More weighted to PC





Good overall performance

	Personal Care	Foods	Home Care	Refreshment
Growth				
Margin				

Varied contributions by category

Sharper category choices

Priority 1: Spreads



- Stabilize turnover
- Sustain strong cash flow

Priority 2: Home Care



- Sustain growth
- Double core operating margin

Differentiated targets

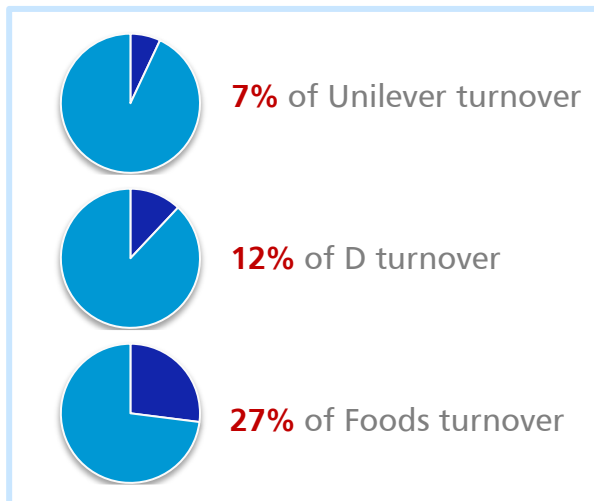


Growth remains our highest priority

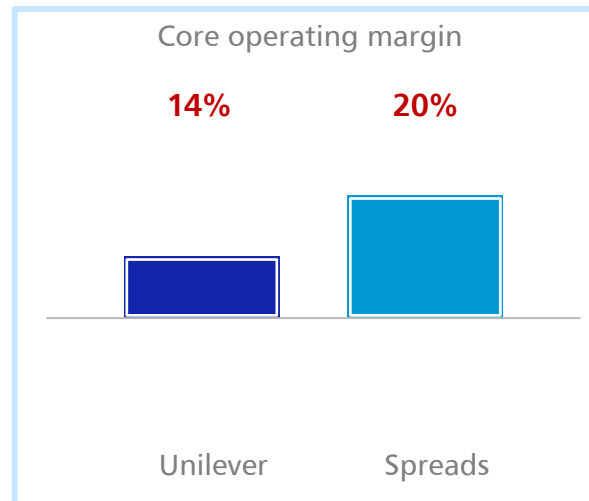


Priority 1: Stabilise Spreads

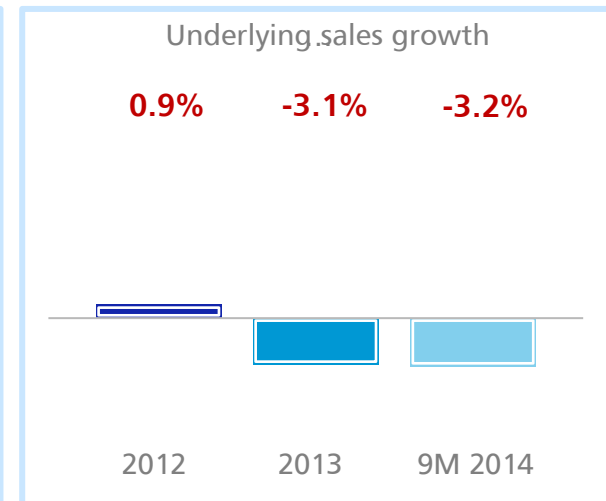
Important part of portfolio



Highly cash generative



Drag on top-line growth



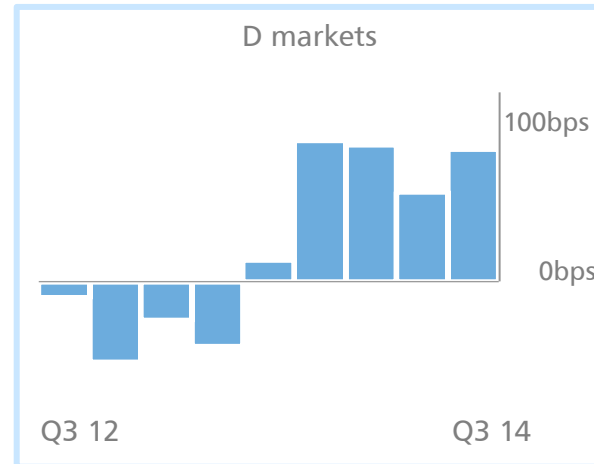


Good progress made

Initiatives underway



Gaining share in Margarines



Market still declining



Continued challenges – ready for the next step



A standalone business unit

Unilever Baking, Cooking and Spreading



Key facts

- Dedicated management team
- Responsible for strategy, resource allocation & performance
- Own P&L, cash flow, balance sheet
- Developed markets only

Benefits

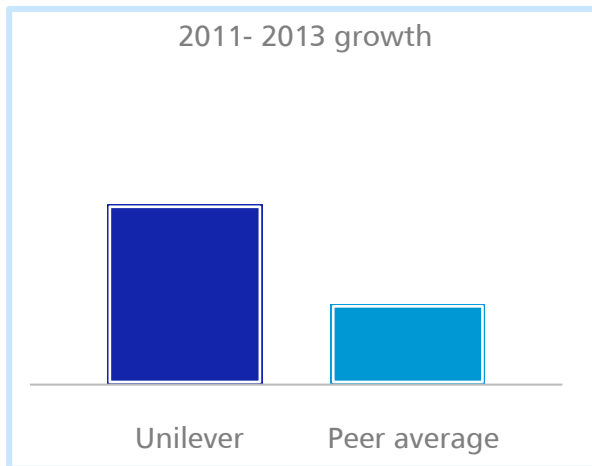
- More focus; short decision lines
- Freedom to take necessary decisions
- Improved trade-offs
- Continue to benefit from UL scale

Fully operational by mid 2015

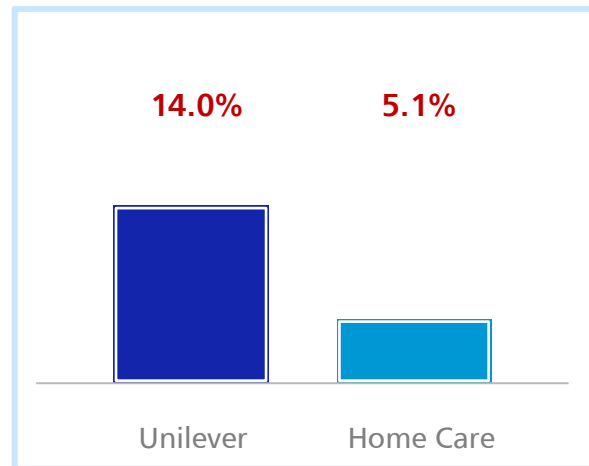


Priority 2: Doubling Home Care margin

Grown 2x competition



Low margin



Scope for improvement

- € Kick off LCBM Phase 2
-  Radical simplification
-  Efficient media investment

Balance market share gain and margin

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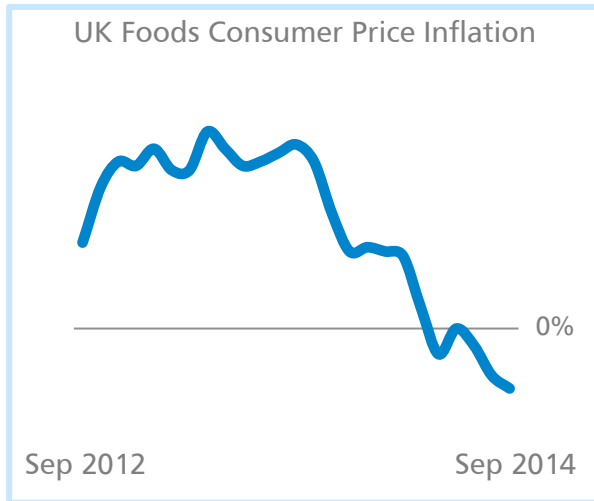
EPS growth and cash delivery



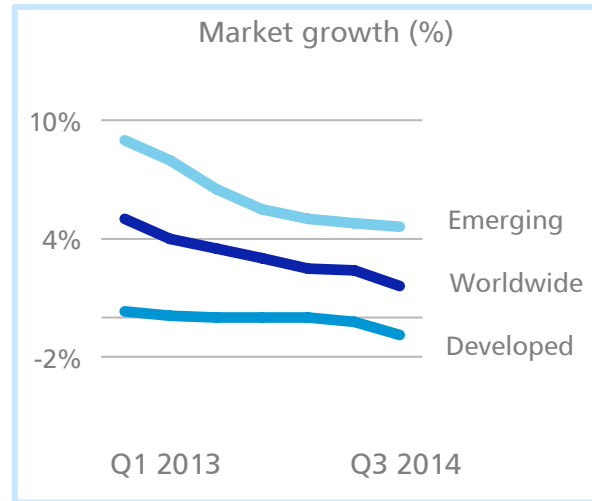


2014: a difficult year

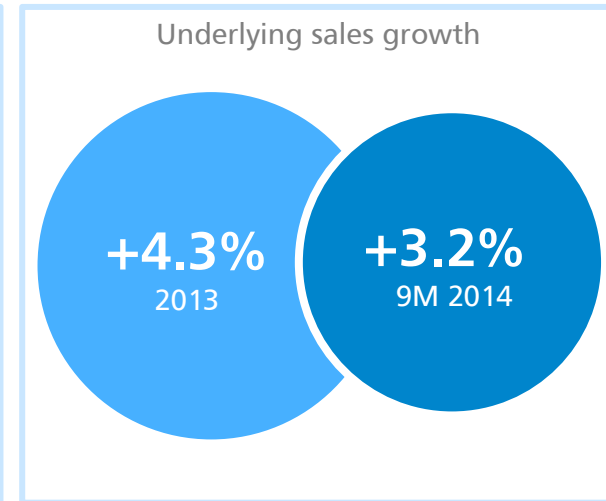
Price deflation in Europe



Slowing markets



Less top-line growth



Agility in applying the P&L levers



Project Half



Reducing discretionary spend

T&E expense:	-20%
Consultancy:	-40%
Facility management in Europe:	-15%

Financial efficiency

Pension changes:	
2014 core tax rate:	25%
Leverhulme impact:	Core EPS +2%*

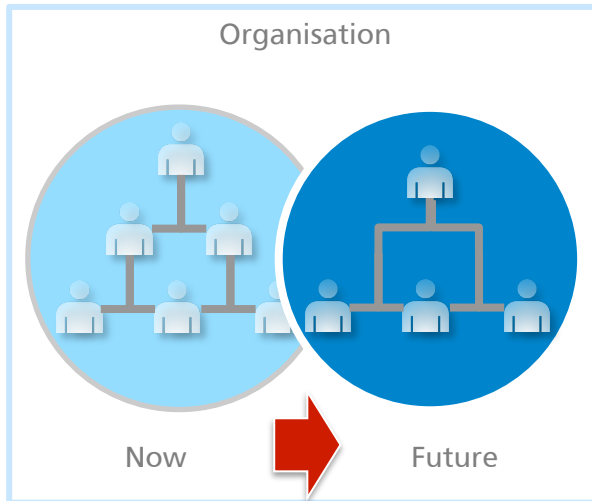


*Annualised impact



Agility in the organisation

Shorter decision lines



Speed to market

- Smart complexity
- 50% faster innovations
- Global specifications

Better, faster services

Enterprise & Technology Solutions

70% of resources in D&E by 2016





Driving simplification

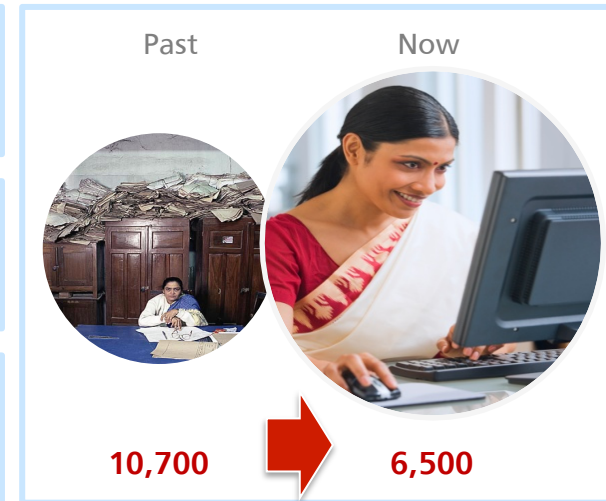
Harmonisation



Process simplification

- Reduced performance review steps:
200,000 employee hours saved
- Simplified recruitment process:
50% reduction in agency spend
- Simpler expense approval system:
20,000 employee hours saved

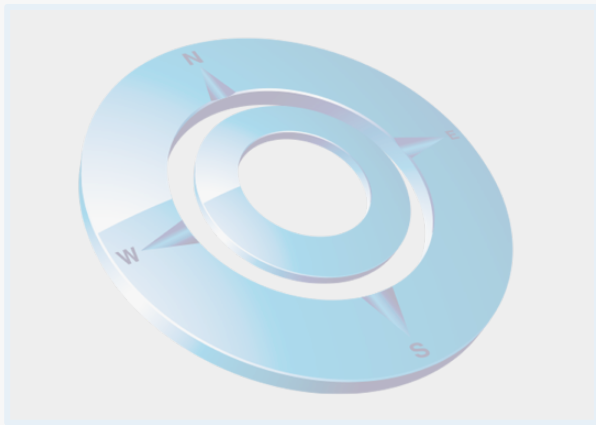
Fewer reports



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EPS growth and cash delivery





Driving Gross Margin

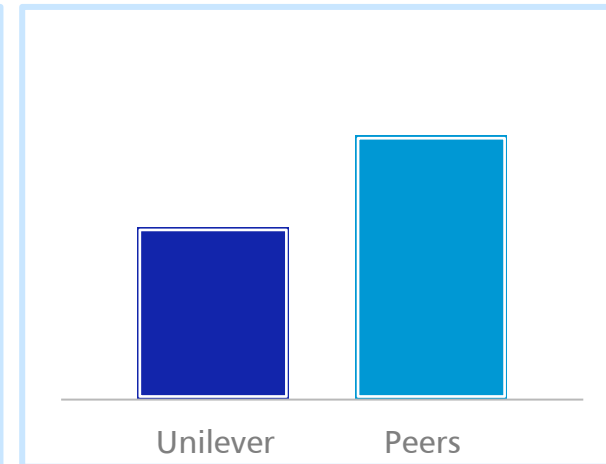
Maxing the mix



Continued supply chain cost improvement



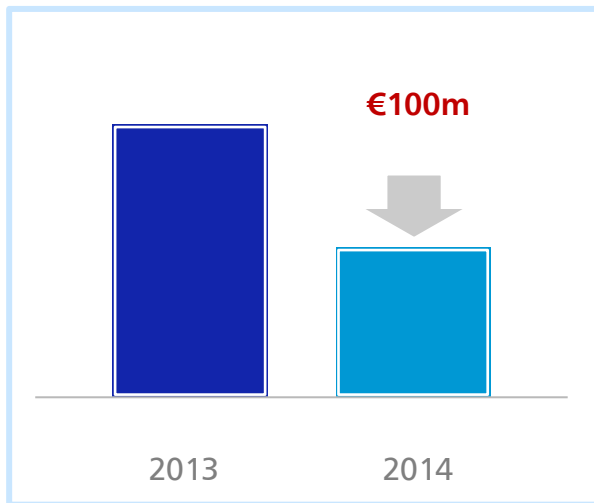
400bps gap to peers



Increasing efficiency in brand and marketing investment



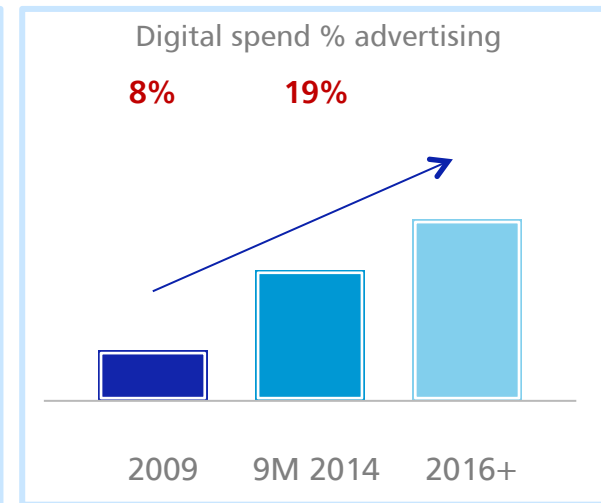
Reducing advertising production and agency fees



Driving media efficiency



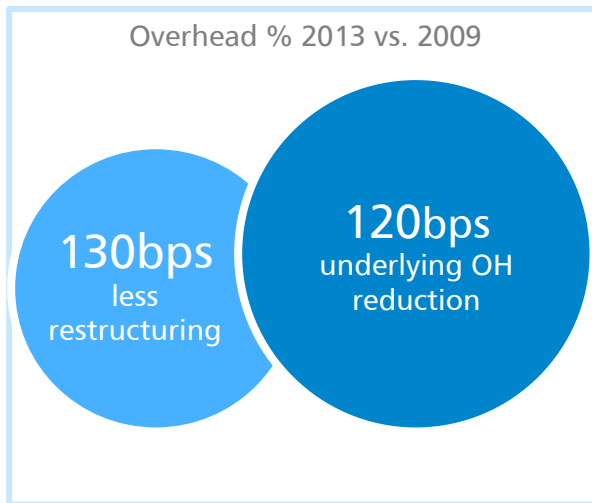
Shift to digital



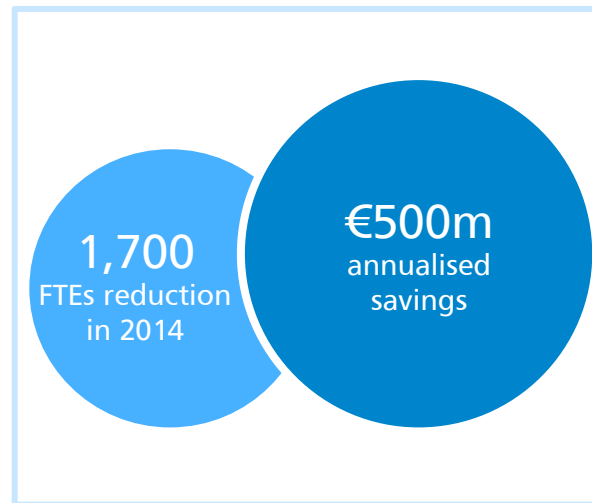


Continued discipline on overheads reduction

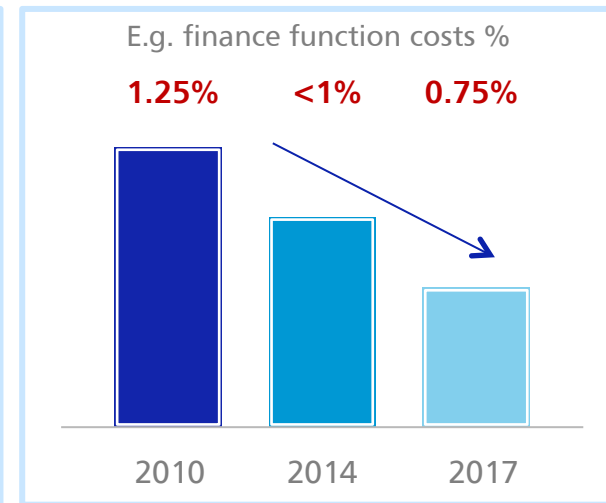
Strong track record



Delivering Project Half

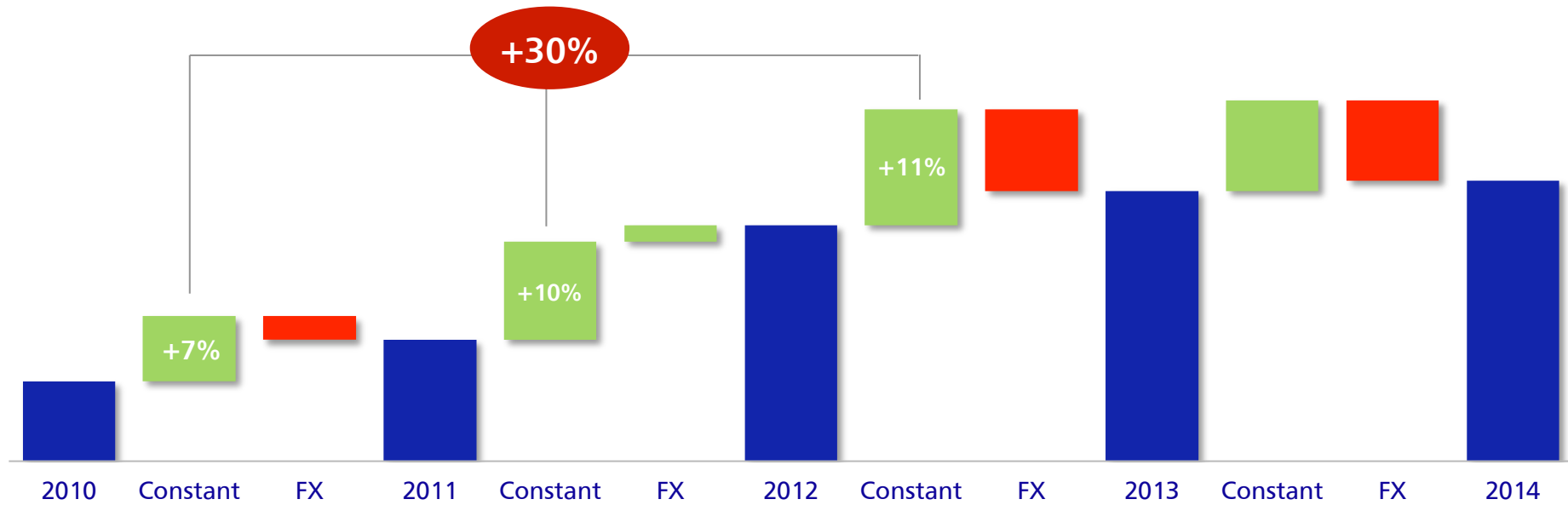


More to come





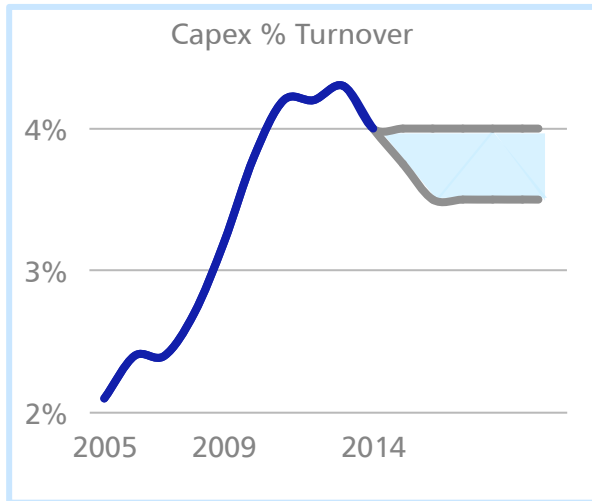
Driving Core EPS growth



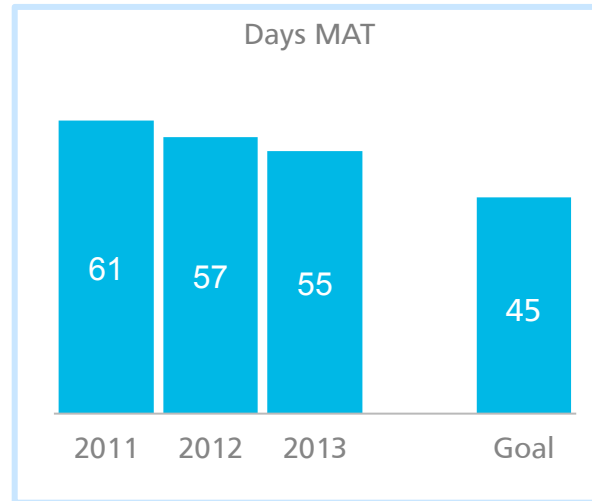


Delivering strong cash flow

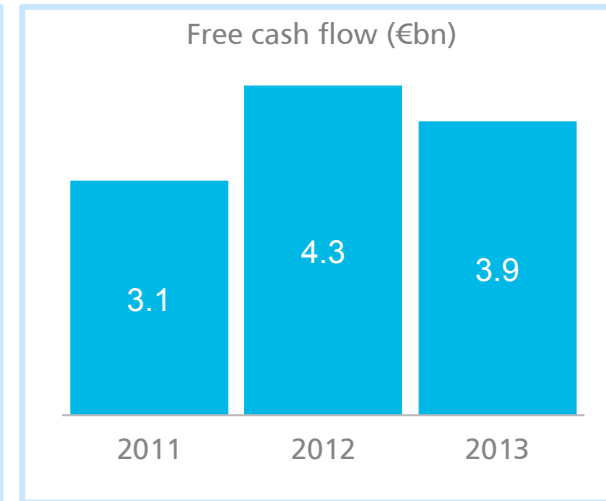
Capex investment phase



Reducing stock levels



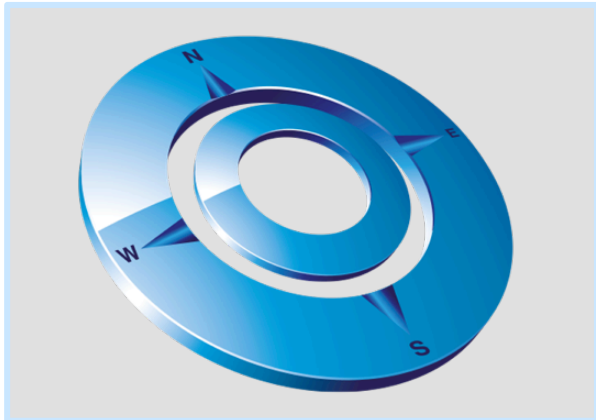
Strong cash delivery



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Sharpening our strategy



Enhancing agility



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