Building an Unbeatable Unilever SEAA

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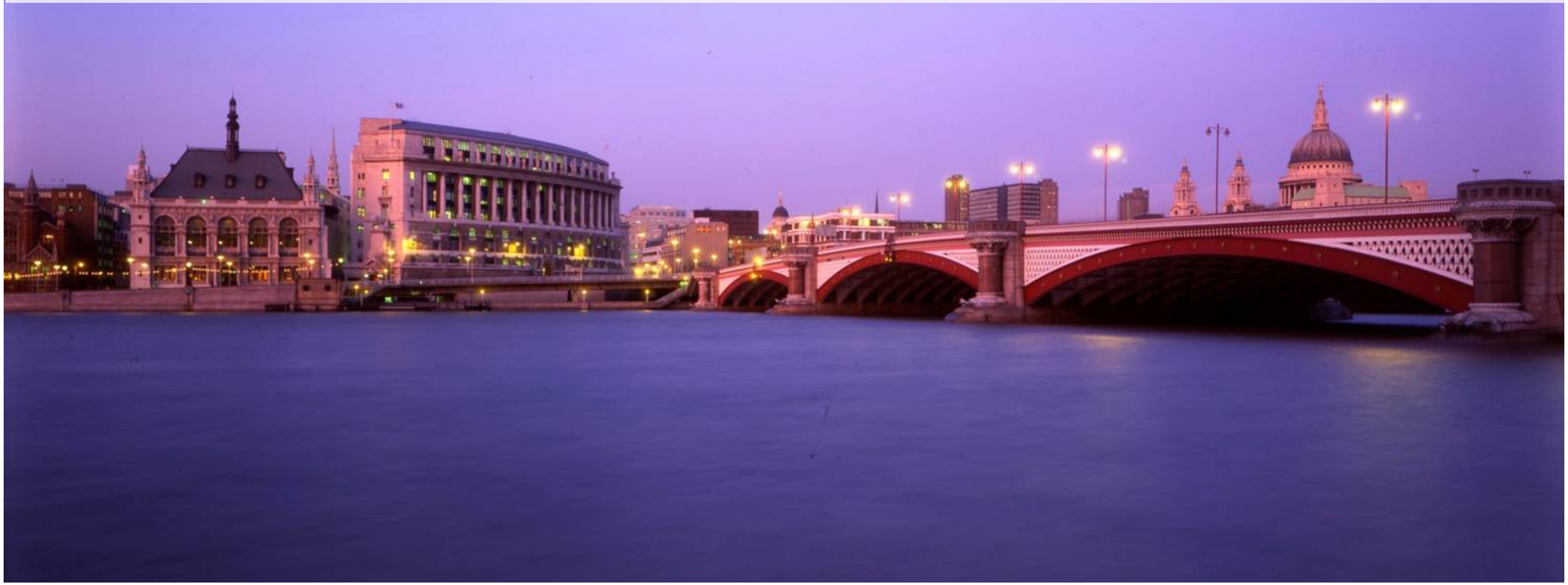
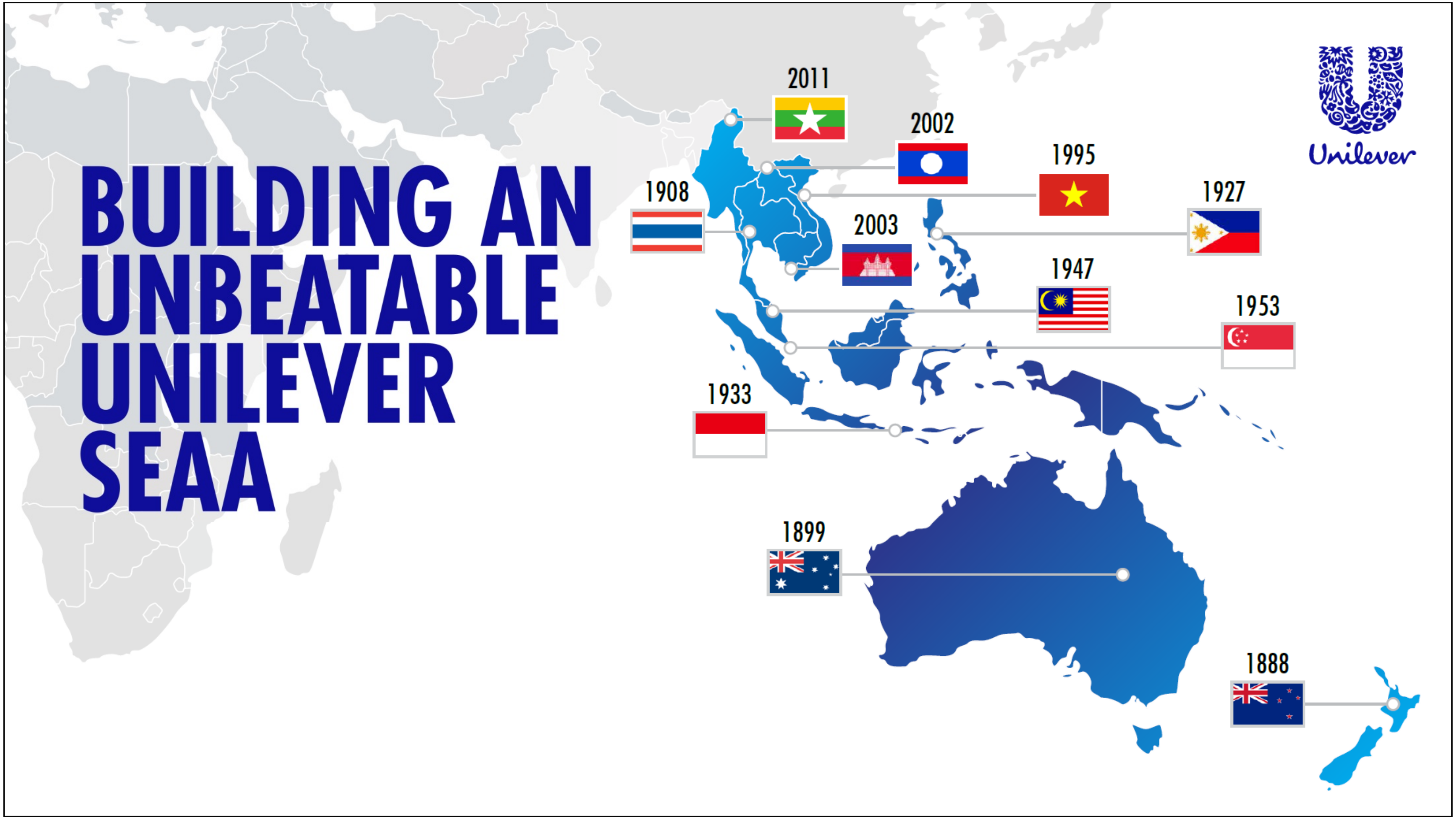
London, 4th December 2014

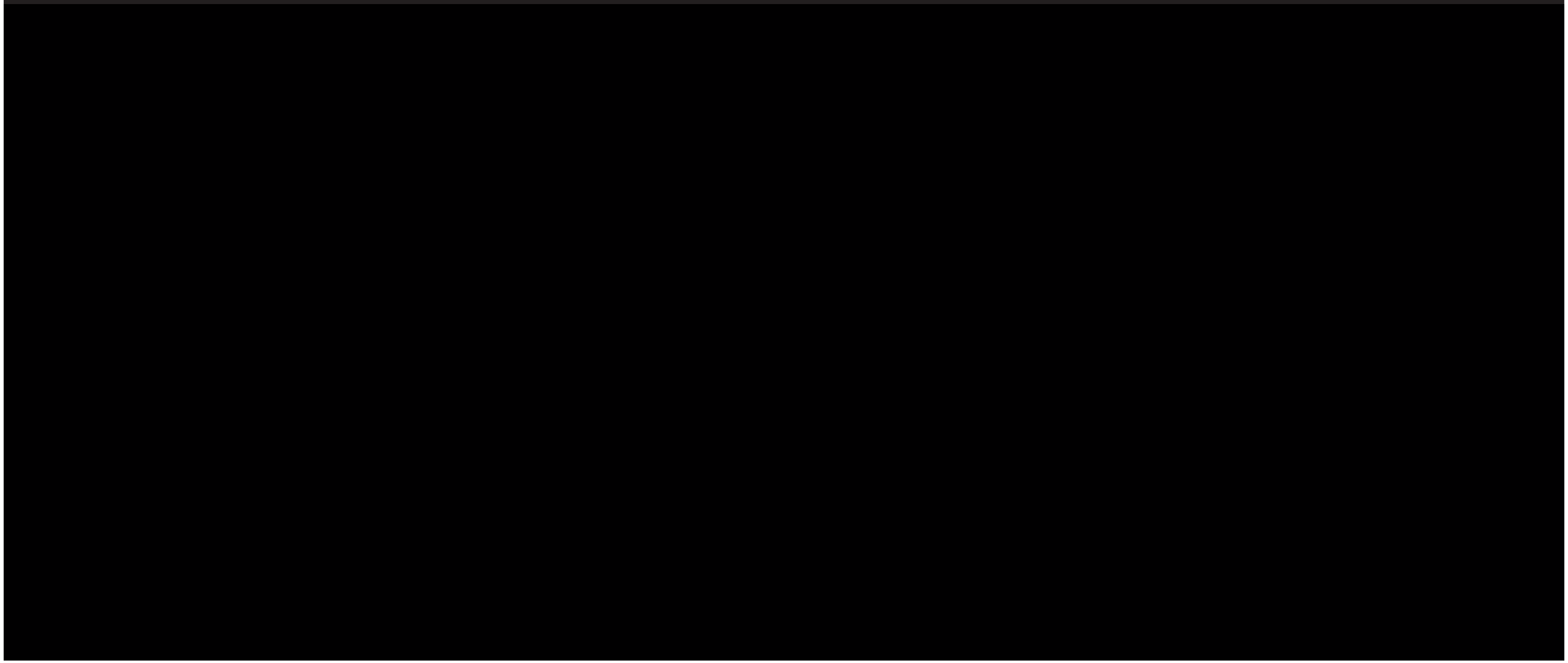


BUILDING AN UNBEATABLE UNILEVER SEAA

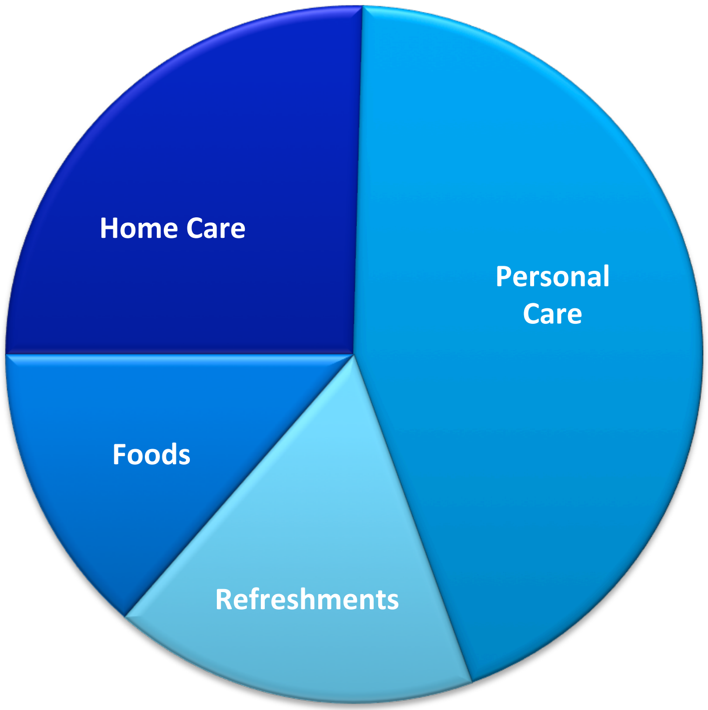


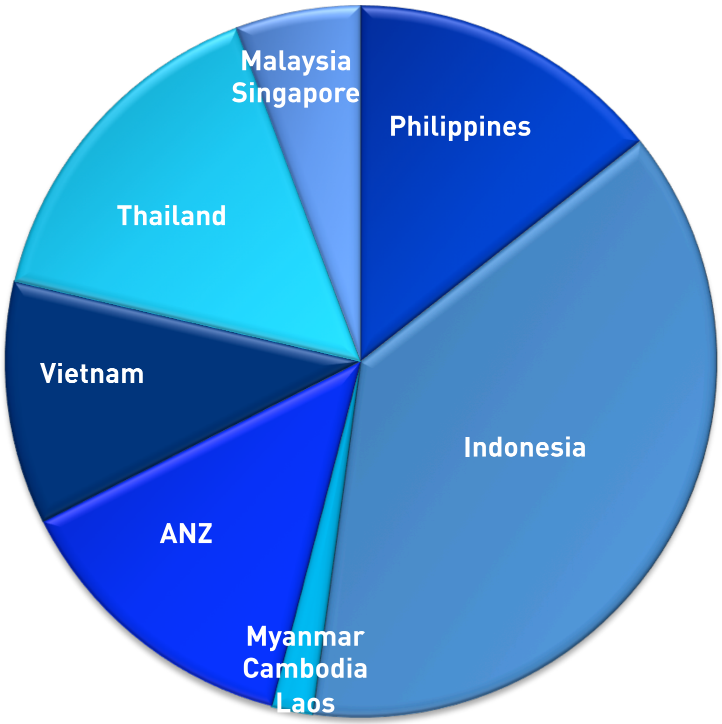
Unilever

MEET **OUR CONSUMERS**



€6 BILLION BUSINESS **WITH A STRONG PORTFOLIO**





STRONG MARKET POSITIONS WITH **75% BUSINESS IN LEADING POSITIONS**

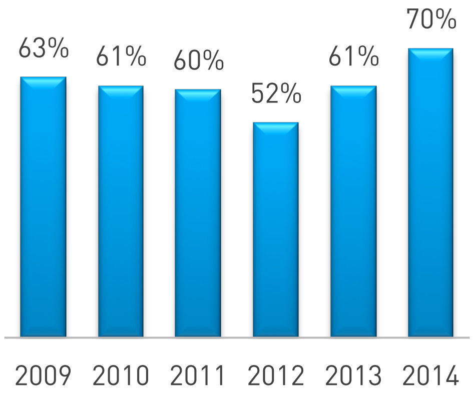
	HAIR	SKIN CLEANSING	FACE	TOOTHPASTE	DEODORANTS	HAND & BODY	FAB CLEANING	FAB CONDITIONER	HOUSEHOLD CARE	ICE-CREAM	TEA	SAVOURY	SPREADS
INDONESIA	1	1	1	1	1	1	2	1	1	1	1	1	1
THAILAND	1	1	2		2	1	1	1	1	1		2	
ANZ	1	2			1	1	2			1	1	1	1
PHILIPPINES	1		1	2	1	2	2	2	2	1		1	1
MALAYSIA	1	1			1	2	2			1	2		
VIETNAM	1	1	1	1	2	1	1	1	1			1	

Source: Nielsen Retail Panel

GOOD TRACK **RECORD OF DELIVERY**

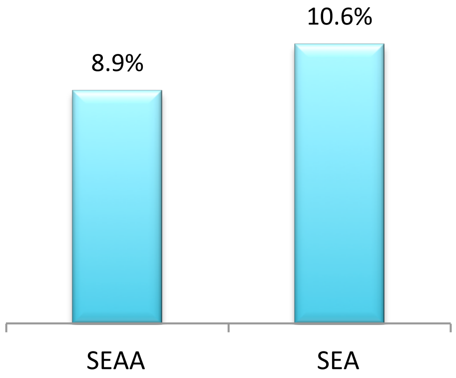
COMPETITIVE GROWTH

% of business winning share



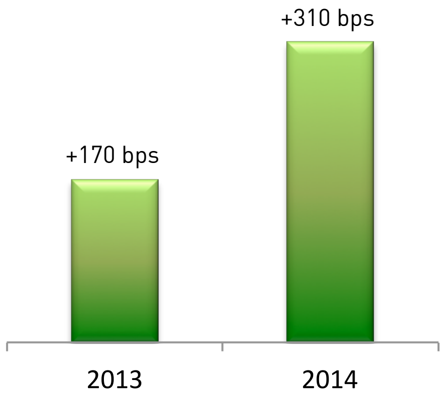
CONSISTENT GROWTH

2009 - 2014
Underlying Sales Growth
CAGR



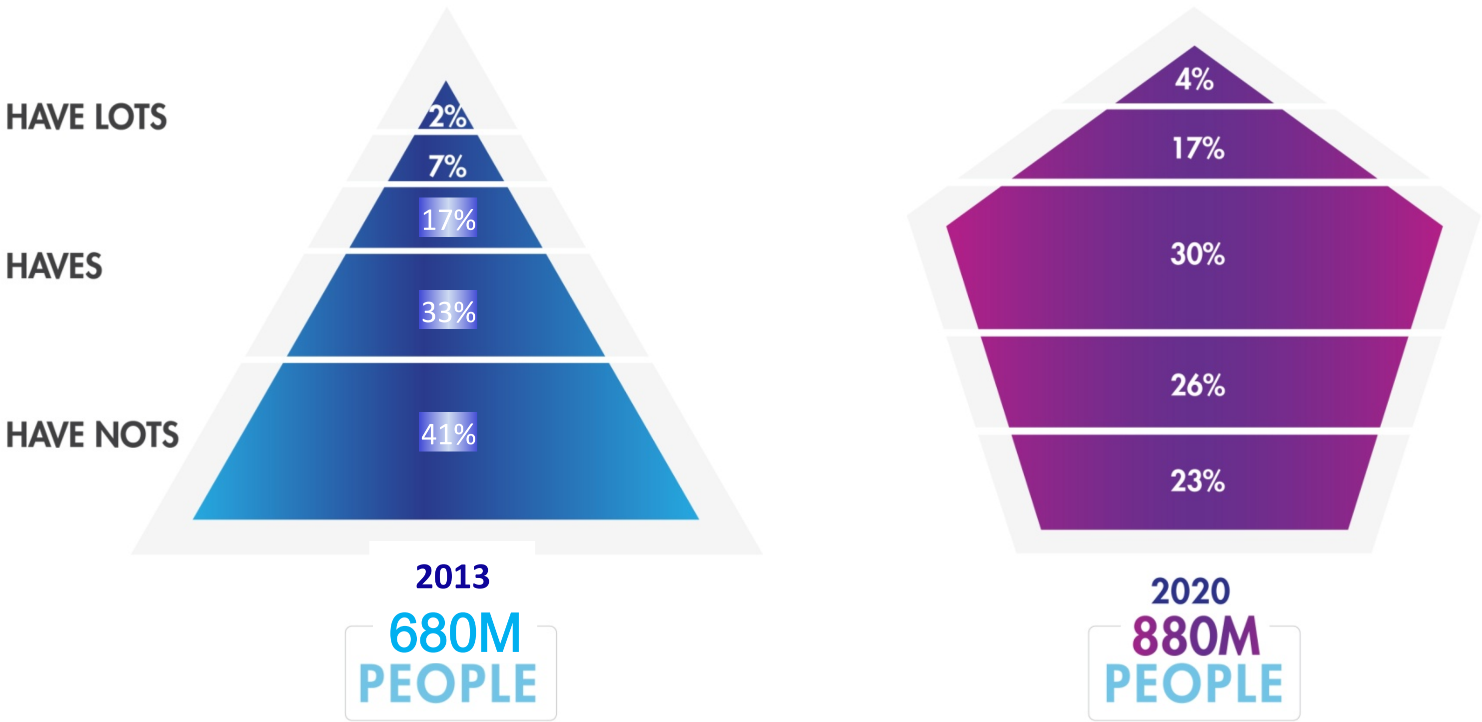
PROFITABLE GROWTH

Core Operating Margins*
vs 2009



Source: Competitive Growth through Nielsen Retail Panel
*Core Operating Margin improvement at constant exchange rate @ 2013 rates

GROWING MIDDLE CLASS, **HOWEVER STILL MANY POOR**



Source: Unilever Living Standard Measure Classification. 2020 Projection by the Marketing Science Unit

ENVIRONMENT, **MORE COMPETITIVE**

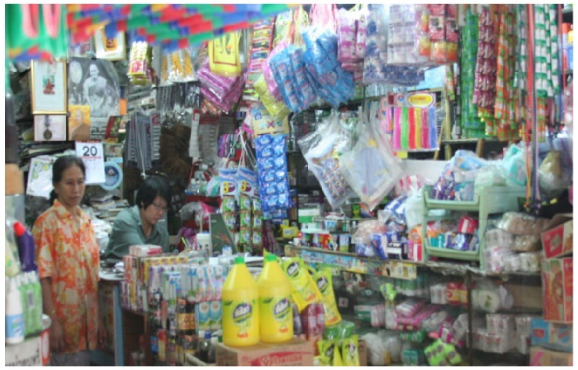
GLOBAL PLAYERS

LOCAL SOPHISTICATED PLAYERS

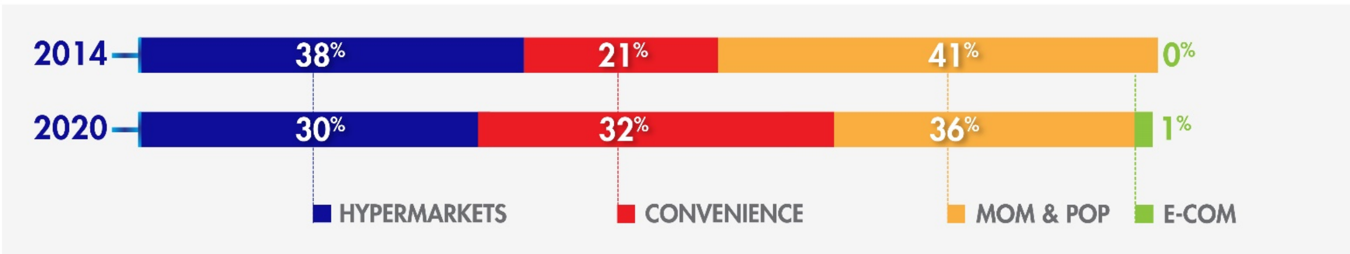
LOCAL VALUE PLAYERS

CHANNEL SHIFTS BUT **GENERAL TRADE STAYS IMPORTANT**

MOM & POP STORES



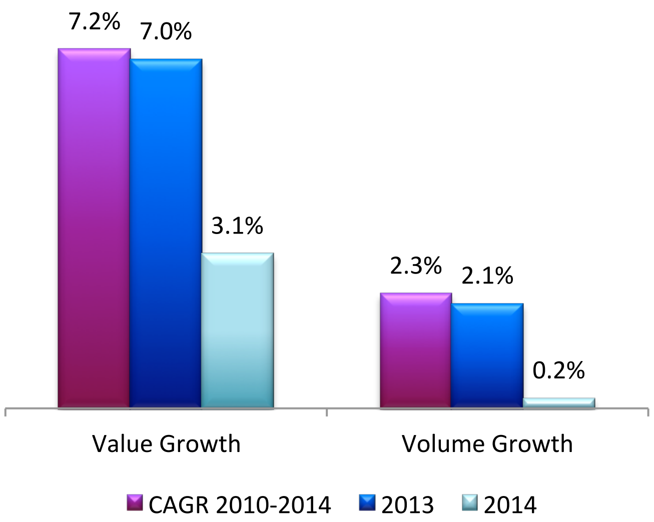
CONVENIENCE



Source: Nielsen Retail Panel, Euromonitor & Unilever Internal Data

RECENTLY **THE MARKET HAS SLOWED IN SEA**

FMCG MARKET



NATURAL DISASTERS

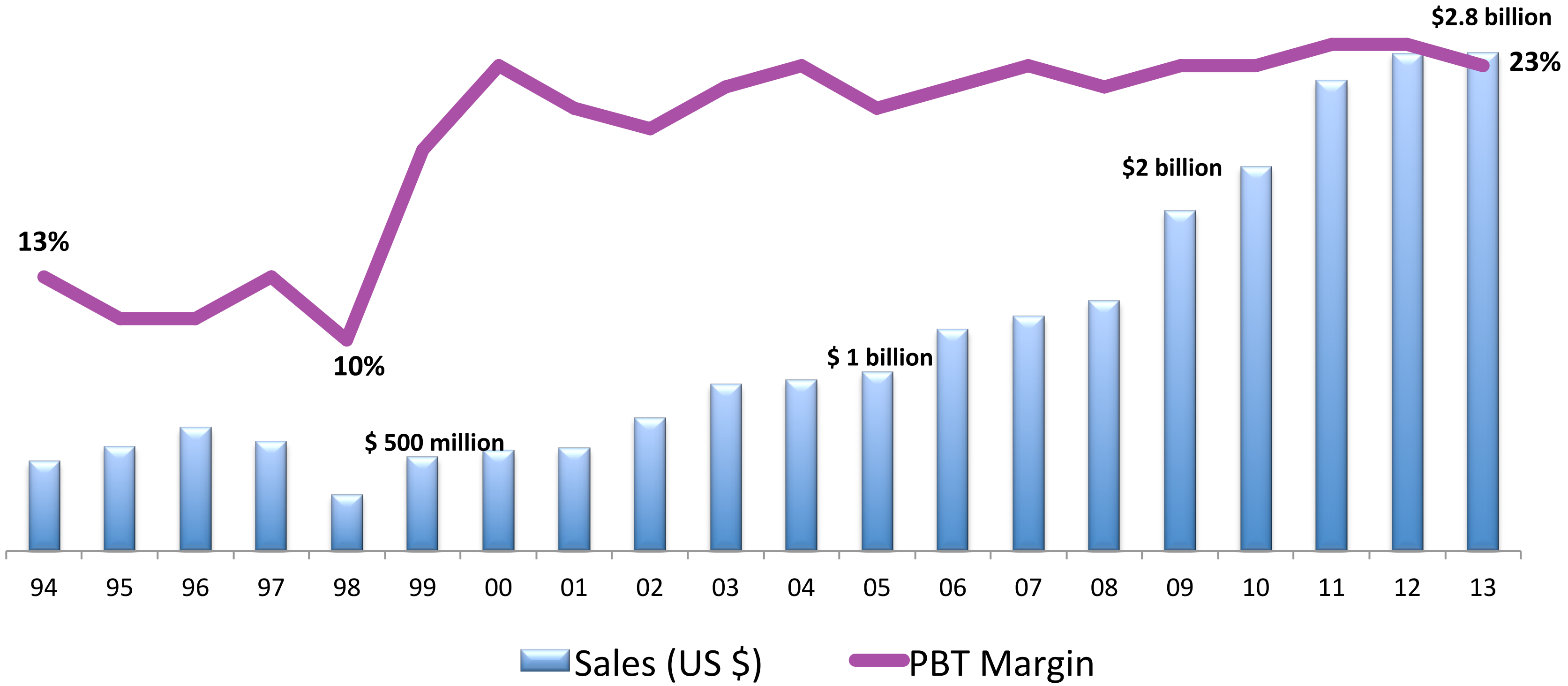
POLITICAL UNREST

VOLATILE CURRENCY MOVEMENTS

MACROECONOMIC SLOWDOWN

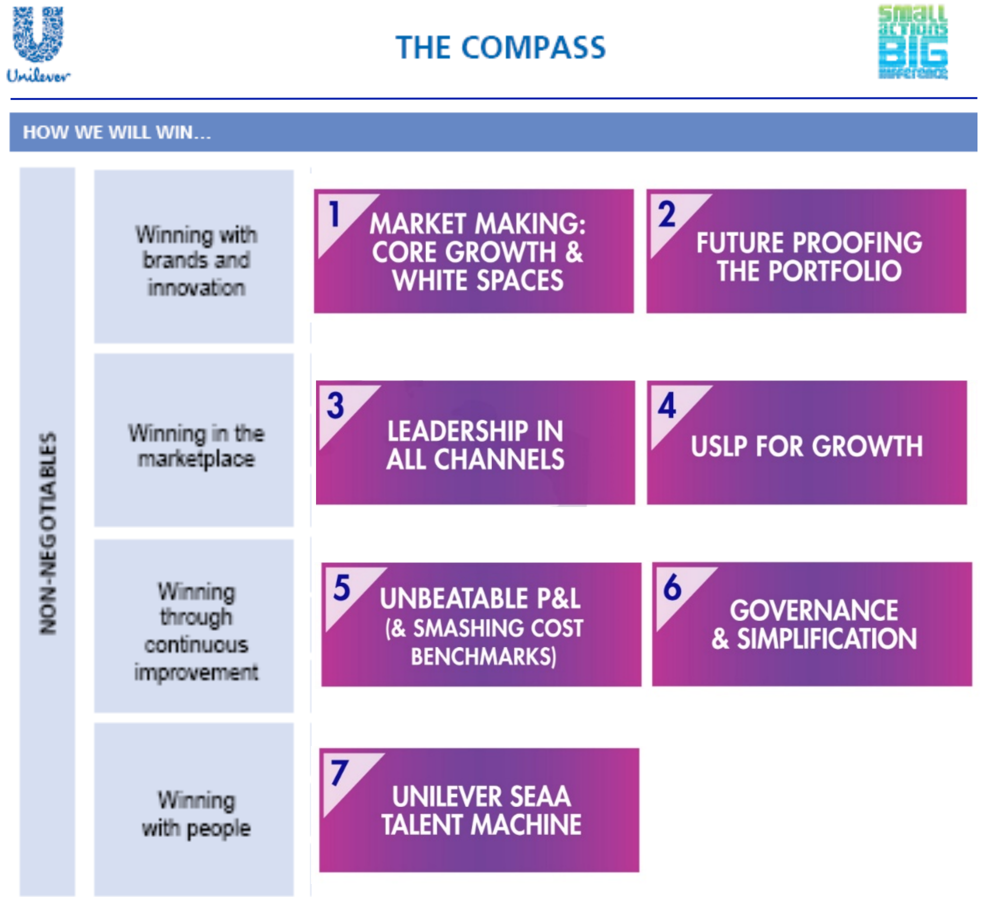
Source: FMCG Market Growth through Nielsen Retail Panel

UNILEVER INDONESIA: **STICKING TO LONG TERM STRATEGY PAYS OFF**



Source: Report & Accounts

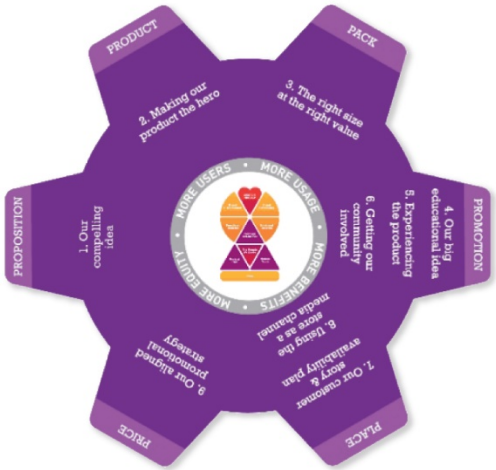
COMPASS: BUILDING AN **UNBEATABLE SEAA**



➊ MARKET MAKING & **CORE GROWTH**

PROPOSITION CLARITY & WINNING PRODUCTS

FILL DISTRIBUTION GAPS FOR CORE SKUs



OWN CATEGORY ENTRY PRICE POINTS

DRIVE CONSUMPTION

EXAMPLE: **CORE GROWTH BY CONVERSION TO DISHWASH LIQUIDS**

FUNCTIONAL BENEFIT COMMUNICATION

DISRUPTIVE VISIBILITY IN STORE

VILLAGE ROADSHOWS

DEMOS TO SHOW PRODUCT SUPERIORITY

❶ BUILDING BUSINESS IN **WHITE SPACES (€500M TURNOVER)**

MYANMAR

COVERAGE | +200K STORES

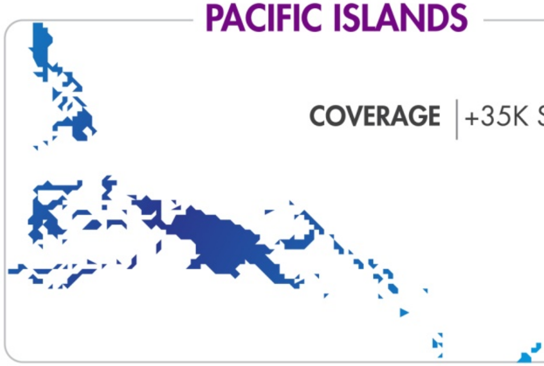
INDONESIA COVERAGE EXTENSION

COVERAGE | +200K STORES

PHILIPPINES COVERAGE EXTENSION

COVERAGE | +100K STORES

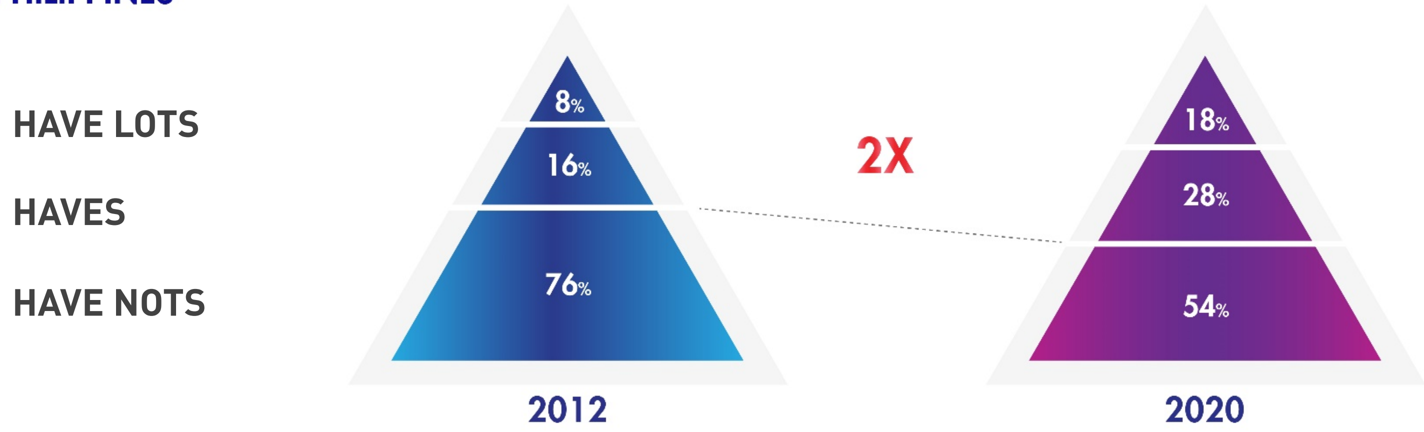
PACIFIC ISLANDS



COVERAGE | +35K STORES

② FUTURE PROOFING **IS ESSENTIAL**

PHILIPPINES



HOW WE ARE FUTURE PROOFING, **THE PORTFOLIO & BRANDS**

DEVELOPING EMERGING SEGMENTS

MALE GROOMING

MACHINE WASH

HAIR POSTWASH

OWN THE TOILETS

PREMIUMISING CATEGORIES

❷ FUTURE PROOFING: **STAYING AHEAD OF CULTURAL SHIFTS**

CULTURALLY RELEVANT BRANDS & SMART LOCALISATION

② FUTURE PROOFING: **LEADING TECHNOLOGY SHIFTS, ESP. MOBILISATION**

SCREEN AGNOSTIC MARKETING
CONSUMER RELATIONSHIP MANAGEMENT 2.0

③ LEADERSHIP **IN ALL CHANNELS (CURRENT)**

HYPERMARKETS

2014: 38% | 2020: 30%

BIG BOXES: LOSING SHARE

Partnership & Collaboration

MOM & POP

2014: 41% | 2020: 36%

SUSTAINING

More Stores, Better Stores, Better Served

Source: Nielsen Retail Panel, Euromonitor & Unilever Internal Data

③ LEADERSHIP **IN ALL CHANNELS (FUTURE)**

CONVENIENCE

2014: 21% | 2020: 32%

MODERN PROXIMITY: GROWING FAST

Superior In-Store Presence & Visibility

ECOMMERCE

Lazada

redmart

Woolworths
Australia's fresh food people

2014: 0% | 2020: 1%

EMERGING

Leading Edge E-Com Capabilities

Source: Nielsen Retail Panel, Euromonitor & Unilever Internal Data

EXAMPLE: **PERFECT STORES (MARKETING TO SHOPPERS)**

MEN'S ZONE

TRADITIONAL TRADE & MINIMARTS

ORAL CARE REGIME

KNORR MEAL INSPIRATION

4 USLP FOR **GROWTH**

HEALTH

BRUSH DAY & NIGHT PROGRAMME

+5%

HANDWASHING PROGRAMME

+10%

NUTRITION

KIDS ICE-CREAM <100 CALORIES

+20%

FORTIFIED SEASONINGS

+10%

WATER

CLEAN DRINKING WATER

€ 100M 2016

ONE RINSE

+10%

SUSTAINABLE LIVELIHOODS

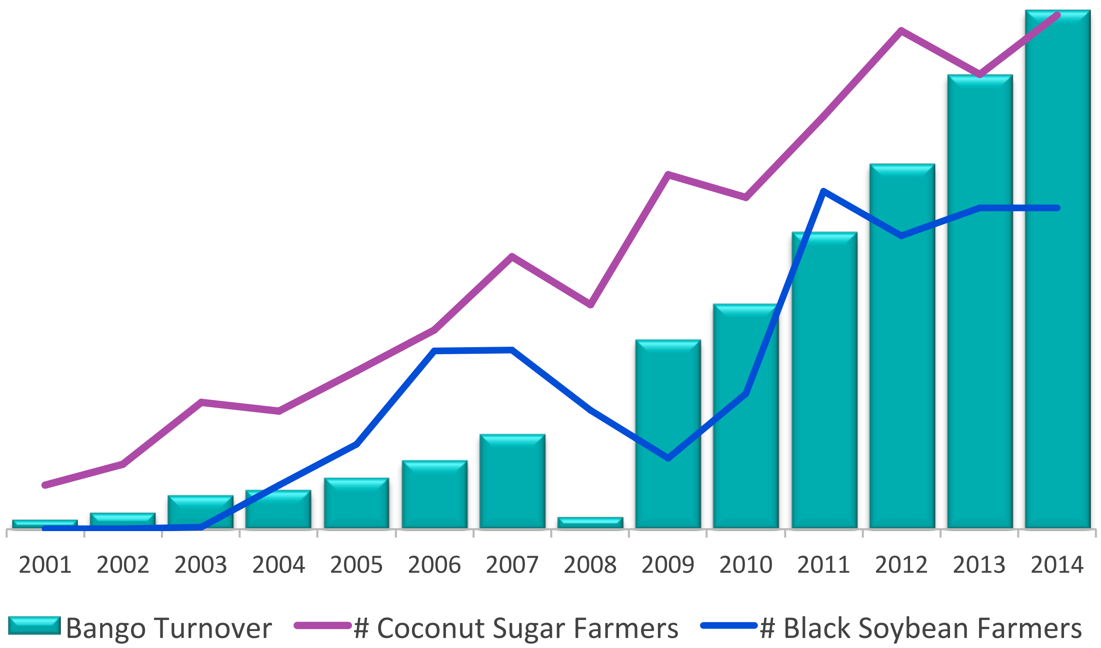
SUSTAINABLY GROWN TEA

+5%

BLACK BEAN FARMERS DEVELOPMENT

+20%

EXAMPLE: **BANGO GROWTH FUELED BY SUSTAINABLE SOURCING AND SMALL HOLDER FARMER PROGRAM**



5 CONTINUOUS IMPROVEMENT "**SMASHING BENCHMARKS**"

Unilever

FIXED SUPPLY CHAIN COSTS

-100 bps

2012- 2014

LOCAL OVERHEADS

-70 bps

2012- 2014

BRAND INVESTMENT

+20%

2012-2014

Key Ongoing Initiatives

Fixed Supply Chain Costs:

- 30% SKU Reduction
- 10% Fixed Costs Ambition

Local Overheads:

- 16% Increase in Productivity
- Top Quartile Overheads*

Brand Investment:

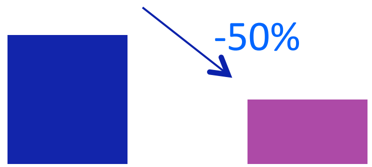
- Holistic Media Planning
- Reduction in Non Working Media
- Opportunities for further efficiency

*Unilever Benchmarks

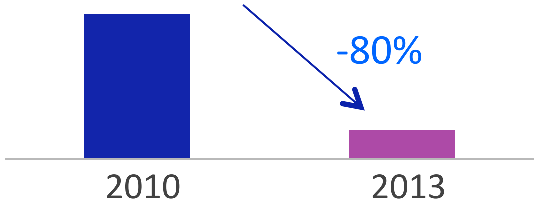
6 SIMPLIFICATION: **EXAMPLE UNILEVER MALAYSIA**

Unilever

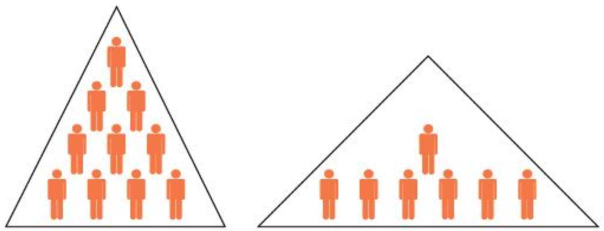
PORTFOLIO & SKU FOCUS



REDUCED PROMOTIONS



SIMPLIFIED STRUCTURE



SIMPLIFIED PROCESSES

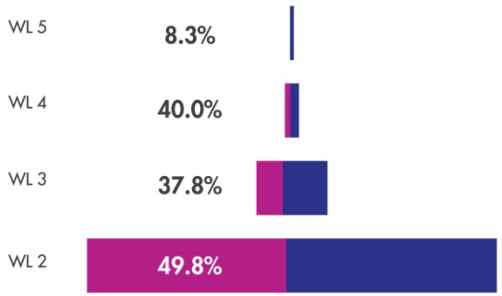
7 SEAA **TALANT MACHINE**

TALENT MAGNET

#1 EMPLOYER CHOICE;
SINGLE DIGIT ATTRITION

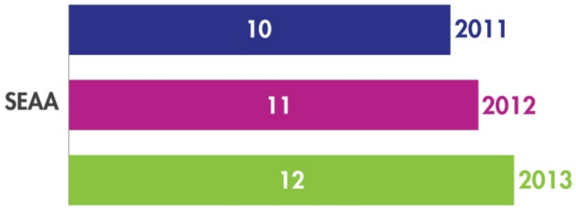
UNBEATABLE SEAA TALENT PIPELINE

LANDING DIVERSITY



% OF FEMALE TALENT IN SEAA MARKETS WL2+

DRIVING PRODUCTIVITY TO FUND WAGE INCREASE



TO / GTM WL2 + FTE

SUMMARY: **COMPASS A REPEATABLE GROWTH MODEL**

THE COMPASS

HOW WE WILL WIN…

NON-NEGOTIABLES

Winning with brands and innovation	1 MARKET MAKING: CORE GROWTH & WHITE SPACES	2 FUTURE PROOFING THE PORTFOLIO
Winning in the marketplace	3 LEADERSHIP IN ALL CHANNELS	4 USLP FOR GROWTH
Winning through continuous improvement	5 UNBEATABLE P&L (& SMASHING COST BENCHMARKS)	6 GOVERNANCE & SIMPLIFICATION
Winning with people	7 UNILEVER SEAA TALENT MACHINE	

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Unilever

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