Unilever

Report and accounts
1975

Unilever N.V.

Report and accounts 1975

Directors

H. F. van den Hoven, *Chairman*

D. A. Orr, *Vice-Chairman*

J. M. Goudswaard, *Vice-Chairman*

M. R. Angus

W. B. Blaisse

J. G. Collingwood

K. Durham

J. P. Erbé

G. E. Graham

C. T. C. Heyning

A. H. C. Hill

F. A. Maljers

H. Meij

M. Ormerod

Jonkheer I. E. B. Quarles van Ufford

C. F. Sedcole

A. W. P. Stenham

O. Strugstad

S. G. Sweetman

The Viscount Trenchard

K. H. Veldhuis

E. J. Verloop

Advisory Directors

B. W. Biesheuvel

G. D. A. Klijnstra

R. Mueller

J. H. van Roijen

P. P. Schweitzer

Secretaries

C. Zwagerman

H. A. Holmes

Auditors

Price Waterhouse & Co.

Coopers & Lybrand Nederland

All the present Directors named above were Directors on 31st December, 1975.
Mr. A. I. Anderson and Mr. R. H. Del Mar were also Directors on 31st December, 1975.

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The cover
The 26 metre-high detergent spraying tower at our Angke factory in Jakarta was the first in Indonesia.
On the right is a mosque built by the company for factory personnel.

Photograph by Brian Worth.

A special survey of the activities of UAC International is issued as a supplement to this Report.

Unilever

Unilever comprises Unilever N.V., Rotterdam (**N.V.**) and Unilever Limited, London (**Limited**) and their respective subsidiary companies. These operate in more than seventy-five countries and are mainly engaged in the manufacture and sale of a wide variety of goods for household use. The principal products are foods (including margarine, other fats and oils; ice-cream; frozen and other packaged 'convenience' foods; meat and fish); drinks; detergents and toilet preparations; chemicals; paper, plastics, packaging; and animal feeds. Unilever also has interests in transport and in plantations. Through UAC International a substantial business is carried on in Africa and other parts of the world as merchants and specialist distributors, in diverse industrial ventures, and in the operation of an ocean fleet.

N.V. and **Limited** have identical Boards of Directors and are linked by agreements, including an Equalisation Agreement which requires dividends and other rights and benefits (including rights on liquidation) attaching to each Fl. 12 nominal of ordinary share capital of **N.V.** to be equal in value at the current guilder/sterling rate of exchange to those attaching to each £1 nominal of ordinary capital of **Limited** as if each such unit formed part of the ordinary share capital of one and the same company. In consequence, the combined affairs of **N.V.** and **Limited** are more important than the separate affairs of either company. The Report and accounts as usual deal with the results and operations of Unilever as a whole, with the figures expressed in guilders. Except where otherwise stated, therefore, all figures are for **N.V.** and **Limited** combined.

This is a translation of the original Dutch report. French and German translations, with the figures remaining in guilders, are also published.

The Report and accounts of **Limited**, which are in English with the figures expressed in sterling, contain the same information as this document, apart from certain statutory information required by the United Kingdom Companies Acts 1948 and 1967.

1975 in brief

Profits in Europe in 1975 were well below 1974. This was mainly due to difficult operating conditions in the edible fats and oil milling businesses in the early part of the year, and to falls in sales volume of a number of our products, especially those sold for industrial uses. Our trawling operation had a bad year, and the dairy products and meat businesses operated in total at a loss. Ice-cream had an excellent year.

In the United States and Canada profits were slightly below 1974 mainly because of disappointing results from edible fats in the United States.

Elsewhere outside Europe most countries showed satisfactory improvements in profit. UAC International had a very good year for nearly all their main activities. World-wide, operating profits were about 6% below 1974.

Economies in working capital requirements were achieved and interest earned on liquid funds exceeded interest on short-term borrowings, but interest on loan capital increased and the average rate of taxation on profits was also higher. There was a significant increase in outside interests in profits of subsidiaries, mainly because of improved profitability of partly owned subsidiaries in the UAC International group. As a result of these factors, profit attributable to ordinary capital was about 16% below 1974.

The Board's final ordinary dividend proposals represent an increase of 5.5% in **N.V.'s** total dividend for the year. Shareholders in **Limited** will receive the maximum payment permitted by the statutory controls in the United Kingdom, leaving a balance of dividends declared to be carried forward for payment when circumstances permit.

Summary of combined results

for the year ended 31st December
Figures in italics represent deductions
Fl. million

	1974	1975
Sales to third parties	34 471	**36 705**
Operating profit	2 109	**1 986**
Non-recurring and financial items	*142*	***205***
Profit before taxation	1 967	**1 781**
Taxation	*961*	***883***
Profit after taxation	1 006	**898**
Outside interests and preference dividends	*91*	***127***
Profit attributable to ordinary capital	915	**771**
Ordinary dividends	*345*	***362***
Profit of the year retained[1])	570	**409**
Earnings per share[2])		
per Fl. 20 of capital	Fl. 16.43	**Fl. 13.84**
per 25p of capital	41.76p	**38.23p**
Ordinary dividends		
N.V.—per Fl. 20 of capital	Fl. 7.25	**Fl. 7.65**
Limited—per 25p of capital	12.09p	**13.67p**

[1]) Other movements in Profits retained are shown in the consolidated accounts on page 36.

[2]) The basis of calculation is shown on page 39. The decrease in guilders is 16% and in sterling 8%. The difference arises from the use of the rate of £1 = Fl. 5.90 in 1974 and £1 = Fl. 5.43 in 1975.

Summary of combined assets and liabilities

as at 31st December

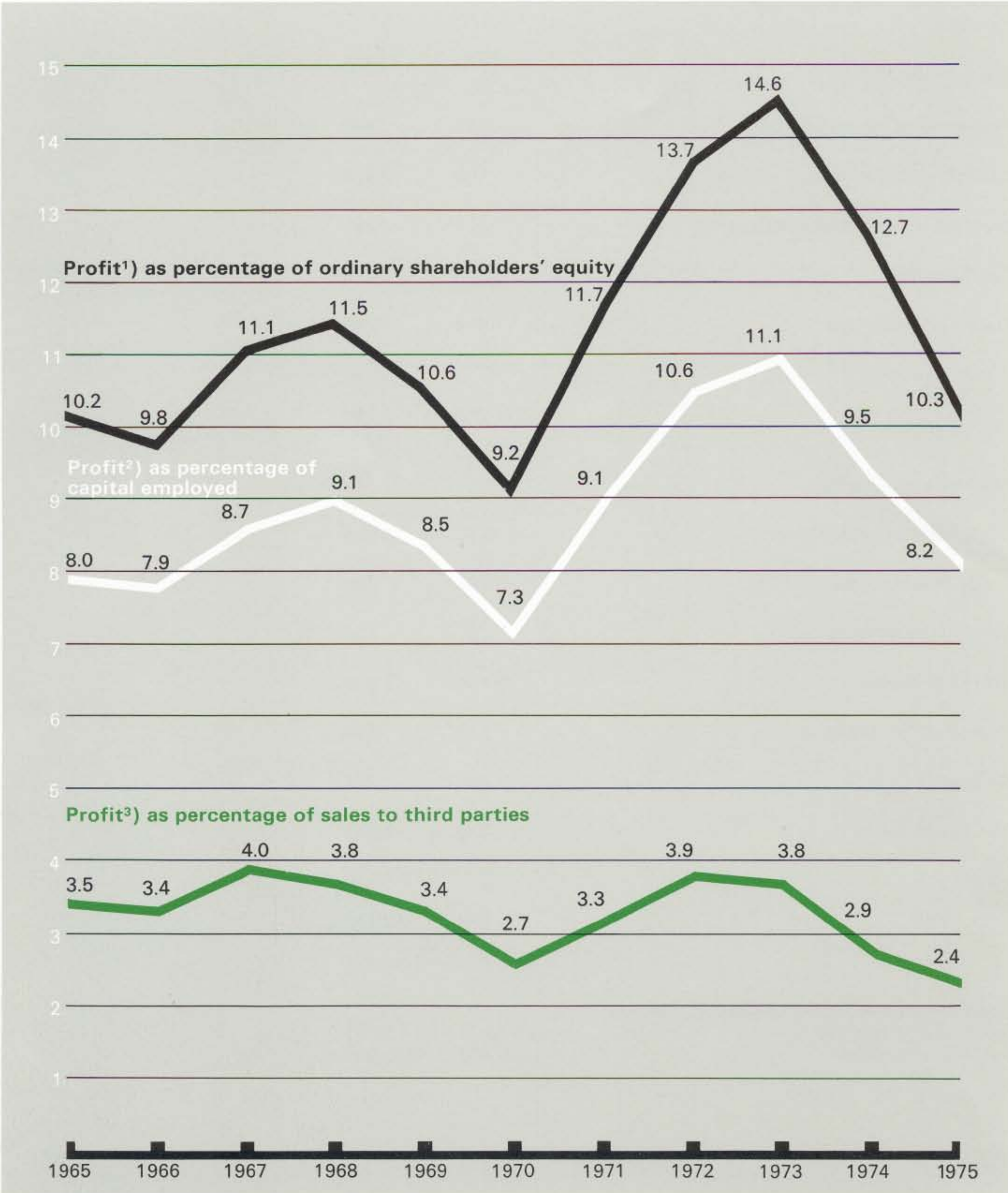
Figures in italics represent deductions

Fl. million

Capital employed	1974	1975
Preferential share capital	295	**293**
Ordinary shareholders' equity	7 199	**7 513**
Outside interests in subsidiaries	327	**381**
Loan capital	2 120	**2 223**
Deferred liabilities	1 418	**1 759**
	11 359	**12 169**
Employment of capital		
Land, buildings and plant	5 577	**5 958**
Trade investments	197	**256**
Long-term debtors	291	**184**
Working capital	5 858	**5 336**
Provision for taxation	*639*	***694***
Dividends	*295*	***334***
Net liquid funds	370	**1 463**
	11 359	**12 169**
Ordinary shareholders' equity per share		
per Fl. 20 of capital	Fl. 129.21	**Fl. 134.84**
per 25p of capital	328.49p	**372.50p**

The figures above and on page 4 are the combined figures shown in the consolidated accounts on pages 36 and 37 and should be read in conjunction with these accounts and the note on page 31.

Return on shareholders' equity, capital employed and sales



[1]) Based on profit attributable to ordinary capital.

[2]) Based on profit after taxation but before loan interest.

[3]) Based on profit after taxation.

Review of 1975

to be submitted at the annual general meeting of shareholders to be held at the company's offices, Burgemeester s'Jacobplein 1, Rotterdam, on 12th May, 1976.

Introduction

The economic background
Economic developments in 1975 again created very difficult conditions for business. Both in North America and Western Europe, economic activity fell by some 3%. In the developing world, the economies of the oil producing countries, including Nigeria, continued to grow rapidly. The other developing countries maintained economic expansion in the face of worsening trade balances, but this was at the expense of increased foreign indebtedness and a rapid rundown in their foreign exchange reserves. In the industrialised countries, unemployment rose to post-war record levels. As well as the adverse social consequences this had a depressing effect on consumer demand. Inflation remained excessively high.

The first half of the year was dominated by a very sharp recession, worsened by earlier fiscal and monetary measures designed to restrain rapidly accelerating inflation. The resulting shortage of liquid funds and high interest rates caused manufacturers and the trade to reduce their stocks on a massive scale. The reaction was sharpest in the United States, Italy and Japan.

In the second half of the year, however, activity in a number of the key economies ceased to decline and the first signs of recovery occurred in the United States. At the same time inflation rates began to decelerate. By the end of the year the rate of inflation in almost all the major countries was well below the year's peak.

The world monetary system coped reasonably well with the large funds flowing to the oil producers. Trade with members of the Organisation of Petroleum Exporting Countries (OPEC) increased rapidly and their current account surplus fell to about half the 1974 level. For the industrialised countries steadily rising exports to OPEC, falling imports due to the recession, and improved terms of trade resulted in the total deficit being substantially less than expected.

The cost of the 1975 recession in both human and economic terms was considerable. Profitability fell to a dangerously low level in view of industry's need to invest for the future—the first step towards creating new employment opportunities.

Exchange rates and earnings per share
Conditions in the foreign exchange markets were more stable in 1975 than in 1974. There continued to be significant changes in floating rates between major currencies, but fluctuations were less pronounced. The dollar strengthened against the linked European currencies, amongst which the guilder remained strong throughout the year. Sterling depreciated against the dollar and other major European currencies.

For the purpose of calculating the 1975 combined results, we have used the sterling exchange rate current at the year-end of £1 = Fl. 5.43. This was 8% below the rate of £1 = Fl. 5.90 used for the 1974 results. Calculated at these rates, combined earnings per share fell by 16% in terms of guilders and by 8% in sterling. If the 1975 combined results had been calculated at the same rates of exchange as those for 1974, earnings per share would have fallen by 14% in both currencies.

International developments
Having consistently supported United Kingdom membership of the European Community (E.C.), we were particularly glad to see it reaffirmed by the national referendum in June. Progress with the integration of internal policies of the member states remained slow.

In its external relations, the E.C. made a significant advance by concluding the Lomé Agreement with 46 developing countries. An important feature of the Agreement was the introduction of a system for stabilising the income from exports of a number of raw materials to the E.C. by the 46 countries. This could point the way to the wider adoption of similar systems for mitigating the effect on developing countries of fluctuations in world commodity prices, without directly interfering with the market mechanism.

The current economic uncertainties involve an unusual risk of spreading protectionism and the erection of new trade barriers. It is therefore to be hoped that negotiations conducted within the General Agreement on Tariffs and Trade (GATT) will contribute to further liberalisation and expansion of world trade.

During the year a number of international bodies have turned their attention to devising codes of conduct for international investment and for the transfer of technology. In particular the Organisation for Economic Co-operation and Development (OECD) has made progress with preparing guidelines for multinational corporations. The United Nations (UN) through its Commission for Transnational Corporations has started its work.

We are co-operating with governments and the international organisations concerned in these projects. By co-operating with the international bodies in their work, we seek to promote a better understanding of our record which, particularly in the developing countries, has proved our capacity to develop natural resources, teach managerial skills, transfer appropriate technology, promote industrialisation and create wealth.

Taxation
The average rate of taxation on all our profits was higher than in 1974. This was partly due to a higher proportion of all profits being earned in countries with higher tax rates and partly due to our inability in certain countries to offset some losses against taxable profits of the year.

In our previous annual reports we have mentioned the dispute with the German tax authorities that arose in 1968 regarding the refund of part of the German dividend tax on dividends paid by our subsidiaries in Germany to a number of our Dutch holding companies. In the 1974 annual report it was stated that the amount of the contingent liability was Fl. 302 million. During 1975 the Federal Tax Court in Munich gave a final decision in our favour as we had expected.

Inflation and profits
Present accounting conventions ignore the effect of inflation on the profit and loss account and balance sheet and tend to overstate company profits, often significantly. The same conventions are used in many cases for price control and taxation purposes.

Recently much attention has been given throughout the world to new accounting systems which would eliminate the distorting effect of inflation from reported profits. The report of the Sandilands Committee, in the United Kingdom, proposing to use current cost to determine the results and the value of the assets of the business, has received widespread support. The effect of these proposals would be very similar to that of the application of the replacement cost system as known in the Netherlands.

This means broadly that depreciation is increased to take account of replacement cost and that raw materials consumed are charged to profits at current cost—thereby eliminating stock profits and losses.

We believe that the reporting of profits in real terms is of great importance in present conditions and strongly support the efforts being made to achieve a generally accepted system of accounting for inflation. It will be of crucial importance for the maintenance of business activities that both price control and taxation authorities accept such a system.

The Sandilands Report was published too late in the year for us to calculate the full impact of the proposals on our reported results. Preliminary calculations indicate that our 1974 operating profit would have been reduced by more than half whereas that for 1975 would have been reduced by about 15%. The main reason for the disparity between 1974 and 1975 is that the prices of all our raw materials rose sharply in 1974 whereas in 1975 raw material price movements tended to offset one another.

Zaire
Negotiations are taking place with the Government of Zaire concerning the future ownership of our interests in that country. These interests have not been included in the Consolidated Accounts.

Prospects
The economic recovery which began in the United States during the second half of 1975 is now spreading to a number of other countries. However, the rate at which economic activity will grow and the effect on demand for our products are still uncertain, and unemployment seems likely to remain high.

The drastic reduction of customers' stocks, which had a particularly bad effect on our sales of industrial products in 1975, has come to an end. Raw material prices seem unlikely to fluctuate as violently in 1976 as in the two previous years. Other costs are still rising, but the rate of inflation has slowed down in most countries.

We have continued to invest for the future and in spite of some uncertainties, the immediate prospects are now appreciably better than they were a year ago.

Employees
Thanks are due to our employees at all levels for their efforts in 1975, in circumstances which were difficult for many of them.

Capital expenditure

In 1975 capital expenditure totalled Fl. 1 213 million (1974: Fl. 1 309 million).

Analysis by geographical areas and operations.

	%	Fl. million
E.C. countries	68	828
Other European countries	7	89
United States and Canada	9	113
Central and South America	3	29
Africa	7	78
Asia, Australia, New Zealand	6	76
	100	1 213

	%	Fl. million
Margarine, other fats and oils, dairy products	23	272
Other foods	29	354
Detergents	10	126
Toilet preparations	2	28
Chemicals, paper, plastics, packaging	15	176
Animal feeds	3	32
UAC International	6	76
Plantations, transport and other interests	12	149
	100	1 213

Projects amounting to Fl. 1 214 million (1974: Fl. 1 404 million) were approved in 1975.

The more important projects were:

Oil milling and processing facilities in Canada.

Expansion of margarine production capacity in Japan.

Expansions of oil refining capacity in Kenya and Spain.

Plant for extruded soya proteins in the Netherlands.

Conversion of steam raising from gas to oil in a Netherlands plant.

Modernisation of six factory trawlers and new buildings, renovation and modernisation of restaurants and shops for the Nordsee Group.

Sites for supermarkets in the United Kingdom.

Replacement of meat processing facilities in the United Kingdom.

Expansion of savoury snack production capacity in Germany.

Facilities for the manufacture and packing of NSD powders, and a new glycerine still, in Australia.

Rationalisation of packing facilities for washing powders, cartoned soaps and dishwash liquids in Germany.

Expansion of production and distribution facilities for toilet preparations in the United Kingdom.

Facilities for the manufacture of industrial phosphates, and a distilled fatty acid plant, in India.

Oleochemical facilities in the Netherlands.

Facilities for the manufacture of water-treatment polymers in the United Kingdom.

Plant for simultaneously oriented polypropylene films in Germany.

Modifications to waste paper stock preparation system in the United Kingdom.

Particle-board plant, and factory for domestic radio and television merchandise in Nigeria.

Semi-continuous deodoriser and liquid detergent facilities in the United States.

Source and use of funds

Figures in italics represent deductions
Fl. million

	1970	1971	1972	1973	1974	1975
Funds generated from operations	**2 108**	**2 326**	**2 600**	**2 851**	**2 676**	**2 618**
Profit before taxation	1 307	1 636	1 836	2 159	1 967	1 781
Costs not involving outflow of funds:						
Unfunded retirement benefits	135	23	120	39	47	145
Depreciation	666	667	644	653	662	692
Funds from other sources	**182**	**50**	**42**	**101**	**605**	**122**
Loan capital issued/*repaid*	156	50	42	101	605	122
Share capital issued	26	—	—	—	—	—
Total sources	**2 290**	**2 376**	**2 642**	**2 952**	**3 281**	**2 740**
Taxation payments during year	***598***	***589***	***705***	***692***	***906***	***592***
Capital expenditure less disposals	***906***	***749***	***781***	***887***	***1 223***	***1 065***
***Acquisitions*/disposals of subsidiaries and trade investments**	***221***	***46***	***191***	***317***	***81***	***84***
***Additional*/reduced working capital**	***329***	**112**	***96***	***753***	***1 557***	**449**
Stocks	*583*	*63*	36	*996*	*1 993*	613
Debtors	*245*	54	*410*	*571*	*526*	*250*
Creditors	499	121	278	814	962	86
Dividends paid during year	***324***	***322***	***303***	***337***	***311***	***327***
Other sources/*uses*	***3***	***188***	***1***	***71***	***169***	***18***
Total uses	***2 381***	***1 782***	***2 077***	***3 057***	***4 247***	***1 637***
Net increase/*decrease* in net liquid funds	***91***	**594**	**565**	***105***	***966***	**1 103**
Net liquid funds 1st January	**552**	**461**	**1 051**	**1 570**	**1 371**	**370**
Effect of exchange rate changes	—	*4*	*46*	*94*	*35*	*10*
Net liquid funds 31st December	**461**	**1 051**	**1 570**	**1 371**	**370**	**1 463**
Of which:						
Marketable securities	398	253	264	491	344	262
Cash and deposits	876	1 586	2 017	1 490	1 209	2 270
Short-term borrowings	*813*	*788*	*711*	*610*	*1 183*	*1 069*

Finance

Pressures on finance eased in 1975. This partly reflected the sharp fall in some key raw material prices, notably margarine, and edible oils and fats. It also reflected reduced stocks in line with lower sales volume in some industries and greater management emphasis on tight working capital control. Capital expenditure remained well above depreciation and was below the level of the previous year.

As a consequence, our net liquid funds rose by Fl. 1 103 million to Fl. 1 463 million. A small part of this increase (Fl. 122 million) reflected a net increase in loan capital.

The main company acquired during the year was Nairn Williamson Limited in the United Kingdom at a cost of Fl. 46 million.

The increased funds at the end of 1975, when combined with our relatively low gearing, put us in a good position to meet any future increase needed in working capital and capital expenditure. The substantial financial swings in 1974/75 emphasise the importance of maintaining our strong balance sheet, so that sudden large increases in financial requirements can be met without strain.

The movement of Fl. 10 million shown as effect of exchange rate changes arises mainly from the recalculation of opening funds in **Limited** at closing rates of exchange. The movements under other headings are shown after eliminating the influence of exchange rate changes on opening balances.

Sales, capital employed and profit, by geographical areas

Fl. million

	1970	1971	1972	1973	1974	1975
Sales to third parties						
E.C. countries	14 760	15 788	15 975	18 024	22 020	22 260
Other European countries	1 412	1 515	1 574	1 796	2 208	2 482
United States and Canada	3 080	3 179	3 149	3 072	3 293	3 856
Central and South America	532	602	568	597	757	864
Africa	3 271	3 394	3 386	3 424	3 690	4 326
Asia, Australia, New Zealand	1 862	2 005	2 180	2 284	2 503	2 917
	24 917	26 483	26 832	29 197	34 471	36 705
Capital employed						
E.C. countries	6 186	6 512	6 788	7 033	7 652	8 073
Other European countries	507	531	577	668	774	786
United States and Canada	1 122	1 147	1 279	1 135	1 128	1 229
Central and South America	221	182	179	182	238	292
Africa	1 251	1 167	898	910	923	1 088
Asia, Australia, New Zealand	621	601	617	615	644	701
	9 908	10 140	10 338	10 543	11 359	12 169
Operating profit						
E.C. countries	705	946	1 101	1 248	1 099	815
Other European countries	93	100	156	187	150	130
United States and Canada	217	221	193	187	237	201
Central and South America	22	45	69	68	45	50
Africa	283	271	234	289	342	527
Asia, Australia, New Zealand	113	134	195	214	236	263
	1 433	1 717	1 948	2 193	2 109	1 986
Profit attributable to ordinary capital						
E.C. countries	337	483	580	617	446	313
Other European countries	59	55	79	99	73	53
United States and Canada	71	108	86	89	111	92
Central and South America	5	18	37	37	31	25
Africa	118	123	124	115	140	180
Asia, Australia, New Zealand	39	32	69	83	114	108
	629	819	975	1 040	915	771

Sales and profit by operations

Fl. million

	1970	1971	1972	1973	1974	1975
Sales						
Margarine, other fats and oils, dairy products	6 863	7 476	7 417	8 471	11 609	10 763
Other foods	6 784	7 338	7 978	8 886	9 252	10 220
Detergents	5 141	5 402	5 266	5 279	5 906	6 780
Toilet preparations	903	1 036	1 077	1 125	1 226	1 445
Chemicals, paper, plastics, packaging	1 955	1 999	1 938	2 256	2 971	2 515
Animal feeds	1 972	1 871	1 725	2 169	2 395	2 234
UAC International	2 980	3 043	3 020	2 932	3 328	4 258
Plantations, transport, other interests	808	974	1 720	1 828	1 982	1 880
Total sales[1])	27 406	29 139	30 141	32 946	38 669	40 095
of which internal sales[2])	*2 489*	*2 656*	*3 309*	*3 749*	*4 198*	*3 390*
Sales to third parties	24 917	26 483	26 832	29 197	34 471	36 705
Operating profit[3])						
Margarine, other fats and oils, dairy products	382	480	566	559	475	312
Other foods	295	395	416	514	354	422
Detergents	362	442	488	461	470	498
Toilet preparations	26	51	61	91	71	111
Chemicals, paper, plastics, packaging	103	85	142	218	309	73
Animal feeds	26	8	43	85	40	33
UAC International	162	154	135	172	255	450
Plantations, transport, other interests	77	102	97	93	135	87
	1 433	1 717	1 948	2 193	2 109	1 986

[1]) The sales figures reported for product groups are total sales, comprising sales to third parties and internal sales. Internal sales represent supplies of marketable products and services between one industry and another within the organisation. The profit on these internal sales is included in the profit of the supplying industry.

[2]) The inclusion of internal sales in the total sales of the product groups properly reflects the sales to which the operating profit of these groups should be related. For the business as a whole only sales to third parties are used.

[3]) Operating profits are before any deduction for outside interests and the significance of outside interests in the operations of subsidiaries has been increasing. In UAC International the proportion of operating profit attributable to outside interests is now significant and rose from Fl. 48 million in 1974 to Fl. 116 million in 1975.

The movements in exchange rates during the years 1972 to 1975 have decreased the figures expressed in guilders, and increased them when expressed in sterling by **Limited**, influencing the apparent trend to a significant extent.

Illustrations

Unilever is long established in many parts of the world—the companies from which it was formed were in 41 countries as early as 1914. We now have subsidiaries in more than 75 countries and their products are sold in many more, so we have experience of countries at every stage of economic development.

The pictures in the Review show some of our activities in what have come to be called the developing countries, in which we employ over 100 000 people.

It is a characteristic of our companies that they are integrated into the local culture and society. They both contribute to and thrive on rising standards of living. In doing so they call upon the skills and experience we collect together centrally from our world-wide operations and adapt them to local conditions. This is why so many of our products are household names in so many countries.

There is much more to investment in the developing countries than just the availability of capital. In our experience the right combination of management, research and technology, and commercial and organisational expertise has to be found in each one. It is an ever-changing pattern—moving forward all the time.

(TOP) KENYA: In a rural area, two hundred miles from the capital Nairobi, an East Africa Industries demonstration team tells people about the company's products, their use and benefits to the consumer. 'Kimbo' cooking fat is a household name, and the market leader.

(CENTRE) SRI LANKA: At the Rural Development Institute in Colombo our company's home adviser gives a cookery demonstration to teachers from rural training centres all over the country. Her recipes feature low-cost substitutes for ingredients in short supply. The Institute is supported by the Konrad Adenauer Foundation of Western Germany.

(BOTTOM) EL SALVADOR: Our companies marketing toothpaste work closely with the dental profession in many countries to promote better standards of oral hygiene. Among their activities are demonstrations and distribution of literature in schools.

Review of operations

Margarine, other fats and oils, dairy products

	1974	1975
Total sales (Fl. million)	11 609	**10 763**
Increase/***Decrease***	37%	***7%***
Operating margin	4.1%	**2.9%**

Margarine, other fats and oils

World consumption of margarine, butter and all other edible fats and oils showed some increase in 1975 although in the industrialised countries there is a tendency for the diet to include fewer calories and, therefore, less fat than formerly. In Continental Europe and North America the ratio of butter to margarine consumption was almost stable. In the United Kingdom margarine sales have been adversely affected since 1974 by the discriminatory butter subsidy and the high cost of margarine raw materials, but were beginning to recover by the end of 1975. In the developing countries, particularly Brazil and Turkey, margarine consumption continued to grow.

World market prices for oils and fats, having risen dramatically in 1974, fell sharply until the middle of 1975 and have since been relatively stable. Our selling prices, particularly in Europe, were forced down by competition and price control before we had consumed the high priced raw materials, and this had a serious effect on our results. In total our profits were below those of 1974 but there were substantial profit improvements in countries outside Europe and the United States.

We maintained our share of a static world margarine market but there were big differences from region to region. In Canada we increased our share of a growing market; in Australia, South Africa, Indonesia, Turkey and Japan sales developed satisfactorily. Our sales of vanaspati in India increased substantially. In Europe our health margarines and low calorie spreads stood up well against a trend of declining sales volume in premium products.

TURKEY: The main margarine packing hall at our Bakirkoy factory in Istanbul which employs 700 people in the production of margarine and vegetable ghee.

Margarine sales in Europe began to recover in the third quarter and continued to improve for the rest of the year.

In the United States our share of the margarine market fell in the face of intense price competition, and our results were poor.

Our table oil business is particularly vulnerable to fluctuations in raw material prices such as those of 1974 and 1975. Nevertheless, in the Netherlands, the United Kingdom and Germany our brands maintained their position against strong price competition. In France our 'Fruit d'Or' sunflower oil became more expensive than other oils and sales were lower than in 1974, although we slightly improved our share of this market.

Our speciality fats business was less successful than in recent years. Consumption of chocolate, biscuits and confectionery declined considerably in the Netherlands, the United Kingdom, Belgium and the United States. This led to a reduction in demand from the manufacturers of these products, who are our main customers. Our Canadian company will start production of speciality fats in the course of 1976.

Reduced demand for protein for animal consumption had an adverse effect on the sales and profits of our oil milling business.

The construction of a major new extraction plant in Europoort, Rotterdam, will start in 1976. We were, however, unable to proceed with our plan to construct a plant in Switzerland. Agreement has been reached for an oil milling project in Canada in partnership with Maple Leaf Mills Limited, a leading Canadian oil milling company.

Dairy products

In view of losses incurred in recent years, we carried out a thorough review of our business in yoghurt, desserts and other fresh dairy products. The review and consequent rationalisation have already reduced the losses significantly.

In the United Kingdom we disposed of our business and made a joint venture arrangement with a dairy company for the manufacture and sale of a reduced range of products. Reorganisation of production and distribution is under way in France and Germany, and substantial savings in packaging costs have been achieved by investment in new machinery.

Our sales made satisfactory progress. Sales volume increased more rapidly than the total market, especially in Belgium, Germany, Finland and Sweden where we are now market leaders in desserts.

Other foods

	1974	1975
Total sales (Fl. million)	9 252	10 220
Increase	4%	10%
Operating margin	3.8%	4.1%

General
Markets in Europe for a number of our more important products were static or declined with consumers tending to reduce the proportion of their income spent on food and, in particular, on convenience foods. Intense competitive activity, generally stringent price controls, and the continuing effect of inflation on manufacturing costs put considerable pressure on margins. They did, however, show a small improvement.

The main contributions to the increase in operating profit came from ice-cream in Europe and Lipton Inc. in the United States.

We intensified our efforts to improve operational efficiency. Significant improvements and cost reductions were achieved. Means were found of reducing stock levels and therefore the need for working capital, without endangering sales.

Frozen foods
After a slow start frozen food sales in Continental Europe picked up in April. Demand received a new stimulus in the autumn when fresh vegetables became expensive, and sales in November and December were particularly good. For the year as a whole the rate of growth in our sales was greater than in 1974.

Sales of staple vegetables such as peas, spinach and beans remained sluggish especially in the United Kingdom, but sales of the more specialised varieties increased and now account for a higher proportion of our total sales volume than the staple products.

Sales of potato products rose by 30%. In Belgium the launch of pommes frites was very successful, and we also entered this market in Germany. Sales of fish fillets and other fish products which fell in 1974 recovered in 1975. Frozen meat products sold particularly well. In Italy a new range of pancakes with meat was a success. Other successes included a new range of pizzas in Germany and the 'Quick Dinner' range of meat in thick sauce in Belgium. Frozen confectionery and desserts suffered from lack of consumer demand in most Continental European countries, but Birds Eye in the United Kingdom increased its sales considerably. The introduction of a new range of frozen cheese cakes was successful and also helped sales of other confectionery products.

In France, where consumption of frozen foods is still low, our sales showed considerable improvement.

Sales of ready meals to catering establishments did not develop as expected mainly because of short time working or less overtime in factories where canteens make use of the service. In Austria and Italy however we were able to find enough new customers to maintain our progress. Our sales of frozen food in bulk packs were held back by cheap, lower quality competition.

The Monopolies and Mergers Commission continued its investigation into the supply in the United Kingdom of certain frozen foods. Birds Eye has given further information to the Commission.

Ice-cream
The spell of very warm weather in Northern Europe in the summer enabled us to increase sales considerably above those of 1974. Our companies in the United Kingdom, Denmark, Germany and Ireland did very well.

Sales of tubs, bars and other single portions of ice-cream increased in all countries. Much attention was devoted to formulation and presentation, and many new lines were successfully introduced including new types of water ices for children in several countries. In Germany there were five new single portion lines, all successful. In Spain the product range was brought more into line with our ranges in other countries, and profits improved. In Portugal we were able to increase sales volume considerably but profits fell as a result of price control.

The market for 'take home'

(TOP) SINGAPORE: 'Birds Eye' frozen foods exported from the United Kingdom are popular in parts of the Far East, Middle East and Africa. In pioneering this business, together with ice-cream and frozen meat, we have developed a complex refrigerated distribution system.

(BOTTOM) MALAYSIA: A television commercial being made in Kuala Lumpur for Wall's ice-cream which is manufactured locally from indigenous raw materials. In the background is the Federal Parliament building.

NIGERIA: Quality control includes tasting the pies and sausage rolls baked daily by the Foods Division of UAC of Nigeria for immediate distribution in major towns. The division produces a comprehensive variety of products made from Nigerian beef, pork and poultry.

ice-cream, sold mainly through the grocery trade, continued to grow. In Germany, Langnese-Iglo did well with their lower priced 'take home' products and among the more expensive lines their 'Royal' range of ice-cream gateaux were successful. Wall's in the United Kingdom improved their position in this market by introducing large packs of 'soft scoop', an ice-cream which remains soft at low temperatures.

In Italy the new ice-cream factory near Naples was almost completed. A new factory in Switzerland started production in July.

In Australia and South Africa cost savings and reorganisation schemes were started to meet the challenge of increased competition. In Brazil we met with production and distribution difficulties. In Malaysia we are increasing storage capacity and in Singapore we have built a new factory to cope with continuously increasing demand.

Our sales to the catering trade also improved. In Germany and Austria the high quality of our products enabled us to increase our share of the market in spite of our prices being higher than those of competitors. In Italy a range of special products for the catering trade sold very well.

Sundry packaged foods and drinks

Although the soup market in Europe is relatively static, we continue to lead in instant soups, maintaining the considerable success of 'Cup-a-Soup' in the United Kingdom and of our brands in Belgium and France.

Other new activities in the soup market included the launch of 'Royco' dietetic dried soups in Belgium and France and dehydrated speciality soups in France; 'Unox' liquid bouillons in glass jars in the Netherlands and canned speciality soups in Belgium.

Responding to increased health consciousness, 'Calvé' low calorie mayonnaises were successfully launched in the Netherlands, and sales of 'De Betuwe' low calorie jams and spreads made good progress. Among other new products introduced during the year were 'Betuwe Vital' in the Netherlands, a vegetable cocktail which is rich in vitamins and low in calories, and in Sweden 'Mer' concentrated soft drinks in compact cartons.

The chocolate market in Europe suffered not only from the general economic situation, but also from the warm summer. Our granulated instant chocolate drink continues to be successful, particularly in Denmark, and has also been introduced in Finland.

In Austria, a new range of high-quality chocolate wafers was introduced under the brand name 'Pischinger'.

Following unprecedented increases in tea costs during 1974, our tea business has faced difficult trading conditions. An expected increase in tea consumption did not materialise, mainly because of the recession and the effect of sharply increased prices of packaged tea. In certain countries, such as Japan, where black tea is regarded as a luxury product, total consumer sales declined. The decrease in volume together with the rapid increase in costs put considerable pressure on profits. Nevertheless, Lipton Inc. in the United States, and our tea businesses in Australia and Pakistan continued their development, while India, Japan and South Africa continued to trade satisfactorily. The relocation and modernisation of production facilities for export trade is nearing completion in the United Kingdom.

Lipton Inc. sustained its growth in profits, but had to contend with the effects of lower volumes in most of its markets other than tea. Their 'Make a Better Burger' product has successfully adapted soya protein to a consumer need and it is now on national sale. In their 'Wishbone' dressings range there has been continued growth, particularly of the chunky cheese variety.

Rosella Foods in Australia had a difficult year. There was an acute shortage of peas and beans early in the year and reduced consumer demand was apparent in all markets, with the exception of bouillons. Altogether sales and profits were disappointingly low.

Increasing attention is being given to foods and drinks operations in countries outside Europe and North America. We sell our traditional products in several countries. Dried soups have been launched in the Philippines with notably good results, and 'Cup-a-Soup' was successfully launched in Venezuela.

Meat products and poultry
Our meat products business had another poor year and the result in total was a loss. While the smaller companies remained profitable, there were heavy losses in The Wall's Meat Company and Lawson's in the United Kingdom and the meat group in the Netherlands. The reorganisation of Wall's will continue throughout 1976. Major manufacturing and distribution economies are being achieved, but the costs of reorganisation outweigh these in the short term.

In addition to Wall's special problems, they and our other companies in the United Kingdom again encountered very difficult trading conditions. The pig shortage and the recession have affected much of the industry. Competition from cheaper and heavily subsidised beef and beef products, and from subsidised imported bacon and ham, particularly affected high quality pigmeat products. As a result, British pigmeat products were seriously affected both in sales and margins.

In the Netherlands, reorganisation also continues. Exports to the United States have fallen and production capacity has to be reduced accordingly. In the longer term, every possible cost saving will be necessary to maintain the traditional export trade.

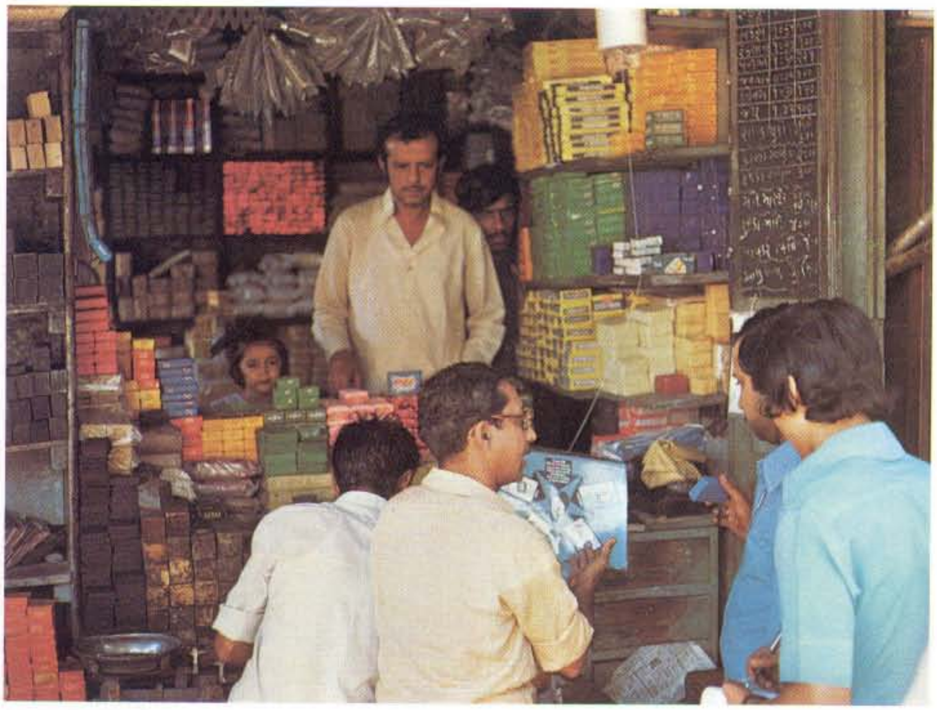
The reputation of our meat products and brand names stands high in all the countries in which we trade. However, changes in international economic relationships and inflation, particularly in the United Kingdom, necessitate major changes in the structure and type of business we conduct. These changes are well under way but will inevitably take several years, and the costs will be high.

Our poultry business in the United Kingdom had a good year, taking advantage of greater price stability in the industry.

Fish
The trawling operations of Nordsee, Germany, showed poor results because of the low prices for fresh fish, frozen fish and fish meal. Sales of canned fish were below expectations.

Catering and retailing
The Nordsee shops and restaurants did well. There are 265 shops mainly in Germany and Austria, and 126 restaurants in Germany, the Netherlands, Austria and Switzerland.

Reduced margins in the retail food trade in the United Kingdom affected MacFisheries' results adversely. During the year eight new supermarkets were opened, and three closed, bringing the total to 73. Of the smaller shops two were opened and 19 closed, reducing the total to 200.



Detergents

	1974	1975
Total sales (Fl. million)	5 906	**6 780**
Increase	12%	**15%**
Operating margin	8.0%	**7.3%**

In the continued aftermath of the world energy crisis as the full effects of cost increases were absorbed, selling prices for detergents had to rise sharply everywhere. In many countries this coincided with deepening economic recession: where this happened, markets whose growth was already slackening in 1974, became static or even declined for the first time in a generation.

Our own sales volume showed no increase on a world-wide basis, but our share of world markets held constant. Sales in money terms were appreciably up on 1974, but such was the continued impact of cost inflation that despite substantial economies and improved efficiencies achieved by our companies during the year, operating margins declined. However, conditions were beginning to improve in some important markets during the fourth quarter, and this was reflected in an upward trend in margins and in the increase in total operating profit for the year.

In Europe, operating profit showed a modest improvement in the face of a small decline in sales volume. In North America operating profit was lower than in 1974. Elsewhere conditions on the whole were better, and there was continued growth both in sales and profits notably in Indonesia and Nigeria. In some countries, however, results continued to be influenced to a disproportionate extent by the vagaries of price control procedures, which in their practical application can produce large short term swings in the profitability of well managed companies. For instance, in the United Kingdom a

(TOP) INDIA: 'Sunlight Soap' was first sold in India about 1890 but Hindustan Lever's brands have been manufactured there since 1932. A salesman calls on a typical outlet in the Null soap bazaar in Bombay.

(CENTRE) MALAYSIA: Lever Brothers in Malaysia produces sophisticated synthetic detergents, but hard soaps still account for a significant proportion of the output of its Kuala Lumpur factory, opened in 1952.

(BOTTOM) BRAZIL: Part of the toilet soap production line at the Valhinos factory of Gessy Lever, which was extended during 1975, and now produces more 'Lux' than any other country.

significant improvement in our competitive position and efficiency was not reflected in any real gain in profit, while in Sweden the imposition of a general price freeze marred an otherwise good result. In India and Italy where similar price freezes had operated in 1974, there was some relaxation in 1975, and our companies were able to make progress with plans for future development.

The greater part of our capital investment was again directed towards projects designed to reduce costs by increasing productivity. For example, new high-speed packing lines were installed in the United Kingdom and France, and there has been a considerable investment in packaging equipment in Germany. New facilities were installed in France and Germany for manufacturing 'Sun', our dishwashing machine powder. Amongst other investments in developing countries the new production facilities for toilet soap in Brazil were completed.

Despite the difficult circumstances continued progress was made with a wide range of activities representing investment for the future. A new high efficiency fabric washing powder—the first in Europe to incorporate solvent action—was launched in the United Kingdom under the brand name 'Drive' and has already achieved substantial success in this highly competitive market. Elsewhere new products introduced within the last two years, for example, 'Atlantik' toilet soap in Germany, are now firmly established as major brands in their markets. Some are being extended with considerable success to other countries, for example 'Jif', our international liquid household cleaner specially developed for modern surfaces. 'Comfort' fabric conditioner was successfully introduced in Brazil and New Zealand; 'Breeze' and 'Lyril' freshness toilet soaps in India and South Africa; 'Rexona' toilet soap in Central America; 'Vim' scouring powder in Indonesia and a liquid floor cleaner in Brazil.

INDONESIA: Taking a sample of 'Pepsodent' toothpaste from one of the mixing vessels in our Surabaya factory.

Toilet preparations

	1974	1975
Total sales (Fl. million)	1 226	**1 445**
Increase	9%	**18%**
Operating margin	5.8%	**7.7%**

World consumption of toilet preparations expanded slightly in 1975 but the economic pressures restricted the rate of growth which was materially less than in past years. However, our share of the market increased and our sales were therefore higher both in value and in volume. We made appreciable gains with hair and skin care products and in spite of considerable competitive activity, we held our own in the toothpaste market.

The growth in our profits in most major markets came partly from increased sales volume and partly from higher productivity. The improvement in operating margin was heavily influenced by Lever Brothers Company in the United States, where 'Aim' toothpaste is now successfully established after the heavy launch expenditure of the previous year.

In Europe our major companies did well. Outstanding progress was made in the United Kingdom. In Germany we improved our position in an intensely competitive market. In Spain and Sweden we advanced strongly. An exception was Italy where we experienced a considerable loss in the sales volume of our general toiletries business against a background of substantial reduction of stocks held by the trade. Nevertheless, our Atkinsons perfumery business in Italy had another record year.

Brazil and Indonesia produced excellent results, but in Argentina political and economic problems impeded sales and we suffered trading losses. Generally in other countries outside Europe and North America we made satisfactory progress. Our exports from the United Kingdom showed outstanding growth.

During the year we extended our manufacturing facilities in France. In addition several major mechanisation projects were carried out resulting in faster and more efficient production lines.

In August, 1975 we acquired the Swedish toiletry and cosmetic company Pierre Robert. This strengthens our position in Scandinavia and provides us with excellent products and technology for use in other countries.

In all product groups we continued with our programme of new product launches backed by considerable research and development effort. In the United Kingdom the well-known 'SR' brand became the first 'anti-plaque' toothpaste for improving gum health. Successful new shampoos were introduced in six countries and new brands of skin care preparations and perfume were also launched.

Chemicals, paper, plastics, packaging

	1974	1975
Total sales (Fl. million)	2 971	**2 515**
Increase/***Decrease***	32%	***15%***
Operating margin	10.4%	**2.9%**

Chemicals
In a most difficult year for the chemical industry, our operations were no exception. The spectacular building up of stocks by our major customers ceased towards the end of 1974. In the opening months of 1975 the effects of their reduced sales to consumers were compounded by heavy reductions in their stocks. At the same time, there were heavy falls in the price of many of our raw materials—particularly feedstocks of natural origin. In consequence, we had to reduce our selling prices whilst still consuming high-priced raw materials. Not only were sales 20% down on the previous year, but there was an even greater reduction in profits.

Our companies showed considerable flexibility in the face of these trying conditions, with strict control on all forms of costs.

Substantial benefits resulted from changes in product formulation and economies in manpower, energy and services.

We continued to develop innovative speciality products. In the United Kingdom the new Vinyl Products plant at Warrington, which produces high-pressure emulsion polymers, performed well. A satisfactory level of sales was achieved in its first year of operation. New capacity is being installed by Crosfields at Warrington to manufacture speciality water treatment chemicals. In the Netherlands, a major extension of the Scado plant for manufacturing novel surface coating resins is under way. Food Industries, both in the Netherlands and in the United Kingdom expanded their facilities for producing food additives. Sheby, in France, has completed a new plant which will bring enhanced flexibility in the choice of raw materials for printing ink resins.

The results from our chemical companies in Australia, Canada and South Africa were slightly below 1974. This was a creditable achievement in difficult conditions.

A major investment plan by Unilever-Emery in the Netherlands—our joint venture with Emery Industries, Inc., of Cincinnati—has been approved. This will more than double their capacity for the manufacture of organic chemicals by ozonisation of fatty acids. In India there will be a major investment in the building of a factory for the production of phosphate.

Paper, plastics and packaging
With the general recession and the associated heavy stock reductions by customers, these industries had a difficult year and most of our interests suffered accordingly. Our shares of the various markets were in general maintained or improved but the need to adapt costs to the reduced levels of activity involved exceptional rationalisation measures and appreciable redundancies, especially where recovery is likely to be delayed and slow.

In the United Kingdom Thames Board Mills suffered from considerable under-utilisation of its board-making capacity. However, their high quality packaging boards manufactured largely from home-grown pulp wood and re-cycled paper held their position well. A new corrugating plant was opened by Thames Case at Northampton. The business of Nairn Williamson was acquired. It complements that of Commercial Plastics, providing us with a much enlarged base in interior décor products (floorings, wall coverings, surfacings, veneers, etc.) in the United Kingdom and export markets. 'Mayfair' vinyl wallcoverings continued to increase their share of home and export markets.

In the Continental European countries our highly diversified 4P Group maintained its sales volume on a comparatively high level for most products except some plastic films, but margins fell as cost increases could not, in the conditions prevailing, be recovered through prices. The packaging companies in Denmark and Austria traded satisfactorily.

Substantial capital investment continues where, because of the competitive strengths of our products, satisfactory returns can be expected. Development work is concentrated on evolving increasingly sophisticated products, improving efficiencies and responding to prospective movements in raw material costs, as influenced by world markets.

Animal feeds

	1974	1975
Total sales (Fl. million)	2 395	**2 234**
Increase/***Decrease***	10%	***7%***
Operating margin	1.7%	**1.5%**

Livestock farming throughout Western Europe went into a decline during the latter part of 1974 and remained in the doldrums throughout most of 1975. Profits from the industry dwindled under the usual pressures of inflating costs and stagnant selling prices. As a result there has been a reduction in livestock numbers and livestock production. During the latter months of 1975, however, there were signs of improvement in profitability and confidence.

These market conditions adversely affected the results of our compound feed businesses. There was, however, an improving trend towards the end of the year, reflecting the general recovery of agriculture and the effects of cost saving measures taken by our companies. The United Kingdom business in particular is deriving benefit from further reorganisation as well as the recently completed construction of seven country mills.

Our agricultural merchant companies in the United Kingdom suffered from the reduced volume of activity in both livestock and arable farming.

We extended our animal feeds activities by the acquisition of interests in feed supplement businesses in the United Kingdom and France. In 1975 both these companies suffered from the recession in livestock farming in their home markets but their associated export operations had a successful year.

We have gained operational experience in the United Kingdom with a prototype commercial-scale plant for improving the nutritional properties of straw as an ingredient in animal feeds, by means of a chemical treatment process which we have patented and developed. This is a promising activity for further development and expansion.

UAC International

	1974	1975
Total sales (Fl. million)	3 328	**4 258**
Increase	14%	**28%**
Operating margin	7.7%	**10.6%**

UAC International (UACI) had a very good year in 1975. The group's own sales, as well as those of the trade investment companies in which UACI has a management responsibility, showed outstanding increases. Profits also rose substantially, but world-wide inflation inevitably caused a further increase in working capital.

Generally speaking, the political situation in most of the countries in which UACI operates was fairly stable. A number of countries in tropical Africa suffered from a deterioration in their terms of trade; on the other hand some benefited from higher world oil prices. The geographical pattern of group sales and profits was affected by these economic factors. In Nigeria and the Arabian Gulf states we did particularly well.

Most of the main activities of UACI recorded improved results. The medical supplies business did well with growing strength on the technical side including sales of surgical equipment. After a slow start, the foods business finished the year with record results. The motors operation had a good year in West Africa, especially in Nigeria, and the complementary operations in the United Kingdom stood up well to the difficult economic climate. The G.B. Ollivant Division achieved record results from its varied activities. It has continued to expand its office equipment business. In the United Kingdom, as a result of further acquisitions, there are now 35 branches.

Palm Line had a good year in spite of delays at Nigerian ports and poor north-bound cargoes. The timber operations did well in Nigeria where the local market was buoyant, but elsewhere, especially in the Far East, results were badly affected by low world prices and demand.

Textile manufacture and distribution, and packaging,

INDONESIA: Timber extraction in East Kalimantan where UACI is in partnership with local and other interests.

bedding and furniture manufacture, were again very profitable.

In radio, electrical and mechanical goods and services we did very well notably in Nigeria, and there was a further marked growth of business in the Arabian Gulf. Our 'Caterpillar' dealerships in Africa and the United Kingdom had an outstanding year. Our building materials business in the United Kingdom suffered from depressed economic conditions but the garden centres did very well. The insurance businesses achieved further profitable growth.

In French-speaking Africa, there was a further increase in sales and profits with increasing emphasis on the technical side of the business; our textile ventures in these countries achieved very good results. In France we acquired a controlling interest in another electrical contracting materials business.

Dividends from UACI's trade investments achieved further satisfactory growth; including significant contributions from the nine breweries in four countries in Africa in which we have minority interests.

Plantations

The prices we obtained on the world market for nearly all our plantation crops fell well below the very high levels of 1974 with a consequent drop in profits.

Production of palm oil and palm kernels showed some improvement on 1974, while that of copra was much improved due to more favourable climatic conditions and to the higher yields being obtained from recent plantings. Rubber production, on the other hand, was down on 1974 mainly because of labour unrest in Nigeria.

Our Lipton tea plantation in Sri Lanka has been nationalised.

Transport

Our main transport activities are in trunk haulage, warehousing and distribution throughout the E.C. and in Spain; shipping on the Rhine; the Norfolk Line ferries; other coastal shipping in northern Europe; harbour services in the Netherlands, the United Kingdom and Germany; forwarding services in the Netherlands, the United Kingdom, Germany, France and Italy; parcels groupage in various European countries and hanging garment distribution. In 1975 sales increased by about a quarter and nearly half of all revenue came from third parties.

The recession in the haulage industry, of which signs had begun to appear towards the end of 1974, deepened in 1975. Surplus capacity led to severe pressure on freight rates, particularly in general haulage and Rhine shipping. Wage costs continued to increase rapidly, with the result that margins were reduced to 65% of their 1974 level. Our businesses in France and Spain were the hardest hit by the difficult trading conditions.

For our established transport activities the year was one of consolidation. The sales function was strengthened. Programmes for improving efficiency were initiated, and capacity was reduced in low-yielding parts of the business. New activities were successfully launched in groupage, warehousing and distribution, and specialised haulage.

We substantially increased our investment in sections of the industry where quality of service commands a premium. The increase in third party business was less than that achieved in the more favourable conditions of 1974, but was still satisfactory.

In the United Kingdom and Ireland the hanging garment distribution and specialised haulage businesses performed well. In Germany our new national warehousing and distribution system had an excellent first year. In accordance with our plan to develop our groupage activities, an interest was acquired in Unitransa, a leading Spanish express parcels service.

Exports

In 1975 our exports—from over 30 countries throughout the world—reached a combined total of Fl. 4 732 million, compared with Fl. 4 530 million in 1974.

The values of these shipments from each of the three main exporting countries, and from all other countries combined, since 1973, are as follows:

Fl. million	1973	1974	1975
The Netherlands	1 388	1 561	**1 748**
United Kingdom	839	1 087	**1 272**
West Germany	764	1 087	**1 029**
Other countries	518	795	**683**

The main increases in exports from the Netherlands came from higher shipments of edible oils and fats, and chocolate. Exports of merchandise, mainly to West Africa, were also higher. Chemicals exports declined in value. Most of the increase in our exports from the United Kingdom was achieved in the form of merchandise shipped by UAC International. Other increases were in canned fish, detergents and toilet preparations.

(TOP) INDIA: One of the canteens at the Bombay factory of Hindustan Lever which, together with other employee welfare and medical services, contribute to the health of the work force.

(LEFT) SRI LANKA: The industrial medical centre of Lever Brothers (Ceylon) includes a dental surgery and a dispensary which handles both eastern and western medicines.

(BOTTOM) INDIA: A test in progress on 'Rin' detergent bar in the Product Assessment Unit at our Bombay Research Centre which employs 225 people.

(RIGHT) INDIA: Hindustan Lever has developed the technology for processing a range of fine chemicals and catalysts, which would otherwise have to be imported.

Personnel

The total number of Unilever employees world-wide is 321 000 (1974: 357 000). The previous year's figure included 25 000 employees in Zaire and 1 300 on the Lipton tea plantation in Sri Lanka.

The depressed economic conditions of 1975 made it more necessary than ever for us to keep the number of employees under tight control, but in order to safeguard future growth we continued recruitment on a selective basis.

Much effort has been devoted to the best possible deployment of manpower resources. Training methods have been further developed to improve individual and group work effectiveness.

We have devoted special efforts to the training of nationals of developing countries both in their home countries and elsewhere. Specialist training has been given in accounting, marketing, management, engineering, work methods, safety and other subjects. This policy has enabled us to make significant reductions in the proportion of expatriates employed in developing countries, thereby providing better opportunities for nationals of those countries.

Our well established appraisal systems are continuously developed and their application extended so as to ensure that the best use is made of individual talents and potential.

We have continued to improve methods of informing our employees about the business and the reasons for, and intentions behind activities and decisions. In doing so we have special regard to local requirements, and we attach the greatest importance to establishing communication channels voluntarily and with the participation of our staff.

Pensions

Our contributions to our own pension schemes amounted to Fl. 275 million in 1975. Contributions to state schemes and other payments for employees' retirement and death benefit amounted to Fl. 412 million in 1975. At the end of 1975 the book value of the assets of our funds amounted to Fl. 4 194 million (1974: Fl. 4 089 million) and the provisions in our accounts to meet obligations under unfunded schemes amounted to Fl. 808 million (1974: Fl. 673 million). These provisions, together with the assets of the pension funds, are sufficient in total to cover all pensions in the course of payment at their existing levels and all contractual entitlements to deferred benefits in respect of service to date.

Because of the general decline in world stock market values, the market value of the assets at the end of 1974 was below book value. However, stock market values have risen significantly in 1975 and at the year-end the market value was above book value. For the longer term current market values are less important to pension funds than the profitability of industry and its effect on income yields.

We pointed out last year that during the inflationary conditions of 1974 the investment income of our funds had failed to keep pace with pay increases, and that after actuarial reviews it had been necessary to increase contribution rates. The effect was to increase total Company contributions from 1975 by Fl. 43 million per annum in addition to the increases which would have resulted from applying the normal contribution rates to 1975 pay levels. Unless our investment returns improve in relation to pay increases, further increases in contribution rates must be expected in 1976 and thereafter.

Research and development

Regular evolution of new products which are commercially viable, effective, attractive and safe would not be possible without research and development activity. Major breakthroughs are rare but progress in the commercial application of our research and development has been continuous.

For example, our knowledge and experience of bakery fats and of packaging and keepability enabled us to develop pre-baked or part-baked bread which remains stable at ambient temperatures for 10 weeks, and can then be finished by the housewife in 10 minutes to provide freshly-baked bread when needed. This product is now in test market in the Netherlands and in the United Kingdom. In foods generally, our achievements have included a method of growing carrots in the United Kingdom for freezing; new varieties of peas specially bred to extend the harvest season and improve quality; and a steady increase in quality of re-formed meat.

Our increasing knowledge of detergent active systems in both hand dishwash and fabric wash products has enabled us to use ingredients more effectively and profitably. As mentioned earlier in this Review, an effective toothpaste to reduce plaque on teeth has been developed and marketed after five years of basic research, evaluation, consumer testing and clinical testing.

Basic research into the properties of potential ingredients, development of alternative formulae and market research have led to the successful launching of a skin moisturising hand cream ('Elida Handbalsam') in several countries.

For many years we have given special attention to the business and natural resource problems of the developing countries. Our activities have now been complemented by the establishment of a small research group in Turkey entirely concerned with local problems and staffed by Turkish scientists. Similar projects are under consideration for certain other overseas countries and preliminary surveys have been made in Asia and Latin America.

In India, Hindustan Lever's substantial research centre has been of mutual value to country and company.

We continued to make steady progress in the control of effluent from our factories. Members of our staff take an active part in the work of various national and international committees concerned with protecting the environment.

Our total expenditure on research and development in 1975 amounted to Fl. 423 million (1974: Fl. 372 million).

Quarterly results

Fl. million

	Sales to third parties		Operating profit		Profit attributable to ordinary capital		Earnings per share guilders per Fl. 20 pence per 25p	
	1974	**1975**	1974	**1975**	1974	**1975**	1974	**1975**
1st Quarter	7 935	**8 626**	581	**228**	278	**61**	Fl. 4.99	**Fl. 1.10**
	23%	**23%**	28%	**12%**	30%	**8%**	12.65p	**2.96p**
2nd Quarter	8 625	**9 218**	581	**446**	254	**144**	Fl. 4.56	**Fl. 2.58**
	25%	**25%**	28%	**22%**	28%	**19%**	11.61p	**7.27p**
3rd Quarter	8 631	**9 100**	516	**675**	227	**276**	Fl. 4.07	**Fl. 4.95**
	25%	**25%**	24%	**34%**	25%	**36%**	10.37p	**13.73p**
4th Quarter	9 280	**9 761**	431	**637**	156	**290**	Fl. 2.81	**Fl. 5.21**
	27%	**27%**	20%	**32%**	17%	**37%**	7.13p	**14.27p**
Total year	34 471	**36 705**	2 109	**1 986**	915	**771**	Fl. 16.43	**Fl. 13.84**
	100%	**100%**	100%	**100%**	100%	**100%**	41.76p	**38.23p**

The published results for each of the quarters of 1974 and 1975 have been recalculated at the year-end rates of exchange which have been used for the results of the respective years.

The figures in the table therefore differ from the figures originally published for each quarter.

Dividends

The proposed appropriations of the profits of **N.V.** and **Limited** are shown in the consolidated profit and loss account on page 36.

The Boards have resolved to recommend to the Annual General Meetings on 12th May, 1976 the declaration of final dividends in respect of 1975 on the Ordinary capitals at the following rates, which are equivalent in value in terms of the Equalisation Agreement:

N.V.

per Fl. 20 ordinary capital

Interim	Fl. 2.93
Final	Fl. 4.72
Total	Fl. 7.65
	(1974: Fl. 7.25)

Limited

per 25p ordinary share

Interim	5.24p
Final	8.43p
Total	13.67p
	(1974: 12.09p)

The above proposals represent an increase of 5.5% in **N.V.'s** total dividend for 1975. The **N.V.** final dividend of Fl. 4.72 will be available from 24th May, 1976.

Because of the fall since last year in the sterling/guilder exchange rate, **Limited** will be obliged under the Equalisation Agreement to increase its total dividend declarations for 1975 by an amount which exceeds the statutory limit of 10% currently in force for United Kingdom companies. As before the Treasury have agreed to such declarations by **Limited** subject to the condition that the total amount paid to shareholders by way of dividends for 1975 is kept within the statutory limit and payment of the balance of 1975 dividends is postponed.

It is therefore again proposed to make the final dividend of **Limited** payable by instalments. The first instalment of 6.38 pence per share will be paid on 24th May, 1976 to shareholders registered in the books of the Company on 23rd April, 1976. This payment will bring **Limited's** dividend payments for 1975 up to 10.18 pence per share which is within the statutory limit. The balance of **Limited's** 1975 final dividend which together with the deferred balance of earlier dividends will amount in total to 9.48 pence per share, will be paid when circumstances permit to holders of Ordinary capital now in issue registered at the time of payment.

For the purpose of equalising dividends under the Equalisation Agreement the United Kingdom Advance Corporation Tax in respect of any dividend paid by **Limited** has to be treated as part of the dividend. If the rate of United Kingdom Advance Corporation Tax is changed from the current rate of thirty-five sixty-fifths before payment of these dividends has been completed, the figures now announced will be adjusted accordingly and a further announcement made.

Final dividends on the New York shares of **N.V.** will be payable as from 11th June, 1976, and those on the American Depositary Receipts representing ordinary capital of **Limited** as from 1st June, 1976 to holders of record on 22nd April, 1976.

After provision for the Ordinary dividends for 1975 it is proposed to set aside Fl. 266 million (**N.V.** Fl. 150 million, **Limited** Fl. 116 million) to reserve for replacement of fixed assets (on behalf of subsidiaries).

Capital and membership

During 1975 there was no change in the share capital of **N.V.** or **Limited. N.V.** issued Fl. 125 million $8\frac{3}{4}\%$ notes 1981/85 to replace the 8% notes 1975 which were redeemed on 1st December, 1975, and DM 100 million $8\frac{1}{2}\%$ notes 1981/87.

The outstanding $3\frac{3}{4}\%$ debenture stock 1955/75 of **Limited** was redeemed.

Other changes in loan capital are shown in the Notes to the consolidated balance sheets on page 41.

At the year-end **Limited** had 86 997 ordinary and 1 176 preferential shareholdings and 93 028 debenture and unsecured loan stockholdings. As **N.V.'s** share and loan capital is held by the public largely in the form of bearer scrip, it is impossible to ascertain the total number of holders or the proportions held by different classes of holder.

Directors

In accordance with Article 21 of the Articles of Association all the Directors named on page 1 will retire from office at the forthcoming Annual General Meeting and will offer themselves for re-election. It is also intended to nominate Mr. G. K. G. Stevens for election as a Director at the Annual General Meeting.

Mr. A. I. Anderson and Mr. R. H. Del Mar retired on 27th February, 1976. Mr. Anderson joined Unilever in 1935 and became a Director of **N.V.** and **Limited** in 1970. Mr. Del Mar joined Unilever in 1937 and became a Director of **N.V.** and **Limited** in 1968. Both these Directors have served Unilever with distinction and their colleagues wish to record their appreciation of the contribution each has made to the development of the business.

Mr. H. F. van den Hoven was appointed Chairman of **N.V.** and a Vice-Chairman of **Limited** following the retirement in 1975 of Mr. G. D. A. Klijnstra.

At the Annual General Meetings on 13th May, 1975 Mr. H. Meij was elected a Director of both Companies.

Auditors

The auditors, Price Waterhouse & Co., The Hague, and Coopers & Lybrand Nederland, Rotterdam, retire and offer themselves for reappointment.

BY ORDER OF THE BOARD,

C. ZWAGERMAN Secretary
H. A. HOLMES Secretary

23rd March, 1976.

Accounts

N.V. and **Limited** are linked by a series of agreements of which the principal is the Equalisation Agreement. Inter alia this equalises the rights of the ordinary capitals of the two Companies as to dividends and, on liquidation, as to capital value, on the basis of Fl. 12 nominal of **N.V.'s** ordinary capital being equivalent to £1 of **Limited's** ordinary capital. Combined figures are given for the information of shareholders.

Reports of the Auditors

N.V. Group[1])

To the Members of Unilever N.V.

In our opinion the accounts and the notes relevant thereto set out on pages 4 and 5, 31 to 45 and 50 to 52 together give a true and fair view of the state of affairs of the Company and the Group at 31st December, 1975 and of the profit of the Group for the year then ended and comply with the Netherlands Act on Annual Accounts 1970.

Price Waterhouse & Co.
The Hague

Coopers & Lybrand Nederland
Rotterdam

23rd March, 1976

Limited Group

To the Members of Unilever Limited.

In our opinion the accounts and the notes relevant thereto set out on pages 4 and 5, 31 to 43 and 46 to 52 together give a true and fair view of the state of affairs of the Company and the Group at 31st December, 1975 and of the profit of the Group for the year then ended and comply with the United Kingdom Companies Acts 1948 and 1967.

Coopers & Lybrand
London

Price Waterhouse & Co.
London

23rd March, 1976

[1]) Signed by auditors authorised under Section 42a of the Netherlands Commercial Code.

Accounting policies

Companies legislation
The accounts comply with the Netherlands Annual Accounts Act 1970 and the United Kingdom Companies Acts 1948 and 1967. The recommended standards in the Netherlands and the United Kingdom have been implemented, except where any change from present policy would have no material effect.

Foreign currencies
The policy is to use closing rates of exchange, those current at the year-end, for translation of all assets and liabilities in foreign currencies into the reporting currencies in which **N.V.** and **Limited's** consolidated accounts are prepared, guilders and sterling respectively. The effect of restating the opening balances in 1975 at 1975 closing rates is an addition to profit retained of Fl. 89 million in **N.V.** and Fl. 59 million in **Limited.** Of the total addition of Fl. 148 million, Fl. 108 million (**N.V.** Fl. 56 million, **Limited** Fl. 52 million) is in respect of land, buildings and plant.

The effect of exchange rate changes during the year on transactions is included in operating profit.

For the purpose of the combined sterling figures all **Limited** figures are converted at the rate of £1 = Fl. 5.90 in 1974 and £1 = Fl. 5.43 in 1975, except for the ordinary capital of **Limited** which is converted, as in past years, at the Equalisation Agreement rate of £1 = Fl. 12. The effect of converting all other balance sheet items at 1st January, 1975 at the 1975 closing sterling/guilder rate is reflected in profit retained and shown separately as sterling/guilder realignment, Fl. 213 million (1974: Fl. 246 million).

Consolidated companies
Companies included in the consolidated accounts are those in which **N.V.** or **Limited** holds directly or indirectly more than 50% of the equity or more than 50% of the total issued capital, or being a shareholder controls the composition of a majority of the Board of Directors.

The list of principal consolidated companies on pages 50 to 52 takes account of Article 14(3) of the Netherlands Annual Accounts Act 1970.

Recognising the seasonal nature of their operations, some companies having substantial interests in Africa close their financial year on 30th September. Their accounts at this date are included in the consolidation.

Trade investments
These are minority investments in companies with which **N.V.** or **Limited** has a long-term trading relationship. There are some 200 such investments in businesses throughout the world.

A statement summarising the interest in the results and net assets of all trade investments is given on page 43. These are not significant in relation to the consolidated results or capital employed.

Trade investments are shown at cost less Fl. 15 million written off in **N.V.** and Fl. 23 million written off in **Limited** and dividends are accounted for when received. The principal trade investments are listed on page 52.

Goodwill
Since no value is attributed to goodwill in our businesses the excess of the price paid for new interests over the value of the net tangible assets is deducted from profit retained in the year of acquisition.

Depreciation
Depreciation of fixed assets is provided by the straight line method at percentages of cost related to the expected average lives of the assets.

To make provision towards the higher cost of replacing existing assets an annual allocation is made to fixed asset replacement reserve from the profit of the year retained. This allocation is the amount by which depreciation calculated on estimated replacement value exceeds the depreciation charged in the consolidated accounts.

Net current assets
Stocks are consistently stated on the basis of the lower of cost and net realisable value, less provisions for obsolescence. Cost—mainly averaged cost—includes direct expenditure and, where appropriate, a proportion of manufacturing overheads.

Debtors are stated after deducting adequate provisions for doubtful debts.

Marketable securities represent liquid funds temporarily invested and are shown at their realisable value.

That proportion of loan capital which is repayable within one year is included in loan capital.

Deferred liabilities
Unfunded retirement benefits represent the estimated present value of the future liability for retirement and death benefits to past and present employees other than benefits provided through pension and provident funds.

Taxation not due before 1st January, 1977 includes United Kingdom corporation tax on the profits of 1975 and Fl. 242 million in respect of tax postponed on increases in stocks in the United Kingdom in 1973 and 1974 together with certain other countries' taxes not due before that date.

Deferred taxation arises mainly from the charge made to profits in respect of the tax postponed through fixed assets being written off in some countries more rapidly for tax purposes than under the group depreciation policy, less the estimated future tax relief on the provision for unfunded retirement benefits.

The provision for deferred taxation at 31st December, 1974 has been adjusted for subsequent changes in rates of tax the effect of which is included in tax adjustments previous years.

No provision has been made for the tax which would become payable if retained profits of subsidiaries were distributed to the parent companies as it is not the intention to distribute more than the dividends, the tax on which is included in the accounts.

General
Expenditure on research and the development of new products is charged against profits of the year in which it is incurred.

General notes to the accounts

Ordinary shareholders' equity
Ordinary shares numbered 1 to 2 400 (inclusive) in **N.V.** and the deferred stock of **Limited** are held as to one-half of each class by N.V. Elma—a subsidiary of **N.V.**—and one-half by United Holdings Limited—a subsidiary of **Limited.** This capital is eliminated in consolidation. It carries the right to nominate persons for election as directors at general meetings of shareholders. A nominal dividend of $^1/_4\%$ was paid on this deferred stock and the above-mentioned subsidiaries have waived their rights to dividends on their ordinary shares.

The directors of N.V. Elma are **N.V.** and **Limited,** who with Mr. H. F. van den Hoven and Mr. D. A. Orr are also directors of United Holdings Limited.

Contingent liabilities
Contingent liabilities are not expected to give rise to any material loss and include guarantees, security issued and bills discounted as set out below.

Long-term commitments in respect of leaseholds, rental agreements, hire purchase and other contracts are mainly in respect of buildings and computers. The commitments are not material.

The parent companies have given guarantees in respect of subsidiary companies' liabilities included in the consolidated accounts.

Guarantees given by subsidiaries of **N.V.** and **Limited** amount to:

	Fl. million	
	1974	1975
N.V.	94	153
Limited	145	137
Combined	239	290

Security has been issued in respect of:

	1974	1975
Loan capital		
N.V.	176	204
Limited	219	163
Combined	395	367

	Fl. million	
	1974	1975
Bank advances		
N.V.	35	55
Limited	40	80
Combined	75	135
Creditors		
N.V.	12	14
Limited	4	—
Combined	16	14
Bills discounted at 31st December amount to:		
N.V.	126	129
Limited	20	24
Combined	146	153

1974 Dividends
The change in the rate of Advance Corporation Tax in the United Kingdom reduced the amount of the final dividend for 1974 payable to **Limited** shareholders in order to maintain equalisation with the **N.V.** dividend. The Combined and **Limited** dividend figures in respect of 1974 have, therefore, been reduced by Fl. 3 million from those published last year.

General
The close company provisions of the United Kingdom Income and Corporation Taxes Act 1970 do not apply to **Limited.**

The Trustees of the Leverhulme Trust have waived their right to that proportion of the 1974 and 1975 dividends on the Trustees' holding of ordinary shares of **Limited** which would flow back to the Company through its wholly owned subsidiary which has a beneficial interest in the income of the Trust.

Interests in land
N.V. and **Limited** have interests in land in Europe, North and South America, Africa, Asia and Australasia. Such interests are developed either as purpose-designed factories, warehouses and trading establishments with ancillary offices and laboratories or as plantations. Substantially all the land and buildings are fully used in the business and their continued suitability for these purposes is kept under review. In these circumstances it is considered that an assessment of the market value of all interests in land throughout the world would not produce information of significance to members or debenture or unsecured loan stockholders in terms of Section 16 of the United Kingdom Companies Act 1967.

Accounts

Consolidated profit and loss accounts

for the year ended 31st December

Figures in italics represent deductions

Fl. million

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
14 401	20 070	34 471	**Sales to third parties**	36 705	21 088	15 617
13 436	*18 926*	*32 362*	Costs (a)	*34 719*	*20 228*	*14 491*
965	1 144	2 109	**Operating profit**	1 986	860	1 126
9	9	—	Non-recurring items (b)	*67*	*22*	*45*
28	*11*	17	Income from trade investments (c)	36	4	32
58	*101*	*159*	Interest (d)	*174*	*133*	*41*
926	1 041	1 967	**Profit before taxation**	1 781	709	1 072
469	*484*	*953*	Taxation on profit of the year (e)	*909*	*377*	*532*
13	5	*8*	Taxation adjustments previous years	26	19	7
444	562	1 006	**Profit after taxation**	898	351	547
42	*49*	*91*	Outside interests and preference dividends (f)	*127*	*32*	*95*
402	513	915	**Profit attributable to ordinary capital**	771	319	452
			Combined earnings per share (g)			
		Fl. 16.43	per Fl. 20 of capital	Fl. 13.84		
		41.76p	per 25p of capital	38.23p		
—	—	—	Extraordinary items less taxation and outside interests	—	—	—
402	513	915	**Profit after extraordinary items**	771	319	452
113	*232*	*345*	Dividends on ordinary and deferred capital	*362*	*245*	*117*
289	281	570	**Profit of the year retained**	409	74	335
			Movements in profit retained			
20	*63*	*83*	Goodwill on acquisition of new subsidiaries	*4*	*3*	*1*
15	*128*	*143*	Effect of exchange rate changes	148	89	59
246	—	*246*	Sterling/Guilder realignment	*213*	—	*213*
289	281	570	Profit of the year retained	409	74	335
70	96	166	of which added to fixed asset replacement reserve	266	150	116
8	90	98	Net additions to profit retained	340	160	180
2 667	3 420	6 087	Profit retained—1st January	6 185	3 510	2 675
2 675	3 510	6 185	—31st December	6 525	3 670	2 855

The notes on pages 31 to 34, 38 and 39 form part of these accounts.
The letters between brackets refer to notes on pages 38 and 39.

Consolidated balance sheets

as at 31st December

Figures in italics represent deductions

Fl. million

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
			Capital Employed			
30	265	295	**Preferential share capital** (h)	293	265	28
2 997	4 202	7 199	**Ordinary shareholders' equity**	7 513	4 362	3 151
549	640	1 189	Ordinary share capital (i)	1 189	640	549
2 675	3 510	6 185	Profit retained (j)	6 525	3 670	2 855
227	52	*175*	Other reserves (k)	*201*	52	*253*
155	172	327	**Outside interests in subsidiaries**	381	168	213
649	1 471	2 120	**Loan capital** (l)	2 223	1 638	585
619	799	1 418	**Deferred liabilities** (m)	1 759	943	816
35	*35*	—	Inter-Group—**N.V./Limited**	—	*8*	8
4 485	6 874	11 359		12 169	7 368	4 801
			Employment of Capital			
2 231	3 346	5 577	**Land, buildings and plant** (n)	5 958	3 681	2 277
76	121	197	**Trade investments** (o)	256	121	135
174	117	291	**Long-term debtors** (p)	184	135	49
2 597	3 261	5 858	**Working capital**	5 336	2 652	2 684
2 734	3 809	6 543	Stocks (q)	5 857	3 077	2 780
1 658	2 072	3 730	Debtors (r)	3 918	2 134	1 784
1 795	*2 620*	*4 415*	Creditors (s)	*4 439*	*2 559*	*1 880*
368	*271*	*639*	**Provision for taxation**	*694*	*282*	*412*
146	*149*	*295*	**Dividends**	*334*	*161*	*173*
79	449	370	**Net liquid funds**	1 463	1 222	241
183	161	344	Marketable securities (t)	262	200	62
233	976	1 209	Cash and deposits	2 270	1 568	702
495	*688*	*1 183*	Short-term borrowings	*1 069*	*546*	*523*
4 485	6 874	11 359		12 169	7 368	4 801

The notes on pages 31 to 34 and 40 to 43 form part of these accounts.
The letters between brackets refer to notes on pages 40 to 43.

Notes to the consolidated profit and loss accounts

Figures in italics represent deductions
Fl. million

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
13 436	*18 926*	*32 362*	**(a) Costs**	*34 719*	*20 228*	*14 491*
6 662	*11 099*	*17 761*	Raw materials and packaging	*19 038*	*11 673*	*7 365*
239	*423*	*662*	Depreciation	*692*	*445*	*247*
2 149	*3 719*	*5 868*	Remuneration of employees including social security contributions	*6 684*	*4 231*	*2 453*
4	*5*	*9*	Emoluments of Directors as managers including contributions to pension funds for superannuation	*10*	*6*	*4*
2	*3*	*5*	Superannuation of former Directors	*5*	*3*	*2*
55	*71*	*126*	Hire of plant and machinery	*138*	*80*	*58*
5	*6*	*11*	Auditors' remuneration	*13*	*7*	*6*
4 320	*3 600*	*7 920*	Other costs	*8 139*	*3 783*	*4 356*
9	9	—	**(b) Non-recurring items**	*67*	*22*	*45*
19	*1*	*20*	Provision for nationalisation of interests, war damage, disposal and closing of units	*67*	*22*	*45*
10	22	32	Other profits	—	—	—
—	*12*	*12*	Other losses	—	—	—
28	*11*	17	**(c) Income from trade investments**	36	4	32
7	1	8	Quoted shares	23	3	20
16	2	18	Unquoted shares	14	6	8
1	2	3	Interest on loans	3	2	1
4	*16*	*12*	Other profits/*losses* including disposals	*4*	*7*	3
58	*101*	*159*	**(d) Interest**	*174*	*133*	*41*
47	*83*	*130*	Interest on loan capital	*184*	*124*	*60*
56	*130*	*186*	Interest paid on short-term borrowings	*173*	*113*	*60*
45	112	157	Interest received including change in market value of marketable securities	183	104	79
			Interest on loan capital includes:			
4	*40*	*44*	Interest on loans, the final repayment of which will be made within 5 years	*85*	*62*	*23*

Notes to the consolidated profit and loss accounts

Figures in italics represent deductions
Fl. million

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
			(e) Taxation on profit of the year			
469			for **Limited** is made up of:			***532***
334			U.K. corporation tax[1])			*358*
124			less: double tax relief			144
259			plus: non U.K. taxes			*318*

[1]) The U.K. corporation tax for 1975 has been based on a rate of 52% (1974: 52%). The charge includes Fl. 59 million (1974: Fl. 94 million) transferred to Deferred taxation.

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
42	***49***	*91*	**(f) Outside interests and preference dividends**	*127*	***32***	***95***
40	*34*	*74*	Outside interests	*110*	*17*	*93*
2	*15*	*17*	Preference dividends	*17*	*15*	*2*

(g) Combined earnings per share

The calculation of earnings per share is based on the combined profit of the year attributable to ordinary capital divided by the combined number of share units representing the combined ordinary capital of **N.V.** and **Limited** of Fl. 1 189 million (as set out on page 40) less Fl. 75 million (1974: Fl. 75 million) being 74% (1974: 74%) of the ordinary capital held by the Leverhulme Trust on which the rights to dividends which would flow back to the Company, have been waived. For the calculation of combined ordinary capital the rate of exchange £1 = Fl. 12 has been used, in accordance with the Equalisation Agreement. The combined number of share units is therefore 55 719 254 (1974: 55 719 248) of Fl. 20 or alternatively, 371 461 691 (1974: 371 461 654) of 25 pence.

The calculations for 1974 and 1975 are therefore:

1974		1975
Fl. 915 million	Profit attributable to ordinary capital (see page 36)	Fl. 771 million
55 719 248	Divided by units of Fl. 20	55 719 254
Fl. 16.43	=	Fl. 13.84
155.1 million	Sterling equivalent	142.0 million
371 461 654	Divided by units of 25p	371 461 691
41.76p	=	38.23p

Notes to the consolidated balance sheets

Figures in italics represent deductions

Authorised 1974	Authorised 1975		Issued and fully paid 1974	Issued and fully paid 1975
		(h) Preferential share capital (Fl. million)	**295**	**293**
Fl. million		**Unilever N.V.**		Fl. million
75	75	7% Cumulative Preference *Ranking*	29	29
200	200	6% Cumulative Preference *pari*	161	161
75	75	4% Cumulative Preference *passu*	75	75
350	350		265	265
£million		**Unilever Limited**[1]		£million
0.2	0.2	5% First Cumulative Preference	0.2	0.2
3.5	3.5	7% First Cumulative Preference	3.5	3.5
1.2	1.2	8% Second Cumulative Preference	1.2	1.2
0.2	0.2	20% Third Cumulative Preferred Ordinary	0.2	0.2
5.1	5.1		5.1	5.1
		Guilder equivalent (million)	30	28

[1]) The rates shown for the preferential capital of **Limited** are before the reduction of three-tenths which followed the introduction of the imputation system of taxation in the United Kingdom in April 1973.

The 4% cumulative preference capital of **N.V.** is redeemable at par at the Company's option either wholly or in part.

Authorised 1974	Authorised 1975		Issued and fully paid 1974	Issued and fully paid 1975
		(i) Ordinary share capital (Fl. million)	**1 189**	**1 189**
Fl. million		**Unilever N.V.**		Fl. million
1 002	1 002	Ordinary	642	642
		Internal holdings eliminated in consolidation	*2*	*2*
			640	640
£million		**Unilever Limited**		£million
136.2	136.2	Ordinary (in 25p shares)	45.8	45.8
0.1	0.1	Deferred	0.1	0.1
		Internal holdings eliminated in consolidation	*0.1*	*0.1*
			45.8	45.8
		Guilder equivalent (million)	549	549

Fl. million

Limited	N.V.	1974 Combined		1975 Combined	N.V.	Limited
267	406	673	**(j) Profit retained** includes cumulative fixed assets replacement reserve	918	556	362
227	52	*175*	**(k) Other reserves**	*201*	52	*253*
52	52	104	Premiums on capital issued	100	52	48
279	—	*279*	Adjustment on conversion of **Limited's** ordinary capital at £1 = Fl. 12	*301*	—	*301*

Notes to the consolidated balance sheets

Figures in italics represent deductions

1974		1975
2 120	**(I) Loan capital** (Fl. million)	2 223
Fl. million	**Unilever N.V.**	Fl. million
255	6% Notes 1972/91	240
121	8% Notes 1975	—
100	$10\frac{1}{2}$% Euroguilder Notes 1979	100
52	$9\frac{3}{4}$% Euro DM Notes 1981 (DM 50 million)	52
—	$8\frac{3}{4}$% Notes 1981/85	125
57	$6\frac{3}{4}$% Notes 1981/86 (Swiss Frs. 60 million)	62
—	$8\frac{1}{2}$% Notes 1981/87 (DM 100 million)	104
585		683
	Subsidiaries	
97	Netherlands: $4\frac{1}{2}$% Loans 1986/87	88
100	$9\frac{3}{4}$% Loans 1989	100
	Germany: $3\frac{1}{2}$%–$8\frac{1}{2}$% Mortgage loans on ships	
97	repayable period to 1989 (DM 91.4 million)	95
21	11% Bank loan 1979 (DM 20 million)	21
51	$10\frac{7}{8}$% Bank loan 1979 (U.S. $20 million)	54
41	U.S.A.: $4\frac{5}{8}$% Notes 1973/82 (U.S. $14 million)	38
76	$7\frac{9}{20}$% Notes 1982/97 (U.S. $30 million)	81
96	Curaçao: $7\frac{3}{4}$% Notes 1979 (Swiss Frs. 100 million)	103
96	$8\frac{3}{4}$% Notes 1979 (Swiss Frs. 100 million)	103
211	Others	272
1 471		1 638
£million	**Unilever Limited**	£million
6.7	$3\frac{3}{4}$% Debenture stock 1955/75 *Ranking*	—
9.4	4% Debenture stock 1960/80 *pari*	9.2
11.0	$6\frac{3}{4}$% Debenture stock 1985/88 *passu*	11.0
2.2	$5\frac{1}{2}$% Unsecured loan stock 1991/2006 *Ranking*	2.2
54.7	$7\frac{3}{4}$% Unsecured loan stock 1991/2006 *pari passu*	54.7
0.2	Others	—
84.2		77.1
	Subsidiaries	
3.2	Canada: 6% Debenture Series A 1985 (Can. $7 million)	3.4
8.6	$8\frac{7}{8}$% Debenture Series B 1993 (Can. $20 million)	9.8
3.4	Australia: $7\frac{3}{4}$% Debentures 1982/87 (Aust. $6 million)	3.7
10.5	Others	13.8
109.9		107.8
649	Guilder equivalent (million)	585

The issues of debenture stock of **Limited** are secured by a floating charge on the assets of the Company.

During the year £0.2 of the 4% stock was purchased by the Company.

Fl. million

1974 Limited	1974 N.V.	1974 Combined	The repayments fall due as follows:	1975 Combined	1975 N.V.	1975 Limited
50	177	227	Within 1 year	84	71	13
28	661	689	After 1 year but within 5 years	807	708	99
88	309	397	After 5 years but within 10 years	555	520	35
138	285	423	After 10 years but within 20 years	422	301	121
345	39	384	After 20 years	355	38	317
583	835	1 418	Loans on which the final repayment will be made after 5 years amount to	1 577	1 090	487

Notes to the consolidated balance sheets

Figures in italics represent deductions
Fl. million

Limited	N.V.	1974 Combined		1975 Combined	N.V.	Limited
619	**799**	**1 418**	**(m) Deferred liabilities**	**1 759**	**943**	**816**
241	432	673	Unfunded retirement benefits	808	537	271
242	245	487	Taxation not due before 1st January, 1977	663	242	421
142	—	*142*	Advance Corporation Tax—United Kingdom	*194*	—	*194*
278	122	400	Deferred taxation	482	164	318
2 231	**3 346**	**5 577**	**(n) Land, buildings and plant**	**5 958**	**3 681**	**2 277**
757	1 306	2 063	Land and buildings—freehold	2 154	1 399	755
226	12	238	—leasehold—long-term (50 years or over)	220	14	206
66	25	91	—leasehold—short-term	104	24	80
993	1 766	2 759	Plant and equipment	3 034	1 982	1 052
189	237	426	Ships and motor vehicles	446	262	184
4 194	6 768	10 962	**Cost**—31st December	11 668	7 394	4 274
4 152	6 415	10 567	1st January	10 962	6 768	4 194
383	—	*383*	Sterling/Guilder realignment	*334*	—	*334*
4	*200*	*204*	Exchange rate changes	226	112	114
555	754	1 309	Expenditure	1 213	709	504
44	*42*	*86*	Disposals—proceeds	*148*	*56*	*92*
112	*227*	*339*	—depreciation	*418*	*278*	*140*
43	19	62	New subsidiaries	102	100	2
13	49	36	Other adjustments	65	39	26
1 963	3 422	5 385	**Depreciation**—31st December	5 710	3 713	1 997
2 030	3 299	5 329	1st January	5 385	3 422	1 963
187	—	*187*	Sterling/Guilder realignment	*157*	—	*157*
1	*95*	*94*	Exchange rate changes	118	56	62
112	*227*	*339*	Disposals	*418*	*278*	*140*
8	6	14	New subsidiaries	38	37	1
16	16	—	Other adjustments	52	31	21
239	423	662	Charged to profit and loss accounts	692	445	247
555	**754**	**1 309**	**Expenditure**	**1 213**	**709**	**504**
158	159	317	Land and buildings	230	107	123
293	502	795	Plant and equipment	796	487	309
104	93	197	Ships and motor vehicles	187	115	72

At 31st December, 1975 capital expenditure authorised by the Boards and still not spent was: **N.V.** Fl. 438 (1974: Fl. 539), **Limited** Fl. 521 (1974: Fl. 398). Of these amounts commitments had been entered into for **N.V.** Fl. 167 (1974: Fl. 196), **Limited** Fl. 133 (1974: Fl. 203).

Notes to the consolidated balance sheets

Figures in italics represent deductions
Fl. million

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
76	121	197	**(o) Trade investments**	256	121	135
22	42	64	Quoted shares	64	42	22
37	46	83	Unquoted shares	133	53	80
17	33	50	Loans	59	26	33
15	*3*	*18*	Movements during the year:	59	—	59
10	22	32	Additions	92	27	65
25	*25*	*50*	Disposals and other adjustments	*33*	*27*	*6*
			Attributable share of:			
172	167	339	Net assets	419	165	254
22	3	25	Net profits after tax	49	12	37
68	42	110	Market value of quoted shares	139	43	96
65	45	110	Directors' valuation of unquoted shares—on the basis of the book value of underlying net assets	159	48	111

(p) Long-term debtors are debtors not due for repayment within one year, less provisions.

1974 Limited	1974 N.V.	1974 Combined		1975 Combined	1975 N.V.	1975 Limited
2 734	3 809	6 543	**(q) Stocks**	5 857	3 077	2 780
1 219	2 411	3 630	Raw materials and stocks in process	2 578	1 672	906
693	1 285	1 978	Finished products	1 823	1 149	674
822	113	935	Merchandise and other stocks	1 456	256	1 200
1 658	2 072	3 730	**(r) Debtors**	3 918	2 134	1 784
1 333	1 468	2 801	Trade	2 916	1 500	1 416
325	604	929	Other	1 002	634	368
1 795	*2 620*	*4 415*	**(s) Creditors**	*4 439*	*2 559*	*1 880*
1 204	*1 416*	*2 620*	Debts to suppliers	*2 452*	*1 235*	*1 217*
33	*44*	*77*	Short-term portion of unfunded retirement benefits	*70*	*39*	*31*
558	*1 160*	*1 718*	Other	*1 917*	*1 285*	*632*
183	161	344	**(t) Marketable securities**	262	200	62
173	101	274	Quoted—at market value	98	51	47
10	60	70	Unquoted	164	149	15

Unilever N.V. balance sheet

as at 31st December

Figures in italics represent deductions

Fl. 000's

1974				1975
		Capital employed		
265 060		**Preferential share capital** (h)		265 060
		Ordinary capital and reserves		
	642 565	Ordinary share capital (i)	642 565	
	52 166	Premiums on capital issued	52 166	
	1 333 162	Profits retained	1 503 156	
2 027 893				2 197 887
585 180		**Loan capital** (l)		682 740
24 411		**Deferred liabilities**		16 834
19 523		Inter-Group—**Limited**		*16 295*
2 883 021				3 146 226
		Employment of capital		
		Interests in subsidiaries		
	304 631	Shares	304 640	
	2 363 498	Advances	2 162 006	
	118 017	Deposits	*30 271*	
2 550 112				2 436 375
203		**Long-term debtors**		918
		Working capital		
	48 472	Debtors	64 509	
	88 054	Creditors	*128 486*	
39 582				*63 977*
13 121		**Provision for taxation**		*39 674*
148 105		**Dividends due or proposed**		*157 873*
		Net liquid funds		
	64 666	Marketable securities	12 661	
	468 848	Cash and deposits	957 796	
533 514				970 457
2 883 021				3 146 226

The Board of Directors.

The notes on pages 31 to 43, 45 and 50 to 52 form part of these accounts.
The letters between brackets refer to notes on pages 40 and 41.

Unilever N.V.—Notes

Figures in italics represent deductions
Fl. 000's

1974		1975
	For the application of Article 44 of the Income Tax Act, 1964, only a small part, if any, of the **premium** shown in the balance sheet is available for issue of tax free bonus shares.	
	Profits retained	
1 110 474	1st January	1 333 162
222 688	Profit of the year retained	169 994
	of which:	
	Fixed assets replacement reserve	
96 000	(on behalf of subsidiaries)	150 000
1 333 162	31st December	1 503 156
	of which:	
406 000	Fixed assets replacement reserve	556 000

Loan capital includes an amount of Fl. 15 million repayable within one year.

Deferred liabilities represent provision for deferred taxation.

Interests in subsidiaries
Shares in subsidiaries are stated at cost. Profits retained and the profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.

1974		1975
	Debtors include:	
1	Trade debtors	31
3 363	Payments in advance	2 200
	Creditors include:	
7 939	Debts to suppliers	*2 221*
	Marketable securities	
64 666	Quoted stocks	12 661

Profit and loss account

1974		1975
469 442	Profit of the year	429 551
	Proposed profit appropriation in accordance with article 41 of the Articles of Association	
469 442	Profit of the year	429 551
14 694	Preference dividends	*14 694*
454 748	Profit at disposal of the annual general meeting of shareholders	414 857
232 060	Ordinary dividends	*244 863*
222 688	Profit of the year retained	169 994

Unilever Limited balance sheet

as at 31st December

Figures in italics represent deductions

£million

1974	1974		1975	1975
		Capital employed		
5.1		**Preferential share capital** (h)		5.1
		Ordinary and deferred capital and reserves		
	45.8	Ordinary share capital (i)	45.8	
	0.1	Deferred capital (i)	0.1	
	8.8	Premiums on capital issued	8.8	
	213.3	Profits retained and other reserves	238.6	
268.0				293.3
84.2		**Loan capital** (l)		77.1
11.6		**Deferred liabilities**		*20.4*
6.0		Inter-Group—**N.V.**		4.1
351.7				359.2
		Employment of capital		
19.3		**Land, buildings and plant**		20.7
2.3		**Trade investments**		2.7
		Interests in subsidiaries		
	209.2	Shares	219.6	
	259.1	Advances	214.6	
	109.0	Deposits	*143.8*	
359.3				290.4
		Working capital		
	3.2	Stocks	2.5	
	9.6	Debtors	14.4	
	14.7	Creditors	*12.7*	
1.9				4.2
15.7		**Provision for taxation**		*19.8*
24.7		**Dividends due or proposed**		*31.2*
		Net liquid funds		
	29.1	Marketable securities	8.5	
	2.4	Cash and deposits	83.7	
	18.4	Short-term borrowings	—	
13.1				92.2
351.7				359.2

D. A. ORR, Chairman
H. F. VAN DEN HOVEN, Vice-Chairman

The notes on pages 32 to 34, 40, 41 and 47 to 49 form part of these accounts.
The letters between brackets refer to notes on pages 40 and 41.

Unilever Limited—Notes

Figures in italics represent deductions
£million

1974				1975
		Profits retained and other reserves		
197.1		1st January		213.3
	34.5	Profit of the year	47.2	
	1.2	Bonus shares from subsidiaries	—	
	0.3	Preferential dividends	*0.3*	
	19.2	Dividends on ordinary and deferred capital	*21.6*	
16.2		Profit of the year retained		25.3
		of which:		
		Fixed assets replacement reserve		
11.8		(on behalf of subsidiaries)		21.4
213.3		31st December		238.6
		of which:		
45.2		Fixed assets replacement reserve		66.6

1974				1975
		Deferred liabilities:		
	4.7	Unfunded retirement benefits	4.6	
	2.3	U.K. corporation tax	4.5	
	22.8	Advance Corporation Tax	*34.4*	
	4.2	Deferred taxation	4.9	
11.6				*20.4*

The Advance Corporation Tax borne by the parent company will be surrendered and set off against liabilities of the subsidiary companies.

1974				1975
		Land, buildings and plant:		
	6.9	Land and buildings—freehold	7.0	
		—leasehold—long-term		
	5.8	(50 years or over)	5.9	
	0.1	—leasehold—short-term	0.1	
	6.5	Plant and equipment	7.7	
19.3				20.7

	Cost	Depreciation
Movements during the year:		
1st January, 1975	30.3	*11.0*
Expenditure	3.1	—
Proceeds of disposals	*0.1*	—
Other adjustments	*0.7*	0.7
Charged to profit and loss account	—	*1.6*
31st December, 1975	32.6	*11.9*

At 31st December, 1975 capital expenditure authorised by the Board and still not spent was £14.2 (1974: £5.7). Of this amount commitments had been entered into for £4.1 (1974: £3.6).

Unilever Limited—Notes

Figures in italics represent deductions
£million

1974		1975
	Trade investments at net book value at 31st December, 1947 with additions at cost or valuation less £0.9 written off:	
1.2	Quoted shares	1.2
0.8	Unquoted shares	1.2
0.3	Loans	0.3
2.3		2.7
1.5	Market value of quoted shares	2.0
1.2	Directors' valuation of unquoted shares—on the basis of the book value of underlying net assets	1.3

Interests in subsidiaries
Shares in subsidiaries are stated at Directors' valuation made on the re-arrangement of the Unilever Groups in 1937, with bonus shares at par and other additions at cost or valuation, less amounts written off.

Profits retained and the profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.

1974		1975
	Dividends due or proposed	
15.2	Payable January/May	*16.2*
9.5	Deferred instalment Final dividend 1974	*9.5*
—	Deferred dividends 1975	*5.5*
24.7		*31.2*
	Marketable securities	
29.1	Quoted—at market value	8.5
	Profit of the year is after charging	
0.04	Auditors' remuneration	0.06

Unilever Limited—Notes

Emoluments of Directors and senior employees

The adjoining table shows the numbers of Directors of the Company (excluding the Chairmen) and the numbers of employees (including Chairmen and Directors of wholly owned subsidiary companies) employed wholly or mainly in the United Kingdom and receiving emoluments in excess of £10 000, whose emoluments fell within the ranges shown.

During the year there were two Directors who served for only part of the year (1974: 12). The Chairman of **Limited** Mr. D. A. Orr received remuneration of £56 000 (in 1974 Mr. D. A. Orr received £50 105 including £34 938 as Chairman. Sir Ernest Woodroofe received £8 375 as Chairman).

All contracts of service of Directors of the Company with the Company or any of its subsidiaries are determinable by the employing company without payment of compensation at less than one year's notice.

Directors 1974	Directors 1975		Senior employees 1974	Senior employees 1975
5	–	£2 501– £5 000	–	–
–	1	£5 001– £7 500	–	–
5	1	£7 501–£10 000	–	–
–	2	£10 001–£12 500	180	296
3	3	£12 501–£15 000	103	147
2	2	£15 001–£17 500	60	65
–	–	£17 501–£20 000	28	57
2	–	£20 001–£22 500	19	24
1	3	£22 501–£25 000	10	16
4	2	£25 001–£27 500	3	14
2	3	£27 501–£30 000	1	8
–	2	£30 001–£32 500	1	3
1	1	£32 501–£35 000	4	4
–	1	£35 001–£37 500	2	–
–	1	£37 501–£40 000	2	–
2	1	£40 001–£42 500	1	1
–	–	£42 501–£45 000	–	–
–	1	£45 001–£47 500	–	–
27	24		414	635

Effect of United Kingdom taxation on emoluments

The foregoing table deals with gross emoluments before taxation. The table adjoining gives examples of the amounts which would actually have been received, after United Kingdom taxation at the rates in force for 1975, by a married man with two dependent children, no other source of income, and no deductions other than an 8% contribution to a Unilever retirement scheme:

Gross emoluments	Retirement contributions	Tax	Amount received
£	£	£	£
5 000	400	1 085	3 515
8 500	680	2 380	5 440
10 000	800	3 105	6 095
12 500	1 000	4 470	7 030
15 000	1 200	5 980	7 820
17 500	1 400	7 590	8 510
20 000	1 600	9 295	9 105
22 500	1 800	11 020	9 680
25 000	2 000	12 865	10 135
27 500	2 200	14 775	10 525
30 000	2 400	16 685	10 915
32 500	2 600	18 590	11 310
35 000	2 800	20 500	11 700
37 500	3 000	22 410	12 090
40 000	3 200	24 320	12 480
42 500	3 400	26 225	12 875
45 000	3 600	28 135	13 265
47 500	3 800	30 045	13 655
50 000	4 000	31 955	14 045
52 500	4 200	33 865	14 435
55 000	4 400	35 770	14 830

Principal subsidiaries

N.V.'s principal subsidiaries are held through subsidiaries with the exception of Nederlandse Unilever Bedrijven, Lipoma, Marga, Mavibel, Noorda, Saponia, Unilever Grondstoffen Mij. and Wemado, in the Netherlands.

Limited's principal subsidiaries are held directly with the exception of Commercial Plastics, Mattessons Meats, Synthetic Resins and Vinyl Products in the United Kingdom, Monarch Fine Foods, Shopsy's Foods and A & W Food Services in Canada and the interests in Africa [except Pamol (Cameroons)], Australasia, France, Malaysia and Sri Lanka.

Where holdings are less than 100% of the equity capital percentages are stated after rounding off. Where applicable the percentage of preference capital held is also stated.

The subsidiaries' registered offices are in the places mentioned.

E.C. Countries

	% of equity held
Belgium—N.V. group	
Hartog's Levensmiddelen N.V., Brussels	
Iglo-Ola N.V., Brussels	
N.V. Jacky, Antwerp	
Lever N.V., Brussels	
Union N.V., Merksem-Antwerp	
N.V. Zwanenberg's Levensmiddelenbedrijf 'Zwan', Schoten	
Denmark—N.V. group	
Uni-Dan A/S, Copenhagen	
Germany—N.V. group	
Bensdorp G.m.b.H., Cleves	
Deutsche Unilever G.m.b.H., Hamburg	
Schiffahrts- und Speditionskontor 'Elbe' G.m.b.H., Hamburg	
Elida-Gibbs G.m.b.H., Hamburg	
4P Folie Forchheim G.m.b.H., Forchheim	
4P Papier Günzach G.m.b.H., Günzach	
Langnese-Iglo G.m.b.H., Hamburg	75
Lever Sunlicht G.m.b.H., Hamburg	
Meistermarken-Werke G.m.b.H., Spezialfabrik für Back- und Grossküchenbedarf, Bremen	
4P Nicolaus Kempten G.m.b.H., Kempten	
4P Nicolaus Ronsberg G.m.b.H., Ronsberg	
'Nordsee' Deutsche Hochseefischerei G.m.b.H., Bremerhaven (Preference capital held 68%)	68
4P Rube Göttingen G.m.b.H., Göttingen	
Scado G.m.b.H., Emslage	
Schafft Fleischwerke G.m.b.H., Ansbach	
'Unichema' Chemie-Gesellschaft m.b.H., Hamburg	
Union Deutsche Lebensmittelwerke G.m.b.H., Hamburg	
France—N.V. group	
Astra-Calvé S.A., Courbevoie	99
Bertrand Frères S.A., Grasse	99
Compagnie Française de Nutrition Animale S.A., Tours	99
Elida Gibbs S.A., Paris	99
4P Emballages France S.A., Allonne	99
Etablissements Rousset S.A., Vénissieux	94
La Roche aux Fées S.A., Nantes	98
Lever S.A., Paris	99
Société Autonome de Transports et de Magasinage S.A., Courbevoie	99
Société des Thés de l'Eléphant S.A., Marseille	98
Sheby S.A., Bezons	99
Unilever Export France S.A., Courbevoie	99
Union Générale des Glycérines, Paris	79
—Limited group	
Compagnie du Niger Français S.A., Paris	81
Fragep S.A., Paris	85
Republic of Ireland—Limited group	
Lever Brothers (Ireland) Ltd., Dublin	
W. & C. McDonnell Ltd., Dublin	
Paul and Vincent Ltd., Dublin	
H B Ice Cream Ltd., Dublin	
Italy—N.V. group	
Algel S.p.A., Cisterna	75
Gelsi S.p.A., Turin	75
Sages S.p.A., Milan	75
Unil-It S.p.A., Milan	
The Netherlands—N.V. group	
African and Eastern Trading Company Holland B.V., Rotterdam	
Algemeen Vrachtkantoor B.V., Rotterdam	
Bakhuis' Vleeswaren- en Conservenfabrieken Olba B.V., Olst	
Bensdorp B.V., Bussum	
Van den Bergh en Jurgens B.V., Rotterdam	
Koninklijke Maatschappij De Betuwe B.V., Tiel	
Calvé-De Betuwe B.V., Delft	
Croklaan B.V., Wormerveer	
4P Drukkerij Reclame B.V., Rotterdam	
Zeepfabriek De Fenix B.V., Zwolle	
Iglo B.V., Utrecht	
Lever Sunlight B.V., Rotterdam	
'Lipoma', Maatschappij tot Beheer van Aandeelen in Industrieele Ondernemingen B.V., Rotterdam	
Lucas Aardenburg B.V., Hoogeveen	
'Marga', Maatschappij tot Beheer van Aandeelen in Industrieele Ondernemingen B.V., Rotterdam	
Handelmaatschappij Marko B.V., Rotterdam	
Mavibel (Maatschappij voor Internationale Beleggingen) B.V., Rotterdam	
Mengvoeder UT-Delfia B.V., Maarssen	
Nederlandse Unilever Bedrijven B.V., Rotterdam (Preference capital held 99%)	
E. Noack's Koninklijke Fijne Vleeswaren- en Conservenfabrieken B.V., Amersfoort	
Handelmaatschappij Noorda B.V., Rotterdam	
Norfolk Line B.V., 's-Gravenhage	
Safial B.V., Rotterdam	75
'Saponia', Maatschappij tot Beheer van Aandeelen in Industrieele Ondernemingen B.V., Rotterdam	
Scado B.V., Zwolle	
Sheby-Kemi B.V., Wormerveer	
U. Twijnstra's Oliefabrieken B.V., Akkrum	
Exportslachterij Udema B.V., Gieten	
Unilever-Emery N.V., Gouda (Preference capital held 50%)	50
Unilever Export B.V., Rotterdam	
Unilever Grondstoffen Maatschappij B.V., Rotterdam	
Unimills B.V., Zwijndrecht	
Unox B.V., Oss	
Verenigde Zeepfabrieken B.V., Rotterdam	
Viruly B.V., Maarssen	
'Wemado', Maatschappij tot Beheer van Aandeelen in Industrieele Ondernemingen B.V., Rotterdam	
Zwanenberg's Fabrieken B.V., Oss	
United Kingdom—Limited group	
Austin Packaging Group Ltd., Bromborough	
Batchelors Foods Ltd., Sheffield	
Birds Eye Foods Ltd., Walton-on-Thames	
BOCM Silcock Ltd., Basingstoke	
BOCM Silcock (N.I.) Ltd., Belfast	
Chemical and Industrial Investment Company Ltd., Wallsend	
Clynol Ltd., High Wycombe	
Commercial Plastics Industries Ltd., Wallsend	
C.W.A. Holdings Ltd., London	
Joseph Crosfield & Sons Ltd., Warrington	
Elida Gibbs Ltd., London	
Food Industries Ltd., Bromborough	
Ford & Slater Holdings Ltd., Leicester	
Kennedy's (Builders' Merchants) Ltd., Bournemouth	
Lawson of Dyce Ltd., Aberdeen	
Lever Brothers Ltd., Kingston-upon-Thames	
Leverton Group Ltd., Windsor	
Lipton Ltd., London	
Mac Fisheries Ltd., Bracknell	
Robert B. Massey & Co. Ltd., York	
Mattessons Meats Ltd., London	

% of equity held

Midland Poultry Holdings Ltd., Craven Arms
Nairn Williamson Ltd., London
Palm Line Ltd., London
Price's Chemicals Ltd., Bromborough
Proprietary Perfumes Ltd., Ashford
S.P.D. Ltd., Watford
Synthetic Resins Ltd., Liverpool
Thames Board Mills Ltd., Purfleet
Thames Case Ltd., Purfleet
Unilever Export Ltd., London
Unilever (Commonwealth Holdings) Ltd., London
UML Ltd., Port Sunlight
United Agricultural Merchants Ltd., Basingstoke
UAC International Ltd., London
Van den Berghs and Jurgens Ltd., Burgess Hill
Vinyl Products Ltd., Carshalton
T. Wall & Sons Ltd., London
John West Foods Ltd., Liverpool

Other European Countries

Finland—N.V. group
Gibbs Oy, Turku
Lumivalko Oy, Turku
S.W. Paasivaara-Yhtymä Oy, Helsinki
Turun Saippua Oy, Turku

Greece—N.V. group
Industrie Hellénique de Détergents S.A. (E.V.A.), Athens — 85

Austria—N.V. group
4P Allpack Verpackungen Gesellschaft m.b.H., Vienna
'Apollo' Seifen und Waschmittel G.m.b.H., Vienna
Bensdorp G.m.b.H., Vienna
Elida Gibbs Gesellschaft m.b.H., Vienna
Eskimo-Iglo G.m.b.H., Vienna — 75
'Kunerol' Nahrungsmittel G.m.b.H., Vienna
Österreichische Unilever G.m.b.H., Vienna
Unichema Vertriebsgesellschaft m.b.H., Vienna

Portugal—N.V. group
Iglo Indústrias de Gelados, Lda., Lisbon — 74
Indústrias Lever Portuguesa, Lda., Sacavem — 60

Spain—N.V. group
Agra S.A., Lamiacô
Frigo S.A., Barcelona — 94
Lever Ibérica S.A., Madrid

Sweden—N.V. group
AB Liva Fabriker, Lidingö
Novia Livsmedelsindustrier AB, Stockholm

% of equity held

Pierre Robert A.B., Tygelsjö-Malmö
Scado AB, Landskrona
AB Sunlight, Nyköping
Svenska Unilever Förvaltnings A.B., Stockholm
AB Vandenberghs Margarin, Lidingö

Switzerland—N.V. group
'Astra', Fett- und Oelwerke A.G., Steffisburg — 88
Elida Cosmetic A.G., Zürich
Meina Holding A.G., Zürich
Sais A.G., Zürich
Sunlight A.G., Olten
Unilever (Schweiz) A.G., Zürich

United States and Canada

Canada—N.V. group
Thomas J. Lipton Ltd., Toronto — 99

—Limited group
Lever Brothers Ltd., Toronto
Monarch Fine Foods Co. Ltd., Toronto
Shopsy's Foods Ltd., Weston
A & W Food Services of Canada Ltd., Toronto

United States of America—N.V. group
Lever Brothers Company, Portland, Maine
Thomas J. Lipton Inc., Dover, Delaware — 99

Central and South America

Argentina—N.V. group
Lever y Asociados Sociedad Anonima Comercial Industrial y Financiera, Buenos Aires — 99

Brazil—N.V. group
Industrias Gessy Lever Ltda., São Paulo — 99

Colombia—N.V. group
Compañia Colombiana de Grasas 'Cogra' S.A., Bogotá
Productos Lever S.A., Bogotá

Netherlands Antilles—N.V. group
Mavibel International N.V., Willemstad
Unilever Becumij N.V., Willemstad

Trinidad—Limited group
Lever Brothers West Indies Ltd., Port of Spain — 75

Venezuela—N.V. group
Lever S.A., Caracas

% of equity held

Africa

Gabon—Limited group
Hatton et Cookson S.A., Libreville — 99

Ghana—Limited group
Kingsway Stores of Ghana Ltd., Accra — 89
Lever Brothers Ghana Ltd., Accra — 51
UAC of Ghana Ltd., Accra

Ivory Coast—Limited group
CFCI S.A., Abidjan — 99

United Republic of Cameroons —Limited group
Pamol (Cameroons) Ltd., London
Plantations Pamol du Cameroun Ltd., Lobe

Kenya—Limited group
East Africa Industries Ltd., Nairobi — 54
Gailey & Roberts Ltd., Nairobi

People's Republic of the Congo (Brazzaville) —Limited group
Société Commerciale du Kouilou Niari-Congo S.A., Brazzaville — 96

Malawi—Limited group
Lever Brothers (Malawi) Ltd., Limbe — 80

Nigeria—Limited group
Lever Brothers Nigeria Ltd., Apapa — 60
Pamol (Nigeria) Ltd., Lagos
UAC of Nigeria Ltd., Lagos — 60

Uganda—Limited group
Gailey & Roberts (Uganda) Ltd., Kampala

Rhodesia—Limited group
Lever Brothers (Private) Ltd., Salisbury

Sierra Leone—Limited group
The United Africa Company of Sierra Leone Ltd., Freetown

Tanzania—Limited group
The United Africa Company of Tanzania Ltd., Dar es Salaam

Zambia—Limited group
K. B. Davies & Co. (Zambia) Ltd., Chingola

South Africa—Limited group
Hudson & Knight (Pty.) Ltd., Durban
Lever Brothers (Pty.) Ltd., Durban
Unilever South Africa (Pty.) Ltd., Durban
Van den Bergh and Jurgens (Pty.) Ltd., Durban
T. Wall & Sons (Pty.) Ltd., Durban

% of equity held

Asia, Australia, New Zealand

Australia—Limited group

Rosella Foods Pty. Ltd., Richmond
Streets Ice Cream Pty. Ltd., Sydney
Unilever Australia Pty. Ltd., Sydney

Philippines—N.V. group

Philippine Refining Company Inc., Manila

India—Limited group

Hindustan Lever Ltd., Bombay 85

Indonesia—N.V. group

Van den Bergh's Fabrieken Indonesia N.V., Jakarta
Maatschappij ter Exploitatie der Colibri-fabrieken N.V., Jakarta
Lever's Zeepfabrieken Indonesia N.V., Jakarta

Japan—N.V. group

Hohnen-Lever Company Ltd., Tokyo 79

Malaysia—Limited group

Lever Brothers (Malaysia) Sdn. Bhd., Kuala Lumpur
Pamol (Malaya) Sdn. Bhd., Kuala Lumpur
Pamol (Sabah) Ltd., London

New Zealand—Limited group

Lever Brothers (New Zealand) Ltd., Petone
Unilever New Zealand Ltd., Petone

Pakistan—Limited group

Lever Brothers Pakistan Ltd., Karachi 70

Sri Lanka—Limited group

Lever Brothers (Ceylon) Ltd., Colombo

Thailand—N.V. group

Lever Brothers (Thailand) Ltd., Bangkok

Turkey—N.V. group

Unilever-Is Ticaret ve Sanayi Türk Limited Sirketi, Istanbul 80

Principal trade investments

% of equity held

Germany—N.V. group

Fritz Homann Lebensmittelwerke G.m.b.H. & Co. K.G. 50

The Netherlands—N.V. group

Gamma Holding N.V. 43

United Kingdom—Limited group

Ellis & Everard Ltd. 32

Nigeria—Limited group

Guinness (Nigeria) Ltd. 22
Nigerian Breweries Ltd. 22

Indonesia—N.V. group

P.T. Sangkulirang 50

Salient figures in guilders and other currencies

1975 above 1974

Rates of exchange: one unit = Fl.	Dutch Guilders	Sterling Pounds	Belgian Francs	German Marks	French Francs	Austrian Schillings	U.S. Dollars	Swiss Francs
Million		**5.43** 5.90	**0.0689** 0.0689	**1.0420** 1.0420	**0.6041** 0.5627	**0.1463** 0.1463	**2.6900** 2.5400	**1.0240** 0.9900
Sales to third parties	**36 705** 34 471	**6 760** 5 843	**532 726** 500 296	**35 218** 33 069	**60 769** 61 288	**250 917** 235 629	**13 654** 13 555	**35 826** 34 821
Operating profit	**1 986** 2 109	**366** 357	**28 827** 30 609	**1 906** 2 023	**3 288** 3 750	**13 578** 14 416	**739** 829	**1 939** 2 130
Taxation on profit of the year	***909*** *953*	***168*** *162*	***13 201*** *13 831*	***873*** *914*	***1 506*** *1 694*	***6 218*** *6 514*	***338*** *375*	***888*** *963*
Profit of the year attributable to ordinary capital before extraordinary items	**771** 915	**142** 155	**11 192** 13 284	**740** 878	**1 277** 1 627	**5 271** 6 256	**287** 360	**753** 925
Ordinary dividends	***362*** *345*	***67*** *59*	***5 257*** *5 006*	***348*** *331*	***600*** *613*	***2 476*** *2 358*	***135*** *136*	***354*** *348*
Capital employed	**12 169** 11 359	**2 241** 1 925	**176 616** 164 865	**11 676** 10 897	**20 147** 20 197	**83 187** 77 648	**4 527** 4 467	**11 877** 11 475
Ordinary shareholders' equity	**7 513** 7 199	**1 384** 1 220	**109 049** 104 488	**7 209** 6 906	**12 439** 12 800	**51 363** 49 212	**2 795** 2 831	**7 334** 7 273
Loan capital	**2 223** 2 120	**409** 359	**32 260** 30 768	**2 133** 2 034	**3 680** 3 769	**15 195** 14 491	**827** 834	**2 170** 2 142
Capital expenditure	**1 213** 1 309	**223** 222	**17 607** 19 003	**1 164** 1 256	**2 008** 2 328	**8 293** 8 950	**451** 515	**1 184** 1 323
Depreciation	**692** 662	**127** 112	**10 041** 9 609	**664** 635	**1 145** 1 177	**4 729** 4 526	**257** 260	**675** 669
	In units of currency							
Shareholders' equity								
Per Fl. 20 of capital	**134.84** 129.21	**2 483.33p** 2 189.96p	**1 957.11** 1 875.29	**129.41** 124.00	**223.22** 229.62	**921.70** 883.17	**50.13** 50.87	**131.68** 130.51
Per 25p of capital	**20.23** 19.38	**372.50p** 328.49p	**293.57** 281.29	**19.41** 18.60	**33.48** 34.44	**138.25** 132.48	**7.52** 7.63	**19.75** 19.58
Earnings[1]								
Per Fl. 20 of capital	**13.84** 16.43	**254.87p** 278.41p	**200.86** 238.41	**13.28** 15.76	**22.91** 29.19	**94.60** 112.28	**5.14** 6.47	**13.51** 16.59
Per 25p of capital	**2.08** 2.46	**38.23p** 41.76p	**30.13** 35.76	**1.99** 2.36	**3.44** 4.38	**14.19** 16.84	**0.77** 0.97	**2.03** 2.49
Dividends[2]								
N.V.—per Fl. 20 of capital	**7.65** 7.25	**140.88p** 122.88p	**111.03** 105.22	**7.34** 6.96	**12.66** 12.88	**52.29** 49.56	**2.84** 2.85	**7.47** 7.32
Limited—per 25p of capital	**0.74** 0.71	**13.67p** 12.09p	**10.77** 10.35	**0.71** 0.68	**1.23** 1.27	**5.07** 4.88	**0.28** 0.28	**0.72** 0.72

[1]) See note (g) on page 39.

[2]) See notes on pages 28 and 54.

Rates of exchange quoted above have been used to convert figures in this table. The change in rates between 1974 and 1975 results in the percentage growth being different according to the currency in which it is expressed. The value of dividends received by shareholders in currencies other than guilders or sterling will be affected by fluctuations in the rates of exchange.

Financial review 1965–1975

Fl. million	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Results											
Sales to third parties	18 464	19 189	19 714	20 032	21 829	24 917	26 483	26 832	29 197	34 471	36 705
Costs	*17 274*	*17 966*	*18 303*	*18 538*	*20 386*	*23 484*	*24 766*	*24 884*	*27 004*	*32 362*	*34 719*
Operating profit	1 190	1 223	1 411	1 494	1 443	1 433	1 717	1 948	2 193	2 109	1 986
Non-recurring and financial items	*29*	*50*	*71*	*14*	*29*	*126*	*81*	*112*	*34*	*142*	*205*
Profit before taxation	1 161	1 173	1 340	1 480	1 414	1 307	1 636	1 836	2 159	1 967	1 781
Taxation	*511*	*541*	*641*	*716*	*672*	*633*	*771*	*793*	*1 035*	*961*	*883*
Profit after taxation	650	632	699	764	742	674	865	1 043	1 124	1 006	898
Outside interests and preference dividends	*64*	*48*	*44*	*50*	*53*	*45*	*46*	*68*	*84*	*91*	*127*
Profit attributable to ordinary capital	586	584	655	714	689	629	819	975	1 040	915	771
Extraordinary items, less taxation and outside interests	*65*	*78*	—	—	—	—	—	*110*	—	—	—
Profit after extraordinary items	521	506	655	714	689	629	819	865	1 040	915	771
Dividends on ordinary and deferred capital[1]	*195*	*236*	*254*	*264*	*305*[2]	*307*	*348*	*347*	*324*	*345*	*362*
Profit of the year retained	326	270	401	450	384	322	471	518	716	570	409
Assets and liabilities											
Preferential share capital	836	317	310	310	310	310	308	304	298	295	293
Ordinary shareholders' equity	5 750	5 955	5 919	6 221	6 515	6 826	6 982	7 107	7 134	7 199	7 513
Outside interests in subsidiaries	199	194	205	209	214	250	211	247	244	327	381
Loan capital	859	1 570	1 491	1 452	1 477	1 634	1 660	1 610	1 601	2 120	2 223
Deferred liabilities	735	769	708	770	804	888	979	1 070	1 266	1 418	1 759
Capital employed	8 379	8 805	8 633	8 962	9 320	9 908	10 140	10 338	10 543	11 359	12 169
Land, buildings and plant	4 536	4 610	4 494	4 679	5 003	5 439	5 371	5 287	5 238	5 577	5 958
Trade investments	273	317	203	209	214	199	208	175	215	197	256
Long-term debtors	166	158	172	179	174	187	198	205	203	291	184
Working capital	3 540	3 572	3 271	3 617	4 081	4 410	4 236	4 109	4 574	5 858	5 336
Provision for taxation	*420*	*450*	*520*	*550*	*528*	*610*	*704*	*736*	*801*	*639*	*694*
Dividends	*112*	*107*	*135*	*135*	*176*	*178*	*220*	*272*	*257*	*295*	*334*
Net liquid funds	396	705	1 148	963	552	461	1 051	1 570	1 371	370	1 463
Employment of capital	8 379	8 805	8 633	8 962	9 320	9 908	10 140	10 338	10 543	11 359	12 169

The 1967 figures reflect the devaluation of sterling on 18th November, 1967, the 1971 figures the realignment of major currencies and the 1972 to 1975 figures the floating of sterling and other currencies.

[1]) With the change to corporation tax in the United Kingdom from 1966, income tax deducted from dividends had to be handed to the Revenue and the cost of dividends in 1966–1971 is the gross amount. In 1972 the first interim dividend of **Limited** is included gross. The second interim and final dividends for 1972 and all 1973 to 1975 dividends are included at the amounts paid or to be paid to the shareholders in line with the change to the imputation system of taxation from 1st April, 1973.

[2]) The special ordinary dividends, paid with the final 1969 dividends, amounting to Fl. 41 million, are not included.

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Shareholders' equity											
per Fl. 20 of capital (Fl.)	103	106	106	111	116	121	125	127	128	129	135
per 25p of capital (pence)	152	157	182	191	200	209	222	253	295	328	372
Earnings[1]											
per Fl. 20 of capital (Fl.)	10.44	10.42	11.74	12.71	12.28	11.17	14.69	17.48	18.64	16.43	13.84
per 25p of capital (pence)	15.45	15.41	20.26	21.94	21.19	19.29	26.06	34.63	43.02	41.76	38.23
Earnings plus depreciation											
per Fl. 20 of capital (Fl.)	18.53	19.34	20.93	22.03	22.46	23.00	26.64	29.02	30.36	28.31	26.26
per 25p of capital (pence)	27.41	28.62	36.13	38.02	38.77	39.71	47.27	57.50	70.06	71.97	72.53
Dividends[2]											
N.V. per Fl. 20 capital (Fl.)	4.22	4.21	4.67	4.70	5.43[3]	5.43	6.20	6.71	6.71	7.25	7.65
Limited per 25p of capital (pence)	6.25	6.25	7.50	8.13	9.38[3]	9.42	11.20	11.02	10.63	12.09	13.67
Capital expenditure (Fl. million)	**673**	**605**	**616**	**716**	**881**	**993**	**850**	**927**	**974**	**1 309**	**1 213**
Depreciation (Fl. million)	**453**	**500**	**498**	**523**	**572**	**666**	**667**	**644**	**653**	**662**	**692**
Employees											
Remuneration of employees (Fl. million)	2 929	3 152	3 245	3 368	3 886	4 508	4 693	4 931	5 243	5 868	6 684
Number of employees (000's)	294	300	304	312	326	335	324	337	353	357	321
Ratios											
Sales : capital employed	2.2	2.2	2.3	2.2	2.3	2.5	2.6	2.6	2.8	3.0	3.0
Sales per employee (Fl.)	62 803	63 963	64 849	64 205	66 960	74 379	81 738	79 620	82 711	96 557	114 346
Sales : working capital	5.2	5.4	6.0	5.5	5.4	5.7	6.3	6.5	6.4	5.9	6.9
Dividends : earnings	0.33	0.40	0.39	0.37	0.44	0.49	0.43	0.36	0.31	0.38	0.47
Gearing[4]	0.19	0.26	0.26	0.24	0.24	0.25	0.25	0.23	0.22	0.30	0.29
Current assets : current liabilities	2.2	2.3	2.2	2.1	2.0	1.9	2.0	2.0	1.9	1.8	1.9
Share prices											
N.V. per Fl. 20 ordinary share in Amsterdam											
High	144	120	112	144	131	121	122	150	162	118	123
Low	107	73	85	105	98	79	87	118	100	69	80
Limited per 25p ordinary share in London											
High	181	172	251	420	350	313	345	405	397	339	434
Low	148	132	149	219	228	188	209	325	278	149	167

[1]) See note (g) on page 39.

[2]) **Limited** dividends for 1965–1971 and the first interim for 1972 are gross. The second interim and final for 1972 and all 1973 to 1975 dividends are the amounts paid or to be paid to the shareholders net of tax credit.

[3]) Excludes special ordinary dividends of Fl. 0.73 and 1.25p paid with the final 1969 dividends.

[4]) Gearing is loan capital plus short-term borrowings divided by the sum of loan capital, short-term borrowings, preferential share capital, ordinary shareholders' equity and outside interests in subsidiaries.

Dates to note

Dividends and interest

Ordinary	Interim	Announced mid-November. Payable second half of December.
	Final	Proposed early March. Payable second half of May (New York shares: beginning of June).
7% and 6% Cumulative Preference	First half	Payable 1st July.
	Second half	Payable 2nd January.
4% Cumulative Preference	First half	Payable 1st October.
	Second half	Payable 1st April.
6% Notes 1972/91		Payable 15th January.
10 1/2% Euroguilder Notes 1979		Payable 16th August.
9 3/4% Euro DM Notes 1981		Payable 1st December.
8 3/4% Notes 1981/85		Payable 1st December.
6 3/4% Notes 1981/86		Payable 16th February.
8 1/2% Notes 1981/87		Payable 3rd May.

Interim announcement of results

First quarter results	Mid-May.
First half-year results	Mid-August.
Nine months results	Mid-November.
Provisional results for the year	Early March.

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UAC International

The UAC International (UACI) Group, whose sales in 1975 amounted to Fl. 4 258 million, consists of UAC International Limited (formerly The United Africa Company Limited) and subsidiaries operating in a total of 39 countries. UACI is also responsible for the Unilever interest in a number of trade investments, notably in breweries. The Group's history can be traced back through predecessors for nearly 300 years in West Africa, and 50 years in East Africa, some countries in the Middle East, and Morocco.

UACI employs 61 600 people. The main operations are in the United Kingdom, France, Commonwealth West and East Africa, French speaking Africa, the Arabian Gulf, and the South Pacific.

Group strategy

In West Africa, UACI's traditional activities were buying and exporting local produce and importing and selling general merchandise. As the countries concerned moved towards political independence after the second world war, they naturally aspired to a degree of economic self-sufficiency as well: an aspiration to which it was UACI's duty and interest to respond. This called for radical changes in the nature of our business; over the years we have systematically streamlined our trading activities and redeployed resources into industries and services where UACI's management, finance and technology could make a contribution. These changes have inevitably led us into diverse activities which in the main are different from those of the rest of Unilever. There has been fruitful co-operation with other Unilever companies in the manufacture of packaging materials, toilet preparations, ice-cream and meat products.

The Group's diversification in Africa introduced new management skills. These rapidly became one of our main assets, and we have been able to employ them in complementary activities outside Africa. In the United Kingdom and France over the past five years, companies in types of business with which we were already familiar have been acquired.

In the Arabian Gulf, where we have long had trading operations, we have extended into the supply of refrigeration, air-conditioning and office equipment.

In line with Unilever's own strategy, the Group will continue to seek opportunities for expansion in territories and types of activity to which its skills and experience are relevant. Such new developments will not detract from the importance we attach to our existing operations, but will provide additional geographical diversification.

Local participation and industrial partnerships

For many years the policy of the Group has been to seek local participation in its operations and, from the beginning of its development into industrial activities, local Governments have been partners in many of the projects, and the local public in others. For example, there has been a public shareholding in one of the Nigerian brewery ventures since 1958. African distributors have been systematically encouraged to take over the distribution of the Group's many manufactured products, which is now mainly in African hands.

In recent years in several countries, Governments have introduced legislation to increase the degree of local participation. In 1974, in accordance with Nigerian legislation, 40% of the equity of UAC of Nigeria Limited was offered to Nigerians: twelve State Governments and over 80 000 private Nigerian investors are now shareholders. In the same year we were required to sell 50% of our equity in Morocco to local interests. In Ghana legislation will result in a minimum of 40% of the shares in our companies being owned locally.

A feature of the development and redirection of our business in Africa over the last 20 years has been the creation of industrial enterprises in partnership with other expatriate companies with which we had long-standing business relationships as buyers of their products for export to Africa. Their technical know-how and skills have complemented our own knowledge of national conditions and local markets.

Management

Strong local participation in the management of our overseas operations is even more important than local participation in ownership. It has long been our objective that our business in each country where we operate should be managed as far as possible by nationals of that country. In pursuit of this objective, carefully integrated plans for the training and development of indigenous managers have been required.

We have reached a stage where the chairmen of the main UACI companies in four African countries are Africans, and many directorships and senior appointments are held by Africans. In Africa as a whole, we have achieved a level of a little less than 80% indigenous management. This has required dedication to the principle of indigenisation, which we have now demonstrated over 30 years but, even before, there were Africans in managerial positions in the company.

We shall, however, maintain a policy of keeping expatriate managers in each country. We firmly believe that a degree of internationalisation of management provides opportunities for transferring skills and exchanging experience to the benefit of the countries concerned, the indigenous managers, and our own companies.

Training and development
The system of annual review of the potential of all employees provides the means for identifying those who are capable of training and development and, ultimately, appointment to management status. 'On-the-job' training in Africa is a continuous process and is supplemented by local courses at our own training schools, or externally at technical colleges. We have a training centre in Nigeria and technical training schools in other countries.

We also provide training for employees outside their own countries. In 1975 we brought 126 managers and others to the United Kingdom alone on advanced management courses, on general development courses, and for technical and specialised training. The period spent outside their own countries varied from two months to a year or more.

Acquisitions
The diversification of our activities in Africa and elsewhere outside Europe has mainly come from internal growth and investment in new ventures either alone or in partnership with others. Diversification in Europe has mainly been brought about by acquisitions. Our criteria for a company to be acquired are that it should have development potential, be engaged in activities complementary to existing Group activities, and be self-sufficient in terms of management. Our role is to provide assistance with modern management techniques, technical know-how and the finance necessary to achieve the potential development which we originally identified.

Summary of activities
The following is a summary of the Group's activities.

Medical supplies
In the United Kingdom we market surgical equipment, laboratory supplies and pharmaceuticals in the name of A. J. Seward. In Nigeria, Ghana and Sierra Leone we manufacture toilet preparations and proprietary medicines and market these together with imported ethical medicines, hospital equipment and photographic materials.

Motors
Our motors sale and service businesses in Nigeria, Ghana, Sierra Leone and Uganda include a highly specialised fuel injection/automotive electrical service, which also extends to Kenya and Tanzania. We assemble Bedford vehicles in Nigeria and Ghana, where we also build bus and other commercial vehicle bodies. In Morocco we assemble Land Rovers.

In the United Kingdom, through Ford & Slater, we sell and lease Leyland commercial vehicles. Through Armstrong-Massey and Massey Coldshield in the United Kingdom we distribute Rolls Royce and Leyland cars, and manufacture refrigerated vehicle bodies.

Caterpillar sales and service
We operate 'Caterpillar' dealerships in Commonwealth West and East Africa and one through H. Leverton & Company in several parts of England. The full range of 'Caterpillar' earth moving equipment, lift trucks and engines is offered, with complete advisory and after-sales and spare parts services. The equipment is used extensively in land clearing, road building, in agriculture and in marine applications, such as the offshore oil industries of Nigeria and on the North Sea.

Timber
Our tropical hardwood extraction and processing businesses have an annual output of over half a million tons of logs, a substantial part of which is processed in our own factories in Africa into sawn timber, plywood, blockboard, timber building systems, flush doors and flooring. A particle board plant is under construction in Nigeria. Our ventures in Indonesia and the Solomon Islands export logs, mainly to Japan.

Electrical and mechanical goods and services
We cover a wide range of construction, industrial and agricultural engineering needs in 11 overseas countries, where other activities include design, installation and maintenance facilities for air-conditioning and refrigeration projects; for electrical contracting industry materials; assembly and wholesaling of domestic radio, television and other household equipment; and contractor plant hire. In the United Kingdom we manufacture and sell 'Europower' high pressure hydraulic fittings, and supply agricultural machinery and equipment.

G.B. Ollivant Division
This division provides advisory, buying, support and shipping services for a number of United Kingdom and overseas companies within UACI. Their general trading activities cover wholesale distribution of imported and local merchandise, and marketing of building materials throughout Nigeria, Ghana and Sierra Leone.

Their 13 'Kingsway' department stores and supermarkets in Nigeria and ten in Ghana sell a full range of retail merchandise. They have two franchised retail chains in Nigeria, one selling menswear and the other electrical goods.

The division markets office equipment and furniture in Nigeria, Ghana, Sierra Leone and the Arabian Gulf, and through 35 branches in the United Kingdom.

Textiles
In textiles we are strong in quality of design and product and have a prominent distributive position in African markets. In Nigeria and Ghana we are in partnership with the local Governments and with Dutch and Hong Kong companies in spinning, weaving, printing and finishing textile mills.

Industrial ventures
The Group has commercial management responsibility for many manufacturing ventures in Commonwealth West Africa, including packaging materials, plastics, mattresses, metal beds, chairs and other furniture, such as school furniture.

Breweries
Among the more important trade investments in Nigeria, Ghana and

(TOP) Niger House, headquarters of UAC of Nigeria Limited on the Marina in Lagos.

(BOTTOM) 'Caterpillar' earth moving equipment supplied and serviced by Gailey & Roberts Limited, Kenya.

(TOP) Spare parts stockroom of Bienvenue et Tocque in Rouen, France.

(BOTTOM) Air-conditioning installation in the Standard Bank building, Accra, designed and supplied by the R & A Services division of UAC of Ghana Limited.

'Africa Palm', a multi-purpose cargo liner of 14 000 dwt, operates an express service between North West Europe and West Africa.

Sierra Leone are breweries, for which we provide the commercial and marketing management and our partners the technical management. In some of these ventures our technical partners are the Dutch brewers, Heineken, and in others Guinness.

Foods

The Group manufactures a wide range of food products in Nigeria, including meat products and frozen and sugar confectionery. We import frozen meats and other foods into Nigeria, and distribute 'Ovaltine' throughout the country.

France and French-speaking Africa

Our operations in 13 French-speaking African countries cover a range of activities. In textiles we are not only a major distributor but majority owner and commercial manager of an Ivory Coast textile factory producing hand blocked wax prints, and have interests in other textile factories in the Ivory Coast, Benin (formerly Dahomey) and Congo. In most of these countries we have motor and technical businesses, similar to UACI operations in other African countries. In the Ivory Coast we manufacture and market toilet preparations; we are the commercial manager of a majority-owned brewery in Chad; elsewhere we have interests in another brewery, in wine bottling and distribution, two aluminium products factories, seven bicycle manufacture and assembly plants; and partnership insurance agencies.

In France itself we have acquired several businesses dealing in wholesale electrical supplies, fuel injection, automotive electrical and motors and bicycle spare parts; and we are partners in a company manufacturing textile furs. We conduct buying operations for third parties in Africa and the Mediterranean area.

Other activities

In 1974 we acquired the Kennedy's group of builders' merchants with 20 branches and depots in Southern England, and a large garden centre business.

We are agents for London-based insurance companies operating in the Arabian Gulf, Saudi Arabia and Sierra Leone, and have an equity interest in locally incorporated insurance businesses in Nigeria and Ghana. The Group operates a network of warehousing depots in Nigeria.

Palm Line
Palm Line Limited, part of UACI, has 13 ships operating between North West Europe and ports in West Africa. It also has interests in shipping agencies in West Africa, stevedoring companies, and a container company.

The results of these diverse activities in terms of sales and operating profit for the last six years are shown on page 13 of the Unilever Report and Accounts for 1975. These figures speak for themselves. In achieving these results we believe that UACI can also claim to have made a significant contribution to the prosperity and economic growth of the African and other overseas countries in which the Group operates. With its knowledge derived from long experience of conditions and markets in these countries, and with the help of its more recently developed activities in Europe, the Group should be soundly based for further progress.

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