

IAS29: Restatement to Unilever 2018 turnover

The Argentinian economy was designated as hyperinflationary from 1 July 2018. As a result, application of IAS 29 'Financial Reporting in Hyperinflationary Economies' has been applied to all Unilever entities whose functional currency is the Argentinian Peso. IAS 29 requires that adjustments are applicable from the start of the relevant entity's reporting period. For Unilever that is from 1 January 2018. The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the balance sheet date;
- Adjustment of the income statement for inflation during the reporting period;
- The income statement is translated at the period end foreign exchange rate instead of an average rate; and
- Adjustment of the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The main effects on the Group's financial statements as at 31 December 2018 are:

- Non-current assets increased by €522 million. This was driven by an increase of €369 million to goodwill recognised in relation to a business acquired in Argentina as part of the Bestfoods acquisition in 2000;
- Turnover for the full year is reduced by €75 million.; For the full year the breakdown of turnover by quarter, after applying IAS29 using the exchange rate as at 31.12.2018 was:

Turnover as at 31 December 2018, €million				
Quarter	Group	BPC	F&R	HC
Q1	12,576	4,888	5,143	2,545
Q2	13,694	5,161	6,057	2,476
Q3	12,562	5,222	4,819	2,521
Q4	12,150	5,353	4,208	2,589
TOTAL	50,982	20,624	20,227	10,131

Please note: All numbers are unaudited.

- A monetary gain of €122 million is recorded in the income statement.