

Unilever Full Year 2012 Results  
Paul Polman – CEO Jean-Marc Huët – CFO  
January 23<sup>rd</sup> 2013



**AXE APOLLO SPACE ACADEMY**

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# SAFE HARBOUR STATEMENT

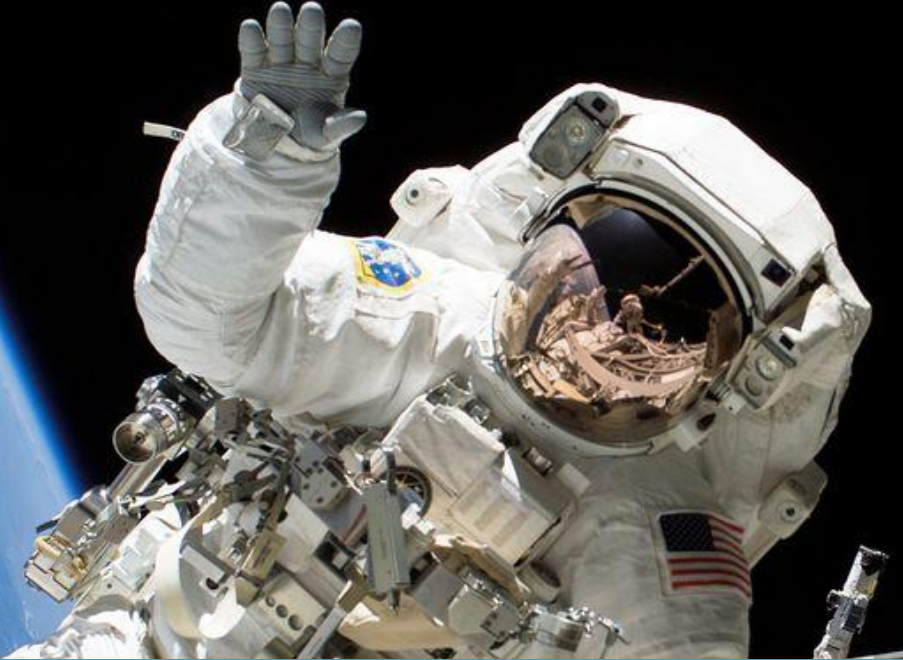


This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'believes', 'vision', or the negative of these terms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

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; increasing competitive pressures; Unilever's investment choices in its portfolio management; finding sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and national disasters; the debt crisis in Europe; financial risks; failure to meet high product safety and ethical standards; and managing regulatory, tax and legal matters. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Group's Annual Report on Form 20-F for the year ended 31 December 2011 and the Annual Report and Accounts 2011. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

# Paul Polman – CEO

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# UNILEVER'S LONG TERM PRIORITIES



1

Volume growth ahead of our markets

2

Steady and sustainable improvement in core operating margin

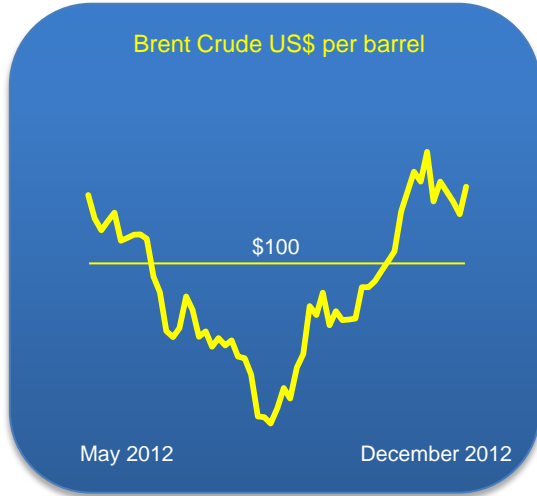
3

Strong cash flow

Whilst consistently investing in the long term health of the business

# ANOTHER YEAR OF VOLATILITY AND UNCERTAINTY

## High commodity cost inflation



## Euro zone crisis



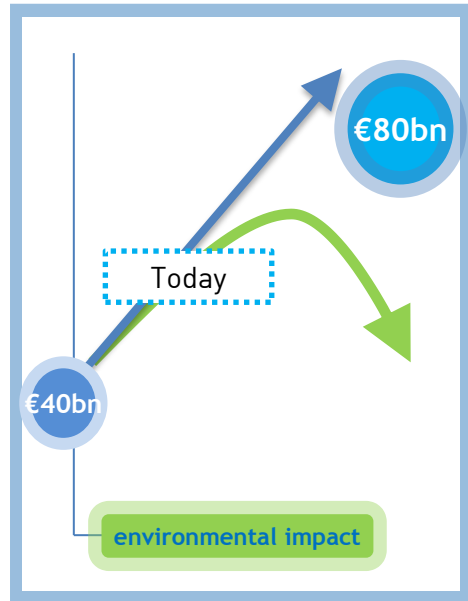
## Slowdown in emerging markets



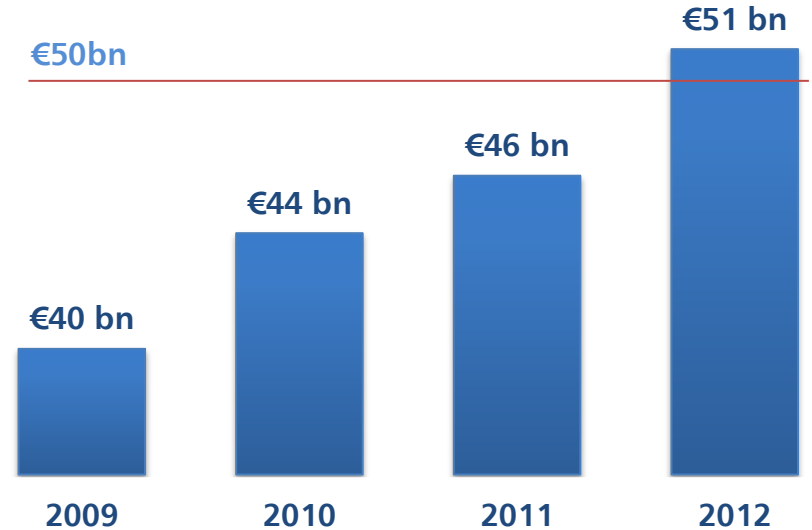
# ANOTHER STEP TOWARDS OUR €80BN VISION



An inspiring vision set in 2009



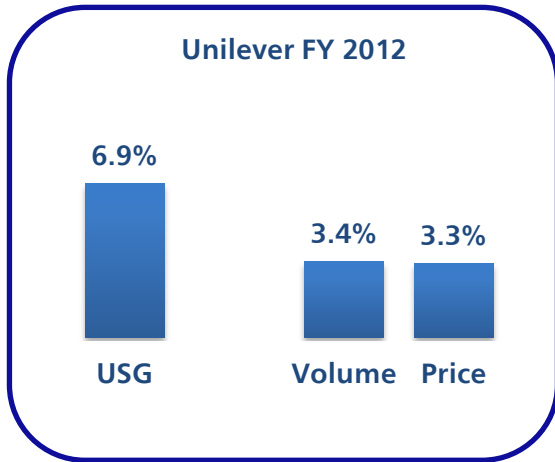
€10bn Turnover increased since 2009



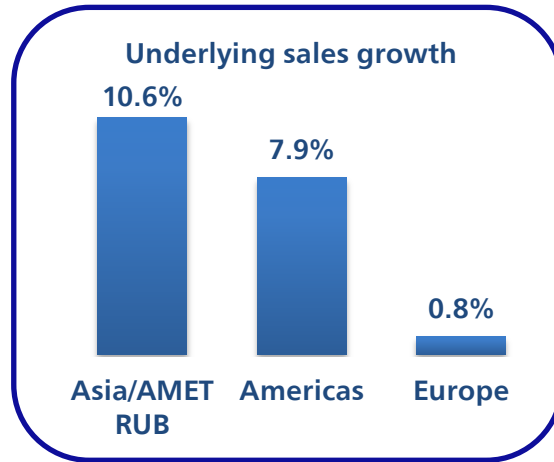
# CONSISTENT GROWTH AHEAD OF OUR MARKETS



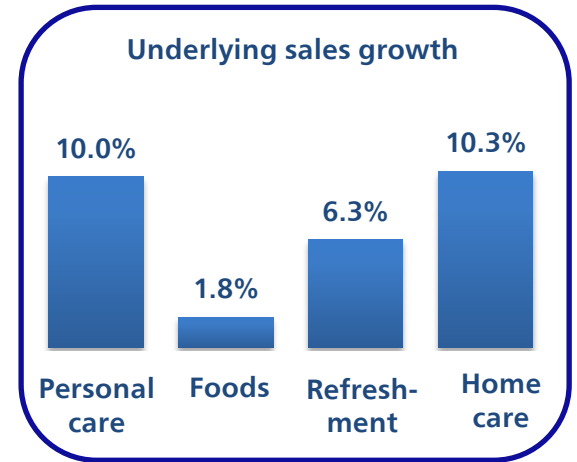
## Strong, balanced growth



## In EVERY cluster



## In EVERY category



# GROWTH DRIVEN BY INNOVATION AND WHITE SPACE EXPANSION

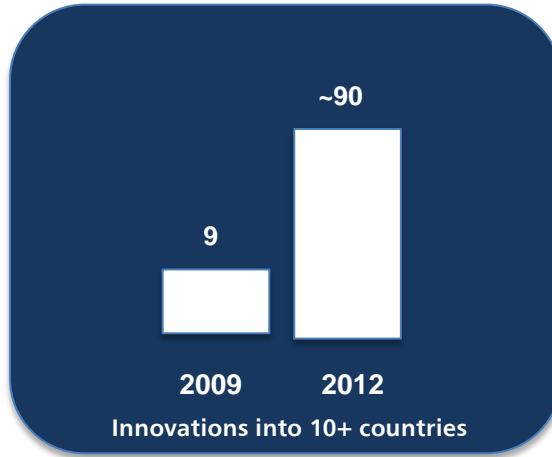


14 brands in the €bn club



Accounting for >50% of our growth

Bigger, better, faster innovations



Average value per project up 75%

White space expansion:  
TRESemmé Brazil



+€150m Δ Turnover year 1



# M&A: RESHAPING OUR PORTFOLIO IN LINE WITH STRATEGY



Concern Kalina: Russia



Frozen Foods: North America



Skippy: North America



Completed H1 2012



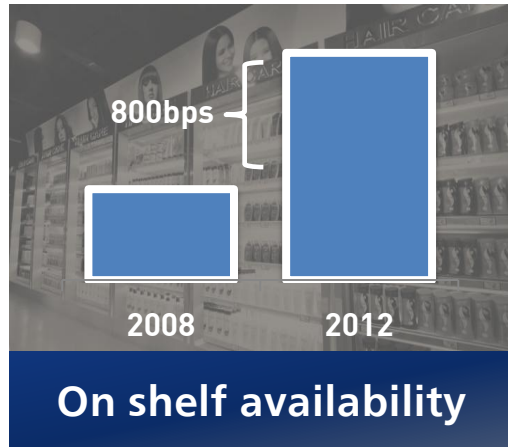
Completed H2 2012

To be completed Q1 2013

# BECOMING AN EXECUTION POWERHOUSE



Stepping up service level



Supplier of the year e.g. U.K.



Adding 1m stores in 2012

Developed

Emerging markets



# A MORE COMPETITIVE COST STRUCTURE

## Savings mitigating inflation

- Global buying
- Value improvement
- Restructuring
- M&A synergies

## Containing cost with discipline



# A CONSUMER AND CUSTOMER CENTRIC ORGANISATION



## Category driven organisation



## Investing in capability



Linking R&D with category



Building talent in PC

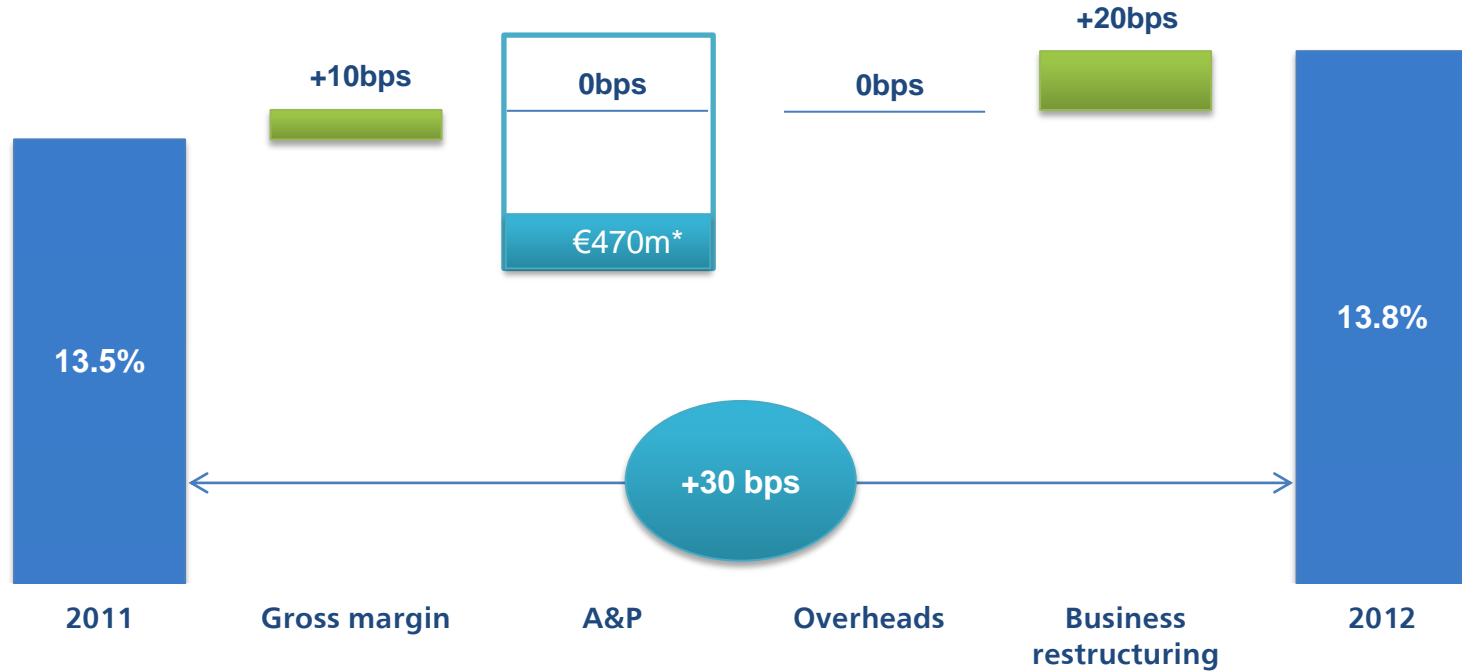
# Jean-Marc Huët – CFO

January 23<sup>rd</sup> 2013



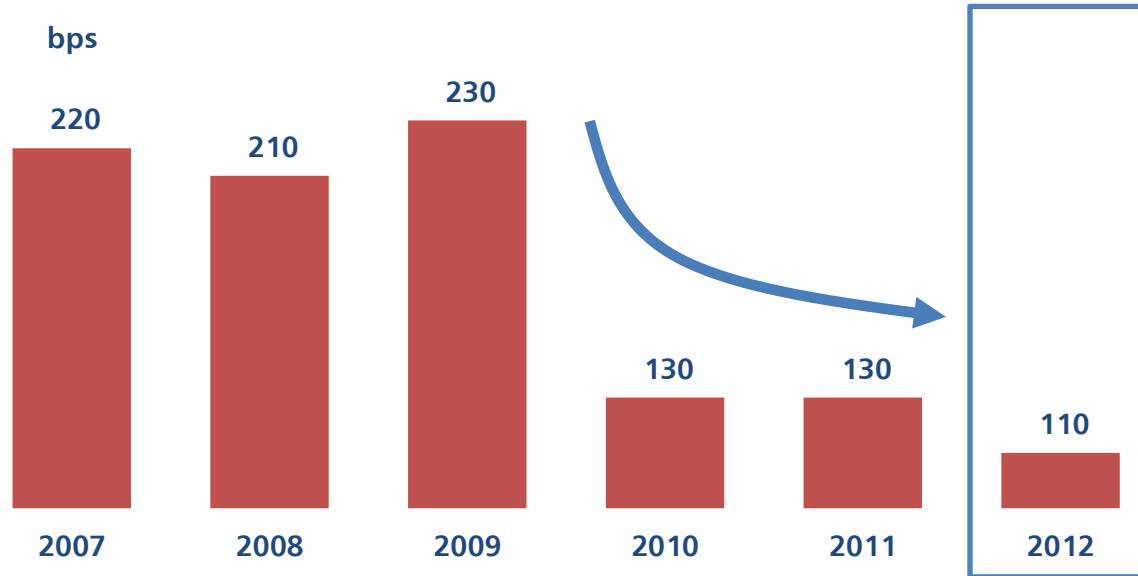
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# 2012: CORE OPERATING MARGIN UP 30 BPS



\* At constant exchange rate

# RESTRUCTURING COSTS NOW REACHING 'STEADY STATE'



Average 180 bps p.a. previous 10 years

# 2012: GROSS MARGIN AT 40%, UP 10BPS



Δ Gross Margin bps



2012

- H2 GM driven by price increases, mix, and savings
- FY commodity cost inflation - high single digit

2013

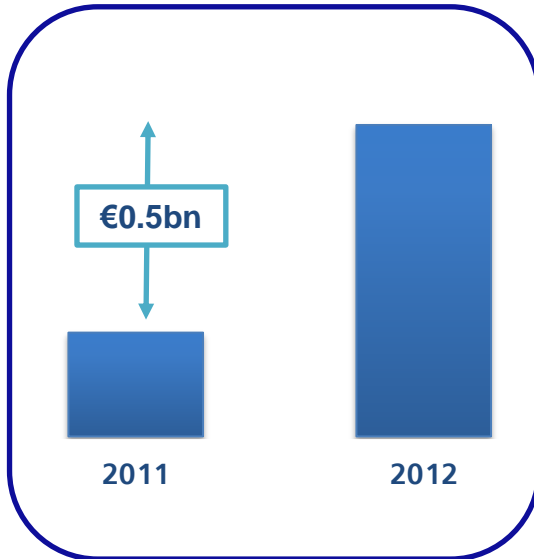
- Gross margin to be improved, driven by continued savings, pricing and "Maxing the Mix"
- Commodity cost inflation expected to be low to mid single digits



# 2012: CONTINUOUS INVESTMENT BEHIND OUR BRANDS



A&P now €6.5bn



c. 2/3 of the increase is A

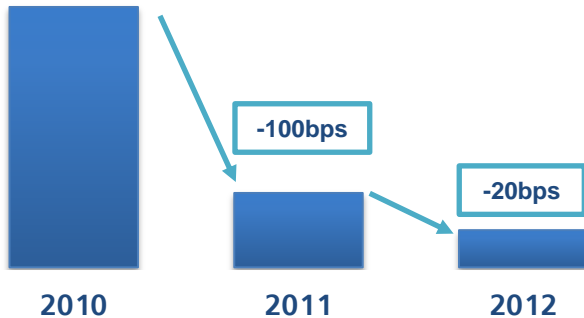
Digital spend up 40%



# 2012: CONTINUED STRONG PERFORMANCE IN OVERHEADS

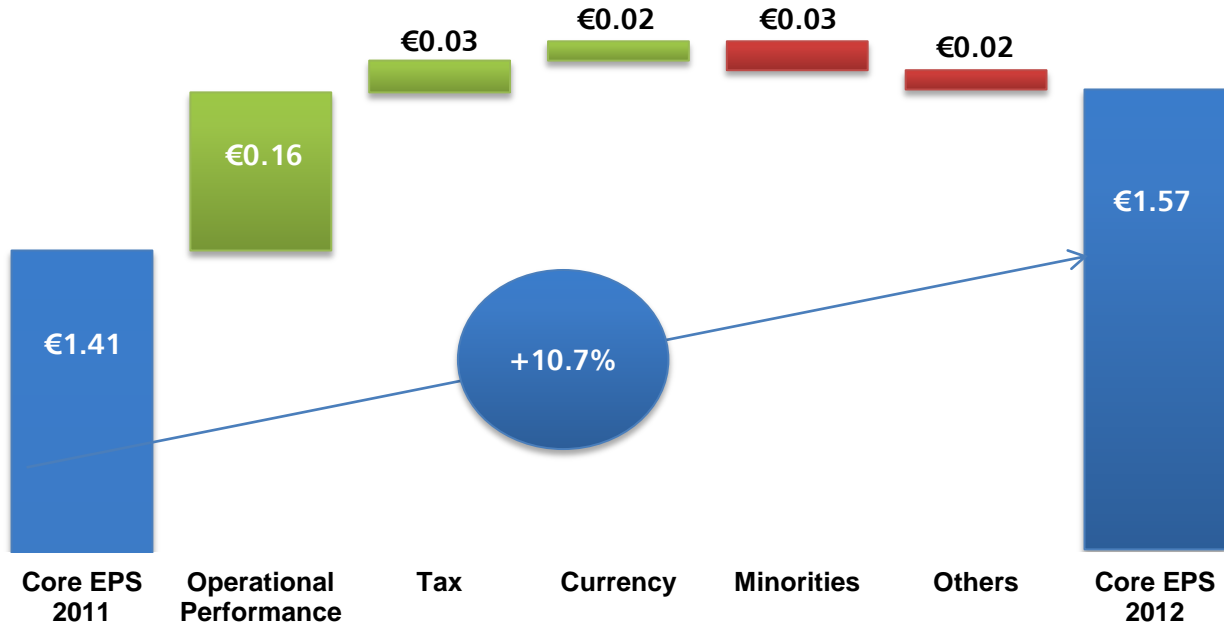


## Overheads reduction bps



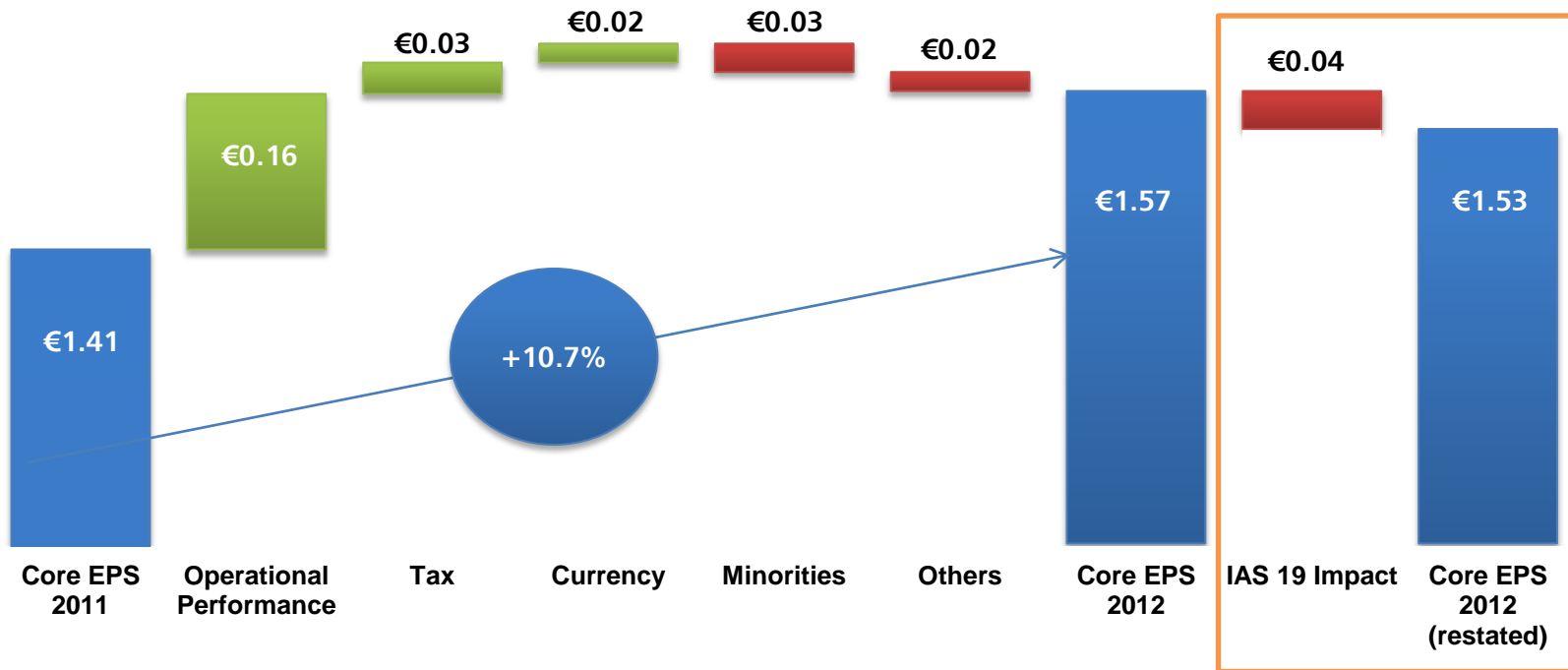
- 2012 underlying overheads flat after significant reductions in 2011
- This is despite significant investments in capabilities
- Business restructuring reduced by 20bps

# 2012: DOUBLE DIGIT CORE EPS INCREASE

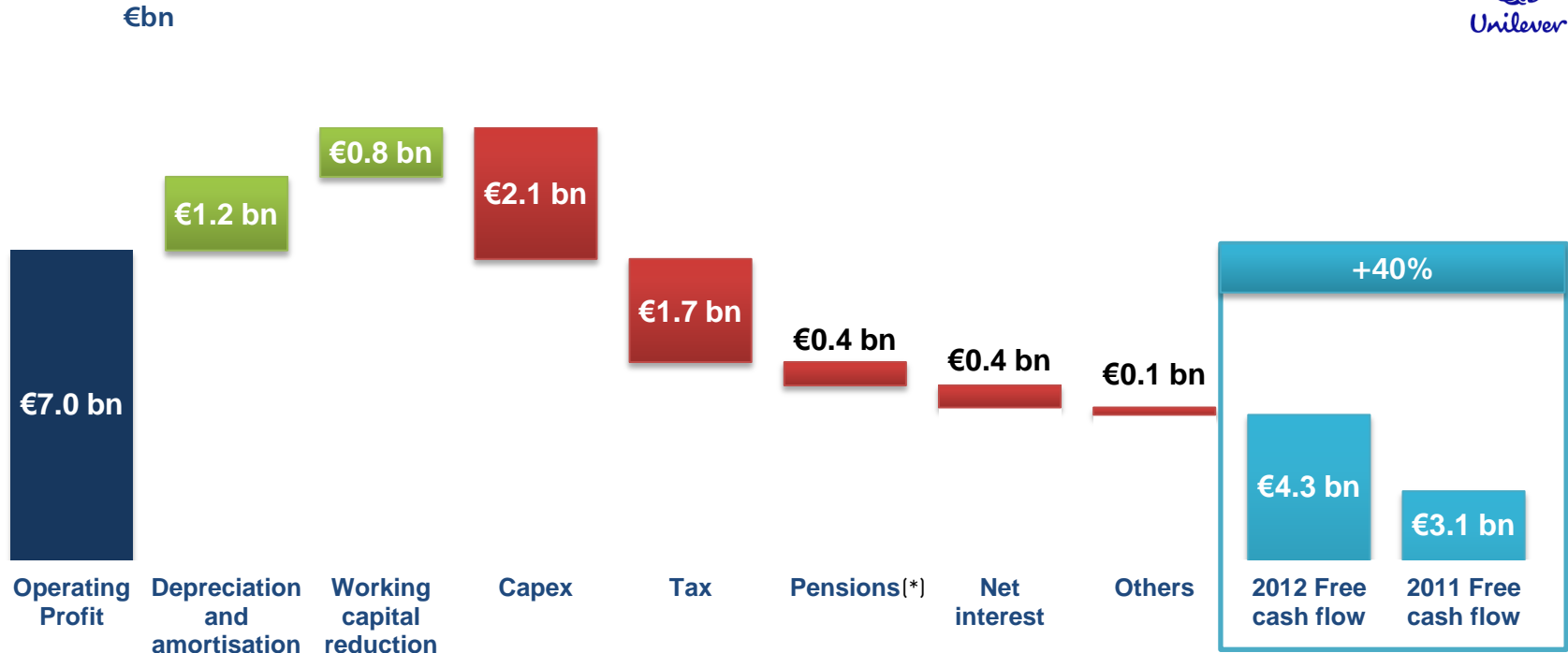


IAS 19 will reduce 2012 EPS by 4 cents per share

# 2012: CORE EPS RESTATED (IAS 19)



# 2012: STRONG FREE CASH FLOW UP €1.3BN



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

# 2012: BALANCE SHEET



Net Debt  
€7.4bn

Down €1.4bn

Pension deficit  
€3.7bn

Up €0.5bn

Cash contribution to  
pensions  
€0.7bn

Quarterly dividend per  
share  
€0.243

# Paul Polman – CEO

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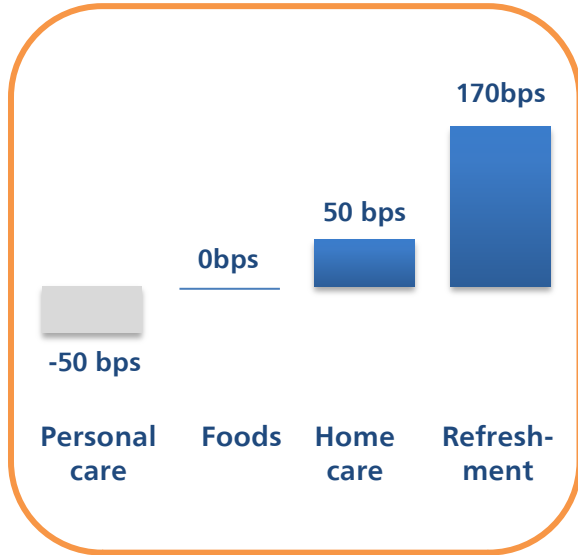


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# UNILEVER BECOMING 'FIT TO WIN': GROSS MARGIN



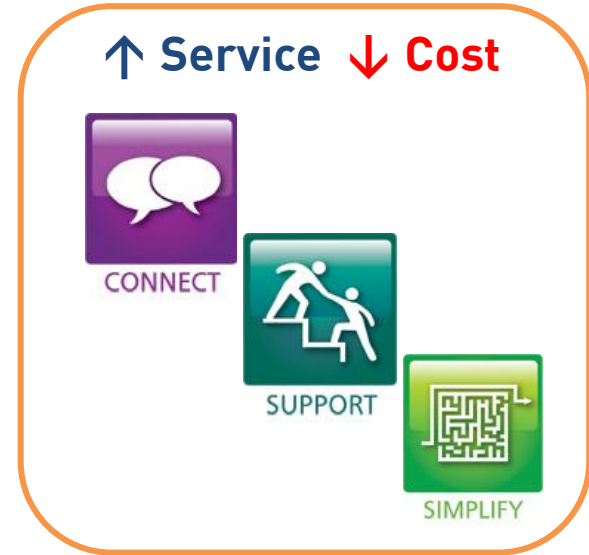
### 2012 Δ Core operating margin



### Margin accretive innovations



### Continuous improvement programmes





# MORE TO DO

Bigger, better innovations



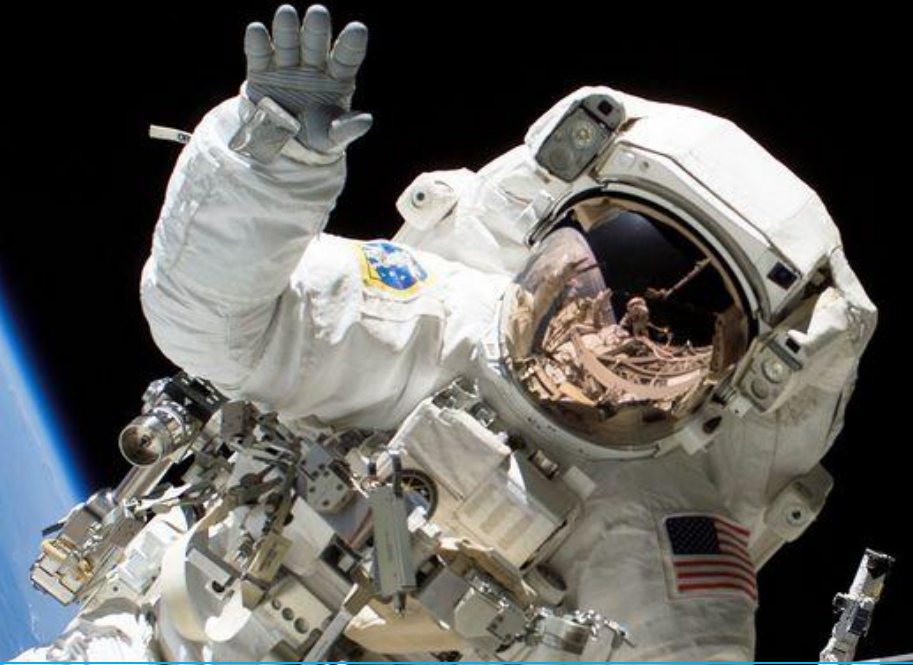
Product quality improvements



Drive performance culture



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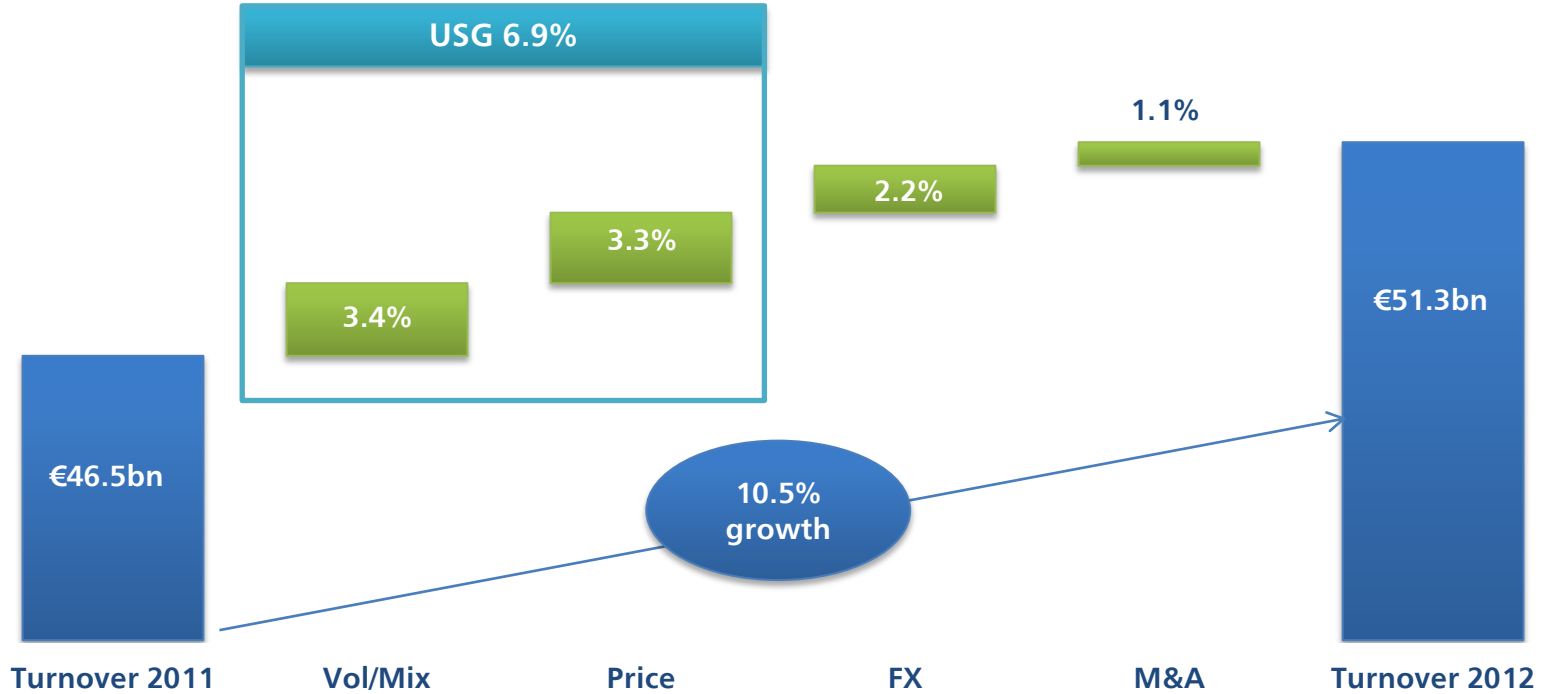
# Appendix

January 23<sup>rd</sup> 2013

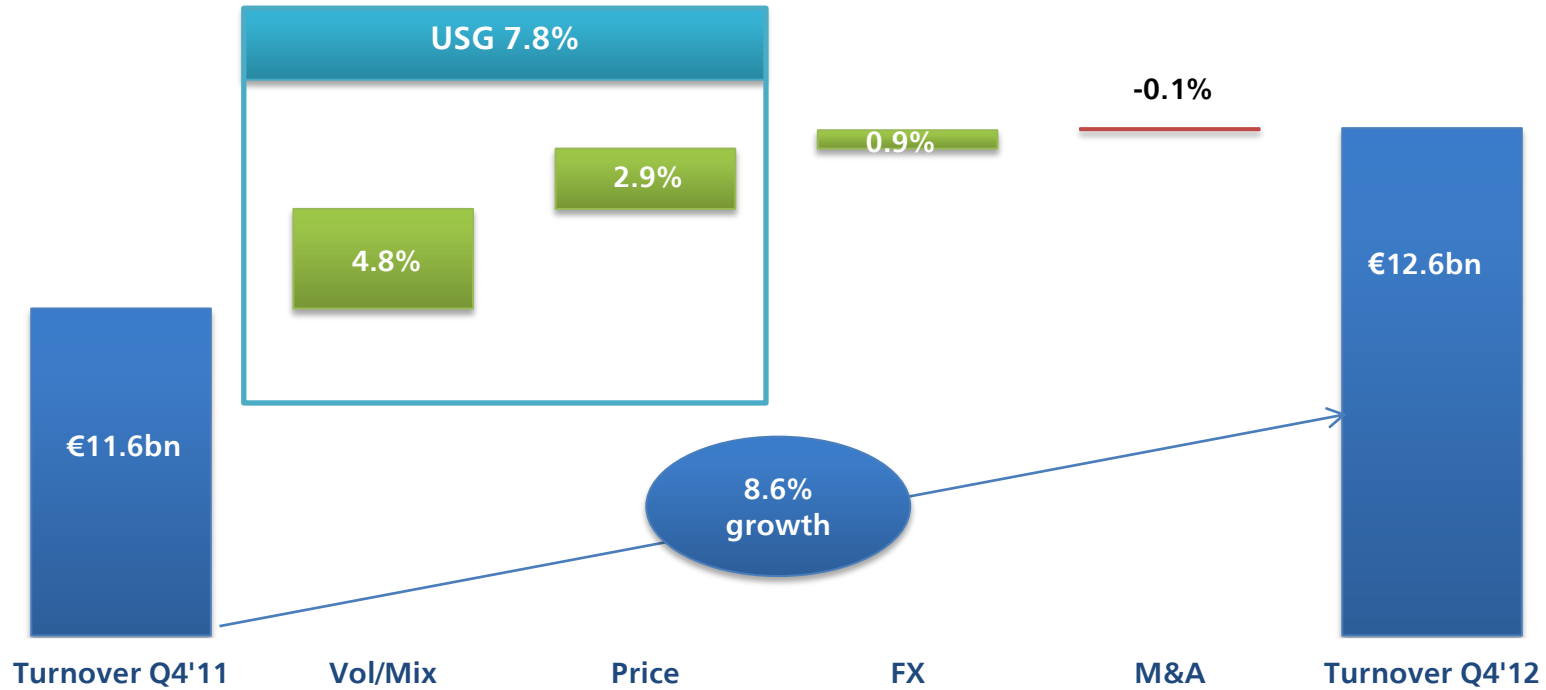


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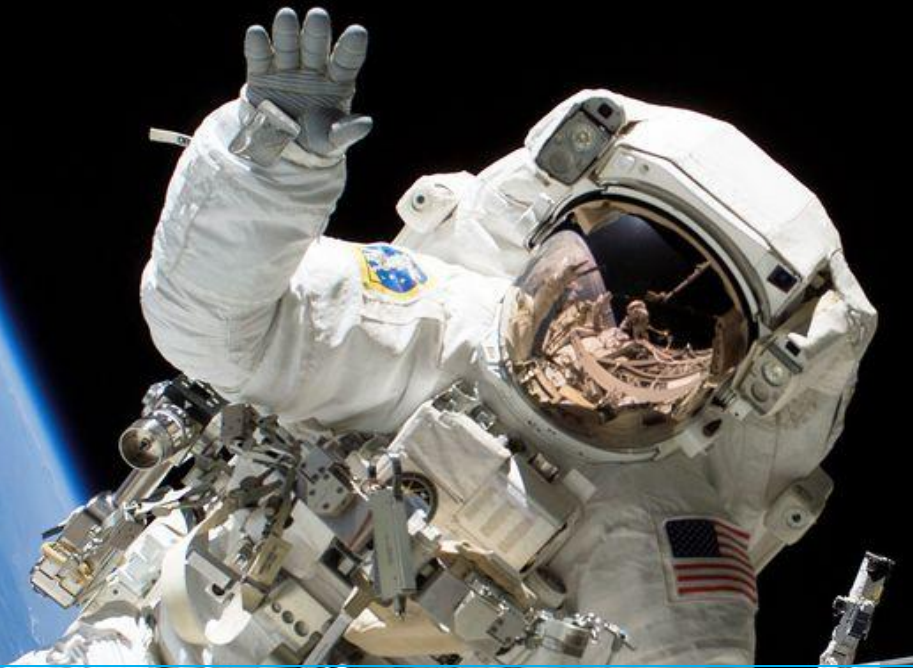
# 2012: USG 6.9% - A HEALTHY BALANCE OF VOLUME AND PRICE



# Q4 2012 : GOOD UNDERLYING SALES GROWTH AT 7.8%



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