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Annual Review 1998 And Summary Financial Statement English Version in Pounds Sterling

Annual Review 1998
And Summary Financial Statement
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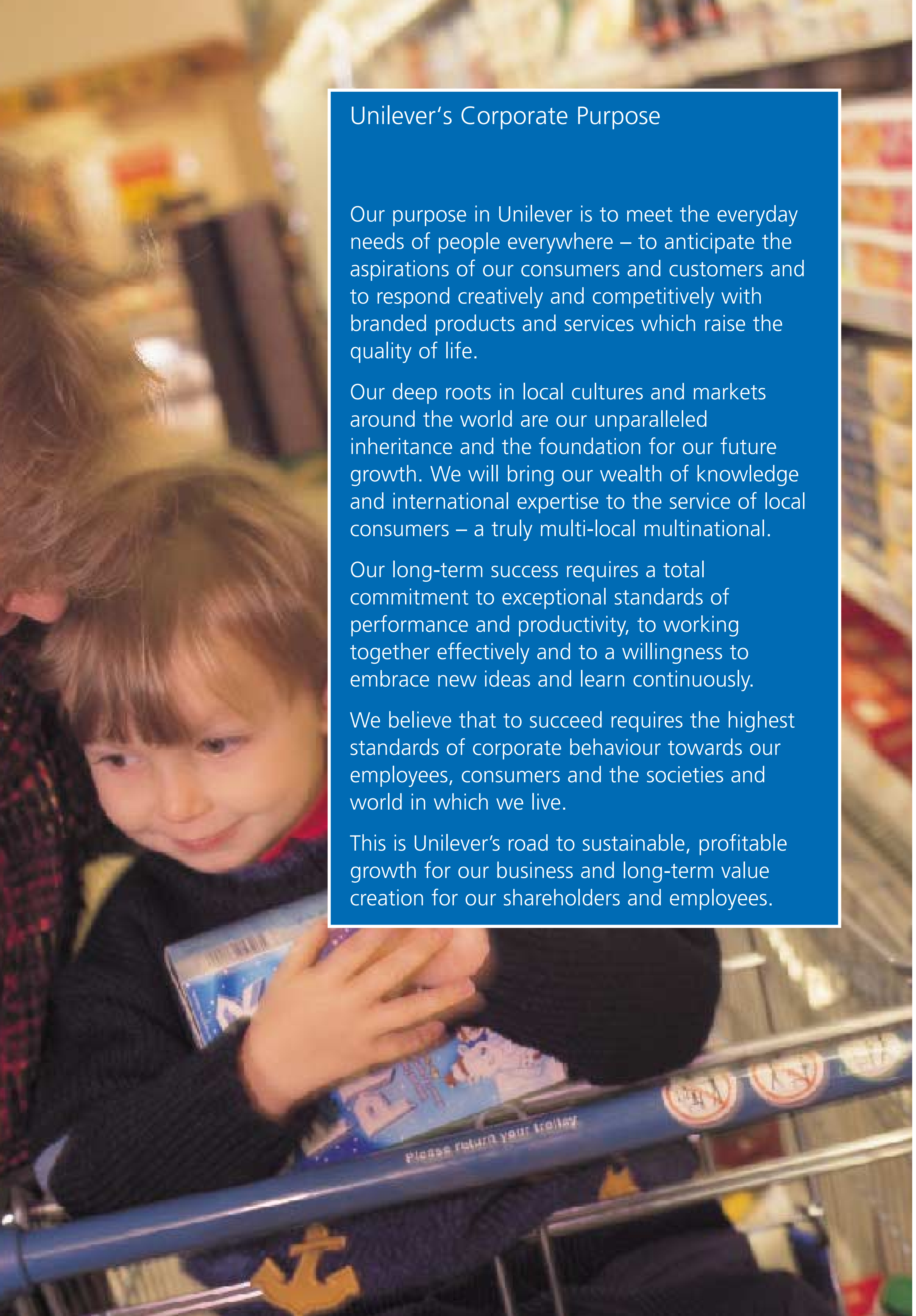
meeting everyday needs of people everywhere

Unilever



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.

ENGLISH STERLING £

A truly multi-local multinational

Unilever is dedicated to meeting the everyday needs of people everywhere. Around the world our foods, home and personal care brands are chosen by many millions of individual consumers each day. Earning their trust, anticipating their aspirations and meeting their daily needs are the tasks of our local companies. They bring to the service of their consumers the best in brands and both our international and local expertise.

Contents

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 results of the Unilever Group as a whole.

Morris Tabaksblat and Niall FitzGerald
Chairmen of Unilever

Our view on 1998 and the way ahead

- Further increase in operating profit margins
- Underlying volume growth 2%
- Total return to shareholders in top third of peer group

We are pleased with Unilever's performance in 1998. Net profits increased by 16% at constant rates of exchange and before all exceptional items. Net profit margin on the same basis exceeded 7% of turnover, an all-time high. Operating margins expanded again and return on capital improved. However, underlying growth in volume in 1998 was little more than half the rate achieved in 1997. Growth was held back by disruption in emerging markets and by the poor summer in Northern Europe which affected sales of ice cream. There were wide fluctuations in the value of a number of currencies. As a consequence, net profit improvement before all exceptional items was lower when expressed at current exchange rates, namely 9% in £ sterling, 10% in US dollars and 13% in Dutch guilders.

The global reach and regional balance of the Company was a significant factor in our performance in 1998. Almost two thirds of our business is in Western Europe and North America; this helped to maintain momentum when developing and emerging markets faltered. We increased market shares in most corporate categories and profits grew faster than turnover. Margins improved by 1% of turnover in Europe and North America with the benefits of restructuring and a more efficient supply chain. The combination of expert local knowledge and global experience enabled us to move quickly to address the problems posed by severe economic downturns in some regions.

Our objective is to deliver a total return to shareholders which is in the top third of a group of peer companies. We are pleased to say we achieved this in the three-year period ending in 1998.

Unilever remains in a very strong financial position with net closing cash of £4 billion and continues to generate significant cash. We will propose to shareholders of NV and PLC that a special dividend be paid in 1999 of £5 billion in total. This is approximately the cash proceeds received in 1997 from the sale of Unilever's speciality chemicals businesses. The Company will retain a very strong balance sheet after this dividend and it remains our intention to strengthen the business through acquisitions which clearly create value and are in line with corporate strategy.

At the close of 1998 our overall strategic objectives are intact. We remain determined to generate strong top line growth and our commitment to developing and emerging markets is undiluted. We see these as providing exciting growth opportunities in the future. We continue to refine the portfolio and to develop specific strategies for different regions within the framework of the overall corporate purpose. This approach served us well in the volatile conditions of 1998.

Categories

Turnover grew by 6% in 1998 in the 14 corporate categories. These categories are now 83% of total turnover, up from 79% in 1997. We focus our resources on these categories and it is through them that we work to meet the everyday needs of people everywhere. Turnover in other categories fell by 12%, or £700 million, largely due to disposals. We remain committed to improving the performance of these businesses or exiting those that are not able to deliver sustained value.

Our Home & Personal Care business had another excellent year. Turnover and operating profits grew strongly in almost every region and category. Innovation, quality and creative marketing meant we achieved strong sales growth across laundry, deodorants, personal wash and oral care. Important launches included laundry tablets in Europe and the *ThermaSilk* hair care range in the United States.

The Foods business had a reasonable year. This was achieved despite the adverse effect of a poor European summer on ice cream and ready-to-drink tea sales. Other beverages and culinary products performed well, but spreads did not grow. Margins improved further, due mainly to restructuring and disposals of lower margin businesses and notwithstanding steep price increases in raw materials early in 1998.

Regions

We made encouraging progress in North America and Western Europe, which remain the backbone of our global operations. In North America we achieved underlying volume growth in our Foods business of 5%. Volume growth in Home & Personal Care was lower at 2%. Profit margins increased significantly in both businesses. We completed the integration of two of our Foods businesses in the USA, Thomas J. Lipton and Van den Bergh Foods, and remain on course to complete the US Home & Personal Care restructuring in 1999.

In Western Europe, underlying volume growth was flat but there was a further strong increase in operating margins. Turnover was down slightly due to continued portfolio rationalisation and disposals. In Central and Eastern Europe, the Russian economic crisis caused a sharp downturn in our business from August onwards. We remain committed to Russia as a long-term opportunity for Unilever provided free market conditions continue.

Our businesses in Africa and the Middle East performed well. This region is consistently successful despite a volatile environment. In 1998 we again increased volume, market share and profits in the face of heightened international competition.

Given the slowdown in economies in Latin America in the second half of 1998 it was to be expected that volume growth was weaker than in 1997. Profits still advanced strongly and market shares increased. Kibon, the Brazilian ice cream operation acquired in 1997, is meeting targets and providing a significant boost to profits.

Performance in Asia and Pacific varied enormously. Yet again, India produced outstanding results with Home & Personal Care being particularly successful. In economies hit by the South East Asian crisis we did well in shifting rapidly from a strategy of high growth to one

Morris Tabaksblat and Niall FitzGerald meet young consumers during a visit to Unilever's China Business Group

of protecting market share, margins and cash flow. We continue to see attractive long-term growth potential for Unilever in these countries, as we do for China, where performance in 1998 was disappointing.

The Unilever approach

Understanding and meeting continuously changing consumer needs is the key to sustainable, profitable growth. Our new global network of innovation centres began to show benefits in 1998. The early results in deodorants, hair care and ice cream are encouraging. However, sustained success in our highly competitive markets requires ever greater speed and creativity in bringing winning innovation to the market place.

We seek to create a working environment that encourages enterprise and business building. We give responsibility early and believe youthful insights are particularly valuable as markets and lifestyles change dramatically. For instance, in 1998 we brought together a team of young managers from around the world to explore the directions the Company could take in the new millennium and to make proposals to the Board. The action that results from this 'Foresight Project' will contribute to shaping the future business.

Changing technology sets ever greater challenges. The Company is building its capabilities in e:commerce. A key development in 1998 was our increased involvement with the internet including alliances with America Online, Microsoft and NetGrocer.

We also continued work to ensure our business systems will be Year 2000 compliant. We are confident that our internal systems will not be adversely affected by the date change. Our attention has now turned to our suppliers and we are completing business continuity plans to ensure we will operate effectively into the new millennium.

Niall FitzGerald takes questions from shareholders at the London Annual General Meeting

The way ahead

Economies around the world were delicately poised at the end of 1998. It is unclear whether economies will grow faster in 1999 or slow down. Nevertheless the improvement in our underlying profitability of recent years is sustainable and we can reasonably expect further margin improvement as restructuring benefits continue to flow. In Europe, the launch of the Euro is now a fact. We believe it is an important step in the development of the single market and will enhance competitiveness to the benefit of Europe's citizens. Many of the challenges and opportunities we experienced in 1998 will continue to face us in 1999. In 1998 we concentrated on building and enhancing market shares in corporate categories and we are well placed to benefit from any improvement in general trading conditions.

As we look towards the next decade we believe Unilever is well focused on sustained value growth. Our ability to deliver outstanding performance in the years ahead will depend on our success in progressing a number of key priorities, through:

- the portfolio rationalisation and the major restructuring work which we started a few years ago
- the drive to use the scale and scope of Unilever to deliver greater value from the resources invested in supply chain, consumer communications and customer management
- building our capabilities in e:commerce, particularly in interactive brand communications and knowledge management

Morris Tabaksblat discusses Unilever's results, and the way forward for the Company, at one of 11 Chairmen's presentations for staff

- developing new ways to attract, excite and retain the outstanding young talent which is the life-blood of our business
- aligning reward systems even more closely to results and finding ways to broaden employee participation in wealth creation, for instance, through wider participation in share ownership

And finally, but most vitally:

- focusing even more uncompromisingly on achieving quality top line growth, through faster and bigger innovations in our existing categories and by exploiting new business opportunities

The continual strategic challenge is to ensure we have an intimate understanding of our consumers' needs and aspirations. We intend to bring to market a sustained stream of innovation which provides ever-increasing value and enhanced benefits to consumers. We will be unrelenting in our pursuit of the most effective channels to reach consumers. This is our road to high growth and value creation.

The 265 000 Unilever employees are an outstanding group of people. They bring to the task dedication, skill and a very particular set of values, of which they are rightly proud. Again, it has been a privilege to lead this team through a demanding year in 1998 and the team did an exceptional job. Our thanks are due to each and every one.

Niall FitzGerald **Morris Tabaksblat**

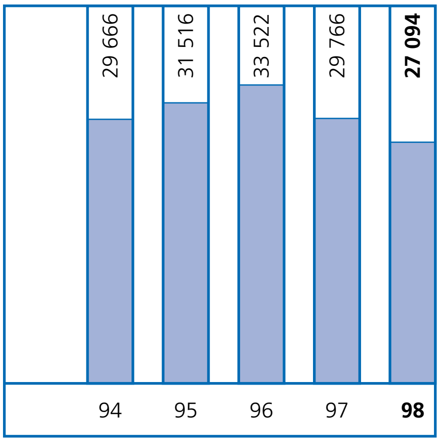
Chairmen of Unilever

Morris Tabaksblat and Niall FitzGerald learn about the latest food innovations at The Lipton Kitchens, during a tour of Unilever's North American businesses

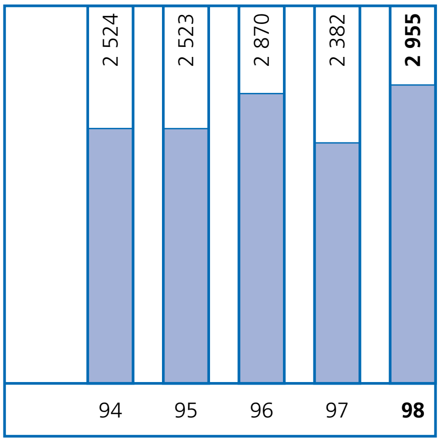
Financial Highlights

- 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

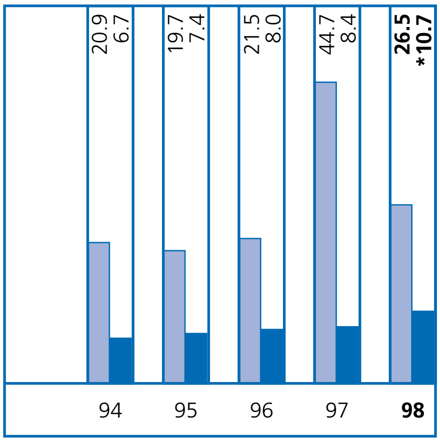
Turnover £ million



Operating profit £ million



Earnings and dividends per share
pence per 1.25p of ordinary capital



The tables above and on the facing page are Total Business results, after exceptional items, and at average current exchange rates. They include the speciality chemicals operations up to the date of disposal and, for earnings per share, the related disposal profit.

Combined earnings per share
Dividends per share
* Excluding 1998 special dividend

Foods brands include

Oil and dairy based foods and bakery

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

Bon Vivant
Masterline
Meister-Marken

Ice cream and beverages

Asian Delight
Breyers
Calippo
Carte d'Or
Cornetto
Feast
Fruttare
Klondike
Magnum
Max
Paddle Pop
Popsicle
Solero
Viennetta
Winner Taco

Brooke Bond
Lipton
Sir Thomas Lipton
Taaza
Tchaé

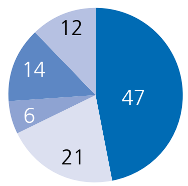
Culinary and frozen foods

Benedicta
Calvé
Cica
Colman's
Continental
Fine Foods
Five Brothers
Frudesa
Kissan
Lao Cai
Lawry's
Lipton
Malloa
Mora
Ragú
Royco
Wishbone

*Birds Eye**
*Findus**
Gorton'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

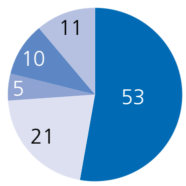
Turnover by region %



	94	95	96	97	**98**
Europe	52	53	50	48	**47**
North America	20	19	21	21	**21**
Africa & Middle East	5	5	5	5	**6**
Asia & Pacific	13	14	14	15	**14**
Latin America	10	9	10	11	**12**

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

Operating profit by region %



	94	95	96	97	**98**
Europe	51	51	47	51	**53**
North America	20	17	22	15	**21**
Africa & Middle East	5	6	6	6	**5**
Asia & Pacific	13	15	14	16	**10**
Latin America	11	11	11	12	**11**

Figures for 1994-97 throughout this Review have been restated following the adoption of UK Accounting Standard FRS14 (see page 59).

Home & Personal Care brands include

Home care and professional cleaning

all
Breeze
Cif/Jif
Comfort
Domestos
Omo
*Persil**
Rinso
Skip
Snuggle
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 Annual Review 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.

Business Overview

We sell our products and services in 150 countries. Our portfolio includes some of the world's most famous brands: some are sold around the world, such as *Dove*, *Organics* and *Magnum*, others are tailored to meet the needs of different regions or countries.

Our largest markets are Europe and North America. We also invest heavily in promising emerging and developing markets and have identified five priority regions. These are Central and Eastern Europe, China, India, South East Asia and South Latin America.

Convenience, quality, value for money: such attributes explain why consumers responded so well to our laundry tablets and swiftly made us the leading tablet provider in Europe. The product's success contributed to an improvement in our overall results for Western Europe.

Powerful marketing helped build *Lipton Yellow Label* into an extremely popular brand in Egypt in 1998, boosting our already strong tea performance in the country. This was one of many successes in Africa and Middle East, where we increased underlying growth, operating profits and margins.

Created in our Argentinian innovation centre, *Sedal* shampoo was a key player in the strong performance of our personal care portfolio in Latin America. It was particularly successful in Brazil, our biggest business in the region, where personal care products and ice cream led a significant profit advance.

Results

Unilever's results are published in the currencies of its two parent companies, the guilder and the pound sterling. Fluctuations between these currencies can lead, as in 1998, to different trends for the same business. This is why we usually comment on performance at constant exchange rates (that is, the same rates as in the preceding year), eliminating one variable over which we have little control. We also use constant exchange rates for the management of the business. In order to make the comparison with the previous year clear, and unless otherwise stated, our comments throughout this Review are based on trends at constant exchange rates and exclude the profit on the disposal of our chemicals businesses and the loss on the disposal of fixed assets in 1997.

Overall turnover decreased by 2% in 1998. However, excluding the effect of the sale of our chemicals businesses in 1997, turnover in our continuing operations rose by 2% to £29 036 million. Underlying volume growth of 2% was a little more than half the rate achieved in 1997. This was due to two factors: the impact of poor weather in Northern Europe on ice cream sales, and our slower progress in developing and emerging markets.

Operating profit in our continuing business, excluding exceptional items, was £3 095 million. This represents an 11% increase, with operating margins as a percentage of turnover strengthening by almost one percentage point to just under 11%. On the same basis, net profit for the year of £2 059 million increased by 16% on 1997. This strong profit growth was achieved after increased spending on marketing.

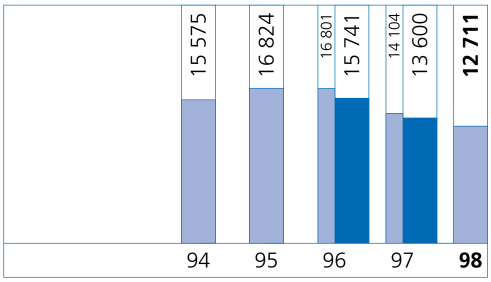
Exceptional items produced a net benefit of £86 million in 1998 compared with a charge of £565 million in 1997. This £86 million includes restructuring costs of £177 million, mainly focused in Europe and Asia and Pacific, which were more than offset by profits on disposals, principally the sale of Plant Breeding International.

Restructuring programmes in Europe and North America continued to provide substantial cost savings. Overall productivity, based on sales per employee, improved by 6% in 1998 (1997: 5%).

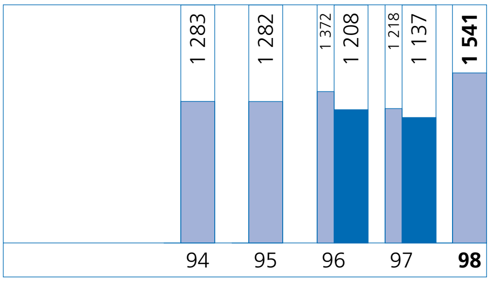
At current exchange rates £227 million was spent on acquisitions in 1998 and £444 million received from disposals. The effect of acquisitions on turnover and operating profit was £133 million and £7 million respectively. Twenty businesses were acquired and 24 were sold.

Regional Highlights

Turnover £ million



Operating profit £ million



■ *total business including discontinued operations*
■ *continuing business*

- Operating profit margins rose by almost 1% of turnover
- Market share increases in most corporate categories
- Underlying volume flat

The results for Turkey, formerly reported under Africa and Middle East region, are reported within Europe from 1 January 1998. Results for 1994-97 have been restated on the same basis.

Europe

£ million Continuing business	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	12 711	13 035	13 600	(4)%
Operating profit	1 541	1 577	1 137	39%
Operating profit before exceptional items	1 420	1 456	1 404	4%

Western Europe We improved our results in Western Europe. Operating profits were ahead of 1997, with margins rising by almost 1% of turnover. This reflected the benefits of restructuring, our focus on corporate categories and further portfolio rationalisation.

We achieved market share increases in most corporate categories. However, underlying volume was flat due to the effect on ice cream of a poor summer in Northern Europe. Sales were lower, because of the impact of disposals and portfolio rationalisation.

Home & Personal Care had another very good year, with strong advances in sales, operating profits and margins. In home care, consumers welcomed the concept of laundry tablets and fabric conditioners produced significant results. In personal care, deodorants performed excellently again, with the successful launch of a new *Dove* range in several markets.

Our prestige business achieved encouraging results in Europe. Popular launches helped both Elizabeth Arden and Calvin Klein fragrances to achieve good volume growth and improved profits.

In Foods, sales fell due to business disposals and a poor ice cream season. However, we maintained our strong position in the ice cream market, successfully rolling out *Winner Taco* across the region and introducing new *Magnum* variants. Market share grew in other corporate categories, including yellow fats and culinary. Operating profits improved in tea, frozen foods and culinary. Overall margins in Foods were slightly ahead of 1997.

We strengthened our presence in Southern Europe by acquiring margarine, tea and tomato businesses.

"Our market research told us that European consumers wanted a convenient, simple washing solution: so we developed laundry tablets..."

Tablets were launched after an intensive research and development programme and close consumer liaison. They allow consumers to use precisely the right dosage, without waste, and dissolve easily throughout the wash – under a brand name they know and trust.

Operating profits improved in most national markets. France advanced in oil and dairy based foods and personal care. Italy achieved good results in ice cream and personal care, and the United Kingdom did well in culinary, beverages and frozen foods. The results in Germany and Sweden fell because of lower ice cream sales.

Central and Eastern Europe Given the difficult circumstances caused by Russia's economic crisis, we delivered creditable results in this priority region. Sales rose 4% and underlying volumes by 5%. Profits overall were slightly ahead of 1997 and we were able to maintain operating margins.

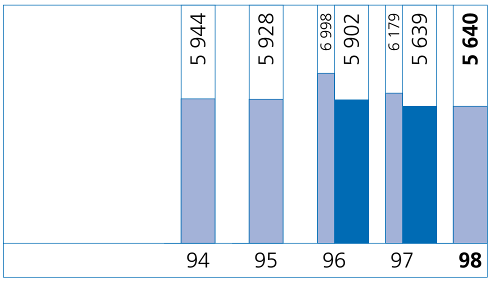
Growth in Central Europe was mixed. Our Czech business was very successful, as consumers reacted enthusiastically to our ice creams and innovations in *Rama* margarine and *Organics* hair care products. However, Poland was down on the previous year.

We made good progress in restructuring our business in Turkey, which delivered a satisfactory underlying volume growth and much improved profitability. Ice cream and laundry performed particularly well while progress in yellow fats was slower than expected.

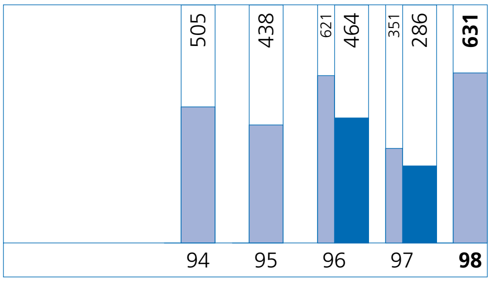
Our Russian business was far ahead of expectations at the end of the first half of 1998. While this progress was cut short by the economic crisis which intensified in August, we responded quickly to the new situation. Overall results were well below 1997.

In Europe as a whole, the net benefit of exceptional items in 1998 was £121 million, compared with a charge of £267 million in 1997. Restructuring costs were focused primarily on the Foods business. They were more than offset by profits from the sale of Plant Breeding International.

Turnover £ million



Operating profit £ million



■ *total business including discontinued operations*
■ *continuing business*

- Underlying volume growth 3%
- Operating profits rose by 14%
- Margins improved by over 1% of turnover

North America

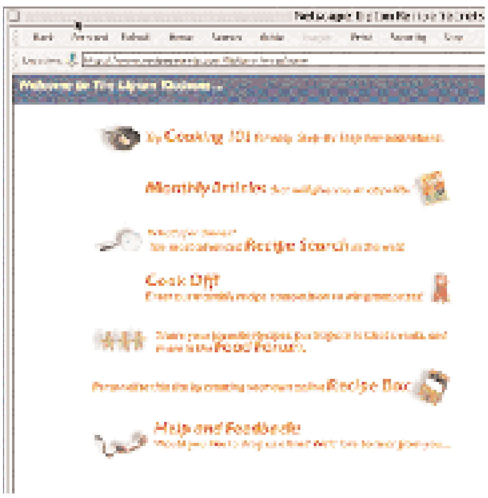
£ million Continuing business	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	5 640	5 747	5 639	2%
Operating profit	631	642	286	124%
Operating profit before exceptional items	605	615	540	14%

We had a good year in North America. Our underlying volume growth was 3% and operating profits rose by 14%, enabling us to increase our investment in marketing. We continued to benefit from high consumer confidence arising from the strength of the United States economy.

Underlying volume growth in our Foods business was 5%. Home & Personal Care recorded a 2% growth in volumes, with mass market gains balancing lower sales of our prestige products. Overall margins improved by over 1% of turnover, mainly due to portfolio rationalisation and savings from restructuring.

In Foods, we made good progress in almost all corporate categories, particularly in culinary and spreads. Consumers responded positively to our innovative brands and new launches and we increased market share in pasta sauces, spreads and ice cream. Turnover in side dishes leapt by 20%, with significant increases in our share of the market and in profits. Ready-to-drink tea enjoyed a record year.

Home & Personal Care also did well. Home care, with a slight increase in sales, saw good progress in operating profits as we continued to benefit from past restructuring. In personal care, we achieved notable growth in hair care, deodorants, mass skin products and personal wash. Of particular note was the very successful launch of the *ThermaSilk* hair care range and the relaunch, and market share expansion, of *Degree* anti-perspirants. In oral care, *Mentadent* toothpaste lost market share due to fierce competition.



"With more than one in four United States households already on-line, the internet is set to rival television as the mass media of tomorrow..."

The team at our New York Interactive Brand Centre work with experts from the world's leading Net companies to ensure our consumers, and our Company, get the best possible value from new media.

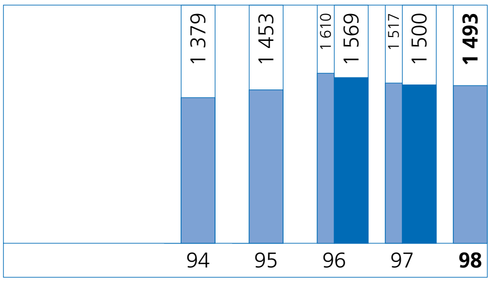
Our prestige business recorded lower profits in North America. Calvin Klein fragrance sales fell, although demand for our new *Contradiction* range did compensate in part for lower sales of *cK be* and *cK one*. Elizabeth Arden made strides with the launch of *Splendor* and the favourable performance of *White Diamonds*.

During the year, we completed the merger of Thomas J. Lipton and Van den Bergh Foods to form the new Lipton. As planned, the merger has created a more efficient and customer-focused organisation. The merger of our three mass market businesses to form Unilever Home & Personal Care USA will be completed in 1999.

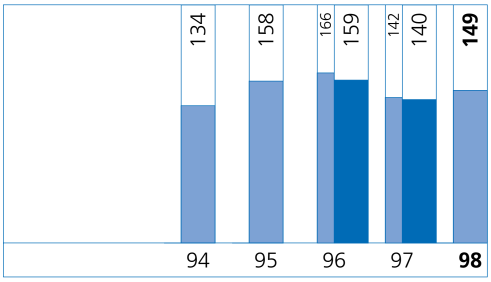
In July, the opening of Unilever's first interactive brand centre emphasised the Company's commitment to new media marketing and communications. The New York facility will support all our North American businesses in developing interactive marketing solutions. It will also manage the partnerships with leading Web companies, Microsoft, America Online and NetGrocer, which we announced during the year.

Exceptional items reflect profits on some minor business disposals: the significant charge in the previous year related to the merger of the Home & Personal Care businesses.

Turnover £ million



Operating profit £ million



■ *total business including discontinued operations*
■ *continuing business*

- Underlying volumes grew by 7%
- Good progress in profits and margins
- Strong results across many categories and countries

The results for Turkey, formerly reported under Africa and Middle East region, are reported within Europe from 1 January 1998. Results for 1994-97 have been restated on the same basis.

Africa and Middle East

£ million Continuing business	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	1 493	1 658	1 500	11%
Operating profit	149	173	140	24%
Operating profit before exceptional items	150	174	143	22%

Our businesses in Africa and the Middle East made good progress in operating profits and margins. Underlying volumes grew by 7%. These strong results were spread across many categories and countries.

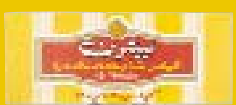
The figures reflect the continued success of our focus on branded consumer products. Our performance was achieved in an increasingly competitive market and against a tough economic and political background. The Congo war, currency depreciation in Zimbabwe, Malawi and South Africa, and low Middle Eastern oil prices diminished the GDP growth of many nations.

The South African business, our largest in the region, did very well. We strengthened market share in almost all corporate categories. Our profits and margins advanced strongly, due to an improved mix of products and good cost control. Home care results were particularly healthy.

Our operations in Côte d'Ivoire also produced a significant performance, benefiting from favourable economic conditions. There were encouraging signs of recovery in our Kenyan business. In Nigeria we made good progress in stabilising the business and embarked on a restructuring programme.

Despite no GDP growth in the Middle East, our businesses in Saudi Arabia and the Gulf increased underlying volumes and improved profits and margins. In Egypt, we did particularly well in tea and personal care: *Good Morning*, a new personal wash brand, became the consumers' favourite less than a year from launch.

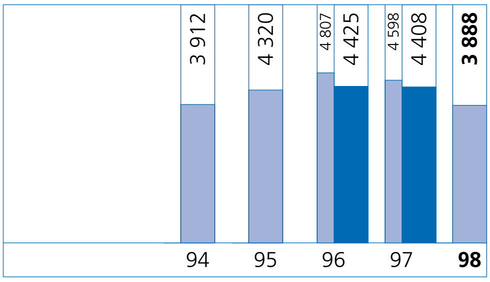
Tea and oil palm estates made a useful contribution to the region's results, mainly reflecting world commodity prices. We bought an oil palm estate in Ghana to support our core business.



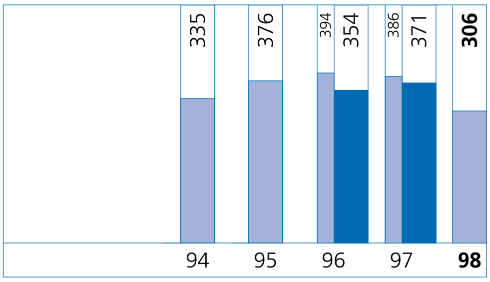
"Our underlying volumes of tea in Egypt, where the beverage is considered the national drink, showed very healthy double digit growth in 1998..."

Lipton Yellow Label's international branding is proving extremely popular with Egyptian consumers, who see it as a prestige beverage. During the year, powerful marketing helped to significantly boost the brand's visibility, particularly in the growing out-of-home market.

Turnover £ million



Operating profit £ million



■ *total business including discontinued operations*
■ *continuing business*

- Results hit by severe economic crisis in South East Asia
- Operating margins maintained at current exchange rates
- Shift in emphasis from growth to improvement of strong market position

Asia and Pacific

£ million Continuing business	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	3 888	5 072	4 408	15%
Operating profit	306	442	371	19%
Operating profit before exceptional items	341	476	390	22%

The region presented considerable challenges in 1998. We performed well and made good progress in strengthening the business. However, our results were hit by the severe economic crisis in South East Asia.

The currency devaluations in Indonesia, Thailand, Malaysia, the Philippines and South Korea mean that the use of constant exchange rates flatters our performance. At current rates, our sales and operating profits for the region were down 12% and 13% respectively, although operating margins were maintained as a percentage of turnover.

Our businesses and our people in the badly affected countries did well in adapting to the adverse circumstances. We successfully shifted emphasis from growth and development to maintenance of cash margins and to improvement of our already strong market positions.

In managing the economic downturn in South East Asia, we called on both our long history in the region and also our global knowledge. In handling the effect of rapidly devaluing currencies we drew on the experience of colleagues in Latin America. In terms of consumer reach and product affordability, we adopted and adapted ideas from a number of regions.

Key was our ability to make less expensive products to meet the needs of consumers with reduced spending power. This called on our proven track record for creativity in the way we formulate, package and distribute products. Speed in development was also critical. In Indonesia we quickly introduced small sachets for margarine and toothpaste, in similar style to the shampoo sachets we already sell successfully in the region. In Thailand we rapidly created a value range of fabric wash, fabric softener and dish wash products.

"The economic downturn in South East Asia has changed people's needs – both in terms of what they can afford and where they shop..."

In the Philippines we have introduced deliveries by tricycle, bicycle and on foot to ensure we reach the growing number of small shops that are opening in areas too inaccessible for traditional distribution methods.

Our business in India once again delivered an outstanding performance. It achieved this in an economic environment which was more difficult than in 1997. Our underlying volume growth rate was more than twice the country's GDP growth rate. Profits rose faster than sales and we were able to increase marketing spend significantly. There were further market share advances in all categories. Personal care products were particularly successful.

Operations in Pakistan also improved in 1998 with healthy growth in sales and profits. Tea shares and profits recovered following a long-awaited adjustment to the duty regime to address smuggling.

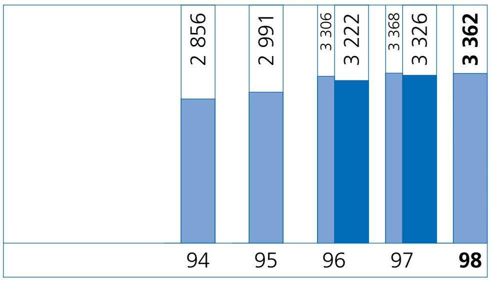
Our performance in China was disappointing, with lower sales and increased losses. However we maintain our long-term commitment to this region. In 1998 we started a legal restructuring of our business and reduced costs. In addition we bought a Shanghai-based soy sauce company.

Sales in Japan were adversely affected by economic conditions in the country. We made further good progress in Vietnam.

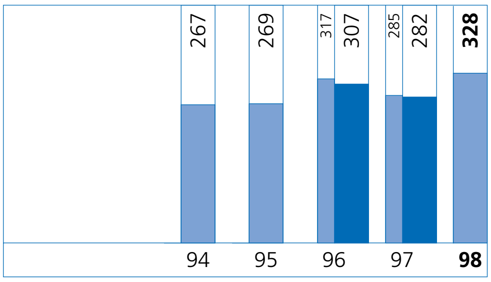
In Australia, results were lower than in 1997, partly due to the disposal of our coffee operations. We commissioned a new ice cream factory.

Exceptional items in 1998 relate mainly to restructuring in India and China.

Turnover £ million



Operating profit £ million



■ *total business including discontinued operations*
■ *continuing business*

□ Profits and margins moved ahead strongly
□ Underlying volume growth slowed from mid-year
□ Personal care performed strongly

Latin America

£ million Continuing business	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	3 362	3 524	3 326	6%
Operating profit	328	347	282	23%
Operating profit before exceptional items	355	374	304	23%

Our Latin American business again performed well. Profits and margins moved ahead strongly, most notably in personal care.

Our continuing strategy of focusing on corporate categories and countries was key to our success. This was underpinned by greater cost effectiveness and efficiency in our operations. We increased our spending on marketing and were able to improve market shares in important categories.

Economies in the region started to falter around mid-year. This reduced consumption in many markets, particularly in the south, and slowed our underlying volume growth.

In Brazil, our largest business in the region, ice cream and personal care products led a significant profit advance. Kibon, the ice cream company we purchased in 1997, made us market leader in the region and made an important contribution to profits. In Foods, an important restructuring programme began to improve margins. In laundry, an increased investment in marketing reduced profits but boosted our share of the market.

Chile and Colombia showed good sales growth and, together with Argentina, their profits advanced strongly.

We continued to make progress in Mexico where changes to the portfolio increased the focus on core operations. We made significant advances in profits and underlying volumes grew: personal care performed particularly well. We purchased a leading bakery business in 1998.

"Latin America is a strong centre for Unilever research. The region houses ten of our 71 innovation centres, in Mexico, Argentina and Brazil..."

Sedal shampoo, which was created in our Argentinian innovation centre to meet local demands, has given a substantial boost to our hair care business in Brazil where it is marketed as *Seda*.

People

We are committed to the personal growth of all our employees. Individual progression both creates a more fulfilling workplace and drives the Company towards outstanding performance.

1998 saw the first full year of a major initiative designed to encourage personal growth. Called the Integrated Approach, it is a new way of thinking about individual career planning and professional development. At its heart are three aims:

- To give employees new opportunities to shape their progress in Unilever
- To streamline work levels to create a leaner and more flexible organisation
- To align reward and recognition processes so that we can nurture outstanding performance and maintain our competitive position in the remuneration market

Initially conceived as a programme for managers, the Integrated Approach is a process we believe is important for all employees. It is therefore being developed for everyone.

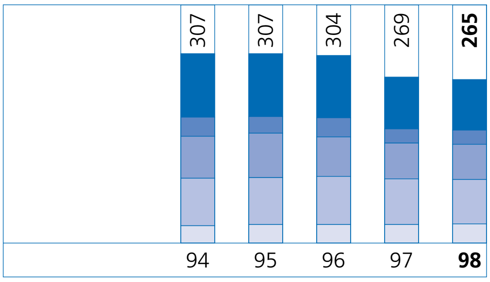
The idea of fostering personal growth stretches beyond just the Integrated Approach. For instance, developing employee skills and responsibilities is central to the productivity programme, Total Productive Maintenance, which continues to bring new efficiency to our manufacturing process. There have also been regional-based initiatives of significance for the whole business. Our European operation which handles Home & Personal Care products launched a survey to quantify staff morale accurately. The results are being used as a way to increase employee commitment and drive business success.

We believe an important way of achieving personal growth is to give all our people early responsibility and an understanding of where they, and the Company, are heading. Youth naturally brings an

"Employee motivation and performance both improved, following the introduction of the Japanese management philosophy Total Productive Maintenance in over 100 of our factories..."

Van den Bergh Foods' Worksop factory, in the United Kingdom, was one of 12 Unilever sites honoured in the 1998 Japanese Institute of Plant Maintenance awards. Apart from the Unilever locations, only nine other non-Japanese factories were placed.

Employees year end in thousands



	94	95	96	97	98
Europe	103	102	101	84	**82**
North America	31	27	31	23	**23**
Africa & Middle East	68	72	64	58	**57**
Asia & Pacific	77	76	78	74	**72**
Latin America	28	30	30	30	**31**
	94	95	96	97	**98**

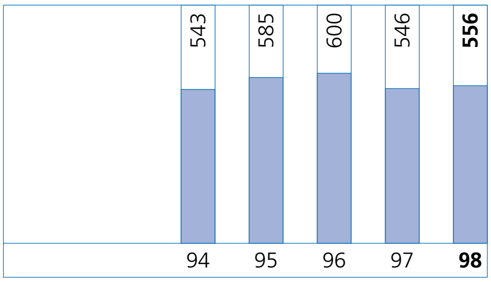
entrepreneurial spirit. This is vital in a world where technologies, markets and lifestyles are changing rapidly. However, it is also important to mix this stimulating input with the wisdom our more experienced colleagues provide. During 1998, we brought together a team of young managers from around the world to explore the directions the business could take in the next decade and to report their findings at a senior level. The dialogue that results from this 'Foresight' project will contribute to shaping the future business.

The free exchange of knowledge and experiences between people of different ages and nationalities is key to our ongoing success. Our ability to transfer managers across countries and cultures is one way we gain advantage from the scope and scale of our business. The cross-fertilisation of ideas provided by such transfers is a vital way of ensuring we develop as a truly multi-local multinational.

The key to competitive success is effective use of our knowledge. Our knowledge is with our people who must be helped to excel.

Technology & Innovation

Research and development expenditure £ million



The key priority of our research and development facility is to add value to our business. It aims to do this by anticipating and meeting consumer needs, and doing so more successfully than our competitors.

Our research and development teams are based in six state-of-the-art laboratories, complemented by a network of 71 innovation centres. In 1998, their work paved the way for the successful launch of many new and improved products. Our innovative ice cream snack, *Winner Taco*, uses ingenious – and patented – manufacturing processes. It was developed through cross-border team-work and supported by Unilever's Italian ice cream innovation centre and our United Kingdom research laboratory. In the United States, our Chicago innovation centre played an important role in the development of *ThermaSilk*, our new hair care range for enhancing heat-dried hair.

Technology and innovation is boosting the quality and cost effectiveness of Unilever's manufacturing and supply chain. For example, improvements to our washing powder manufacturing processes in Brazil have allowed a 50% cut in capital and raw material costs. This technology has allowed us to launch a new competitively-priced brand called *Ala*. We are also using technology to better meet changing consumer needs: in South East Asia and India, for example, we have developed smaller sizes of our products. This is allowing consumers to enjoy the same high quality branded products at a price they can more easily afford.

One of Unilever's major strengths is its proven ability to turn international resources to local advantage. To this end, we have rolled out a new Company-wide research and development management system called Innovation Process Management. This introduces a common language for all our consumer goods businesses, incorporating the same processes, definitions, software and disciplines. This allows regional managers to complement their local understanding with cutting edge information and insights from

"Unilever's global network of research laboratories and innovation centres works closely with the business to develop products that meet the needs and aspirations of our consumers…"

Our new any-time ice cream snack *Winner Taco* has been successfully rolled out throughout Western Europe. Patents protect the product's ground-breaking manufacturing processes, which include using infra-red heaters to soften and fold the wafers.

around the world. Such knowledge management will become particularly important as common technologies develop for our Foods and Home & Personal Care businesses.

Technology is not only helping our scientists to acquire and share knowledge; building on our early start to video-conferencing in April 1991, employees in 24 countries now have access to more than 100 video-conferencing centres worldwide. This is speeding up decision-making and aiding communication.

We continue to pursue external partnerships. In April 1998, we announced an investment of £13 million, over five years, in building and operating a research centre in partnership with the University of Cambridge. The Unilever Centre will be at the forefront of developments in the exploitation of information in molecular science. The United Kingdom centre is due to open in October 2000.

In 1998 we spent £556 million on research and development: 2.1% of our turnover. To protect the proprietary nature of our research and development activity, we filed 345 patent applications.

Information Technology

Effective global use of information technology is essential for the achievement of our business objectives. It allows us to anticipate the needs of consumers, share information rapidly and use the scale and scope of Unilever to great effect.

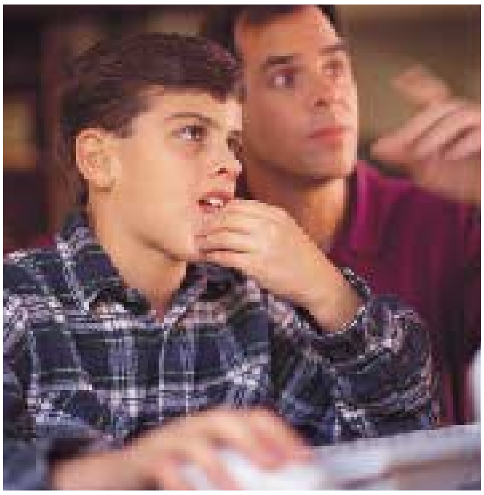
A key development in 1998 was the way we increased our involvement with internet technology. In North America, in partnership with Microsoft, America Online and NetGrocer, three companies at the forefront of Web activity, we are opening up new advertising, promotion, research and product testing opportunities. These alliances represent a major financial commitment to interactive marketing.

We have set up a new Interactive Brand Centre in New York to co-ordinate our partnerships. In addition it will seek to strengthen consumer relationships through interactive marketing solutions – complemented by a similar operation in Europe. In other new media areas, we are gathering valuable market research from more than 40 branded Web sites.

Internally, we continue to develop our processes to improve information management. New initiatives include the IceNet intranet, an internal electronic network which communicates best practice between ice cream managers throughout the business.

The introduction of a single PC-based platform for communications has also meant that 80 000 employees around the world have a common tool for using and sharing information. Our employees now deal with about one million electronic messages every working day. The volume is growing quickly, but each message now costs a tiny fraction of what it did a few years ago.

We have streamlined the way we run our information technology to provide efficiencies. Management of our global IT systems is now being concentrated in a small number of regional Infrastructure Management Centres. We have moved to global buying of equipment, heralding significant economies of scale. We have also limited the number of suppliers in each equipment category and have introduced Web-based ordering.



"By interacting with consumers via our branded product Web sites we are able to better understand their needs and aspirations..."

Over 125 000 people requested samples of *Mentadent* toothpaste following an internet marketing campaign: more than two thirds gave permission for us to contact them in future. Information gathered from this process will help refine our customer understanding.

Year 2000

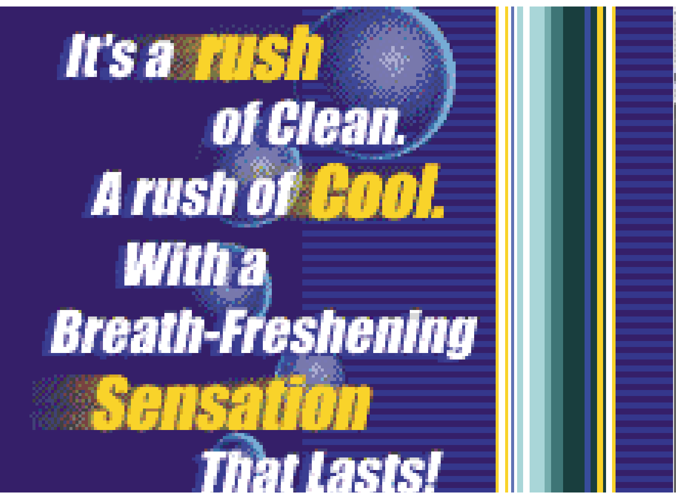
Unilever began a comprehensive programme in mid-1996 to secure business continuity throughout the date change period.

The first phase, dealing with internal compliance of information systems, factory and process control facilities and telecoms components, was virtually completed in 1998. The small amount of outstanding work on this phase, representing less than 2%, continues to be subject to strict management and monitoring controls at Board level. It will be completed in the first half of 1999.

The second phase, now ongoing, focuses on the compliance of supply chain partners and infrastructure services. Risks are being identified and priorities established. Each significant business partner is being assessed for millennium readiness. We consider this to be the most likely source of potential business issues arising from Year 2000. Our contingency plans include introducing substitute or additional suppliers and, where appropriate, anticipating shortfalls by establishing reserve supplies. Detailed business continuity plans will be in place by the end of September 1999.

It is difficult to assess the consequential impact of any service interruptions from suppliers or public utilities resulting from Year 2000 failures. Although there can be no absolute assurance, we believe we are taking the necessary action in the final phase of our Year 2000 programme to mitigate the risk of disruption to our business over the critical changeover period.

Cumulative costs are £130 million of which £109 million was incurred in 1998. The estimated total cost of protecting business continuity throughout the millennium change period is £300 million. This includes all external costs, associated capital expenditure and directly related internal costs during the period from 1996 to completion of the programme, which will extend well beyond 1 January 2000.



Responsible Corporate Behaviour

How we conduct our business

Unilever's commitment to responsible corporate behaviour is fundamental to our operating tradition.

Dedicated to meeting the everyday needs of people everywhere, it is essential for our business success that Unilever people stay close to and understand evolving consumer needs and values. With a decentralised operating structure local companies have maximum opportunity to be closely in touch with local consumers. Local companies are predominantly run by local people in tune with their local societies. By the very nature of our business we are an integral part of the societies in which we operate.

The principles and values which guide Unilever's corporate behaviour are set out for all employees in our Corporate Purpose and Code of Business Principles. To frame this corporate behaviour we have worldwide operational standards which are central to the way we do business. These standards are set to ensure the quality and safety of Unilever's products and services, the health and safety of Unilever people at work and to minimise the environmental impact of our operations, wherever they are in the world. Every company chairman is required to give positive assurance on an annual basis of their company's adherence to these policies and to the broader principles set out in the Code of Business Principles. Company performance is regularly audited.

The remit of the Corporate Relations and External Affairs Committee of Advisory Directors includes advising on global issues of corporate social responsibility.

Best practice in responsible corporate behaviour, as in other areas of business management, is constantly developing and has again become a matter of public debate. We are reviewing the policies which guide our actions and the processes through which we evaluate them in order that we can meet transparently society's evolving expectations of corporate behaviour.

We believe that outstanding business performance must be underpinned by the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live.

"Unilever has a tradition of support for the local community, wherever it operates around the world, in particular in the areas of health, education and the environment..."

Hindustan Lever's centre for severely disabled children in Assam, North East India, received a 1998 social progress award from the educational charity Worldaware. Judges emphasised Hindustan Lever's 'very long-term commitment to India's development, both economically and as part of the community'.

Environmental Responsibility

In 1998, we refined Unilever's environmental objectives and made headway towards these goals across wide areas of our business.

We set out our environmental agenda publicly in the second Unilever Environment Report. This biennial document details the Company's strategy and progress against set targets. It is verified by independent auditors who, in 1998, remarked on the 'substantial development' achieved.

Environmental management

During the year, we improved the eco-credentials of our sites. Unilever locations are required to meet strict criteria, compatible with the international ISO 14001 environmental management standard. A global environment audit of all our sites will be completed in 2000. This audit will help to ensure that all our sites are complying with our exacting internal standards.

In 1998, we concentrated on making our home and personal care products more eco-efficient. We reduced the amount of raw materials in our European laundry detergents by about 9% per wash: our controlled dosage laundry tablets have also reduced raw material use. Both developments are in line with our commitment to the European Soaps and Detergents Industry Association Code of Good Environmental Practice, signed during the year. Likewise, in North America, we reduced the plastic packaging of our leading value brand of liquid detergent by 18%. To reduce its environmental impact, we have also concentrated this detergent by more than one fifth. In Europe, similarly, we streamlined the packaging of our *Cif/Jif* household cleaning products, cutting packaging of the general purpose cleaner by 13%.

In 1998, we much appreciated receiving public acknowledgements for our environmental contribution. For example, in Canada, Lever Pond's was cited as an environmental leader, while our Philippines business was acclaimed as the most environmentally conscientious company in Manila.

"Clean water is integral to many of our products. Its protection is one of the three areas on which we focus our contribution to sustainable development..."

Mismanagement almost drained the once-huge Lake La Nava, in North West Spain: assistance from Lever Spain is again making this Living Lake an oasis for wildlife. On Japan's Honshu Island, residents are helping to return the polluted Lake Biwa back into a living lake.

Sustainable development

We aim to develop our business in a way that will allow us to remain prosperous in the long term. As stated in our environmental report, in our contribution to sustainable development, we focus on three areas that are directly relevant to our business. These are fish conservation, clean water stewardship and sustainable agriculture.

□ Fish conservation We continue working towards sourcing all fish from certified fisheries by 2005. The first products to carry the on-pack logo of the Marine Stewardship Council are due to be on sale in 1999. This will give consumers the opportunity to show their support for sustainable fishing.

□ Clean water stewardship Clean water is necessary for the consumption of many of our products: from cooking food to personal hygiene. During the year, we initiated a number of projects to help safeguard this vital resource. In June, for example, we launched our three-year sponsorship of the Global Nature Fund's Living Lakes initiative. By sharing our in-house expertise, as part of this initiative, we are helping communities in different continents to better manage their local lakes and wetlands.

□ Sustainable agriculture We launched pilot projects focusing on our strategic crops: ranging from tea in Kenya to tomatoes in Australia. These projects will help us establish sustainability indicators, as a step to defining, and contributing towards, soil health and productivity.

As public interest in biotechnology increased, our companies in Europe took a lead in labelling products with genetically modified ingredients. We believe biotechnology has an important role to play in meeting the everyday needs of people. Confidence in the technology will only be fostered through understanding and we think that society should be involved in the debate on the issue. We therefore support the establishment of clear and comprehensive regulations and the provision of information on the application of genetic modification technology to consumer products.

Categories

Overall, our Foods business had a reasonable year and achieved a good increase in profits. Turnover remained at the 1997 level, due to the impact of disposals and the poor European summer. In oil and dairy based foods, we increased our share of the margarine market in North America and Western Europe. However, global turnover and operating profits were slightly down. Turnover in ice cream and beverages was a little above 1997, despite the weather-related downturn in Europe. In culinary and frozen foods, underlying volumes were up although disposals took sales below 1997. Operating profits and margins improved markedly, notably in Europe and North America.

The Home & Personal Care business made very good progress across most regions and categories. Our key brands advanced significantly with overall operating profits again growing faster than turnover. In home care, innovative products such as laundry tablets helped boost growth and profit. We did particularly well in Western Europe and Africa and Middle East. Personal care had another excellent year with strong underlying volume and profit growth across most regions.

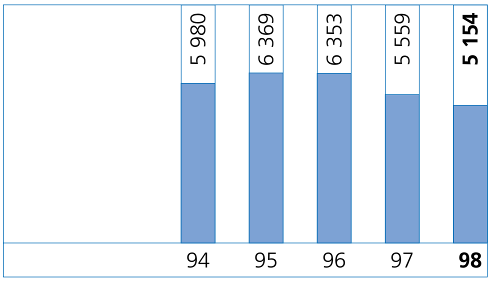
Rama Máslová, a buttery variant of our *Rama* margarine, was launched successfully in the Czech Republic. Against a volatile economic background, the product contributed significantly to our sales in the country and increased our market share. It was one of many international developments in our oil and dairy based foods and bakery business. For instance, we announced plans to market a new cholesterol-lowering spread, based on natural plant sterols.

Our ready meal range *4 Salti in Padella* has revitalised the *Findus* brand in Italy, boosting consumer perception of its closeness to their needs. In 1998, *4 Salti in Padella* was one of many successful culinary and frozen foods products that demonstrated our ability to meet growing international demand for quality convenience foods. Others included *Ragú Cheese Creations!* sauces in North America and our *Touch of Taste* liquid bouillon in Scandinavia.

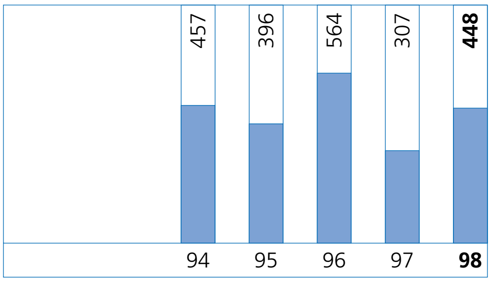
Domestos Active Toilet Gel scored a significant first in 1998. It became the first European home care product to achieve the three key lavatory-cleaning tasks, removing limescale, killing germs and freshening in one action. As part of a better overall product mix – and along with increased efficiencies – it contributed to another increase in operating margins for our home care and professional cleaning business.

Foods

Turnover £ million



Operating profit £ million



Oil and dairy based foods and bakery

£ million	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	5 154	5 404	5 559	(3)%
Operating profit	448	471	307	53%
Operating profit before exceptional items	495	518	535	(3)%

Globally, oil and dairy based foods and bakery turnover was down slightly, mainly due to disposals, with underlying volume staying flat.

Oil and dairy based foods We increased margarine market share in North America, via innovative products such as *Brummel & Brown*, our new low-fat yoghurt-based spread. We also made share gains in Western Europe, where the initial roll-out of our olive oil-based range – sold under the *Olivio* and *Bertolli* brands – has been successful. Our well-established health-focused brands, such as *Flora* and *Becel*, remained strong.

Through much of Central and Eastern Europe, consumers continued buying our margarine at the same levels as in 1997, despite regional economic difficulties. *Rama Máslová* in the Czech Republic and *Jogurtowa* in Poland, which we developed specifically for local tastes, enjoyed successful launches. In Russia, our market leader *Rama* started the year extremely positively but sales fell sharply after the economic crisis intensified in August.

Our olive oil businesses in Italy and France did well, but in Spain we had another difficult year due to the competitive market place.

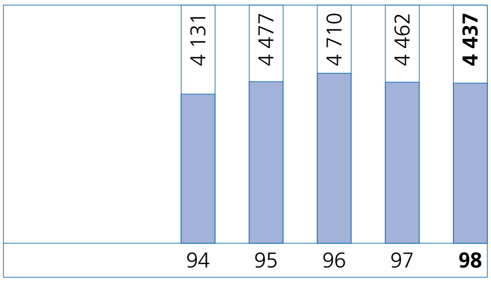
During 1998, we announced plans to market a new cholesterol-lowering spread, based on natural plant sterols. We expect to launch this product in North America and Europe in 1999. In Europe, we are in the process of obtaining approval for this product from regulatory authorities.

Bakery To achieve greater focus in our European baking sector, we integrated three businesses into Bakery Europe. Our speciality bakery products, such as *Maison du Pain*, are proving increasingly popular with consumers.

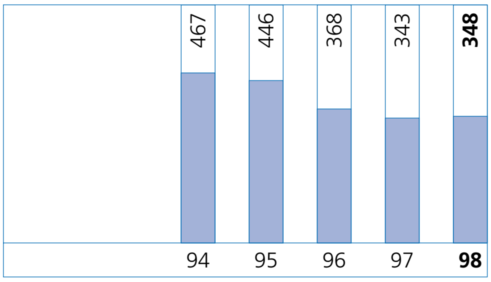
"In a challenging year for the Central European countries, our businesses in the Czech Republic performed well, in part due to innovations in margarine..."

The marketing of *Rama Máslová*, a buttery variant of our *Rama* margarine developed for Czech tastes, was particularly successful. It boosted our market share, margins and volumes in margarine in the country.

Turnover £ million



Operating profit £ million



Ice cream and beverages

£ million	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	4 437	4 710	4 462	6%
Operating profit	348	368	343	7%
Operating profit before exceptional items	399	421	421	–

Overall, underlying volume in ice cream and beverages was flat. We made progress in North America and Latin America but this was offset by Europe, following the effect of the poor summer on ice cream sales. Profits were also flat.

Ice cream Our worldwide ice cream turnover rose by 4%. This is explained partly by price increases, due to higher raw material costs in North America, and to the acquisition of Kibon in Brazil. Profits were lower, mainly in Europe.

We had a good year in North America, where innovation and increased marketing investment helped regain leadership of take-home, packaged ice cream. We maintained our lead in the impulse-buy ice cream sector.

In Northern Europe, the poor summer hit sales and profits. This emphasised the importance of our efforts to encourage people to eat ice cream all year round. *Winner Taco*, our any-time ice cream snack, was rolled out throughout Western Europe.

We continued to focus on, and develop, our global brands. New variants of the *Magnum* brand, for example, included *Magnum After Dinner*, which offers diners a 'sweet indulgence' rather than the full-sized dessert. As part of our strategy of increasing brand awareness among consumers around the world, we launched a common logo for ice cream.

We celebrated a full year of operations with Kibon in Brazil. In Australia, we opened a major new factory.

"The sales and profitability of our ready-to-drink teas continue to increase. Last year, we expanded our international portfolio further, with successful launches in Brazil and Thailand…"

In the United States, our market-leading iced tea *Lipton Brisk* had a record year. Backed by innovative marketing, it achieved a 16% rise in volume, lifting Lipton's share of the ready-to-drink market to an all-time high.

The European Commission's investigation into ice cream marketing in Ireland culminated in its decision declaring the practice of cabinet exclusivity contrary to Articles 85 and 86 of the Treaty of Rome, at least in the specific context of the Irish market. This decision was subsequently suspended by the European Court and is being vigorously appealed. Since the end of 1998, we have amended our distribution agreements in the United Kingdom to accommodate observations made by the Monopolies and Mergers Commission.

Beverages We continued to develop our global tea portfolio and achieved a 4% rise in underlying volume growth, mainly in Latin America, Europe and Africa and Middle East. Our overall margins also improved.

In the United Kingdom, we completed the roll-out of *PG Tips Pyramid* tea bags, increasing market share. We also enjoyed strong growth in new markets, particularly in Egypt and Poland.

Our fruit-flavoured teas, relaunched as *Lipton Sun Tea*, continued to grow. They have now been introduced in 18 countries. *Tchaé* green tea, launched in 1997, also proved popular, as did ready-to-drink tea. *Lipton Brisk* iced tea increased its market lead in North America and, in Southern Europe, the very hot summer helped to boost ready-to-drink sales. Conversely, in Northern Europe, the bad weather held back growth.

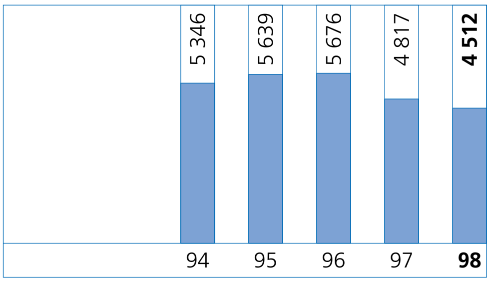
We established tea health information centres in Australia, France, India, the United Kingdom and the United States. In Europe, to meet increasing consumer demand for out-of-home drinks, we began a trial of canned hot beverages and soup for office vending machines.

As part of a strategy of supply chain rationalisation, our Indian tea estates supply Hindustan Lever directly. This is providing fresher quality and a more reliable supply at a lower cost.

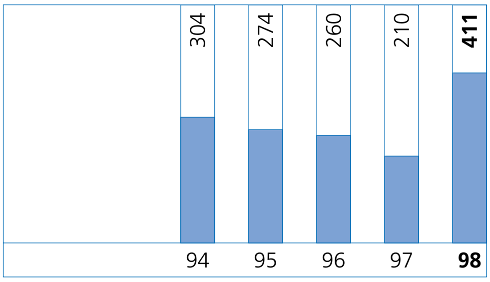
"Modern consumers are increasingly looking to convenience foods for the quality, variety and freshness traditionally associated with home-cooked meals..."

4 Salti in Padella has captured 7% of the Italian frozen food market with its range of home-made-style meals. It has also revitalised the national *Findus* brand which is now perceived as being closer to consumer needs.

Turnover £ million



Operating profit £ million



Culinary and frozen foods

£ million	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	4 512	4 678	4 817	(3)%
Operating profit	411	424	210	102%
Operating profit before exceptional items	445	457	356	28%

In our culinary and frozen foods business, underlying volume growth was higher than in 1997, principally in culinary which grew by 4%. Operating profits and margins improved significantly, with notable gains in Europe and North America. Overall, turnover declined by 3% largely due to disposals in Germany and the United Kingdom.

Culinary Pasta sauces had a very good year in North America, reflecting the continued popularity of our expanding *Five Brothers* and *Ragú Cheese Creations!* ranges.

Tailoring mayonnaise to national or regional taste continued to prove successful. In France, *Mayonnaise Gourmande* sold well. This product's mustard flavour has appealed to local taste, with its place in the dairy cabinet reinforcing associations of freshness. In Italy, the relaunch of *Calvé* yoghurt-based mayonnaise has proved particularly popular with health-conscious consumers and has extended our market leadership.

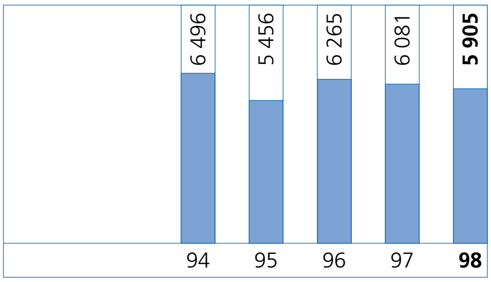
Strong innovation enhanced our stock and bouillon range. The launch of a new liquid bouillon in Scandinavia under the *Touch of Taste* brand was a particular success.

In Latin America, we continued to restructure our culinary operations and profits improved.

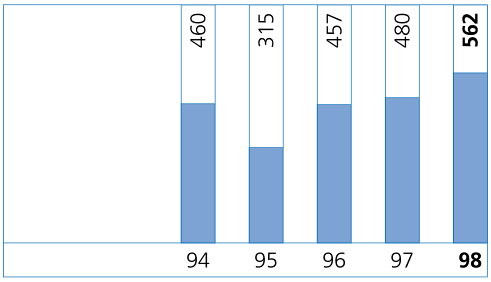
Frozen foods Overall, volume was marginally below 1997 due to the continued rationalisation of our portfolio. However, we made higher profits in Western Europe, doing especially well in the United Kingdom. In 1998, we continued to successfully develop individual products for local markets. In Italy, for example, the expanding Findus ready meal range *4 Salti in Padella* – comprising rice, vegetable, pasta, meat and fish-based dishes – continued to gain market share. In North America, we responded to demand for high-quality convenience foods with the launch of *Gorton's Tenders*, an easily-prepared, grilled fish dish.

Home & Personal Care

Turnover £ million



Operating profit £ million



Home care and professional cleaning

£ million	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	5 905	6 357	6 081	5%
Operating profit	562	602	480	25%
Operating profit before exceptional items	603	643	537	20%

Our home care and professional cleaning business made good progress overall, particularly in Western Europe and North America. A better product mix and increased efficiencies meant operating margins again rose, after further marketing investment.

Home care Our laundry business achieved increases in both turnover and profits. In Europe, consumer demand for our new laundry tablets underscored our ability to grow in mature markets. This product's convenience and quality, backed by a substantial marketing programme, swiftly established us as leader in the European laundry tablets market. Our laundry market share also advanced in almost all developing and emerging markets.

In Europe, effective targeting introduced a wider band of consumers to our fabric conditioners. The *Vitality* variant, for example, which is colourfully packaged with a contemporary fragrance, has been attracting younger consumers.

In household care, we maintained our track-record for labour-saving innovation with *Domestos Active Toilet Gel*. This patented product smells pleasantly, kills germs and removes limescale – the first European brand to achieve these three key elements of lavatory cleaning with one action. It was launched successfully in five European countries. Other launches, around the world, included *Sunlight* machine dish wash tablets in the United States and *Cif/Jif* extensions in Latin America and Europe.

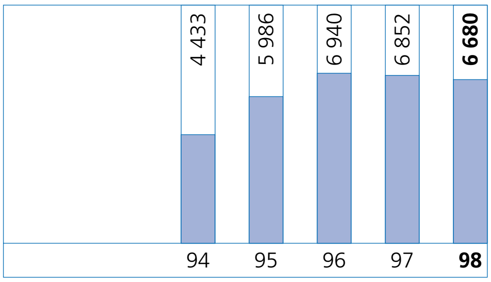
Professional cleaning 1998 was DiverseyLever's second full trading year since we merged Lever Industrial International with Diversey. The business, which supplies professional cleaning materials and services to institutional and industrial markets, had a somewhat disappointing year. Underlying volume was flat, with turnover up by 4%.

Results were reasonable in Southern Europe, the United Kingdom and North America but we experienced difficulties in other parts of Western Europe and the Far East. In May 1998, Unilever bought Michigan-based cleaning and hygiene business AmeriClean Systems, which became part of DiverseyLever.

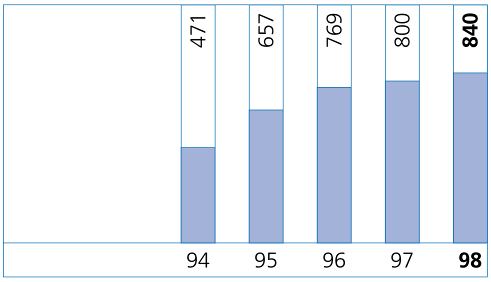
"The toilet cleaning market is a huge and growing sector. Research shows consumers want products that tackle the task in a straightforward and convenient way..."

Domestos Active Toilet Gel makes toilet cleaning less of a chore. It attacks germs, removes limescale and freshens: accomplishing in one action what many people use different products to achieve. In 1998, it was launched successfully in five European markets.

Turnover £ million



Operating profit £ million



Personal care

£ million	1998 at current rates	1998 at constant rates	1997	Change at constant rates
Turnover	6 680	7 422	6 852	8%
Operating profit	840	955	800	19%
Operating profit before exceptional items	855	970	856	13%

Our personal care business had another excellent year, with strong underlying volume growth across most categories and regions. After increased investment in marketing, progress in profits and margins was very good. Results were especially healthy in Western Europe and Latin America.

Our personal wash business did very well, assisted by the development of *Dove*. The *Dove* brand has been introduced in 70 countries since 1991 and now holds a leadership position in many. Originally launched as a personal wash bar, it has now been extended into body-wash liquid and, in some countries, facial foam, body lotion and deodorants. These developments are widening the brand's appeal, especially to younger consumers.

New product launches were key to the significant growth in our skin care businesses in North America and Latin America. In hair care, innovation advanced our position. For example, in the United States, we successfully developed and launched the *ThermaSilk* range. *ThermaSilk* is the first line of shampoos and conditioners with heat-activated proteins designed to protect and improve the condition of hair. In Europe, we relaunched *Organics* and introduced fruit variants of *Timotei* shampoo.

"Deodorants are one of Unilever's fastest growing corporate categories, with our major brands holding strong positions in all regions..."

New *Dove* deodorant cares for the skin while protecting against perspiration. These qualities are attracting many younger women, who are not traditionally regular *Dove* product users. The deodorant's success has thus strengthened the entire brand.

Oral care had varying success. In India, *Pepsodent* toothpaste again gained market share and in Europe we met success, in particular with new toothbrushes. However, in the United States, intense competition hit sales of *Mentadent* toothpaste, although the brand's toothbrushes continued to gain ground.

Deodorants had another outstanding year. In North America, the business successfully introduced new 'invisible solid' and ultra-dry 'soft sticks' for *Degree* and *Suave* anti-perspirants. In Europe our deo-fragrance brands *Axe/Lynx* and *Impulse* showed good growth, on the back of award-winning advertising campaigns. We increased our share of the market in both regions.

Our prestige business, which incorporates Elizabeth Arden and Calvin Klein fragrances, had a mixed year. Results were good in Europe but were hit by difficult trading conditions in North America. Elizabeth Arden returned to profit, although not yet at acceptable levels. This followed cost improvements, the launch of *Splendor* and successful European fragrance launches under the *Cerruti*, *Valentino* and *Lagerfeld* house names. Calvin Klein fragrance sales were flat, as consumer enthusiasm for the new *Contradiction* range was offset by reduced demand for *cK* products.

Financial Review

The figures quoted in this Financial Review and in the Summary Financial Statement are in sterling, at current rates of exchange, unless otherwise stated. The profit and loss and cash flow information is translated at average rates of exchange and the balance sheet at year-end rates of exchange.

Results

Turnover for the Group fell by 9% to £27 094 million, with sales in the continuing operations (ie excluding the chemicals businesses) falling by 5%; this included an increase in underlying volume in the continuing business of almost 2%, offset by the 9% strengthening of sterling against the basket of Unilever currencies. **Operating profit** increased by 24% to £2 955 million, or by 33% in the continuing operations. This reflected an improvement in margins, before exceptional items, of 0.7% of turnover, together with exceptional gains of £84 million (1997 exceptional charges of £565 million) which included a £261 million profit on the disposal of Plant Breeding International (PBI). There were no non-operating exceptional items in 1998.

Analysis of operating performance by geography and by category is given in the Business Overview and Category reviews on pages 10 and 34 respectively.

Income from fixed investments in 1998 of £25 million was in line with last year (1997: £27 million).

Average **net funds** for the year at constant rates were £3.5 billion, resulting in a **net interest income** of £105 million compared to an interest cost in 1997 of £73 million. **Net interest cover** (1997: 66 times) has therefore not been measured for 1998.

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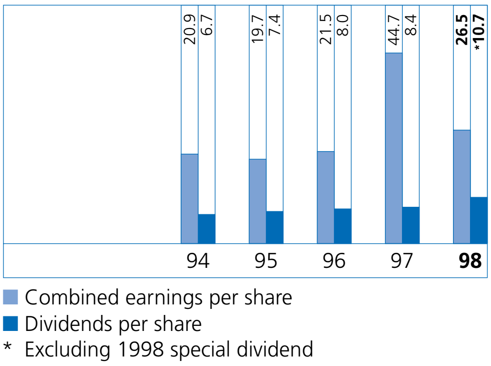
The Group's effective **tax rate** reduced to 33% compared to 35% in 1997 when the impact of the disposal of the chemicals businesses is excluded. The reduction is mainly due to one-off items and the benefit of higher prior year tax credits.

Minority interests of £97 million were in line with 1997 with higher profits in India offset by increased losses in China, and the impact in 1997 of the minority interests' share in the profit on disposal of the speciality chemicals businesses.

Net profit after exceptional items decreased by 41% to £1 973 million. Excluding the profit on the sale of the speciality chemicals businesses and the loss on disposal of fixed assets in 1997, net profit increased by 36%. The £649 million positive swing in operating exceptional items referred to previously made a significant contribution to this improvement; excluding exceptional items net income was 9% ahead of 1997.

Return on capital employed, before the impact of the special dividend (see below), decreased to 16% from 28% in 1997, entirely due to the impact of the profit on the sale of chemicals businesses in 1997. Average capital employed excludes goodwill on acquisitions made before 1998, which are eliminated in reserves. As the special dividend is accounted for on 31 December 1998, its impact on average capital employed and the related return on capital employed is not material in 1998. In a full year the impact of the special dividend would increase return on capital employed to approximately 24%.

Earnings and dividends per share
pence per 1.25p of ordinary capital



Dividends and market capitalisation

Earnings per share decreased by 41% from 44.74p to 26.45p due to the chemicals disposal profit in 1997. Normal **ordinary dividends** paid and proposed on PLC ordinary capital amount to 10.70p per 1.25p ordinary share (1997: 8.42p), an increase of 27%. The ratio of dividends to profit attributable to ordinary shareholders was 42.1%, compared with 21.5% in 1997 which included the profit on disposal of the chemicals businesses. Profit of the year retained after normal ordinary dividends was £1 140 million (1997: £2 611 million).

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, £5 billion will be returned to shareholders. The proposed special final dividend is equivalent to approximately 10.6% of Unilever's market capitalisation prior to the announcement. Shareholder documentation including further information on the proposals will be sent to shareholders on 31 March 1999.

Unilever's combined **market capitalisation** as at 31 December 1998 was £54.9 billion (1997: £41.0 billion).

Balance sheet

Although the average rate of sterling strengthened against the basket of other Unilever currencies over the year, sterling weakened (notably against the EMU grouping) between the two balance sheet dates, resulting in a £20 million profit on retranslation of net assets. Profit retained, after accounting for dividends, currency retranslation of balances and movements, the net goodwill adjustment on acquisitions and disposals, and the £5 billion special dividend decreased by £3 981 million to £3 261 million. Assuming that all shareholders were to take the special dividend in cash (NV shareholders will be offered the option of receiving preference shares as an alternative to cash), total capital and reserves would decrease to £3 352 million.

Cash flow

Cash flow from continuing operations decreased by £648 million to £3 026 million (1997: £3 674 million). The reduced cash flow reflects a significantly lower level of restructuring provisions at end 1998, together with somewhat higher stock levels. Overall average working capital as a percentage of sales improved in 1998.

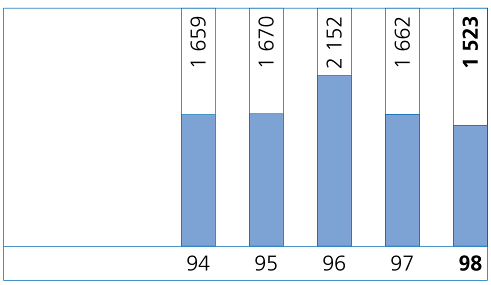
Net cash flow before investing activities was £1 523 million which is £139 million lower than 1997; the positive swing in interest of £178 million and lower taxation payments (as a result of the chemicals disposal in 1997) were offset by reduced cash flow from operations and higher dividends.

Capital expenditure fell to £890 million (1997: £965 million).

During the year 20 businesses were **acquired** for a cash consideration of £227 million and 24 businesses were **disposed** of for cash proceeds of £444 million. The most significant disposal was PBI which was sold for £320 million. Other disposals included the Bushells coffee businesses in Australasia and the Puritan meat business in Canada.

Net funds at the end of the year were £4 079 million, almost £900 million better than at the end of 1997. Assuming the proposed special dividend had all been paid in cash at the beginning of 1998, then the funds position would be a **net debt** of £1 billion with gearing of some 25% and net interest cover of 31 times.

Net cash flow before investing activities
£ million



Methods of calculation Return on capital employed is the sum of profit on ordinary activities after taxation, plus interest, after tax, on borrowings due after more than one year, expressed as a percentage of the average capital employed during the year.

Net interest cover is profit before net interest and taxation divided by the net interest.

Combined earnings per share is net profit attributable to ordinary capital, divided by the average number of share units representing the combined ordinary capital of NV and PLC less certain trust holdings.

Finance and liquidity

Unilever's continuing financial strength gives it the capacity to raise funds in all the major global debt markets at the lowest costs available to corporate borrowers. Because of the net cash position throughout 1998, external funding activity has been very limited. This financial strength has allowed us to propose the payment of the special £5 billion dividend with confidence that we retain the flexibility to fund our future expansion including major acquisitions. The special dividend will result in a lower cost of capital and a more efficient financial structure, thus creating shareholder value. After the special dividend the balance sheet will remain very strong.

Group policy remains to finance operating subsidiaries through the mix of retained earnings, bank borrowings and loans from parent and Group finance companies that is most appropriate for the particular country and business concerned.

Long-term debt fell by £120 million in 1998 as debt totalling £158 million, maturing in 1999, was reclassified to short-term at the year-end; there were no significant new borrowings. The maturity profile is spread over a seven-year period to 2005. The proportion of long-term debt repayable within five years decreased marginally in 1998 to 60% compared to 63% at the end of 1997.

For short-term finance as required, Unilever has commercial paper programmes in place in the United States domestic market and Europe, and operating subsidiaries fund part of day-to-day needs using local bank borrowings. At the end of 1998 short-term borrowings were £1 641 million, £700 million higher than at the end of 1997.

More than one third of Unilever's total borrowings are in US dollars, with the remainder spread over a large number of other currencies, including Dutch guilders, Italian lire and French francs.

Cash and current investments at the end of 1998 totalled £7 329 million (1997: £5 853 million). The parent and Group finance companies are directly responsible for the investment of over 80% of the funds. Funds are mainly invested in short-term bank deposits and high-grade marketable securities. Approximately 80% of these funds are held in sterling (19%), Dutch guilders (39%) and US dollars (22%).

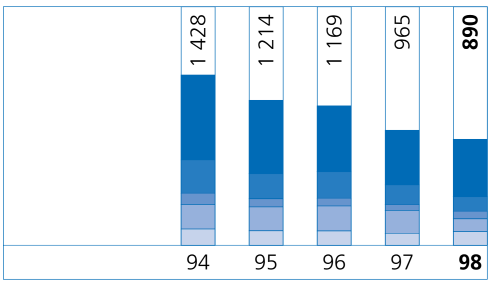
Treasury and hedging policies

The Group Treasury function operates as a cost centre, governed by financial policies and plans agreed by the directors. Its purpose is to serve the needs of the business through effective management of financial risk, to secure finance at minimum cost and invest liquid funds securely. In addition to policies, all major areas of activity are covered by guidelines, exposure limits, a system of authorities and extensive independent reporting. Performance is closely monitored, with independent reviews undertaken by the corporate internal audit function.

Unilever operates an interest rate management policy aimed at optimising interest and reducing volatility. Interest rates are fixed on a proportion of investments and debt up to five and ten years respectively. This is achieved, in part, through the fixed rate character of the underlying instrument and, in part, by the use of straightforward derivative instruments.

Under the Group's foreign exchange policy, trading exposures are generally hedged, mainly through the use of forward foreign exchange contracts. Some flexibility is permitted within overall exposure limits.

Capital expenditure £ million



Europe	713	614	552	459	**482**
North America	278	210	222	163	**122**
Africa & Middle East	94	69	66	50	**64**
Asia & Pacific	207	199	209	192	**106**
Latin America	136	122	120	101	**116**
	94	95	96	97	**98**

Assets held in foreign currencies are, to a considerable extent, financed by borrowings in the same currencies. Consequently, some 61% of Unilever's total capital and reserves at the end of 1998 (1997: 55%) was denominated in the currencies of the two parent companies. From an earnings perspective, some 25% of Unilever's 1998 net income was denominated in sterling, 24% in dollars, 17% in guilders and some 16% in guilder-related currencies.

Managing market risk

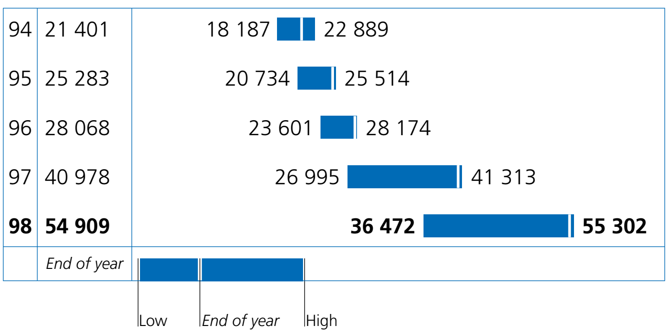
The Group is exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates, interest rates and credit spreads. In the normal course of business, the Group also faces risks that are either non-financial or non-quantifiable. Such risks include country and credit risk.

Credit risk exposures are minimised by dealing only with a limited number of financial institutions with secure credit ratings, by working within agreed counterparty limits and by setting limits on the maturity of investments. Counterparty credit ratings are regularly monitored and there is no significant concentration of credit risk with any single counterparty.

The Group uses interest rate swaps, futures and forward exchange contracts to manage the primary market exposures associated with the underlying assets, liabilities and anticipated transactions. The Group uses these instruments to reduce risk by essentially creating off-setting market exposures.

Further details on derivatives, foreign exchange exposures and other related information on financial instruments are given in the separate 'Unilever Annual Accounts 1998' booklet on page 27 and in the Annual Report to the United States Securities and Exchange Commission on Form 20-F.

Combined market capitalisation £ million



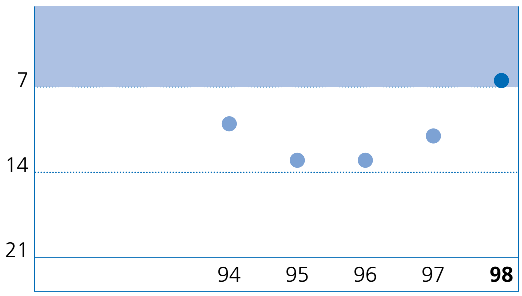
Total Shareholder Return

Total Shareholder Return (TSR) is a concept used to compare the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder. The absolute size of the TSR will vary with stock markets, but the relative position is a reflection of the market perception of overall performance.

Unilever has set itself a TSR target in the top third of a reference group of 20 international consumer goods companies. Together, these give a fair reflection of its category and regional spread. We are pleased that in 1998 Unilever achieved its TSR target.

The Company calculates the TSR over a three-year rolling period. This period is sensitive enough to reflect changes but long enough to smooth out short-term volatility. The return is expressed in US dollars, based on the equivalent US dollar share price for NV and PLC. US dollars were chosen to facilitate comparison with companies in Unilever's chosen reference group.

Unilever's position relative to the reference group



The reference group, including Unilever, consists of 21 companies

Organisation

Top Management Structure

Unilever's principal executive officers are the Chairmen of NV and PLC – respectively, Morris Tabaksblat and Niall FitzGerald. They jointly head the Executive Committee, Unilever's top decision-making body. This Committee, which is usually seven strong, is responsible for overall business performance and setting Unilever's global strategy.

In addition to the Chairmen, the Executive Committee members are the Financial Director, the Personnel Director, the Strategy & Technology Director and the Category Directors for Foods and for Home & Personal Care. The Committee is supported by the Senior Corporate Officers and other senior executives at Unilever's Corporate Centre in London and Rotterdam.

Four times each year the Executive Committee meets together with the 12 Business Group Presidents as the Executive Council, under the leadership of the Chairmen.

Business Structure

Unilever is organised, and its internal results are reported, on both a product and a regional basis.

On the product basis, the Category Directors are responsible for developing category strategies within the framework of the overall corporate strategy. They also work closely with Business Groups to develop regional strategies. They are responsible for directing the research and development effort, the innovation network, and for managing the allocation of corporate resource in these areas.

On the regional basis, Unilever's operations are organised into 12 Business Groups, each described regionally, with the exception of DiverseyLever – a worldwide grouping of industrial cleaning and hygiene operations. Also, because Europe and North America are too large to manage as single groups, they are sub-divided by product categories. Within the Business Groups are the individual operating companies operating in their particular national markets and forming the core building blocks of the Unilever organisation. The President of each Business Group is accountable for the companies in his group.

Legal Structure

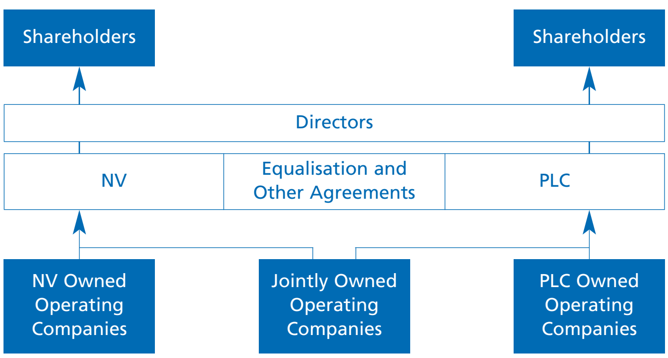
The Unilever Group was formed in 1930 through the merger of Margarine Unie and Lever Brothers. Now Unilever N.V. and Unilever PLC, they are the twin parent companies of a consumer goods group which ranks among the biggest in the world.

Although with separate legal identities, NV and PLC operate as far as is practicable as a single entity. They have the same directors and are linked by a number of agreements which mean that all shareholders, whether in NV or PLC, participate in the prosperity of the whole business. Of particular importance is the Equalisation Agreement which regulates the rights of the two sets of shareholders in relation to each other.

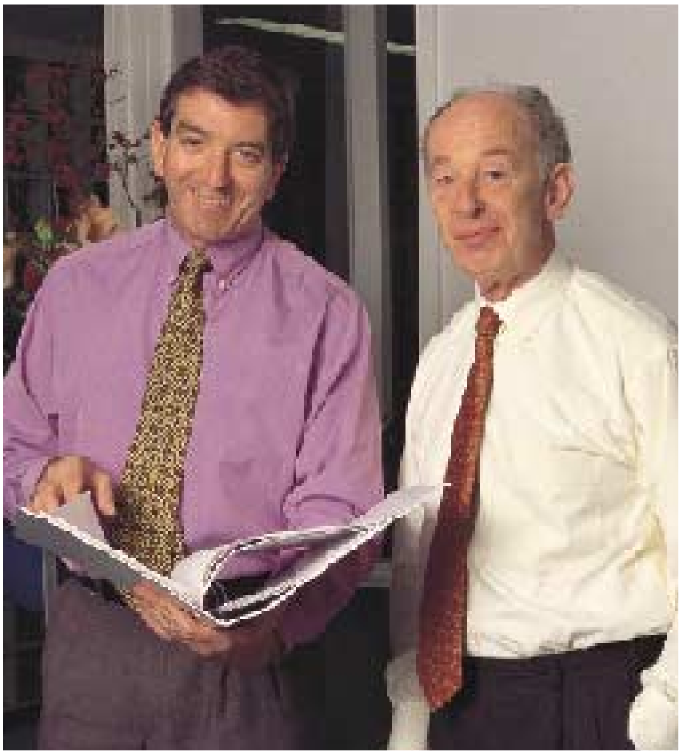
NV and PLC are holding and service companies. Unilever's businesses are carried out by their group companies around the world. The holding companies have agreed to co-operate in all areas, to exchange all relevant business information and to ensure that all group companies act accordingly. In most cases, shares in the group companies are held, ultimately, by NV or PLC.

Details of these arrangements are set out on page 2 of the separate 'Unilever Annual Accounts 1998' booklet. This contains an explanation as to why NV and PLC and their group companies constitute a single group for the purposes of presenting consolidated accounts.

Legal Structure of the Group



Executive Committee of the Board



Niall FitzGerald

Morris Tabaksblat

1 left to right
Clive Butler
Jan Peelen
Hans Eggerstedt

2 left to right
Antony Burgmans
Alexander Kemner
Rudy Markham

Niall FitzGerald *
Chairman, Unilever PLC
Aged 53. Chairman of Unilever PLC and a Vice-Chairman of Unilever N.V. since 1996. Joined Unilever 1967. Appointed director 1987. Previous posts include: Financial Director 87/89. Edible Fats & Dairy Co-ordinator 89/90. Member, Foods Executive 89/91. Detergents Co-ordinator 91/95. Member of Special Committee 1996. Non-executive director of Prudential Corporation plc and Bank of Ireland.

Morris Tabaksblat *
Chairman, Unilever N.V.
Aged 61. Chairman of Unilever N.V. and Vice-Chairman of Unilever PLC since 1994. Joined Unilever 1964. Appointed director 1984. Retiring 1999. Previous posts include: Personal Products Co-ordinator 84/87. Chairman, Chesebrough-Pond's 87/88. Regional Director, North America 88/89. Chairman, Foods Executive 89/92. Member of Special Committee 92/96. Member, Supervisory Board of Aegon N.V., TNT Post Groep N.V., Elsevier N.V. and VEBA AG.

Antony Burgmans *
Vice-Chairman, Unilever N.V.
Aged 52. A Vice-Chairman of Unilever N.V. since 1998. Joined Unilever 1972. Appointed director 1991. Previous posts include: Personal Products Co-ordinator 91/94. Responsible for South European Foods business 94/96. Business Group President, Ice Cream & Frozen Foods – Europe and Chairman of Unilever Europe Committee 96/98. Member, Supervisory Board of N.V. Koninklijke Bijenkorf Beheer and ABN AMRO Bank N.V.

Clive Butler *
Category Director, Home & Personal Care
Aged 52. Category Director, Home & Personal Care since 1996. Joined Unilever 1970. Appointed director 1992. Previous posts include: Corporate Development Director 1992. Personnel Director 93/96. Non-executive director of Lloyds TSB Group plc.

Hans Eggerstedt *
Financial Director
Aged 60. Financial Director since 1993. Joined Unilever 1965. Appointed director 1985. Retiring 1999. Previous posts include: Frozen Products Co-ordinator 85/90. Commercial Director 90/92.

Alexander Kemner *
Category Director, Foods
Aged 59. Category Director, Foods since 1996. Joined Unilever 1966. Appointed director 1989. Previous posts include: Food & Drinks Co-ordinator 89/90. Member, Foods Executive 89/92. Regional Director, East Asia & Pacific 93/96.

Rudy Markham *
Strategy & Technology Director
Aged 52. Strategy & Technology Director since 1998. Joined Unilever 1968. Appointed director 1998. Previous posts include: Business Group President, North East Asia 96/98.

Jan Peelen *
Personnel Director
Aged 59. Personnel Director since 1996. Joined Unilever 1966. Appointed director 1987. Previous posts include: Regional Director, East Asia & Pacific 87/92. Chairman, Foods Executive 93/96.

*Unilever Board member

Business Group Presidents

3 left to right
Richard Goldstein
John Sharpe
Bruno Lemagne

4 left to right
André van Heemstra
Robert Polet
Manfred Stach

5 left to right
Robert Phillips
Çetin Yüceluğ
Roy Brown

6 left to right
Jean Martin
Charles Strauss
Jeff Fraser

Roy Brown *
Food & Beverages – Europe
Aged 52. Joined Unilever 1974. Appointed director 1992. Appointed Business Group President 1996. Chairman of Unilever Europe Committee 1998. Previous position: Regional Director, Africa & Middle East and Central & Eastern Europe and responsible for Plantations and Plant Science Group. Non-executive director of GKN plc.

Robert Polet
Ice Cream & Frozen Foods – Europe
Aged 43. Joined Unilever 1978. Appointed Business Group President 1998. Previous position: Executive Vice-President for Ice Cream & Frozen Foods – Europe.

Richard Goldstein
Foods – North America
Aged 57. Joined Unilever 1975. Appointed Business Group President 1996. Previous position: President & CEO, Unilever United States (in which position he continues) and Chairman & CEO, Unilever Canada Ltd.

John Sharpe
Home & Personal Care – Europe
Aged 57. Joined Unilever 1963. Appointed Business Group President 1996. Previous position: CEO, Lever Europe.

Robert Phillips *
Home & Personal Care – North America
Aged 60. Joined Unilever 1986 upon Unilever's acquisition of Chesebrough-Pond's. Appointed director 1995. Appointed Business Group President and Chairman of Unilever North America Committee 1996. Previous position: Personal Products Co-ordinator.

Çetin Yüceluğ
DiverseyLever
Aged 53. Joined Unilever 1973. Appointed Business Group President 1996. Previous position: CEO, Lever Industrial International.

Manfred Stach
Africa
Aged 56. Joined Unilever 1970. Appointed Business Group President 1998. Previous position: Chairman, Union Deutsche Lebensmittelwerke GmbH and National Manager, Germany.

Jeff Fraser
Central Asia & Middle East
Aged 55. Joined Unilever 1967. Appointed Business Group President 1996. Previous position: Operations Member, Latin America & Central Asia.

Jean Martin
Central & Eastern Europe
Aged 54. Joined Unilever 1968. Appointed Business Group President 1996. Previous position: CEO, Personal Products in Europe.

Bruno Lemagne
China
Aged 52. Joined Unilever 1972. Appointed Business Group President 1998. Previous position: Chairman, Unilever (China) Limited.

André van Heemstra
East Asia Pacific
Aged 53. Joined Unilever 1970. Appointed Business Group President 1996. Previous position: Chairman, Langnese-Iglo GmbH.

Charles Strauss
Latin America
Aged 56. Joined Unilever 1986 upon Unilever's acquisition of Ragú Foods. Appointed Business Group President 1996. Previous position: President & CEO, Lever Brothers Company, New York.

*Unilever Board member

Advisory Directors

1 left to right
Lynda Chalker
George Mitchell

2 left to right
Oscar Fanjul
Onno Ruding
Claudio Gonzalez

3 left to right
Frits Fentener van Vlissingen
Derek Birkin

4 left to right
Bertrand Collomb
Patrick Wright

5 left to right
Brian Hayes
Hilmar Kopper

Sir Derek Birkin TD
Aged 69. Appointed 1993. Chairman, Tunnel Holdings 75/82. Director, RTZ Corporation 82/96, CEO 85/91 and Chairman 91/96. Director, Merchants Trust since 1986, Carlton Communications and Merck & Co. Inc. (USA) since 1992.

Baroness Chalker of Wallasey
Aged 56. Appointed 1998. Member of Parliament for Wallasey 74/92. Created a life peer in 1992. Minister for Africa & Commonwealth 86/97 and for Overseas Development at the Foreign and Commonwealth Office 89/97. Director, Freeplay Energy Ltd (South Africa) and Capital Shopping Centres Ltd since 1997.

Bertrand Collomb
Aged 56. Appointed 1994. French government administrator 66/75. Lafarge Group since 1975. Chairman and CEO, Lafarge since 1989. Member, European Round Table of Industrialists. Chairman, Institut de l'Entreprise. Director, Elf Aquitaine since 1994. Member, Supervisory Board, Allianz AG since 1998.

Oscar Fanjul
Aged 49. Appointed 1996. Secretary General and Under Secretary, Spanish Ministry of Industry and Energy 83/85. Chairman, Instituto Nacional de Hidrocarburos 85/95. Chairman and CEO Repsol 86/96 and Honorary Chairman since 1996. Member of the International Advisory Boards of the Chubb Corporation and Marsh & McLennan. Director of Ericsson, S.A. since 1996, Tecnicas Reunidas, S.A. and Chairman, Cofir, S.A. since 1997.

Frits Fentener van Vlissingen
Aged 65. Appointed 1990. Member, Executive Board SHV Holdings N.V. 67/75, and Chairman, 75/84. Managing Director, Flint Holding N.V. since 1984. Member, Supervisory Board, Amsterdam-Rotterdam Bank 74/91, ABN AMRO Bank N.V. since 1991 and Akzo Nobel N.V. since 1984.

Claudio X Gonzalez
Aged 64. Appointed 1998. Special Advisor to the President of Mexico 88/94. Chairman and CEO Kimberly-Clark de Mexico since 1973. Director, Kimberly-Clark Corp. since 1976, Kellogg Company since 1989 and General Electric Company (USA) since 1993.

Sir Brian Hayes
Aged 69. Appointed 1990. Retiring 1999. Permanent Secretary, Ministry of Agriculture, Fisheries and Food 79/83. Joint Permanent Secretary, Department of Trade and Industry 83/85 and sole Permanent Secretary 85/89. Director, Guardian Royal Exchange since 1989.

Hilmar Kopper
Aged 63. Appointed 1998. Director, Deutsche Bank 77/97, CEO 89/97 and Chairman, Supervisory Board, since 1997. Member, Supervisory Board, Bayer AG since 1988, Akzo Nobel N.V. since 1990 and DaimlerChrysler AG (Chairman) since 1998.

Senator George J Mitchell
Aged 65. Appointed 1998. Member of the US Senate 80/95 and Senate Majority Leader 88/95. Member of the law firm Verner, Liipfert, Bernhard, McPherson and Hand since 1995. Chairman of the Northern Ireland Peace Initiative since 1995. Director, Walt Disney Company, Federal Express Corp., Xerox Corp. and UNUM Insurance Corp. since 1995 and Staples, Inc. since 1998.

Onno Ruding
Aged 59. Appointed 1990. Member of Board, Amsterdam-Rotterdam Bank 81/82. Minister of Finance, the Netherlands 82/89. Chairman, Netherlands Christian Federation of Employers 90/92. Vice-Chairman and Director, Citibank since 1992.

Lord Wright of Richmond GCMG
Aged 67. Appointed 1991. Retiring 1999. Permanent Under Secretary of State at the Foreign and Commonwealth Office and Head of the Diplomatic Service 86/91. Director, De La Rue since 1991 and BP Amoco. Chairman of Royal Institute of International Affairs since 1995.

Honorary Advisory Director
The Rt Hon The Viscount Leverhulme KG TD
Aged 83. Grandson of William Lever, the founder of Lever Brothers. Appointed Honorary Advisory Director of PLC for life on his retirement as an Advisory Director in 1985.

Board Committees

The memberships of the Board Committees are:

Audit Committee:
Sir Brian Hayes (Chairman) +
Hilmar Kopper*
Claudio X Gonzalez
Onno Ruding

External Affairs and Corporate Relations Committee:
Lord Wright (Chairman) +
Lady Chalker*
Oscar Fanjul
Senator George Mitchell

Nomination Committee:
Frits Fentener van Vlissingen (Chairman)
Sir Derek Birkin
Bertrand Collomb
Niall FitzGerald
Morris Tabaksblat +

Remuneration Committee:
Frits Fentener van Vlissingen (Chairman)
Sir Derek Birkin
Bertrand Collomb

+ retires at 1999 AGMs
* Chairman from 1999 AGMs

Senior Corporate Officers

Jos Westerburgen
Joint Secretary and Head of Taxation

Stephen Williams
Joint Secretary and General Counsel

Patrick Cescau +
Controller

Hans Dosch*
Chief Auditor

Jan Haars
Treasurer

Michel Ogrizek
Corporate Relations

+ to be succeeded by Jeffrey Allgrove
* succeeded by James Duckworth from 1 April 1999

Corporate Governance

Directors

Each of Unilever's ten directors is a full-time executive and is a director of both NV and PLC. In addition to their specific management responsibilities, they are jointly responsible as the Boards of Directors of NV and PLC for the conduct of the business as a whole.

The directors have set out a number of areas for which the Boards are directly responsible for making decisions. All other matters are delegated to committees. The Boards meet to consider the following corporate events and actions:

- to agree quarterly results announcements
- to approve the Annual Report and Accounts
- to declare dividends
- to convene shareholders' meetings
- to approve corporate strategy
- to authorise major transactions.

Board meetings are held in London and Rotterdam and are chaired by the Chairmen of NV and PLC. The Chairmen are assisted by the Joint Secretaries, who ensure that the Boards are supplied with all the information necessary for their deliberations, normally a week before each meeting.

All directors submit themselves for re-election each year and generally retire at the latest at age 62.

Advisory Directors

As the concept of the non-executive director, as recognised in the United Kingdom, is not a feature of corporate governance in the Netherlands, and the Supervisory Board, as recognised in the Netherlands, is not adopted in the United Kingdom, it is not practicable to appoint supervisory or non-executive directors who could serve on both Boards. However, a strong independent element has long been provided by Unilever's Advisory Directors.

The Advisory Directors are therefore the principal external presence in the governance of Unilever. One of their key roles is to assure the Boards that Unilever's provisions for corporate governance are adequate and reflect, as far as possible, best practice.

The appointment of Advisory Directors is provided for in the Articles of Association of both parent companies, although they are not formally members of the Boards. Their terms of appointment, role and powers are enshrined in resolutions of the Boards. They comprise all, or a majority of, the members of certain key committees of the Boards. They attend the quarterly meetings of the directors (in addition to their committee meetings), other conferences of the directors and the members of the Executive Committee, as well as other meetings with the Chairmen. In addition, the Advisory Directors may meet as a body, at their discretion, and appoint a senior member as their spokesman.

Unilever's Advisory Directors are chosen for their broad experience, international outlook and independence. Advisory Directors are appointed by resolutions of the Boards, normally for a term of three years. They are usually appointed for a maximum of three consecutive terms and retire at 70.

Their remuneration is determined by the Boards. All appointments and re-appointments are based on the recommendations of the Nomination Committee.

Board Committees

The directors have established the following committees:

a) the Executive Committee, which comprises the Chairmen of the two parent companies and, normally, five other members. It is responsible for agreeing priorities and allocating resources, setting overall corporate targets, agreeing and monitoring Business Group strategies and plans, identifying and exploiting opportunities created by Unilever's scale and scope, managing external relations at the corporate level and developing future leaders. It normally meets formally every two or three weeks and is chaired alternately by the Chairmen of NV and PLC. Additionally, there will be meetings with specific Business Groups and Corporate Centre departments. The Executive Committee Secretariat ensures that the Committee is supplied with the information it needs.

b) an Audit Committee, which normally comprises three Advisory Directors. It reviews the financial statements before publication and oversees financial reporting and control arrangements. It meets at least twice a year. Both the head of Unilever's internal audit function and the external auditors attend the Committee's meetings and have direct access to the Chairman of the Committee. The Chief Auditor ensures that the Committee is supplied with the information it needs.

c) an External Affairs and Corporate Relations Committee, which usually comprises three Advisory Directors. It advises on external issues of relevance to the business, including issues of corporate social responsibility, and reviews Unilever's corporate relations strategy. It normally meets four times a year. The Head of the Corporate Relations Department ensures that the Committee is supplied with the information it needs.

d) a Nomination Committee, which comprises three Advisory Directors and the Chairmen of NV and PLC. It recommends to the Boards candidates for the positions of director, Advisory Director and member of the Executive Committee. It meets at least once a year. The Joint Secretaries ensure that the Committee is supplied with the information it needs.

e) a Remuneration Committee, which normally comprises three Advisory Directors. It reviews Unilever's framework of executive remuneration and is responsible for the Executive Share Option Scheme. The Committee determines specific remuneration packages for each of the directors. It meets at least twice a year. The Head of the Private Administration Department ensures that the Committee is supplied with the information it needs.

f) committees to conduct routine business as and when necessary, which comprise any two of the directors and certain senior executives. The Joint Secretaries are responsible for the operation of these committees. They administer certain matters previously agreed by the Boards or the Executive Committee.

All committees are formally set up by Board resolution with carefully defined remits. They report regularly and are responsible to the Boards of NV and PLC.

Shareholder Relations

Unilever believes it is important both to explain the business developments and financial results to shareholders and to understand the objectives of investors. Within the Executive Committee, the Financial Director has the lead responsibility for investor relations, with the active involvement of the Chairmen. They are supported by an Investor Relations Department which organises presentations for analysts and institutional investors in a variety of locations, mainly in Europe and North America.

Both NV and PLC communicate with their private shareholders through the Annual General Meetings. Both Chairmen give a full account of the progress of the business over the last year and a review of the current issues. A summary of their addresses is published on the Unilever Web site and released to stock exchanges and media. Copies are also freely available on request.

The Chairmen of Unilever, both in their communications concerning the Annual General Meetings and at the meetings themselves, encourage shareholders to attend and ask questions. The question and answer session has long formed an important part of the meetings in both the Netherlands and the United Kingdom. Unilever is committed to efforts to establish more effective ways of communicating with shareholders, particularly in the Netherlands, where almost all its shares are held in bearer form.

Reporting to Shareholders

The formal statements of the directors' responsibilities are set out on page 4 of the separate 'Unilever Annual Accounts 1998' booklet. These cover Annual Accounts, Going Concern and Internal Control. The report to shareholders on directors' remuneration and interests is set out on pages 29 to 37 of 'Unilever Annual Accounts 1998'. The Annual Accounts also contain, on page 5, a formal statement on Corporate Governance.

The responsibility of the auditors to report on these matters is set out in the report on page 6 of the 'Unilever Annual Accounts 1998'.

Board Changes

Mr Morris Tabaksblat and Mr Hans Eggerstedt will retire in May 1999 and their colleagues wish to record their appreciation of their considerable contributions to Unilever over long and distinguished careers.

Mr Morris Tabaksblat has served Unilever for almost 35 years, 15 of them as a director. In his five years as a Chairman he has overseen the introduction of the corporate strategy, the new organisation and Unilever's enhanced performance.

Mr Hans Eggerstedt has served Unilever for 34 years, 14 of them as a director, and has been its principal representative to the financial community as Financial Director for the past six years.

All directors will retire from office, in accordance with the Articles of Association of NV and PLC, at the Annual General Meetings on 4 May 1999 and, with the exceptions of Mr Morris Tabaksblat and Mr Hans Eggerstedt, offer themselves for re-election.

As already announced, Mr Antony Burgmans, currently Vice-Chairman of NV, will succeed Mr Morris Tabaksblat as Chairman of NV and Vice-Chairman of PLC, and Mr Patrick Cescau, currently Controller, has been nominated for election as a director and will succeed Mr Hans Eggerstedt as Financial Director and a member of the Executive Committee.

Mr Antony Burgmans became Vice-Chairman of NV and a member of the Executive Committee during 1998, and was previously the Business Group President responsible for Ice Cream & Frozen Foods – Europe and Chairman of the Unilever Europe Committee.

Mr Patrick Cescau is aged 50 and joined Unilever in 1973. He became Controller in 1998. His previous posts include Chairman, P.T. Unilever Indonesia and President of Lipton, Unilever's combined foods business in the United States.

At the Annual General Meetings in 1998, Mr Rudy Markham was elected a director and became Strategy & Technology Director and a member of the Executive Committee. Dr Iain Anderson duly retired as a director at those Meetings.

Advisory Directors' Changes

Sir Brian Hayes and Lord Wright of Richmond will retire as Advisory Directors with effect from the Annual General Meetings in 1999. The directors wish to record their appreciation of their substantial contributions during the past nine and seven years respectively, particularly while Chairmen of the Audit and External Affairs and Corporate Relations Committees.

Mr Claudio X Gonzalez and Senator George J Mitchell were appointed as Advisory Directors during 1998 until the Annual General Meetings in 2001 and 2002 respectively. The Boards have resolved to re-appoint Mr Oscar Fanjul, Mr Frits Fentener van Vlissingen and Dr Onno Ruding as Advisory Directors, also until the Annual General Meetings in 2002.

Mr James W Kinnear and Mr Karl Otto Pöhl retired as Advisory Directors at the Annual General Meetings in 1998.

JWB Westerburgen
SG Williams
Joint Secretaries of Unilever

8 March 1999

Summary Financial Statement

Introduction

This Annual Review booklet and the separate booklet entitled 'Unilever Annual Accounts 1998' together comprise the full Annual Report and Accounts for 1998 of NV and PLC when expressed in guilders and pounds sterling respectively. This Summary Financial Statement is a summary of the Unilever Group's full annual accounts set out in 'Unilever Annual Accounts 1998'. That separate booklet also contains additional financial information and further statutory and other information which forms part of PLC's full directors' report.

For a full understanding of the results of the Group and state of affairs of NV, PLC or the Group, 'Unilever Annual Accounts 1998' should be consulted. Shareholders have the right to obtain free of charge the appropriate version of 'Unilever Annual Accounts 1998' by request to Unilever's Corporate Relations Department, London. They may also elect to receive both booklets for all future years by request to PLC's Registrars. See pages 63 and 64 for details.

The auditors have issued an unqualified audit report on the full accounts. The United Kingdom Companies Act 1985 requires the auditors to report if the accounting records are not properly kept or if the required information and explanations are not received. Their report on the full accounts contains no such statement.

The following summarised financial statements should be read with the directors' report set out earlier in this Review, which mentions, to the extent applicable, any important future developments or post-balance sheet events.

Dividends

The Boards have resolved to recommend to the Annual General Meetings on 4 May 1999 the declaration of normal final dividends and special final dividends on the ordinary capitals in respect of 1998 at the rates shown in the table below. The dividends will be paid in accordance with the timetables on page 62.

NV	**1998**	1997
Per Fl. 1 of ordinary capital		
Interim	**Fl. 0.81**	Fl. 0.74
Normal final	**Fl. 1.70**	Fl. 1.49
Total normal	**Fl. 2.51**	Fl. 2.23
Special final	**Fl. 14.50**	–

PLC	**1998**	1997
Per 1.25p of ordinary capital		
Interim	**2.95p**	2.80p
Normal final	**7.75p**	5.62p
Total normal	**10.70p**	8.42p
Special final	**66.13p**	–

For the purpose of equalising dividends under the Equalisation Agreement, Advance Corporation Tax (ACT) in respect of any dividend paid by PLC has to be treated as part of the dividend. PLC's 1998 interim dividend was calculated by reference to the then rate of ACT (twenty/eightieths). ACT has been abolished with effect from 6 April 1999. PLC's 1998 normal final dividend and special final dividend have therefore been calculated without reference to ACT.

Statement from the Auditors

This statement is addressed to the shareholders of Unilever N.V. and Unilever PLC.

We have audited the Summary Financial Statement set out on pages 58 to 61.

The Summary Financial Statement is the responsibility of the directors. Our responsibility is to report to you on whether the statement is consistent with the annual accounts and directors' report.

We conducted our work in accordance with auditing guideline 'The auditor's statement on the summary financial statement' adopted by the Auditing Practices Board.

In our opinion the Summary Financial Statement of the Unilever Group set out on pages 58 to 61 is consistent with the full accounts and directors' report for 1998 and complies with the requirements of Section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder.

PricewaterhouseCoopers N.V.
Registeraccountants
Rotterdam

As auditors of Unilever N.V.

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
London

As auditors of Unilever PLC

8 March 1999

Unilever's auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand N.V. changed its name to PricewaterhouseCoopers N.V. and continued as auditors of NV under its new name and Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors of PLC. This report of the auditors is therefore signed by PricewaterhouseCoopers N.V. and by PricewaterhouseCoopers.

Accounting policies

The accounts are prepared at current rates of exchange (see page 46).

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 60 to 61 have been derived from the Unilever Group consolidated results in guilders, using the official cross-rate of €1=Fl. 2.20371, which produces an average rate of €1=£0.670 and a closing rate of €1=£0.706. This translation has been prepared solely for the convenience of users and does not form part of the audited accounts of the Unilever Group.

Summary Consolidated Accounts

Unilever Group

Profit and loss account for the year ended 31 December

	£ million 1998	£ million 1997	€ million 1998
Turnover	**27 094**	29 766	40 437
Continuing operations	**26 961**	28 473	40 239
Acquisitions	**133**	–	198
Discontinued operations	**–**	1 293	–
Operating costs	**(24 139)**	(27 384)	(36 027)
Operating profit	**2 955**	2 382	4 410
Continuing operations	**2 948**	2 216	4 399
Acquisitions	**7**	–	11
Discontinued operations	**–**	166	–
Operating profit before exceptional items – continuing businesses	**2 871**	2 781	4 285
Profit on sale of discontinued speciality chemicals businesses	**–**	2 535	–
Loss on disposal of fixed assets in continuing businesses	**–**	(152)	–
Income from fixed investments	**25**	27	37
Interest	**105**	(73)	156
Profit on ordinary activities before taxation	**3 085**	4 719	4 603
Taxation	**(1 015)**	(1 291)	(1 515)
Profit on ordinary activities after taxation	**2 070**	3 428	3 088
Minority interests	**(97)**	(97)	(144)
Net profit	**1 973**	3 331	2 944
Attributable to: **NV**	**1 112**	2 333	1 658
PLC	**861**	998	1 286
Dividends	**(833)**	(720)	(1 244)
Special Dividend	**(4 979)**	–	(7 430)
Profit of the year retained	**(3 839)**	2 611	(5 730)
Combined earnings per share			
Guilders per Fl. 1 of ordinary capital	**5.80**	9.78	2.63
Pence per 1.25p of ordinary capital	**26.45**	44.74	12.00
On a fully diluted basis the figure would be:			
Guilders per Fl. 1 of ordinary capital	**5.66**	9.55	2.57
Pence per 1.25p of ordinary capital	**25.80**	43.68	11.71

Directors

The directors of Unilever during 1998 are shown on pages 52, 53 and 57. Their total emoluments for the year ended 31 December 1998 were £7.9 million (1997: £8.2 million) and their aggregate gains on the exercise of share options were £2.4 million (1997: £5.0 million). All the directors participate in defined benefit pension schemes.

Unilever Group

Balance sheet as at 31 December

	£ million		€ million
	1998	1997	1998
Fixed assets	**6 085**	6 107	8 620
Current assets			
Stocks	**3 351**	3 111	4 747
Debtors due within one year	**3 618**	3 453	5 126
Debtors due after more than one year	**1 137**	1 150	1 612
Cash and current investments	**7 329**	5 853	10 383
	15 435	13 567	21 868
Creditors due within one year			
Borrowings	**(1 641)**	(941)	(2 325)
Trade and other creditors	**(11 047)**	(5 555)	(15 651)
Net current assets	**2 747**	7 071	3 892
Total assets less current liabilities	**8 832**	13 178	12 512
Creditors due after more than one year			
Borrowings	**1 609**	1 729	2 280
Trade and other creditors	**539**	447	762
Provisions for liabilities and charges	**3 044**	3 274	4 314
Minority interests	**288**	312	408
Capital and reserves	**3 352**	7 416	4 748
Attributable to: **NV**	**2 503**	4 827	3 545
PLC	**849**	2 589	1 203
Total capital employed	**8 832**	13 178	12 512

Cash flow statement for the year ended 31 December

	£ million 1998	£ million 1997	€ million 1998
Cash flow from operating activities	**3 026**	3 854	4 514
Returns on investments and servicing of finance	**61**	(237)	91
Taxation	**(845)**	(1 307)	(1 261)
Capital expenditure and financial investment	**(939)**	(875)	(1 399)
Acquisitions and disposals	**226**	4 095	338
Dividends paid on ordinary share capital	**(719)**	(648)	(1 073)
Cash inflow before management of liquid resources and financing	**810**	4 882	1 210
Management of liquid resources	**(1 341)**	(4 438)	(2 003)
Financing	**28**	(476)	42
Decrease in cash in the period	**(503)**	(32)	(751)
Increase in net funds in the period	**896**	4 876	958

This Summary Financial Statement was approved by the Boards of Directors on 8 March 1999.

NWA FitzGerald M Tabaksblat Chairmen of Unilever

Financial Calendar

Annual General Meetings

NV	PLC
10.30 am Tuesday 4 May 1999	11.00 am Tuesday 4 May 1999
Concert- en Congresgebouw de Doelen	The Queen Elizabeth II Conference Centre
Entrance Schouwburgplein 50	Broad Sanctuary, Westminster
Rotterdam	London SW1P 3EE

Announcements of results

First quarter	29 April 1999	Nine months	5 November 1999
First half year	6 August 1999	Provisional for year	22 February 2000

Dividends on ordinary capital

Normal final for 1998	NV	PLC	NV New York Shares	PLC American Shares
Proposal announced	23 February 1999	23 February 1999	23 February 1999	23 February 1999
Ex-dividend date	6 May 1999	19 April 1999	7 May 1999	21 April 1999
Record date	–	23 April 1999	11 May 1999	23 April 1999
Declaration	4 May 1999	4 May 1999	4 May 1999	4 May 1999
Payment date	21 May 1999	21 May 1999	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 Annual Review.

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

Preferential dividends

NV	
4% Preference	Paid 1 January
6% Preference	Paid 1 October
7% Preference	Paid 1 October

Shareholder Information

United Kingdom capital gains tax

Since 1982, PLC ordinary shares have been sub-divided on two occasions. Firstly, with effect on 26 June 1987, the 25p shares were split into five shares of 5p each, and secondly, with effect on 13 October 1997, the 5p shares were split into four shares of 1.25p each. The market value of PLC 1.25p ordinary shares at 31 March 1982 would have been 30.875p.

Listing details

NV The shares or certificates (depositary receipts) of NV are listed on the stock exchanges in Amsterdam, London, New York and in Austria, Belgium, France, Germany, Luxembourg and Switzerland.

PLC The shares of PLC are listed on the Stock Exchange, London and, as American Depositary Receipts (each evidencing four ordinary shares of 1.25p each), in New York.

Unilever PLC Registered Office

Unilever PLC
Port Sunlight
Merseyside L62 4ZA
United Kingdom

Share Registration

Netherlands
N.V. Algemeen Nederlands Trustkantoor ANT
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Telefax +31 (0)20 638 2516

UK
Lloyds TSB Registrars
54 Pershore Road South
Birmingham B22 1AD
Telephone +44 (0)121 433 8000
Telefax +44 (0)121 433 8209

USA
Morgan Guaranty Trust Company of New York
ADR Service Centre
PO Box 8205
Boston MA 02266-8205
Telephone +1 781 575 4328
Telefax +1 781 575 4082

Publications

Copies of the following publications can be obtained without charge from Unilever's Corporate Relations Departments.

Unilever Annual Review 1998
available in English with guilder or sterling figures, and Dutch with guilder figures; supplements are also available in English with US dollar figures, and in French with guilder figures.

Unilever Annual Accounts 1998
available in English with guilder or sterling figures, and Dutch with guilder figures.

Annual Report on Form 20-F
the filing in English, with figures in guilders and sterling, with the United States Securities and Exchange Commission.

Quarterly Results Announcements
available in English with guilder, sterling or US dollar figures, and Dutch with guilder figures.

Charts Booklet
available in English with guilder, sterling and US dollar figures combined in a selection of charts and data over ten years.

Environment Report
available in English. A biennial publication, which charts the objectives and progress made on environmental management and product life cycle assessment since the first report published in 1996.

Introducing Unilever
explains our business activities worldwide – available in English with guilder, sterling or US dollar figures, and in Dutch with guilder figures.

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email	corporate.relations-newyork@unilever.com

Web Site

www.unilever.com

Our corporate Web site has six key sections for ease of navigation:

Unilever
an introduction to Unilever – its corporate purpose, global spread, organisation, community involvement, research and development, and history.

Brands
a round-up of Unilever's global brands, within our Foods and Home & Personal Care categories.

Environment
our environmental commitments and goals are captured in the Environment Report 1998 and the Home Care Europe Environment Report.

Financial
Unilever's annual and quarterly results, the Annual Report and Accounts and the Annual Report on Form 20-F, plus key dates from our financial year.

Recruitment
information on graduate and managerial opportunities.

News
up-to-date information including press releases, keynote speeches and directors' biographies.