

Annual Review 1998
Supplement in United States Dollars

meeting everyday needs of people everywhere





Unilever's 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.

Introduction

This supplementary publication, denominated in United States dollars, has been prepared solely for the convenience of readers of the Annual Review. It does not form part of the full audited accounts of the Unilever Group.

The Annual Accounts of the Unilever Group are published by Unilever N.V. (NV) in Dutch guilders and Unilever PLC (PLC) in pounds sterling. The Annual Review is written on the basis of the results in guilders and sterling and may, therefore, not correspond with the performance in United States dollars. Changes in exchange rates can cause trends denominated in United States dollars to differ significantly from those in guilders or sterling.

The figures in this supplement are translated from an extract from the full accounts, which are prepared in accordance with accounting principles generally accepted in the Netherlands and the United Kingdom. These accounting principles differ in some respects from United States generally accepted accounting principles (US GAAP). The effect of these differences is shown on page 6 of this supplement. The annual report on Form 20-F which is filed each year with the Securities and Exchange Commission, in guilders and sterling, contains fuller disclosure of the differences.

The United States dollar amounts in this publication have been translated from guilders and sterling, as a matter of arithmetic computation only, at rates of exchange as follows:

	Annual average rates		Year end rates	
	1998	1997	1998	1997
US \$ 1 = Fl.	1.98	1.94	1.88	2.03
£1 = US \$	1.66	1.64	1.66	1.65

	Average rates		Rates on 8 July 1997
	1 January 1997 to 8 July 1997	1.89	
US \$ 1 = Fl.		1.89	1.98
£1 = US \$		1.63	1.69

This supplement does not contain sufficient information to allow for a full understanding of the results of the Group and state of affairs of NV, PLC or the Group. For further information, the full Annual Review and Annual Accounts booklets should be consulted. See page 8 of this supplement for details of these publications.

Accounting policies

The accounts are prepared at current rates of exchange.

The accounts are prepared, in all material respects, in accordance with accounting principles generally accepted in the Netherlands and the United Kingdom.

The treatment of deferred taxation, for which full provision is made, complies with Dutch legislation as currently applied rather than with Accounting Standards in the United Kingdom.

NV and PLC shares held by employee share trusts and subsidiaries to satisfy options are deducted from capital and reserves as required by Dutch law whereas the United Kingdom Accounting Standard, UITF Abstract 13, would classify such shares as fixed assets.

Following the adoption of United Kingdom Financial Reporting Standard 14 'Earnings per share', dividends paid on own shares held internally to meet Employee Share Option plans have been excluded both from the results for the year and from dividends. 1997 figures have been restated on the same basis.

Euro Reporting

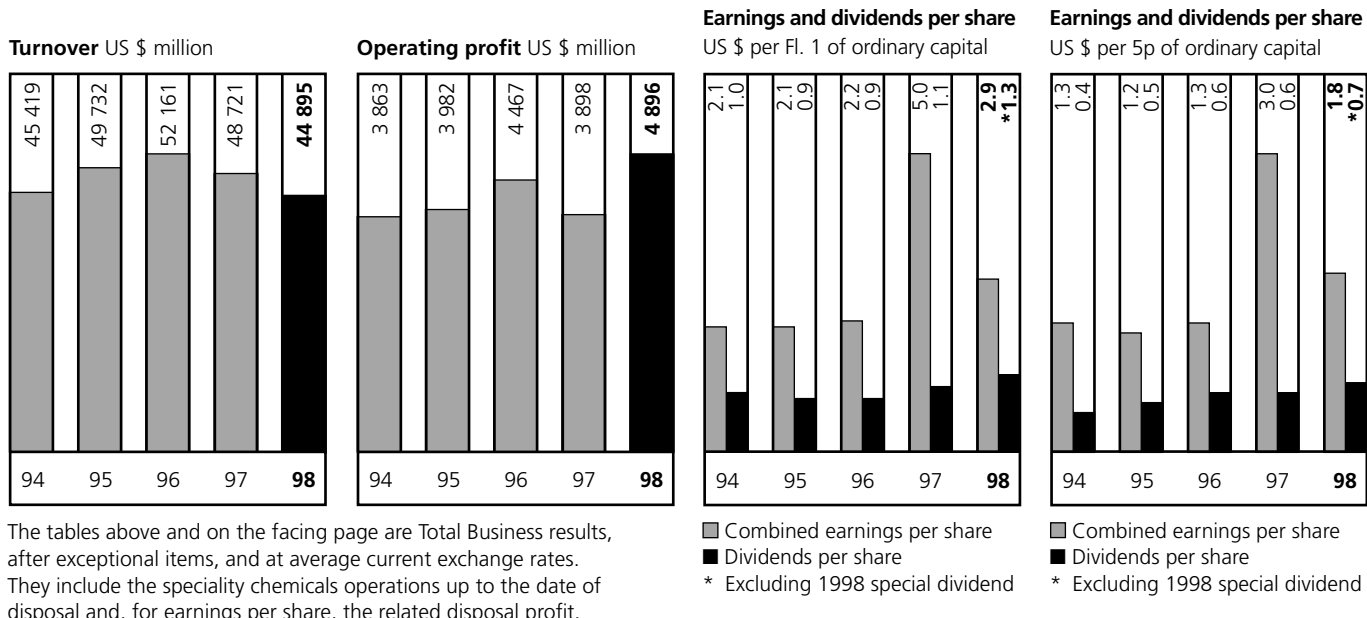
The Euro figures shown on pages 4 to 6 of this supplement have been derived from the Unilever Group consolidated results in guilders, using the official cross-rate of €1=Fl. 2.20371, produces an average rate of €1=£0.670 and a closing rate of €1=£0.706. This translation has been prepared solely for convenience of users and does not form part of the audited accounts of the Unilever Group.

Special dividend

The Directors have announced a proposal to pay a special final dividend of 66.13p per existing ordinary share of Unilever PLC, and Fl. 14.50 per Fl. 1 ordinary share of Unilever N.V. and to consolidate ordinary share capital on the basis of 100 new ordinary shares for every 112 existing ordinary shares. In aggregate, subject to approval at the Annual Meetings of shareholders, approximately US \$ 8 billion will be returned to shareholders. The proposed special final dividend is equivalent to approximately 10.6% of Unilever's market capitalisation prior to announcement. Shareholder documentation including further information on the proposals will be sent to shareholders on 31 March 1999.

Financial Highlights

- Strong operating profit margin increases in Europe, North America and Latin America
- Underlying volume growth of 2%
- Market shares and margins protected in turbulent economies



Foods brands include

Oil and dairy based foods and bakery

- | | |
|-------------------------------------|----------------|
| Becel | Lätta |
| Bertolli | Milkana |
| Blue Band | Olivio |
| Boursin | Planta |
| Bressot | Promise |
| Brummel & Brown | Rama |
| Country Crock | |
| Dalda | Bon Vivant |
| Effi | Masterline |
| Flora | Meister-Marken |
| I Can't Believe
It's Not Butter! | |

Ice cream and beverages

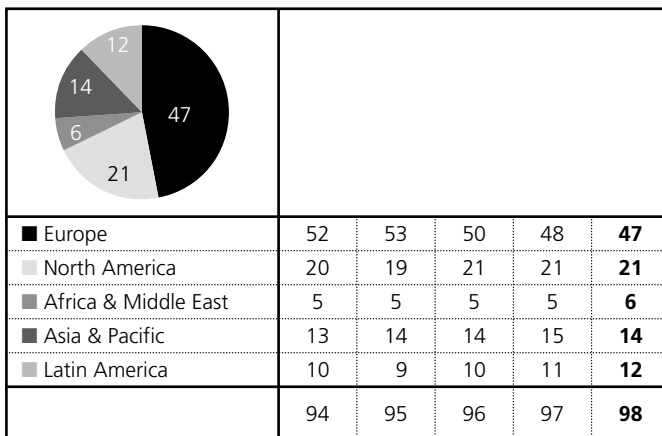
- | | |
|---------------|-------------------|
| Asian Delight | Popsicle |
| Breyers | Solero |
| Calippo | Viennetta |
| Carte d'Or | Winner Taco |
| Cornetto | |
| Feast | Brooke Bond |
| Fruttare | Lipton |
| Klondike | Sir Thomas Lipton |
| Magnum | Taaza |
| Max | Tchaé |
| Paddle Pop | |

Culinary and frozen foods

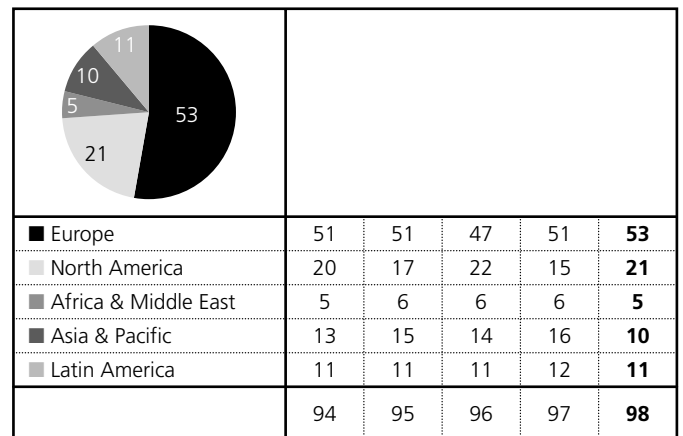
- | | |
|---------------|------------|
| Benedicta | Lipton |
| Calvé | Malloa |
| Cica | Mora |
| Colman's | Ragú |
| Continental | Royco |
| Fine Foods | Wishbone |
| Five Brothers | |
| Frudesa | Birds Eye* |
| Kissan | Findus* |
| Lao Cai | Gorton's |
| Lawry's | Iglo |

- Home & Personal Care turnover and profit grew strongly in most regions
- Foods turnover in Europe hit by poor summer and disposals, but operating margins up
- Foods in North America delivers 5% underlying volume growth

Turnover by region %



Operating profit by region %



Turkey, formerly reported under Africa and Middle East region, is reported within Europe from 1 January 1998. Figures for 1994-97 throughout this Supplement have been restated on the same basis.

Figures for 1994-97 have been restated following the adoption of UK Accounting Standard FRS14.



Home & Personal Care brands include

Home care and professional cleaning

- all*
- Breeze*
- Cif/Jif*
- Comfort*
- Domestos*
- Omo*
- Persil**
- Rinso*
- Skip*
- Snuggly*
- Sun*
- Sunlight*
- Surf*
- Vim*
- Wisk*

Personal care

- Axe/Lynx*
- Brut*
- Caress*
- cK one*
- Clear/Clinic*
- Clearblue One Step*
- Close-Up*
- Contradiction*
- Degree*
- Dove*
- Elizabeth Arden*
- Escape*
- Eternity*
- Fair & Lovely*
- Finesse*
- Impulse*
- Lever 2000*
- Lifebuoy*
- Lux*
- Mentadent*
- Obsession*
- Organics*
- Pepsodent*
- Pond's*
- Rexona*
- Salon Selectives*
- Signal*
- Suave*
- Sunsilk*
- Sure**
- ThermaSilk*
- Vaseline*

The brand names shown in *italics* in this Supplement are trade marks owned by or licensed to companies within the Unilever Group. The brand names marked * are owned by third parties in some countries.

Summary Consolidated Accounts

Unilever Group

Profit and loss account for the year ended 31 December

	US \$ million		€ million
	1998	1997	1998
Turnover	44 895	48 721	40 437
Continuing operations	44 675	46 610	40 239
Acquisitions	220		198
Discontinued operations	–	2 111	–
Operating costs	(39 999)	(44 823)	(36 027)
Operating profit	4 896	3 898	4 410
Continuing operations	4 885	3 627	4 399
Acquisitions	11		11
Discontinued operations	–	271	–
Operating profit before exceptional items – continuing businesses	4 757	4 552	4 285
Profit on sale of discontinued speciality chemicals businesses	–	4 287	–
Loss on disposal of fixed assets in continuing businesses	–	(249)	–
Income from fixed investments	41	44	37
Interest	173	(120)	156
Profit on ordinary activities before taxation	5 110	7 860	4 603
Taxation	(1 681)	(2 140)	(1 515)
Profit on ordinary activities after taxation	3 429	5 720	3 088
Minority interests	(161)	(159)	(144)
Net profit	3 268	5 561	2 944
Attributable to: NV	1 842	3 894	1 658
PLC	1 426	1 667	1 286
Dividends	(1 382)	(1 179)	(1 244)
Special dividend	(8 248)	–	(7 430)
Profit of the year retained	(6 362)	4 382	(5 730)

Unilever Group

Balance sheet as at 31 December

	US \$ million		€ million
	1998	1997	1998
Fixed assets	10 126	10 046	8 620
Current assets			
Stocks	5 576	5 118	4 747
Debtors due within one year	6 019	5 680	5 126
Debtors due after more than one year	1 892	1 892	1 612
Cash and current investments	12 196	9 628	10 383
	25 683	22 318	21 868
Creditors due within one year			
Borrowings	(2 731)	(1 548)	(2 325)
Trade and other creditors	(18 383)	(9 138)	(15 651)
Net current assets	4 569	11 632	3 892
Total assets less current liabilities	14 695	21 678	12 512
Creditors due after more than one year			
Borrowings	2 677	2 844	2 280
Trade and other creditors	897	735	762
Provisions for liabilities and charges	5 065	5 386	4 314
Minority interests	479	513	408
Capital and reserves	5 577	12 200	4 748
Attributable to: NV	4 163	7 941	3 545
PLC	1 414	4 259	1 203
Total capital employed	14 695	21 678	12 512
Cash flow statement for the year ended 31 December			
Cash flow from operating activities	5 012	6 309	4 514
Returns on investments and servicing of finance	101	(387)	91
Taxation	(1 400)	(2 140)	(1 261)
Capital expenditure and financial investment	(1 553)	(1 432)	(1 399)
Acquisitions and disposals	375	6 947	338
Dividends paid on ordinary share capital	(1 192)	(1 061)	(1 073)
Cash inflow before management of liquid resources and financing	1 343	8 236	1 210
Management of liquid resources	(2 224)	(7 265)	(2 003)
Financing	47	(780)	42
(Decrease)/increase in cash in the period	(834)	191	(751)
Increase in net funds in the period	1 552	8 116	958

Additional information for United States investors

Unilever's consolidated accounts are prepared in accordance with accounting principles which differ in some respects from those applicable in the United States. The following is a summary of the approximate effect on the Group's net profit, combined earnings per share and capital and reserves of the application of the United States generally accepted accounting principles (US GAAP).

	US \$ million		€ million
	1998	1997	1998
Net profit as reported in the consolidated profit and loss account	3 268	5 561	2 944
US GAAP adjustments:			
Profit on sale of speciality chemicals businesses	–	123	–
Goodwill	(220)	(167)	(199)
Identifiable intangibles	(121)	(110)	(109)
Restructuring costs	(208)	46	(187)
Interest	(27)	(11)	(25)
Pensions	8	(99)	7
Taxation effect of above adjustments	123	40	110
Net decrease	(445)	(178)	(403)
Approximate net income under US GAAP	2 823	5 383	2 541
Approximate combined net income per share under US GAAP			
Guilders per Fl. 1 of ordinary capital	\$ 2.52	\$ 4.82	€ 2.27
Pence per 5p of ordinary capital	\$ 1.51	\$ 2.89	€ 1.36
Capital and reserves as reported in the consolidated balance sheet	5 577	12 200	4 748
US GAAP adjustments:			
Goodwill	4 655	4 931	3 963
Identifiable intangibles	3 168	3 273	2 698
Restructuring costs	58	266	49
Interest	584	604	497
Pensions	262	222	223
Dividends	9 533	768	8 116
Taxation effect of above adjustments	(1 178)	(1 332)	(1 002)
Net increase	17 082	8 732	14 544
Approximate capital and reserves under US GAAP	22 659	20 932	19 292
Net gearing under US GAAP (%)	–	–	–

The following is a summary of the more important differences between Unilever's accounting principles and US GAAP.

Profit on sale of chemicals businesses

Unilever calculates profit on sale of businesses after writing back any goodwill previously charged directly to reserves. Under US GAAP the profit on disposal of the discontinued speciality chemicals businesses is stated net of the relevant unamortised goodwill included in the Balance Sheet and the cumulative currency retranslation differences recognised through the statement of total recognised gains and losses.

Goodwill and other intangibles

Prior to 1 January 1998 Unilever wrote off goodwill and all other intangible assets arising on the acquisition of new interests in group companies, joint ventures and associated companies directly to profit retained in the year of acquisition. Under US GAAP, goodwill and identifiable intangibles, principally trademarks, are capitalised and amortised against income over their estimated useful lives, not exceeding 40 years.

There is no difference between the accounting policy applied to goodwill and intangible assets purchased after 1 January 1998 and US GAAP.

Restructuring costs

Unilever charges all restructuring costs to the profit and loss account in the period in which the decision has been made to restructure a part of the Group's activities. Under US GAAP, certain types of restructuring costs are only recognised when further specific criteria are also met.

Interest

Unilever treats all interest costs as a charge to the profit and loss account in the current period. Under US GAAP interest incurred during the construction periods of tangible fixed assets is capitalised and depreciated over the life of the assets.

Pensions

Under Unilever's accounting policy the expected costs of providing retirement pensions are charged to the profit and loss account over the periods benefiting from the employees' services. Variations from expected cost are similarly spread. Under US GAAP, pension costs are also spread, but based on prescribed actuarial assumptions.

Dividends

The proposed final ordinary dividends are provided for in the Unilever accounts in the financial year in which they relate. Under US GAAP such dividends are not provided for until they become irrevocable.

Dividends for United States shareholders

The value of dividends received by shareholders in currencies other than guilders or sterling is affected by fluctuations in the rates of exchange.

For the holder of NV shares registered in New York, the normal final dividend payment and the special final dividend payment will both be determined by the rate of exchange ruling at the date of declaration, 4 May 1999. For the holder of PLC Depositary Receipts registered in New York, the figures will be determined by the rate of exchange ruling at the date of payment of the sterling dividend, 21 May 1999 for the normal final dividend and 9 June 1999 for the special final dividend.

For 1998, the actual interim dividends already paid in United States dollars, together with the proposed final dividends converted into United States dollars at the rate of exchange ruling on 22 February 1999 (US \$ 1 = Fl. 2.0048, £1 = US \$ 1.623) are as follows:

	Per Fl. 1 of NV ordinary capital		Per 5p of PLC ordinary capital	
	1998	1997	1998	1997
Interim	\$ 0.432762	\$ 0.385256	\$ 0.2099	\$ 0.1977
Normal final	\$ 0.847965	\$ 0.746830	\$ 0.5030	\$ 0.3886
Special final	\$ 7.232642	–	\$ 4.2924	–

New York Stock Exchange

The transfer agent for NV shares of the New York Registry (CUSIP No. 904784 50 1) and the Depository for the Depository Receipts evidencing American Shares representing PLC ordinary

shares (CUSIP No. 904767 60 5) are Morgan Guaranty Trust Company of New York, P.O. Box 8205, Boston MA 02266-8205, USA. (Telephone: +1 800 428 4237, International +1 781 575 4328; Telefax: +1 781 575 4082).

United States Financial Calendar**Dividends on ordinary capital**

Normal final for 1998	Dividends	NV New York Shares	PLC American Shares
	Proposal announced	23 February 1999	23 February 1999
	Ex-dividend date	7 May 1999	21 April 1999
	Record date	11 May 1999	23 April 1999
	Declaration	4 May 1999	4 May 1999
	Payment date	1 June 1999	1 June 1999

Special final for 1998

The special final dividend with a preference share alternative and ordinary share capital consolidation for NV and the special final dividend and share capital consolidation for PLC were announced on 23 February 1999 and will be proposed for consideration at the Annual General Meetings on 4 May 1999 of NV and PLC respectively. Each will, if approved, be implemented in accordance with the timetables, and subject to the conditions, contained in the shareholder documentation issued with this Supplement.

Interim for 1999

Interim for 1999	Dividends	NV New York Shares	PLC American Shares
	Announced	5 November 1999	5 November 1999
	Ex-dividend date	10 November 1999	17 November 1999
	Record date	15 November 1999	19 November 1999
	Payment date	17 December 1999	29 December 1999

Publications

Versions of the Annual Review, of which this Supplement forms part, are available with figures expressed in guilders or pounds sterling. The 'Unilever Annual Accounts 1998' booklet is available in the same versions. Also available are the announcements of the Unilever Group's consolidated results for each quarter, 'Introducing Unilever', 'Charts 1988-1998', the Environment Report and the annual report to the United States Securities and Exchange Commission on Form 20-F.

Copies of all these publications can be obtained, without charge, on application to Unilever United States, Inc., Corporate Relations Department, 390 Park Avenue, New York, NY 10022-4698 (Telephone (212) 906 4240; Telefax (212) 906 4666); email corporate.relations-newyork@unilever.com. The 'Unilever Annual Accounts 1998' booklet is also available from Morgan Guaranty Trust Company of New York (see above).





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