

Unilever Full Year 2013 Results

Paul Polman /Jean-Marc Huët

January 21st 2014



Unilever



SAFE HARBOUR STATEMENT



This announcement may contain forward-looking statements, including ‘forward-looking statements’ within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as ‘will’, ‘aim’, ‘expects’, ‘anticipates’, ‘intends’, ‘looks’, ‘believes’, ‘vision’, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Unilever group (the “Group”). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever’s global brands not meeting consumer preferences; increasing competitive pressures; Unilever’s investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; the debt crisis in Europe; financial risks; failure to meet high product safety and ethical standards; and managing regulatory, tax and legal matters. Further details of potential risks and uncertainties affecting the Group are described in the Group’s filings with the London Stock Exchange, NYSE Euronext in Amsterdam and the US Securities and Exchange Commission, including the Group’s Annual Report on Form 20-F for the year ended 31 December 2012 and Annual Report and Accounts 2012. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Paul Polman – CEO




Rexona
IT WON'T LET YOU DOWN

Consistent top and bottom line growth



Growth ahead of our markets

USG

4.3%

Improved Core Operating Margin

Δ COM

+40 bps

Strong cash flow

Free cash flow

€3.9 bn

2013: Volume-driven growth ahead of our markets



- **Volume 2.5%: market volume flat**
- **Price 1.8%: lower as commodity inflation eased**

Growth engines continue to deliver strongly in 2013



Emerging markets: volume-driven growth



USG: +8.7%

Personal Care: broad-based growth



USG: +7.3%

Home Care: consistent growth



USG: +8.0%

Foods: Stable performance



Spreads:
early signs of progress



Knorr & Hellmann's:
continued growth



Portfolio sharpening:
€600m sales disposed



Refreshment: Contrasting performances



Tea: continued growth



Ice cream: mixed

- ❑ US: moving to a more profitable base
- ❑ Italy: weak consumer demand
- ❑ Elsewhere: good growth

AdeS: rebuilding post recall

- ❑ Problem quickly resolved but sales down €60m
- ❑ Now rebuilding the brand with 'soy force' re-launch

Brands and innovation driving growth



Innovation with scale



Dove Repair Expertise
now in >50 countries

Rapid global rollout



AXE's 'into space' campaign in
>60 countries

Focussed R&D



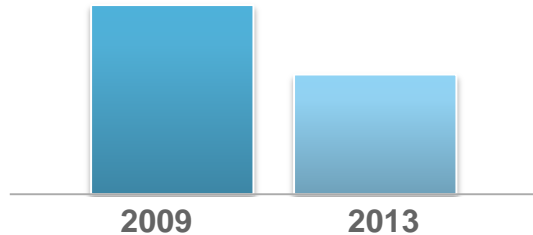
More resources
in 'discover' and 'design'

Improving operational excellence



Reduced consumer complaints

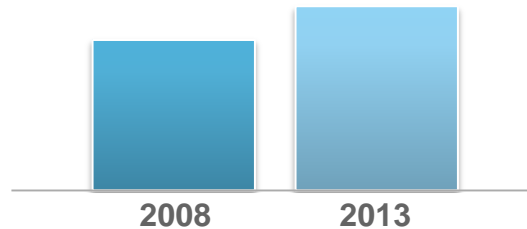
Consumer complaints



35% reduction

Improved customer service

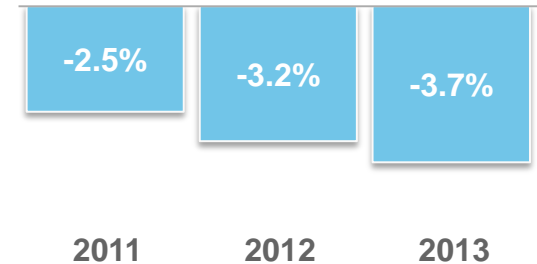
On-shelf availability



Up by **900bps**

Sustained -ve working capital

MAT %



Stocks down **3 days** per year

Investing in organisational strength and capabilities



Building organisational capabilities



An employer of choice



No. 1 FMCG in 23 countries

Enterprise & Technology Solutions

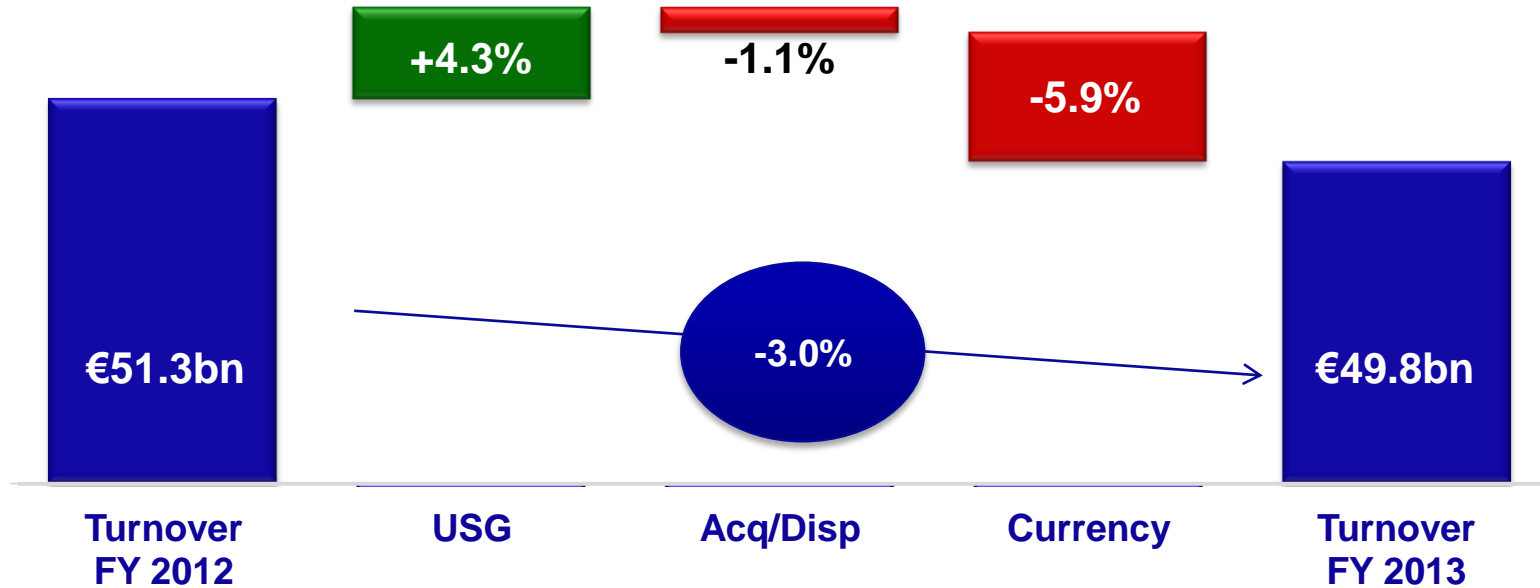


Jean-Marc Huët – CFO




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Turnover impacted by currency



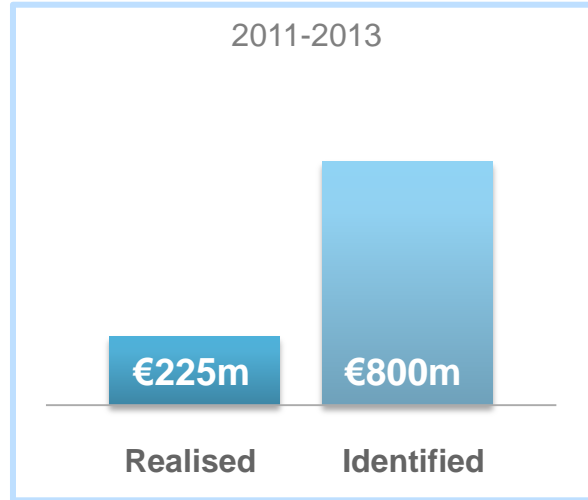
Gross Margin improved in all Categories & Regions



Max the mix underway



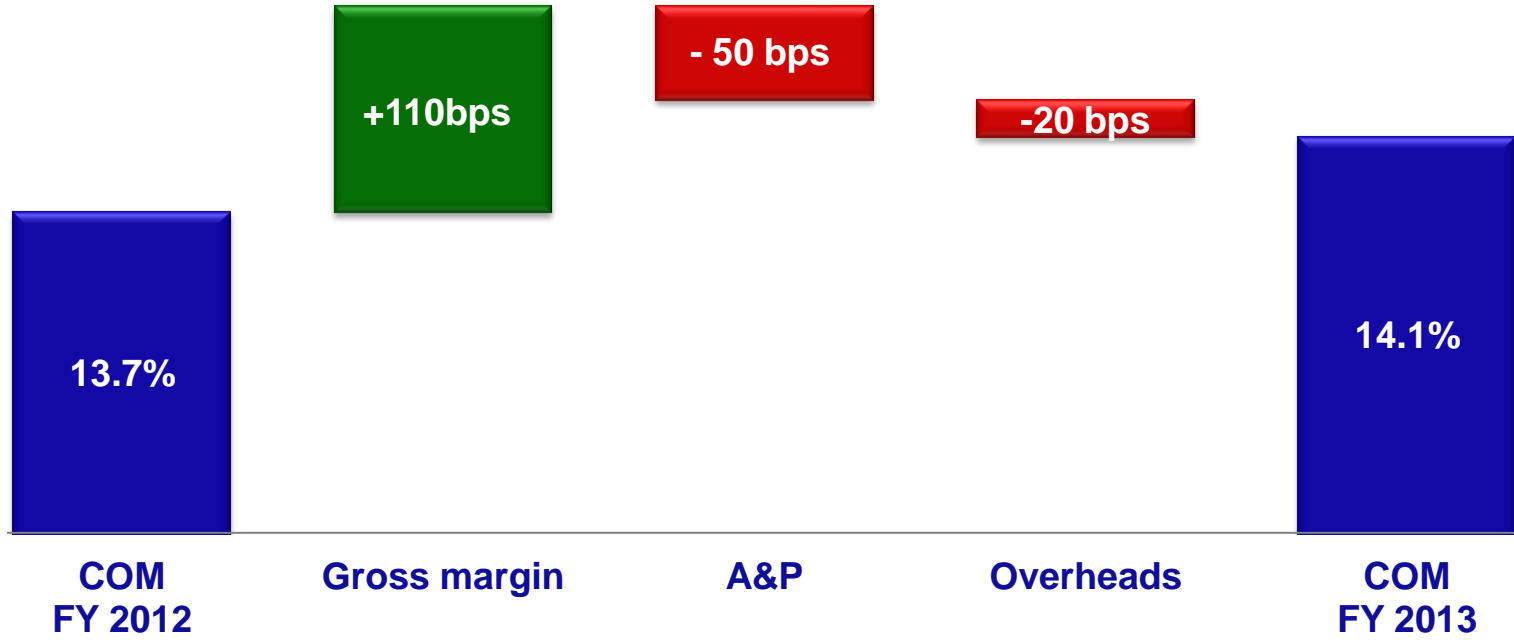
Low cost business models



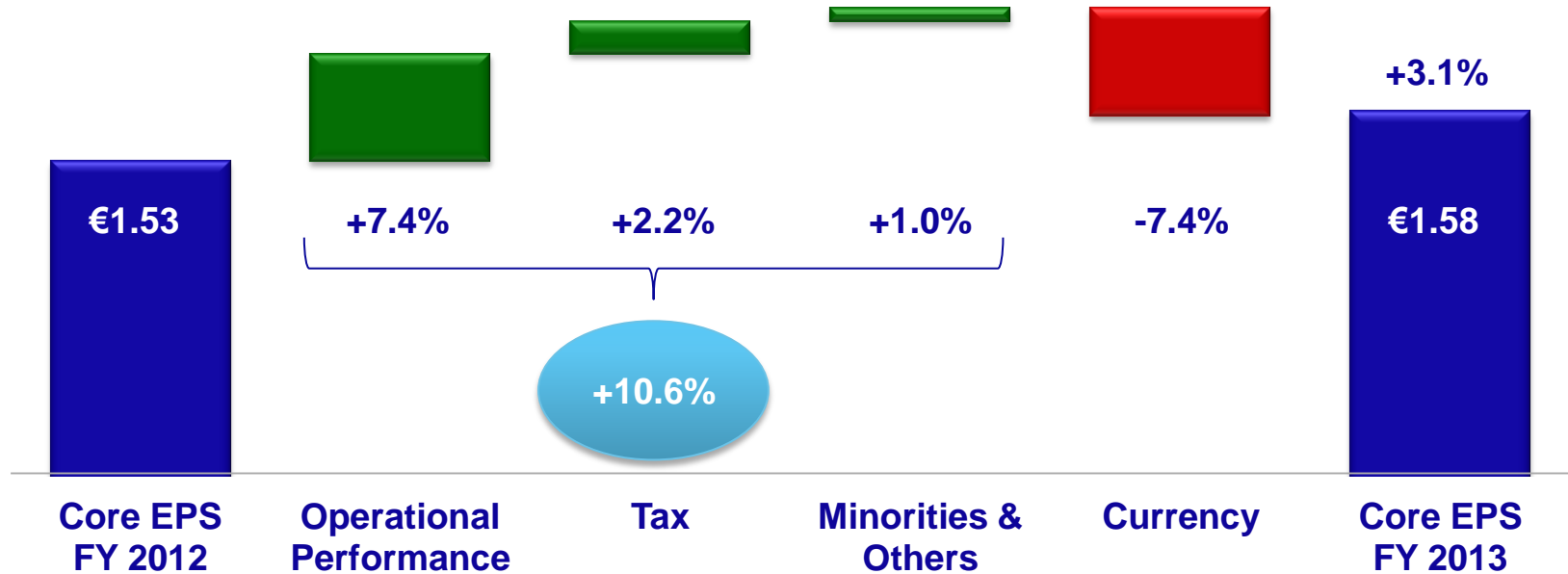
Commodity inflation

- ❑ 2013: ca 4%
- ❑ 2014: low-mid single digit
- ❑ Increases driven by FX

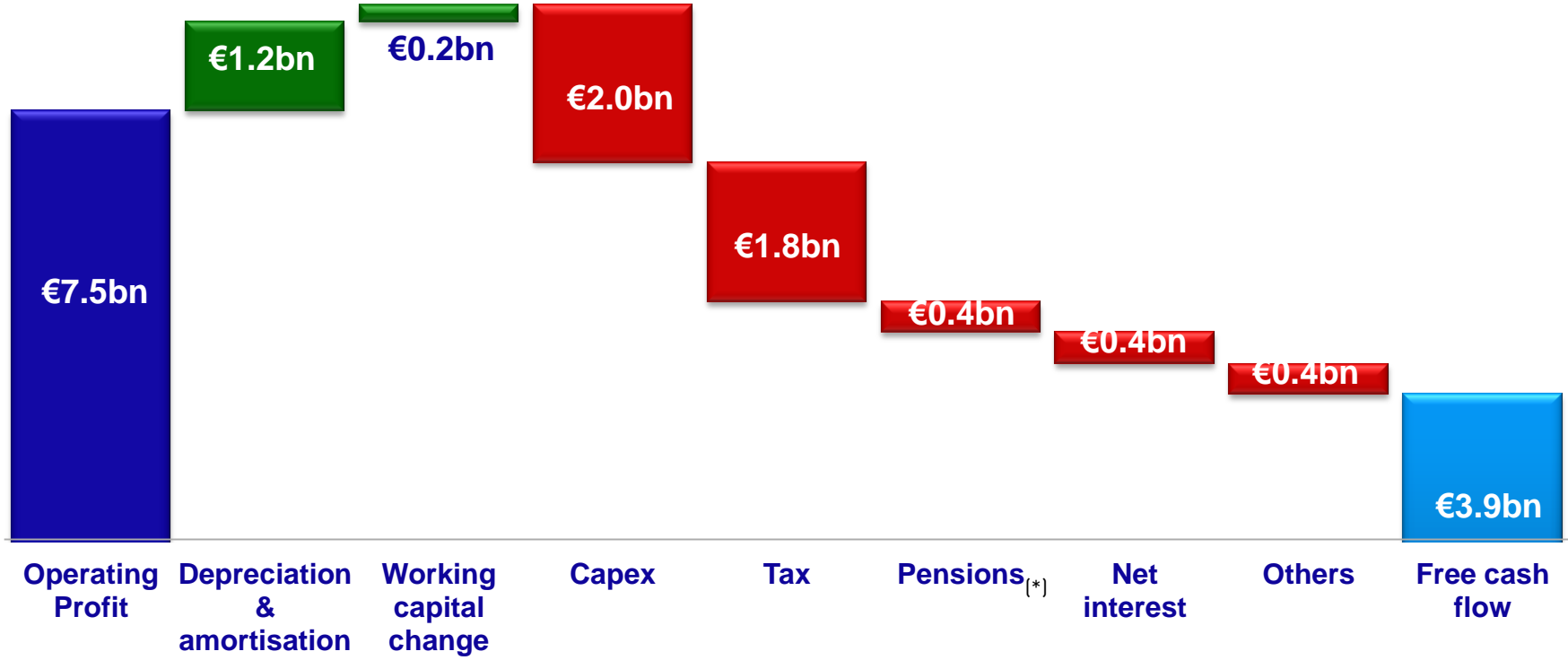
Core Operating Margin up by 40 bps



Core EPS: Double digit growth at const. rates offset by FX



2013: Free Cash Flow €3.9bn



(*) Pensions impact refers to cash contribution to pensions over and above operating profit charge

2013: Balance Sheet



Net Debt

€8.5bn

Up €1.1bn

Pension deficit

€2.0bn

Down €1.3bn

On like-for-like IAS19 basis

Cash contribution
to pensions

€0.7bn

Similar level for 2014 FY

Quarterly
dividend per share

€0.269

A more aligned definition of A&P from 2014



- **Accounting to reflect how we engage consumers**
 - e.g. in store merchandisers: from Overheads to A&P
 - e.g. consumer care lines: from Supply Chain Cost & Overheads to A&P
- **No change to Turnover or Core Operating Margin**

Paul Polman – CEO




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Towards a more agile organisation



Simplification: Project Half

Marketing Fit to Win

Enterprise & Technology Solutions



**€500m
savings**

Re-invest to fund growth opportunities

Investing in growth opportunities



Whitespace expansion



Support the core



Geographic opportunities



Drive premiumisation

2014 outlook



- **Slow market growth expected to continue in 1st Half**
- **Late Easter will shift volume from Q1 to Q2**
- **Priorities remain unchanged:**
 - **Volume growth ahead of our markets**
 - **Steady & sustainable improvement in core operating margin**
 - **Strong cash flow**

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