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Certain sections of the Unilever Annual Report and Accounts 2004 have been audited. Sections that have been audited are set out on pages 96 to 148, 154 to 170 and 172 to 173. The auditable part of the Directors' Remuneration report as set out on page 89 has also been audited.

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The information is given as of the dates specified, is not updated, and any forward-looking statements are made subject to the reservations specified on page 3 of the Report.

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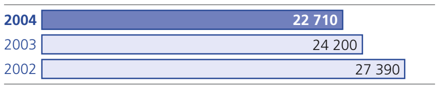
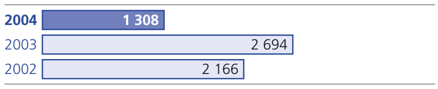
Operating review by category – Foods
Financial overview

Turnover
€ million



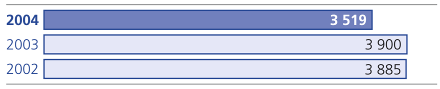
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**23 291**	**(761)**	**22 530**	23 971	(6)%	(3)%
Group operating profit	**1 267**	**–**	**1 267**	2 648	(52)%	(52)%
Turnover	**23 480**	**(770)**	**22 710**	24 200	(6)%	(3)%
Operating profit BEIA	**3 632**	**(113)**	**3 519**	3 900	(10)%	(7)%
Exceptional items	**(1 205)**	**57**	**(1 148)**	(91)		
Amortisation – goodwill and intangible assets	**(1 117)**	**54**	**(1 063)**	(1 115)		
Operating profit	**1 310**	**(2)**	**1 308**	2 694	(51)%	(51)%
Operating margin	**5.6%**		**5.8%**	11.1%		
Operating margin BEIA	**15.5%**		**15.5%**	16.1%		

Pages 26 to 33 present a review of performance in each major product category, which are as follows:

- Savoury and dressings;
- Spreads and cooking products;
- Beverages (previously health & wellness and beverages); and
- Ice cream and frozen foods.

Included in the figures for each category are the results of our Unilever Foodsolutions business, which works with caterers, restaurateurs and major hotel and fast-food chains around the world. In 2004, underlying sales in this business grew in low single digits, driven by a strong performance in developing and emerging markets.

Foods turnover fell by 6% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit fell by 51% and operating profit BEIA declined by 10%, with currency movements having no effect on the operating profit and contributing a 3% decline to operating profit BEIA. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Performance in 2004 was unsatisfactory. Foods turnover declined by 3% with an underlying sales decline of 0.3%. Operating margin BEIA reduced to 15.5% from 16.1% in 2003. This reflected poor ice cream sales in Europe, higher advertising and promotion expenditure and commodity cost pressures more than offsetting gains from our restructuring and procurement programmes.

In Europe, trading conditions were difficult and the summer was poor for ice cream and ready-to-drink tea. However we also lost market share in a number of categories where our market competitiveness was simply not good enough.

In contrast, there were good performances in both North America and Latin America, while growth in Asia and Africa was modest.

Our Foods business remains committed to driving underlying sales growth and protecting market share. We will do this by further developing our brands to meet emerging consumer vitality needs and strengthening our competitiveness. We are increasing our marketing resources behind proven initiatives and rolling out new initiatives faster across our markets.

By putting Unilever's mission Vitality at the heart, we will meet the changing needs of consumers around the world and in this way create value for all stakeholders in its business. Vitality is creating differentiation for Unilever and ensuring we make a positive difference to people's lives. Vitality is becoming more and more embedded in our brands, our products, our innovations, our brand experiences and our people.

Operating review by category – Foods
Financial overview (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	26 212	(2 241)	23 971	26 937	(11)%	(3)%
Group operating profit	2 794	(146)	2 648	2 083	27%	34%
Turnover	26 470	(2 270)	24 200	27 390	(12)%	(3)%
Operating profit BEIA	4 226	(326)	3 900	3 885	–%	9%
Exceptional items	(115)	24	(91)	(489)		
Amortisation – goodwill and intangible assets	(1 265)	150	(1 115)	(1 230)		
Operating profit	2 846	(152)	2 694	2 166	24%	31%
Operating margin	10.8%		11.1%	7.9%		
Operating margin BEIA	16.0%		16.1%	14.2%		

Turnover fell by 12% at current rates of exchange, with currency movements contributing a 9% decline. Operating profit rose by 24% and operating profit BEIA was flat, with currency movements contributing declines of 7% and 9% respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

During 2003, our leading brands grew by 1.2%, while underlying sales grew by 0.4%. Turnover performance was strongest in the ice cream and frozen foods and savoury and dressings categories, recording underlying sales growth of 2.4% and 1.6% respectively.

There was good growth in our ice cream and frozen foods business, particularly helped by excellent weather conditions in Europe.

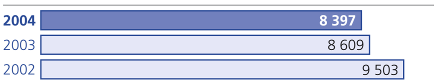
We recorded good growth in the *Lipton Ice Tea* business, again helped by the European weather. *Slim•Fast* results however were heavily affected in many countries by changing consumer tastes and dieting choices.

Following two years of strong growth, market conditions were less favourable for spreads and cooking products, with an underlying sales decline of 2.9%.

Operating margins BEIA improved from 14.2% to 16.0%, primarily reflecting the benefits of Path to Growth savings programmes.

Operating review by category – Foods
Savoury and dressings

Turnover
€ million

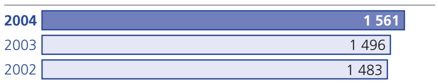


At current exchange rates

Operating profit
€ million

At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	€ million 2004 at 2003 rates	€ million Exchange rate effects	€ million 2004 at 2004 rates	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**8 682**	**(316)**	**8 366**	8 551	(2)%	2%
Group operating profit	**415**	**(19)**	**396**	475	(17)%	(12)%
Turnover	**8 713**	**(316)**	**8 397**	8 609	(2)%	1%
Operating profit BEIA	**1 617**	**(56)**	**1 561**	1 496	4%	8%
Exceptional items	**(292)**	**1**	**(291)**	(110)		
Amortisation – goodwill and intangible assets	**(908)**	**36**	**(872)**	(908)		
Operating profit	**417**	**(19)**	**398**	478	(17)%	(13)%
Operating margin	**4.8%**		**4.7%**	5.6%		
Operating margin BEIA	**18.6%**		**18.6%**	17.4%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**2.6**
Effect of acquisitions (%)	**0.3**
Effect of disposals (%)	**(1.7)**
Turnover growth (%)	**1.2**

Turnover fell by 2% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit fell by 17% and operating profit BEIA grew by 4%, with currency movements contributing a 4% decline in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

We are developing our savoury and dressings brands through products that suit the changing lifestyles of our consumers. We are keeping them relevant through the creation of world-class communication and launches into new trade channels and markets. Underlying sales grew by 2.6%. Operating margin BEIA improved from 17.4% to 18.6% with our restructuring and procurement programmes more than offsetting commodity cost pressures.

Our performance in Europe was mixed. There was strong growth in dressings in Russia and the UK. However this was partly offset by declines for dressings in France and the Netherlands and in savoury in the UK as we faced a challenging trade environment and intense competition.

In North America, *Hellmann's* dressings benefited from strong brand activation and an improved 'go-to-market' strategy. Excellent results were achieved with our *Carb Options* dressings, part of a wider range of low-carbohydrate products. This was followed by the launch of chilled side dishes under our *Country Crock* brand across the US towards the end of the year.

In Latin America, a cholesterol-free *Hellmann's* mayonnaise met the growing demand for healthy heart products. New *Knorr* soup ranges were launched in Mexico and Argentina, while in Brazil we launched low unit price *Knorr* seasoning cubes, particularly relevant to lower-income consumers.

Our olive oil business performed well, with strong results from *Bertolli* in Germany, the US, Canada and Italy.

Operating review by category – Foods
Savoury and dressings (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	9 419	(868)	8 551	9 272	(8)%	2%
Group operating profit	499	(24)	475	399	19%	25%
Turnover	9 482	(873)	8 609	9 503	(9)%	–%
Operating profit BEIA	1 642	(146)	1 496	1 483	1%	11%
Exceptional items	(124)	14	(110)	8		
Amortisation – goodwill and intangible assets	(1 016)	108	(908)	(1 064)		
Operating profit	502	(24)	478	427	12%	18%
Operating margin	5.3%		5.6%	4.5%		
Operating margin BEIA	17.3%		17.4%	15.6%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	1.6
Effect of acquisitions (%)	1.6
Effect of disposals (%)	(3.3)
Turnover growth (%)	(0.2)

Turnover fell by 9% at current rates of exchange, with currency movements contributing a 9% decline. Operating profit grew by 12% and operating profit BEIA grew by 1%, with currency movements contributing a 6% and 10% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Unilever's world leadership of both the savoury and dressings foods categories was maintained. The rate of growth in savoury slowed in 2003, partially due to a hot summer in Europe and weakness in food service markets in the first half of the year.

Brazil had a strong performance where the *Cica* migration to *Knorr* went well, substantially improving overall growth. Elsewhere, innovations responsive to consumer needs sparked growth. The success of wet soups in France continued, with *Knorr* growing and riding the 'ready-to' and Good For You wave. *Lipton* Asian side dish innovations in the US helped regain category leadership, while the *Knorr Cubitos* seasonings in Latin America was a fine example of the creative use of technology to target low-income consumers.

Knorr frozen gained momentum, having an established presence in seven markets in Europe and with turnover exceeding €100 million.

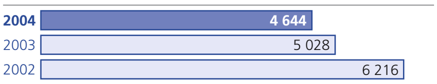
Dressings had a good year, with strong performances in Europe and the US. Results reflect good share performance in core markets and the positive impact of innovations.

Category growth was driven by *Hellmann's, Calvé* and *Amora. Hellmann's* benefited in key countries, particularly the UK and Ireland, from a successful launch of snack sauces, strong promotional activity and favourable weather. *Calvé* was driven by good performance in Russia, based on the continued relaunch of mayonnaise and ketchup.

In North America, results were driven by a strong *Hellmann's* performance in a robust mayonnaise market, helped by additional promotional investment.

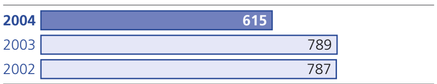
Operating review by category – Foods
Spreads and cooking products

Turnover
€ million



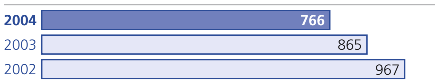
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**4 724**	**(115)**	**4 609**	4 977	(7)%	(5)%
Group operating profit	**621**	**(13)**	**608**	782	(22)%	(21)%
Turnover	**4 759**	**(115)**	**4 644**	5 028	(8)%	(5)%
Operating profit BEIA	**781**	**(15)**	**766**	865	(11)%	(10)%
Exceptional items	**(81)**	**(4)**	**(85)**	(2)		
Amortisation – goodwill and intangible assets	**(72)**	**6**	**(66)**	(74)		
Operating profit	**628**	**(13)**	**615**	789	(22)%	(20)%
Operating margin	**13.2%**		**13.3%**	15.7%		
Operating margin BEIA	**16.4%**		**16.5%**	17.2%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**1.6**
Effect of acquisitions (%)	**0.4**
Effect of disposals (%)	**(7.2)**
Turnover growth (%)	**(5.4)**

Turnover fell by 8% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit fell by 22% and operating profit BEIA declined by 11%, with currency movements contributing a 2% and 1% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Underlying sales grew by 1.6% with strong momentum in the second half of the year. Operating margin BEIA declined to 16.4% as we increased advertising and promotion behind innovations such as dairy cream alternatives and the extension of our healthy heart range. These brands were strengthened further with the successful launch of *Becel/Flora pro•activ* milk drinks and yoghurts in a number of European markets and continued to gain share in spreads. There were also good performances by well-established brands like *Rama* and *Blue Band* following the extension into the range of *Finesse* cooking creams at the end of 2003.

In North America *Country Crock* produced excellent results, while the launch of *Carb Options Skippy* peanut butter is now being followed by an extension into snack bars.

In Turkey, there were good results for *Becel*, but significant price reductions on our *Sana* brand to defend our market volume meant a decline in sales.

Overall growth in the category was held back by lower sales of ‘tail’ brands which are being managed for value and in which investment is low.

Operating review by category – Foods
Spreads and cooking products (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	5 366	(389)	4 977	6 145	(19)%	(13)%
Group operating profit	806	(24)	782	768	2%	5%
Turnover	5 419	(391)	5 028	6 216	(19)%	(13)%
Operating profit BEIA	911	(46)	865	967	(10)%	(6)%
Exceptional items	(9)	7	(2)	(161)		
Amortisation – goodwill and intangible assets	(89)	15	(74)	(19)		
Operating profit	813	(24)	789	787	–%	3%
Operating margin	15.0%		15.7%	12.7%		
Operating margin BEIA	16.8%		17.2%	15.5%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	(2.9)
Effect of acquisitions (%)	0.7
Effect of disposals (%)	(10.9)
Turnover growth (%)	(12.8)

Turnover fell by 19% at current rates of exchange, with currency movements contributing a 6% decline. Operating profit was flat and operating profit BEIA fell by 10%, with currency movements contributing declines of 3% and 4% respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

2003 was a tough year for the margarine category due to relatively low butter prices in key markets, and the adverse impact on bread consumption driven by a strong consumer trend towards low-carbohydrate diets in the US and UK. However, we maintained our market shares in key countries.

Becel/Flora, our healthy heart spreads brands, continued to grow on the strength of *pro•activ*, which grew strongly during 2003. Sustained product efficacy endorsement by key opinion formers and healthcare professionals was key to continued momentum. The unique partnership of *Becel/Flora* with the World Heart Federation helped increase awareness on how lowering cholesterol can contribute to a healthy lifestyle.

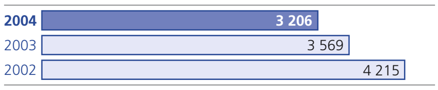
Rama/Blue Band had a difficult start to the year due to severe price pressures mainly in Europe. The launch of dairy cream alternatives in several countries in Europe and Latin America in the fourth quarter progressed well.

Innovation continued to be the key driver of growth in this category. Examples of adapting to local taste and storage conditions were evident in the launch of ambient stable margarines and sweet spreads in Africa and savoury spreads in Latin America.

Operating review by category – Foods

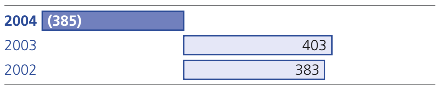
Beverages

Turnover
€ million



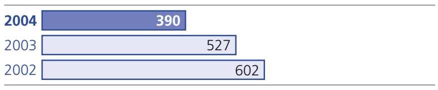
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	€ million 2004 at 2003 rates	€ million Exchange rate effects	€ million 2004 at 2004 rates	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**3 253**	**(161)**	**3 092**	3 449	(10)%	(6)%
Group operating profit	**(470)**	**53**	**(417)**	367	(213)%	(228)%
Turnover	**3 376**	**(170)**	**3 206**	3 569	(10)%	(5)%
Operating profit BEIA	**409**	**(19)**	**390**	527	(26)%	(22)%
Exceptional items	**(731)**	**60**	**(671)**	(11)		
Amortisation – goodwill and intangible assets	**(114)**	**10**	**(104)**	(113)		
Operating profit/(loss)	**(436)**	**51**	**(385)**	403	(195)%	(208)%
Operating margin	**(12.9)%**		**(12.0)%**	11.3%		
Operating margin BEIA	**12.1%**		**12.2%**	14.8%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**(3.9)**
Effect of acquisitions (%)	**0.2**
Effect of disposals (%)	**(1.8)**
Turnover growth (%)	**(5.4)**

Turnover fell by 10% at current rates of exchange, with currency movements contributing a 5% decline. Operating profit moved from a profit position in 2003 to a loss position in 2004, a change of 195%, and operating profit BEIA declined by 26%, with currency movements contributing a 13% increase and a 4% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Our beverages business performed below par in 2004, with an underlying sales decline of 3.9%. Operating margin BEIA declined from 14.8% to 12.1%, the decline being primarily attributable to the cost of reorganising the production facilities for *Slim•Fast.*

Growth in leaf tea and good progress with *AdeS* soy-based drinks were more than offset by declines in ready-to-drink tea and *Slim•Fast.*

In Europe, poor summer weather resulted in reduced sales of our ready-to-drink *Lipton Ice Tea* range. However, leaf teas performed considerably better. The launch of *Lipton Ice Tea Green* and *Lipton* green leaf teas established the brand as the market leader in green tea, while difficult trading conditions impacted negatively on the UK and Ireland, two of our biggest tea markets in Europe.

In Asia, *Brooke Bond* tea in India and *Sariwangi* in Indonesia both grew strongly. In China we introduced *Lipton* Asian tea bags and *Lipton Milk Tea* powders. However, it was a difficult year for tea in Pakistan, which faced increased promotional activity by local competition.

Our Pepsi Lipton International joint venture, launched in 2003 to accelerate our growth in under-developed ready-to-drink tea markets, is producing strong results.

Our health and wellness brands, largely made up of *Slim•Fast*, were hard hit by rapidly changing dieting preferences. In the first half of the year we stabilised market share with the launch of a low-carb range. Towards the end of the year we relaunched the entire *Slim•Fast* portfolio in the US, with improved formulations which include up to 55% less sugar content. The weight-management category in North America declined significantly during the second half of 2004. Our review of the carrying value of *Slim•Fast* goodwill resulted in an impairment charge of €650 million (€591 million at current rates of exchange) being taken in the fourth quarter.

AdeS, our nutritional soy-based drink, continued to grow strongly in Argentina, Mexico and Brazil and the product range was extended with the launch of *AdeS Yofresh*, a soy-based alternative to yoghurt drinks.

Operating review by category – Foods
Beverages (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	3 910	(461)	3 449	4 064	(15)%	(4)%
Group operating profit	413	(46)	367	347	6%	19%
Turnover	4 052	(483)	3 569	4 215	(15)%	(4)%
Operating profit BEIA	603	(76)	527	602	(12)%	–%
Exceptional items	(11)	–	(11)	(99)		
Amortisation – goodwill and intangible assets	(137)	24	(113)	(120)		
Operating profit	455	(52)	403	383	5%	19%
Operating margin	11.2%		11.3%	9.0%		
Operating margin BEIA	14.9%		14.8%	14.3%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	(1.7)
Effect of acquisitions (%)	0.4
Effect of disposals (%)	(2.5)
Turnover growth (%)	(3.9)

Turnover fell by 15% at current rates of exchange, with currency movements contributing an 11% decline. Operating profit grew by 5% and operating profit BEIA fell by 12%, with currency movements contributing a 14% and 12% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

In 2003, we encountered many challenges with the *Slim•Fast* brand while other parts of the health and wellness category performed well.

Turnover of *Slim•Fast* declined by 21% as the entire weight-loss category was hit by a shift in consumer preferences towards low-carbohydrate products. The impact was especially pronounced in the US, the largest market for *Slim•Fast*. *Slim•Fast* responded by focusing on the *Slim•Fast* Plan as a proven and effective weight-loss programme with an expanded range of products, including pasta and soups. Low-carbohydrate and high-protein products were also launched at the end of 2003.

AdeS, our healthy, nutritious drink had another very strong year in Latin America.

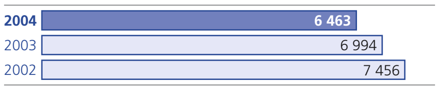
Lipton had an excellent year with underlying sales growth of 8%. *Lipton* continued to build on its natural vitality positioning providing healthy, refreshing beverages, including a wide range of leaf tea offerings and ready-to-drink *Lipton Ice Tea.*

Growth was particularly strong in Europe, where hot summer weather provided ideal market conditions for *Lipton Ice Tea. Lipton* Brewed Ice Tea was a very successful new innovation launched by *UBF Foodsolutions* in the US as we continued to build *Lipton* in the out-of-home segment. An improved marketing mix for *Lipton Green* – in both a cold and hot format – was successfully launched in Europe and extended *Lipton* into an important segment. We also expanded our successful North American partnership with Pepsi to include many more countries.

We continued to have strong positions in key traditional tea markets. In 2003, we had a very successful relaunch of the *Brooke Bond* brand in India.

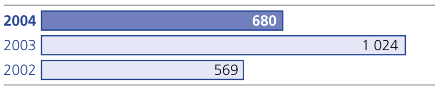
Operating review by category – Foods
Ice cream and frozen foods

Turnover
€ million



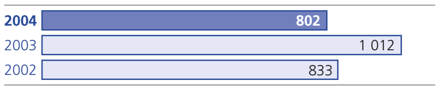
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**6 632**	**(169)**	**6 463**	6 994	(8)%	(5)%
Group operating profit	**701**	**(21)**	**680**	1 024	(34)%	(32)%
Turnover	**6 632**	**(169)**	**6 463**	6 994	(8)%	(5)%
Operating profit BEIA	**825**	**(23)**	**802**	1 012	(21)%	(19)%
Exceptional items	**(101)**	**–**	**(101)**	32		
Amortisation – goodwill and intangible assets	**(23)**	**2**	**(21)**	(20)		
Operating profit	**701**	**(21)**	**680**	1 024	(34)%	(32)%
Operating margin	**10.6%**		**10.5%**	14.6%		
Operating margin BEIA	**12.4%**		**12.4%**	14.5%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**(3.4)**
Effect of acquisitions (%)	**–**
Effect of disposals (%)	**(1.9)**
Turnover growth (%)	**(5.2)**

Turnover fell by 8% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit fell by 34% and operating profit BEIA declined by 21%, with currency movements contributing a 2% decline in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Underlying sales of ice cream and frozen foods were lower by 3.4%, with declines in both categories. Operating margin BEIA declined to 12.4% with profitability affected by poor ice cream sales in Europe and increased dairy costs in North America.

Ice cream sales in Europe were affected by a poorer summer compared with the excellent weather conditions in the summer of 2003. Lower priced competition led to some market share loss in take-home tubs, but this was partly offset by the roll-out of new variants such as *Magnum Intense* and *Cornetto Love Potions*.

Our US ice cream brands *Ben & Jerry's, Breyers* and *Klondike* continued to grow well, gaining market share in a highly competitive market. Key to this success has been meeting consumer demand for health and wellness lines such as low-carb, low-sugar, lactose-free and yoghurt products, which now represent over 20% of our portfolio.

In Latin America we successfully launched *AdeS Kibon* ice cream, extending the soy benefits of *AdeS* into ice cream. In Asia, there was strong growth of our ice cream businesses, particularly in Indonesia and China.

The frozen food business is being reorganised to focus more on higher-growth segments of the market, while margins continue to improve through restructuring. The relaunch of the *Iglo/Birds Eye/Findus* brand family was started in the second half of the year with *Birds Eye* in the UK. This has been well received and is being rolled out to the other key European markets in 2005, providing a common identity for the brands. Innovations included *Steam Fresh* vegetables and meals, bringing the benefits of steaming to consumers across countries in Europe.

Operating review by category – Foods
Ice cream and frozen foods (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	7 517	(523)	6 994	7 456	(6)%	1%
Group operating profit	1 076	(52)	1 024	569	80%	89%
Turnover	7 517	(523)	6 994	7 456	(6)%	1%
Operating profit BEIA	1 070	(58)	1 012	833	22%	28%
Exceptional items	29	3	32	(237)		
Amortisation – goodwill and intangible assets	(23)	3	(20)	(27)		
Operating profit	1 076	(52)	1 024	569	80%	89%
Operating margin	14.3%		14.6%	7.6%		
Operating margin BEIA	14.2%		14.5%	11.2%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	2.4
Effect of acquisitions (%)	0.2
Effect of disposals (%)	(1.8)
Turnover growth (%)	0.8

Turnover fell by 6% at current rates of exchange, with currency movements contributing a 7% decline. Operating profit grew by 80% and operating profit BEIA grew by 22%, with currency movements contributing a 9% and 6% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

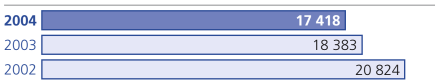
Ice cream had a strong year with 4.3% underlying sales growth, assisted by good weather in Europe. In quarter one, the relaunch of the *Heart* brand strengthened its resonance with contemporary consumers, and innovations such as *Magnum 7 Sins*, *Magnum Bar & Sandwich* and *Carte d'Or* artisanal delivered strong growth. Originally launched in Australia, *Magnum 7 Sins* was successfully rolled out across Europe. Roll-out of *Cornetto* into the growing soft-serve out-of-home sector continued.

2003 was an excellent year for North America with strong performances from *Breyers, Klondike* and *Popsicle,* and new low-carbohydrate ice creams. Latin America continued to make good progress, driven by Mexico and Brazil.

Frozen foods experienced a difficult year, resulting in a decline in 2003 with share growth in meals being offset by a decline in vegetables and fish. Recessionary trends and increased competition from private labels and discounters impacted sales in Germany and in the Netherlands. The main shortfalls were in *Iglo* and *Mora* while *Birds Eye* showed progress. *Knorr* frozen continued to deliver good growth.

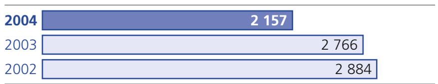
Operating review by category – Home and Personal Care
Financial overview

Turnover
€ million



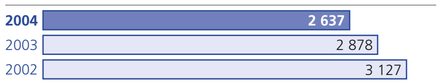
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**18 271**	**(867)**	**17 404**	18 368	(5)%	(1)%
Group operating profit	**2 270**	**(116)**	**2 154**	2 766	(22)%	(18)%
Turnover	**18 285**	**(867)**	**17 418**	18 383	(5)%	(1)%
Operating profit BEIA	**2 772**	**(135)**	**2 637**	2 878	(8)%	(4)%
Exceptional items	**(474)**	**17**	**(457)**	(86)		
Amortisation – goodwill and intangible assets	**(24)**	**1**	**(23)**	(26)		
Operating profit	**2 274**	**(117)**	**2 157**	2 766	(22)%	(18)%
Operating margin	**12.4%**		**12.4%**	15.0%		
Operating margin BEIA	**15.2%**		**15.1%**	15.7%		

Turnover fell by 5% at current rates of exchange, with currency movements contributing a 4% decline. Operating profit fell by 22% and operating profit BEIA declined by 8% with currency movements contributing a 4% decline in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

In 2004, Home and Personal Care turnover declined by 1%, with underlying sales growth of 1.1%. Operating margin BEIA reduced to 15.2% from 15.7% in 2003, primarily due to difficult trading conditions.

In 2004 our Home and Personal Care business came under pressure from the combination of a sharp slowdown in market growth and a significant rise in the level and intensity of competitive activity. The combination of lower prices, particularly in the developed world, and increased material costs in the second half of the year put pressure on margins.

In Western Europe we held market share but in contracting categories. The influence of discounters on the retail sector impacted price levels as the traditional chains responded with their own value offerings. In North America market growth also slowed and we lost some share particularly in the early part of the year. In Asia, principally in India and Japan, competitive attack in certain categories diluted both growth and profits.

Elsewhere, our businesses in Latin America, Africa and the Middle East continued to make good progress. This growth is based on globally aligned brands backed by deep local consumer understanding, and our strong category positions have benefited from improving economies in a number of countries. In these territories, as in other parts of the world, our portfolio has shifted towards the higher margin Personal Care sectors.

In these circumstances, our strategy remains focused on developing brands with market-leading positions, which are best placed to prosper over time, regardless of changing dynamics in the extended supply chain.

We will continue to drive down cost through simplification and harmonisation, building on the excellent work achieved as part of Path to Growth. By deepening our knowledge of shopper behaviour, we will ensure our brands continue to meet the needs of increasingly value-driven consumers.

From the final quarter of 2004, we have boosted the investment behind our brands to support market share recovery and drive growth in targeted areas. This will continue into 2005, and is necessary to preserve long-term value creation in the face of heightened competitive pressure.

In a number of markets around the world, we finished 2004 with improved momentum.

Operating review by category – Home and Personal Care

Financial overview (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	20 802	(2 434)	18 368	20 801	(12)%	–%
Group operating profit	3 134	(368)	2 766	2 882	(4)%	9%
Turnover	20 818	(2 435)	18 383	20 824	(12)%	–%
Operating profit BEIA	3 279	(401)	2 878	3 127	(8)%	5%
Exceptional items	(115)	29	(86)	(213)		
Amortisation – goodwill and intangible assets	(30)	4	(26)	(30)		
Operating profit	3 134	(368)	2 766	2 884	(4)%	9%
Operating margin	15.1%		15.0%	13.8%		
Operating margin BEIA	15.8%		15.7%	15.0%		

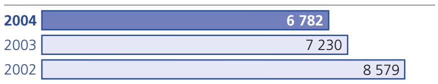
Turnover fell by 12% at current rates of exchange, due to currency movements. Operating profit fell by 4% and operating profit BEIA declined by 8%, with currency movements contributing a 13% decline in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

In 2003, underlying sales grew by 3%, whilst leading brands grew 4%. The most successful categories were deodorants and hair with underlying sales growth of 12% and 8% respectively. Amongst the leading brands, *Axe*, *Dove*, *Lux* and *Sunsilk* all recorded very strong double-digit growth.

Operating profit improved by 9% and operating profit BEIA rose by 5%, whilst operating margin climbed to 15.1%. Operating margin was helped by a combination of improved profitability in our fabric wash business and numerous simplification initiatives. We continued to focus our brand portfolio through the disposal of non-core business – including our oral care and *Sunlight* dishwash businesses in North America, *Brut* in North and Latin America, and the *Bio Presto* brand in Italy.

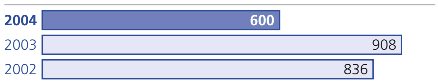
Operating review by category – Home and Personal Care
Home care

Turnover
€ million



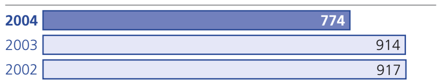
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**7 016**	**(240)**	**6 776**	7 225	(6)%	(3)%
Group operating profit	**613**	**(14)**	**599**	908	(34)%	(33)%
Turnover	**7 023**	**(241)**	**6 782**	7 230	(6)%	(3)%
Operating profit BEIA	**794**	**(20)**	**774**	914	(15)%	(13)%
Exceptional items	**(168)**	**5**	**(163)**	8		
Amortisation – goodwill and intangible assets	**(12)**	**1**	**(11)**	(14)		
Operating profit	**614**	**(14)**	**600**	908	(34)%	(32)%
Operating margin	**8.7%**		**8.9%**	12.6%		
Operating margin BEIA	**11.3%**		**11.4%**	12.6%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**(0.4)**
Effect of acquisitions (%)	**0.2**
Effect of disposals (%)	**(2.7)**
Turnover growth (%)	**(2.9)**

Turnover fell by 6% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit fell by 34% and operating profit BEIA declined by 15%, with currency movements contributing a 2% decline in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

In 2004, our home care business saw declining underlying sales. Volumes grew by 1.8% but this was more than offset by price declines, reflecting increased consumer sensitivity in this area and resulting in reduced market sizes in the developed world. Operating margin BEIA declined from 12.6% to 11.3% with profitability affected by difficult trading in Western Europe.

Performance was on the whole disappointing. Despite gains in specific territories, overall market share fell – with growth in developing markets offset by the decline in Europe and North America.

In laundry, our top performance fabric cleaning brand, *Omo*, which is aligned to a common brand proposition across the world, continued to perform well in difficult trading conditions. *Omo* strengthened its position in a number of key markets such as Argentina, China, Indonesia, Thailand and Vietnam. The success of *Omo* was supported by the 'Pockets' campaign in parts of Africa, Asia and Latin America, as well as the 'Dirt is Good' campaign and innovations such as *Omo* Aloe Vera in Latin America.

Other brands that performed well included the *Radiant* family (superior whiteness and brightness marketed as *Ala* and *Rin*), and the fabric conditioner brand *Comfort*.

The household care business declined due to difficult trading conditions in Europe, despite strong growth in developing and emerging markets. Attention was focused on the profitability of the business, which improved significantly.

Operating review by category – Home and Personal Care
Home care (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	8 029	(804)	7 225	8 565	(16)%	(6)%
Group operating profit	977	(69)	908	837	9%	17%
Turnover	8 034	(804)	7 230	8 579	(16)%	(6)%
Operating profit BEIA	996	(82)	914	917	–%	9%
Exceptional items	(4)	12	8	(64)		
Amortisation – goodwill and intangible assets	(16)	2	(14)	(17)		
Operating profit	976	(68)	908	836	9%	17%
Operating margin	12.1%		12.6%	9.7%		
Operating margin BEIA	12.4%		12.6%	10.7%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	–
Effect of acquisitions (%)	1.0
Effect of disposals (%)	(7.4)
Turnover growth (%)	(6.4)

Turnover fell by 16% at current rates of exchange, with currency movements contributing a 10% decline. Operating profit grew by 9% and operating profit BEIA was flat, with currency movements contributing declines of 8% and 9% respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Turnover from our laundry and household care business remained relatively flat in 2003, while operating margins increased by 2.4%. Growth in developing markets was partially offset by difficult trading conditions in North America and Europe.

In 2003, our top-performance fabric cleaning brand, *Omo*, was aligned behind a common brand proposition across the world. This extended to a focus on larger innovations and generated substantial savings through standardised packaging, formulation and advertising. The *Omo* brand remained a strong market leader in Brazil, Indonesia, Morocco, South Africa and Thailand while rebuilding a strong position in Turkey.

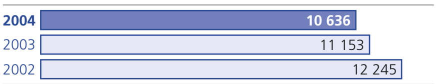
In South Africa, *Sunlight* is the most recognised household consumer goods brand. Its clear positioning of 'Gentle care I trust' is underpinned by the brand's strong values of dependability, honesty and reliability. As a mid-priced brand, the strong consumer value proposition of *Sunlight* helped generate growth of over 3% in 2003.

In Europe, innovation helped *Comfort* grow its leading market position in the UK and gain market leadership in Portugal. The new fast-dry variant of *Comfort* shortens the drying time for clothes and eases the burden of washing laundry for consumers.

While our household cleaning brands performed below expectations, results improved in the second half as innovation around the core business showed signs of a return to growth. Within the portfolio, *Cif* and *Domestos* remained leading brands with number one or number two positions in the majority of key markets in which they operate.

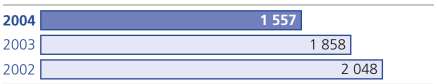
Operating review by category – Home and Personal Care
Personal care

Turnover
€ million



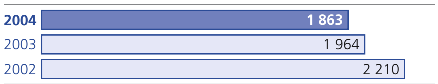
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	€ million 2004 at 2003 rates	€ million Exchange rate effects	€ million 2004 at 2004 rates	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**11 255**	**(627)**	**10 628**	11 143	(5)%	1%
Group operating profit	**1 657**	**(102)**	**1 555**	1 858	(16)%	(11)%
Turnover	**11 262**	**(626)**	**10 636**	11 153	(5)%	1%
Operating profit BEIA	**1 978**	**(115)**	**1 863**	1 964	(5)%	1%
Exceptional items	**(306)**	**12**	**(294)**	(94)		
Amortisation – goodwill and intangible assets	**(12)**	**–**	**(12)**	(12)		
Operating profit	**1 660**	**(103)**	**1 557**	1 858	(16)%	(11)%
Operating margin	**14.7%**		**14.6%**	16.7%		
Operating margin BEIA	**17.6%**		**17.5%**	17.6%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**2.1**
Effect of acquisitions (%)	**0.5**
Effect of disposals (%)	**(1.5)**
Turnover growth (%)	**1.0**

Turnover fell by 5% at current rates of exchange, with currency movements contributing a 6% decline. Operating profit fell by 16% and operating profit BEIA declined by 5%, with currency movements contributing a 5% and 6% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

In 2004, our personal care business had underlying sales growth of 2.1%. Market share improved in Europe and Africa, Middle East and Turkey; in a number of other regions, market share had started to recover by the end of the year following declines earlier in the year. Operating margin BEIA was broadly flat at 17.6%.

Deodorants saw another year of double-digit growth, with increased market share in most regions, and we are now the leader in 15 of the top 20 markets in the world. *Axe* had another excellent year, based on its notable success in North America where the brand now has close to 13% market share two years after launch. Elsewhere, growth came from the new fragrance *Touch*, higher consumption in Latin America through all-over-body usage, and the deployment of award-winning advertising. *Rexona* continues to build market share as the world's largest deodorant brand – it was relaunched in Europe, where it is now the market leader for women, with new body-responsive technology, and successful variants such as *Rexona Ebony* have been launched in Latin America.

In 2004, *Sunsilk* continued its double digit growth and was rolled out in Europe. Variant innovations as solutions to daily hair problems were the foundation of the brand's success, communicated globally through the 'Hair Dramas' campaign. However, overall growth in the hair category was held back by a fierce competitive response to our previous market share gains in Japan. This has been addressed through the relaunch of *Lux* and *mod's* shampoos, which restored growth towards the end of the year. In India, volumes were well ahead, but at significantly lower prices, whilst in North America portfolio issues have restricted growth.

A disappointing performance in skin cleansing in North America offset share gains in other territories. In skin care, *Dove* has been successful with firming lotion in Europe, and this has been the vehicle for the 'Real Beauty' communication platform. *Fair & Lovely* has enjoyed a strong year in India, while *Vaseline* has been relaunched in the highly active US market.

In oral care we have strong positions in a number of countries in Europe and in developing and emerging markets, particularly with our *Signal* and *Close Up* toothpaste brands. In 2004 we continued to focus investment behind these brands, launching core variants of *Signal* under the 'extended protection' proposition and launching a top-performance toothbrush with new bristle technology.

The prestige fragrance business met our 2004 expectations, delivering sharply improved profitability and cash flow. The key launch was *Eternity Moment* in the third quarter, which quickly established itself as one of the leading new fragrances in Europe this year.

Operating review by category – Home and Personal Care
Personal care (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	12 773	(1 630)	11 143	12 236	(9)%	4%
Group operating profit	2 157	(299)	1 858	2 045	(9)%	5%
Turnover	12 784	(1 631)	11 153	12 245	(9)%	4%
Operating profit BEIA	2 283	(319)	1 964	2 210	(11)%	3%
Exceptional items	(111)	17	(94)	(149)		
Amortisation – goodwill and intangible assets	(14)	2	(12)	(13)		
Operating profit	2 158	(300)	1 858	2 048	(9)%	5%
Operating margin	16.9%		16.7%	16.7%		
Operating margin BEIA	17.9%		17.6%	18.1%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	5.4
Effect of acquisitions (%)	0.1
Effect of disposals (%)	(1.0)
Turnover growth (%)	4.4

Turnover fell by 9% at current rates of exchange, with currency movements contributing a 13% decline. Operating profit fell by 9% and operating profit BEIA fell by 11%, with currency movements contributing a decline of 14% in both cases. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant exchange rates.

Our leading personal care brands, which include *Axe, Dove, Lux, Pond's, Rexona* and *Sunsilk,* grew underlying sales by 6%. Turnover increased by 4.4% and operating margin increased by 0.2%.

Dove, our largest personal care brand, grew underlying sales more than 20% in 2003. Growth of the core range was driven by the launch of the *Dove* exfoliating bar in more than 30 countries around the world. We also continued to extend *Dove* into new categories in North America with the launch of *Dove* face care and *Dove* shampoo and conditioner.

Our global hair business grew underlying sales by 8%. This growth was driven both by the continued success of *Dove* shampoo and conditioner and by our largest hair care brand, *Sunsilk*. The lively approach to women and how they really feel about their hair by *Sunsilk* helped re-introduce the brand successfully into Europe. *Sunsilk* also continued to grow strongly in Latin America with the introduction of new variants and full roll-out of colorants in Brazil. A relaunch of the brand in China (under the name *Hazeline*) nearly doubled the rate of sale.

Our deodorant category grew underlying sales by over 12% behind the strength of *Axe* and *Rexona. Axe* developed innovative approaches to talking to young men throughout the world. The brand carved out a strong position in the North American male deodorant market on the basis of this deep consumer understanding. The launch of new fragrances and antiperspirants, along with improved product efficacy, translated into outstanding growth.

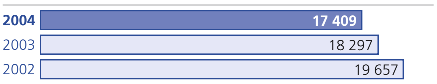
Rexona for Men continued to grow with the relaunch of the range in Europe and launch of the *24 Hour Deo Fresh* range in Latin America. New formulations also supported the core range with improved efficacy to offer longer freshness and the launch of the low residue *Crystal* range in Europe.

Our prestige fragrance business declined amid weak category performance and weak economic conditions in key markets. The sale of the Valentino licence also contributed to the decline in turnover. Innovation in 2003 included the launch of *Purple Orchid (Eternity), Truth for Men* in Europe and *Nautica Competition* in the Americas.

Operating review by region

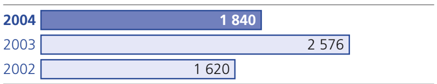
Europe

Turnover
€ million



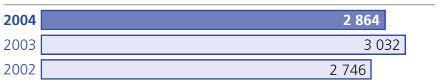
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**17 297**	**17**	**17 314**	18 208	(5)%	(5)%
Group operating profit	**1 823**	**4**	**1 827**	2 563	(29)%	(29)%
Turnover	**17 392**	**17**	**17 409**	18 297	(5)%	(5)%
Operating profit BEIA	**2 858**	**6**	**2 864**	3 032	(6)%	(6)%
Exceptional items	**(525)**	**–**	**(525)**	49		
Amortisation – goodwill and intangible assets	**(498)**	**(1)**	**(499)**	(505)		
Operating profit	**1 835**	**5**	**1 840**	2 576	(29)%	(29)%
Operating margin	**10.6%**		**10.6%**	14.1%		
Operating margin BEIA	**16.4%**		**16.4%**	16.6%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**(2.8)**
Effect of acquisitions (%)	**0.1**
Effect of disposals (%)	**(2.4)**
Turnover growth (%)	**(4.9)**

Turnover fell by 5% at current rates of exchange, with currency movements having no effect. Operating profit declined by 29% and operating profit BEIA fell by 6% with currency movements having no effect. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant rates of exchange.

Underlying sales declined by 2.8%.

In Western Europe, trading conditions were difficult due to the continuing growth of hard discounters and the responses of traditional retailers, looking to compete through value on both branded and private label products. In addition, ice cream and ready-to-drink tea suffered from a poorer summer than the exceptional one in 2003. By contrast, our business in Central and Eastern Europe grew well, with a particularly strong performance in Russia.

Our spreads business grew with the successful launch of *Becel/Flora pro•activ* milk drinks and yoghurts in a number of markets and leaf teas performed considerably better than the weather-affected ready-to-drink ice tea range.

Sales of frozen foods declined. We have been reorganising the business to focus more on higher growth segments of the market, including making some disposals. Margins continue to improve through restructuring. The household care business also declined in difficult trading conditions.

Personal Care market share improved in Europe, particularly through *Dove* firming lotion in Europe, and *Rexona*. In prestige fragrances the key launch was *Eternity Moment* in the third quarter, which quickly established itself as one of the leading new fragrances.

Operating margin declined from 14.1% to 10.6%, including a step-up in exceptional restructuring charges associated with the One Unilever simplification project. Operating margin BEIA at 16.4% was slightly below the prior year. The benefit of our savings programmes and the net effect of business disposals, including olive oil in France and parts of our frozen foods businesses in the UK and Germany, was more than offset by increased advertising and promotions.

Operating review by region
Europe (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	18 720	(512)	18 208	19 573	(7)%	(4)%
Group operating profit	2 617	(54)	2 563	1 598	60%	64%
Turnover	18 809	(512)	18 297	19 657	(7)%	(4)%
Operating profit BEIA	3 101	(69)	3 032	2 746	10%	13%
Exceptional items	46	3	49	(615)		
Amortisation – goodwill and intangible assets	(516)	11	(505)	(511)		
Operating profit	2 631	(55)	2 576	1 620	59%	62%
Operating margin	14.0%		14.1%	8.2%		
Operating margin BEIA	16.5%		16.6%	14.0%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	0.6
Effect of acquisitions (%)	0.4
Effect of disposals (%)	(5.3)
Turnover growth (%)	(4.3)

Turnover fell by 7% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit grew by 59% and operating profit BEIA grew by 10%, with currency movements contributing 3% declines in both cases. The underlying performance of the business after eliminating exchange translation effects is discussed below at constant exchange rates.

Difficult economic conditions in a number of countries were reflected in the consumer, retail and competitive environment in 2003 and in general market growth rates slowed significantly. Against this background, underlying sales grew by 0.6%, with volume ahead by 0.4%. Turnover was 4% lower than last year through the impact of planned disposals.

There was continued strong growth in mass personal care, partly offset by a sharp decline in prestige fragrances and the impact of price-competitive markets in laundry. In foods, growth by category in part reflected the exceptionally hot summer weather, with strong gains in ready-to-drink tea and ice cream, but lower consumption in savoury, frozen meals and cooking products.

Highlights of another good year in personal care were the launch of *Sunsilk* across the region and the roll-out of *Dove* shampoo. Other key innovations included the *Dove Silk* hand, body and shower range, *Dove* exfoliating bar, new variants of *Axe* and the *Crystal* variant of *Rexona/Sure*.

In laundry, good progress was made in improving the profitability of our business through cost reduction and a strategy of focus on priority brands and markets. This allowed us both to increase margins and to generate the funds to respond to increased levels of price competition which had led to the loss of one market share point in the year, primarily to retailer own brands.

There was good growth in spreads and cooking products for our healthy heart brands *Becel/Flora*. For our family brands such as *Rama* and *Blue Band* we adopted a strategy of recovering substantial increases in edible oil costs which some competitors did not follow. However, overall we held market share.

Knorr Mealkits and *Good For You* soups were successfully launched, though overall growth for the year was held back by low consumption in the very hot summer months. *Hellmann's* and *Bertolli* both grew strongly, with the latter benefiting from extensions into pasta sauces, dressings and toppings. Growth in *UBF Foodsolutions* accelerated through the year, returning to a good level in the second half, particularly through soups in the UK, the *Bertolli* range in Italy and the launch of *Knorr* dairy cream alternatives in the fourth quarter.

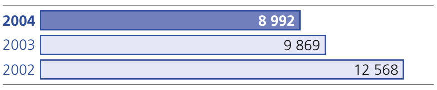
Tea-based beverages performed well with an excellent contribution from *Lipton* ready-to-drink, including green tea and fruit juice variants. Ice cream sales also grew strongly, helped by the hot summer weather and innovations including *Magnum 7 Sins*, *Magnum Moments*, *Magnum* snacking bars and the roll-out of the *Fruit & Fresh* mix of yoghurt and ice cream.

In frozen foods we reshaped around faster-growing segments of the market and undertook restructuring with further gains in profitability.

Operating margin BEIA improved from 14.0% to 16.5%. This reflected the contribution from our restructuring and savings programmes, improved mix from portfolio change and our strategy for improving profitability in home care.

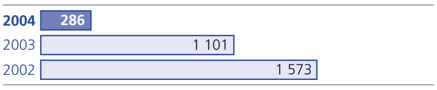
Operating review by region
North America

Turnover
€ million



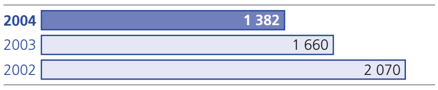
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**9 729**	**(821)**	**8 908**	9 774	(9)%	–%
Group operating profit	**280**	**(21)**	**259**	1 071	(76)%	(74)%
Turnover	**9 821**	**(829)**	**8 992**	9 869	(9)%	–%
Operating profit BEIA	**1 514**	**(132)**	**1 382**	1 660	(17)%	(9)%
Exceptional items	**(783)**	**70**	**(713)**	(139)		
Amortisation – goodwill and intangible assets	**(421)**	**38**	**(383)**	(420)		
Operating profit	**310**	**(24)**	**286**	1 101	(74)%	(72)%
Operating margin	**3.2%**		**3.2%**	11.2%		
Operating margin BEIA	**15.4%**		**15.4%**	16.8%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**1.5**
Effect of acquisitions (%)	**0.6**
Effect of disposals (%)	**(2.6)**
Turnover growth (%)	**(0.5)**

Turnover fell by 9% at current rates of exchange, fully explained by currency movements. Operating profit declined by 74% and operating profit BEIA fell by 17% with currency movements contributing 2% and 8% declines respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant rates of exchange.

Underlying sales grew by 1.5%.

Our Foods business grew well following the successful implementation of a new 'go-to-market' approach in 2003 and the rapid launch of a range of low-carb products across much of the portfolio in the first half of 2004. Our US ice cream brands *Klondike*, *Breyers* and *Ben & Jerry's* continued to grow well, gaining market share in a highly competitive market through 'health and wellness' lines such as low-carb, low-sugar, lactose-free and yoghurt products. These good performances more than offset the decline in sales of *Slim•Fast* which was relaunched towards the end of the year.

The weight-management category in North America declined significantly during the second half of 2004. Our review of the carrying value of *Slim•Fast* goodwill resulted in a goodwill impairment charge of €650 million (€591 million at current rates of exchange) in the fourth quarter.

Deodorants grew strongly through the success of *Axe*, however strong competition led to some loss of market share in other home and personal care categories.

Operating margin declined from 11.2% to 3.2%, reflecting an exceptional charge for the impairment of *Slim•Fast* goodwill and a step-up in exceptional restructuring charges associated with the One Unilever simplification project. Operating margin BEIA declined from 16.8% to 15.4%, impacted by higher commodity costs and the costs of reorganising production facilities for *Slim•Fast* in the fourth quarter.

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	11 596	(1 822)	9 774	12 446	(21)%	(7)%
Group operating profit	1 263	(192)	1 071	1 541	(30)%	(18)%
Turnover	11 710	(1 841)	9 869	12 568	(21)%	(7)%
Operating profit BEIA	1 975	(315)	1 660	2 070	(20)%	(5)%
Exceptional items	(174)	35	(139)	(3)		
Amortisation – goodwill and intangible assets	(503)	83	(420)	(494)		
Operating profit	1 298	(197)	1 101	1 573	(30)%	(17)%
Operating margin	11.1%		11.2%	12.5%		
Operating margin BEIA	16.9%		16.8%	16.5%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	(3.1)
Effect of acquisitions (%)	0.1
Effect of disposals (%)	(4.0)
Turnover growth (%)	(6.8)

Turnover fell by 21% at current rates of exchange, with currency movements contributing a 14% decline. Operating profit fell by 30% and operating profit BEIA fell by 20%, with currency movements principally the weakening of the US dollar contributing declines of 13% and 15% respectively. The underlying performance of the business after eliminating exchange translation effects is discussed below at constant exchange rates.

Underlying sales declined by 3.1%, including a positive 0.2% from pricing. The performance of *Slim•Fast* and prestige fragrances, in combination with the one-off impacts of trade de-stocking and weak out-of-home channels in the first half of the year, diluted underlying sales growth by 3.6%. Turnover, including the impact of disposals, declined by 7%.

In mass personal care we improved our overall market position through *Axe* deodorants, and established the *Dove* brand in daily hair care. In laundry we further improved profitability, notwithstanding negative pricing through bonus pack promotions in a competitive market in which we lost a little under one percentage point of market share.

Our prestige fragrance business declined in weak markets. Our priority was to restructure the business onto a more robust footing. We refocused the brand portfolio and reduced costs to release funds for future investment behind innovation in the leading brands.

Unilever Bestfoods sales grew in a competitive market and in a year in which we successfully introduced a new 'go-to-market' approach. Particular strengths were *Hellmann's*, *Lipton* and *Bertolli* through pasta sauces and frozen foods, *Becel* margarine in Canada and *Lawry's* through the new *Spice Blends* steak sauce. These good performances were partly offset by declines in spreads consumption because of lower butter prices, and by declines in *Bertolli* olive oil and in *Ragú* pasta sauces due to changes in our approach to promotional plans and timing.

In ice cream we continued to grow well and gain market share, notwithstanding weak out-of-home markets. *Breyers* and *Good Humor* performed strongly in grocery channels, including the extension of the health range and the introduction of *Slim•Fast*.

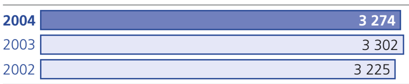
Our *UBF Foodsolutions* business moved ahead despite weak market conditions with a stronger performance in the second half of the year.

Slim•Fast has been heavily affected by changing consumer tastes and dieting choices. We responded with the launch of a range of new products in the second half of the year, and a relaunch of the brand at the start of 2004.

The regional operating margin BEIA at 16.9% was 0.4% ahead of the prior year.

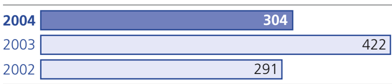
Operating review by region
Africa, Middle East and Turkey

Turnover
€ million



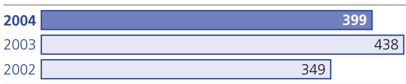
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**3 290**	**(27)**	**3 263**	3 276	–%	–%
Group operating profit	**297**	**5**	**302**	419	(28)%	(29)%
Turnover	**3 302**	**(28)**	**3 274**	3 302	(1)%	–%
Operating profit BEIA	**399**	**–**	**399**	438	(9)%	(9)%
Exceptional items	**(80)**	**3**	**(77)**	6		
Amortisation – goodwill and intangible assets	**(19)**	**1**	**(18)**	(22)		
Operating profit	**300**	**4**	**304**	422	(28)%	(29)%
Operating margin	**9.1%**		**9.3%**	12.8%		
Operating margin BEIA	**12.1%**		**12.2%**	13.3%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**3.1**
Effect of acquisitions (%)	**0.1**
Effect of disposals (%)	**(3.1)**
Turnover growth (%)	**–**

Turnover fell by 1% at current rates of exchange, fully explained by currency movements. Operating profit declined by 28% and operating profit BEIA fell by 9% with currency movements contributing a 1% improvement to operating profit and having no effect on operating profit BEIA. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant rates of exchange.

Underlying sales grew by 3.1%.

Nigeria had a strong year in both Foods and Home and Personal Care. South East Africa performed well in difficult conditions. In South Africa there has been improved volume growth, but negative pricing as we took action to ensure our brands remain competitive.

In Turkey, significant price reductions on our *Sana* brand to defend our market volume meant a decline in sales, however there was a good performance in laundry, where *Omo* has regained market leadership.

Operating margin declined from 12.8% to 9.1%. Operating margin BEIA declined from 13.3% to 12.1% with profitability affected by more competitive pricing, asset write-downs and doubtful debts arising from distributor arrangements in North Africa.

Operating review by region
Africa, Middle East and Turkey (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	3 360	(84)	3 276	3 139	4%	7%
Group operating profit	428	(9)	419	282	49%	52%
Turnover	3 390	(88)	3 302	3 225	2%	5%
Operating profit BEIA	450	(12)	438	349	26%	29%
Exceptional items	7	(1)	6	(39)		
Amortisation – goodwill and intangible assets	(25)	3	(22)	(19)		
Operating profit	432	(10)	422	291	45%	48%
Operating margin	12.7%		12.8%	9.0%		
Operating margin BEIA	13.3%		13.3%	10.8%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	7.4
Effect of acquisitions (%)	1.6
Effect of disposals (%)	(3.7)
Turnover growth (%)	5.1

Turnover grew by 2% at current rates of exchange, with currency movements contributing a 3% decline. Operating profit grew by 45% and operating profit BEIA grew by 26%, with currency movements contributing 3% declines in both cases. The underlying performance of the business after eliminating exchange translation effects is discussed below at constant exchange rates.

Underlying sales grew 7.4% with 5% from volume growth. Turnover grew 5% including the net impact of acquisitions and disposals.

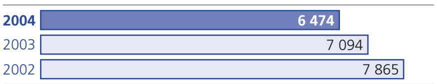
Innovations behind the *Omo* and *Surf* brands were the drivers of an excellent performance in laundry. In personal care, *Dove*, *Lux* and *Rexona* all grew at over 20%, while *Sunsilk* achieved the leading position in hair care in Turkey.

In Foods, growth in savoury was led by *Knorr*, and included the launch into a number of countries in the Middle East. Ice cream and *Lipton* tea also grew well, while volumes declined in cooking oils, especially in French West Africa.

The regional operating margin BEIA at 13.3% was 2.5% ahead of last year, mainly through higher gross margins from production-cost reduction, the benefits of volume growth and the reversal of previous devaluation-led cost increases.

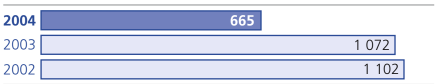
Operating review by region
Asia and Pacific

Turnover
€ million



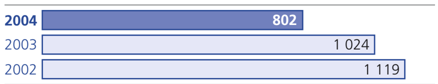
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**6 952**	**(480)**	**6 472**	7 063	(8)%	(2)%
Group operating profit	**723**	**(58)**	**665**	1 072	(38)%	(32)%
Turnover	**6 954**	**(480)**	**6 474**	7 094	(9)%	(2)%
Operating profit BEIA	**870**	**(68)**	**802**	1 024	(22)%	(15)%
Exceptional items	**(102)**	**5**	**(97)**	88		
Amortisation – goodwill and intangible assets	**(45)**	**5**	**(40)**	(40)		
Operating profit	**723**	**(58)**	**665**	1 072	(38)%	(33)%
Operating margin	**10.4%**		**10.3%**	15.1%		
Operating margin BEIA	**12.5%**		**12.4%**	14.4%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**1.4**
Effect of acquisitions (%)	**0.5**
Effect of disposals (%)	**(3.8)**
Turnover growth (%)	**(2.0)**

Turnover fell by 9% at current rates of exchange, with currency movements contributing a 7% decline. Operating profit declined by 38% and operating profit BEIA fell by 22% with currency movements contributing a 5% and 7% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant rates of exchange.

Underlying sales grew by 1.4%.

Brooke Bond tea in India and *Sariwangi* in Indonesia both grew strongly. However it was a difficult year for tea in Pakistan, which faced increased promotional activity by local competition. There was strong growth of our ice cream businesses, particularly in Indonesia and China.

In hair care in Japan, where we had previously made excellent market share gains, there was a fierce response from competitors and volumes were lower. In laundry in India, where competition has also been intense, volumes were well ahead, but at significantly lower prices.

Operating margin declined from 15.1% to 10.4%. Operating margin BEIA declined to 12.5% from 14.4% impacted by increased advertising and promotion and price competitiveness as we responded robustly to competitive attack in a number of key markets. In India, charges were incurred in exiting from confectionery and from asset write-downs in tea plantations and bakery.

Operating review by region
Asia and Pacific (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	8 039	(976)	7 063	7 679	(8)%	5%
Group operating profit	1 217	(145)	1 072	1 081	(1)%	13%
Turnover	8 076	(982)	7 094	7 865	(10)%	3%
Operating profit BEIA	1 166	(142)	1 024	1 119	(8)%	4%
Exceptional items	98	(10)	88	13		
Amortisation – goodwill and intangible assets	(47)	7	(40)	(30)		
Operating profit	1 217	(145)	1 072	1 102	(3)%	10%
Operating margin	15.1%		15.1%	14.0%		
Operating margin BEIA	14.4%		14.4%	14.2%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	3.7
Effect of acquisitions (%)	1.9
Effect of disposals (%)	(2.8)
Turnover growth (%)	2.7

Turnover fell by 10% at current rates of exchange, with currency movements contributing a 13% decline. Operating profit fell by 3% and operating profit BEIA fell by 8%, with currency movements, notably in India, contributing declines of 13% and 12% respectively. The underlying performance of the business after eliminating exchange translation effects is discussed below at constant exchange rates.

Underlying sales grew by 3.7%, almost entirely from volume. Turnover, including the net impact of acquisitions and disposals, increased by 2.7%.

In our Home and Personal Care consumer business, growth was strong and broad-based across categories. Activities behind *Lux* included the launch of the *Lux Spa* range in Japan and *Lux Super Rich* shampoo in a number of markets. *Lifebuoy* was relaunched in India with new variants and the distribution of *Lifebuoy* shampoo was extended in Indonesia. *Pond's* growth was led by the launch of mini-pack moisturisers in Indonesia and good performances in China and India. The launch of the 'no marks' variant boosted growth of *Fair & Lovely* in India. Laundry benefited from activities including the relaunch of *Breeze Colour* in Thailand, improved formulations in Vietnam and launches of variants of *Surf* with fabric conditioner, and a *Surf* bar with bleach in the Philippines. Sales in low-margin, non-consumer businesses were sharply lower, as planned.

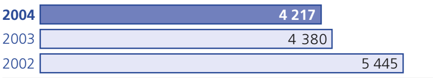
In Foods the main focus in the year was improving the overall shape of the business. This included acquiring the outstanding part of the CPC/Ajinomoto joint venture, disposing of, or withdrawing from, several non-leading brands and improving the distribution system in the Philippines. This was reflected in a progressive pick-up in the growth of the leading brands over the year. Indonesia made further progress with *Bango, Royco* and *Sariwangi* as we improved distribution. In leaf tea *Brooke Bond* was relaunched in India and *Lipton* green tea bags were launched in China. *Knorr Soupy Snax* were launched in India and the *Knorr* brand grew well in China.

The regional operating margin BEIA at 14.4% was 0.2% ahead of the previous year after a 0.4% increase in advertising and promotions.

Operating review by region

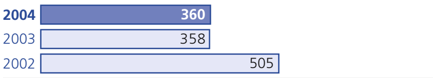
Latin America

Turnover
€ million



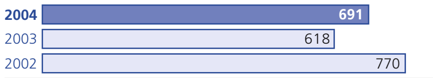
At current exchange rates

Operating profit
€ million



At current exchange rates

Operating profit BEIA
€ million



At current exchange rates

2004 results compared with 2003	**€ million 2004 at 2003 rates**	**€ million Exchange rate effects**	**€ million 2004 at 2004 rates**	€ million 2003 at 2003 rates	% Change at actual current rates	% Change at constant 2003 rates
Group turnover	**4 549**	**(337)**	**4 212**	4 372	(4)%	4%
Group operating profit	**403**	**(45)**	**358**	358	–%	12%
Turnover	**4 554**	**(337)**	**4 217**	4 380	(4)%	4%
Operating profit BEIA	**745**	**(54)**	**691**	618	12%	20%
Exceptional items	**(182)**	**(3)**	**(185)**	(104)		
Amortisation – goodwill and intangible assets	**(158)**	**12**	**(146)**	(156)		
Operating profit	**405**	**(45)**	**360**	358	1%	13%
Operating margin	**8.9%**		**8.5%**	8.2%		
Operating margin BEIA	**16.4%**		**16.4%**	14.1%		

Turnover and underlying sales growth (at constant 2003 rates)	**2004 vs 2003**
Underlying sales growth (%)	**7.2**
Effect of acquisitions (%)	**–**
Effect of disposals (%)	**(3.1)**
Turnover growth (%)	**4.0**

Turnover fell by 4% at current rates of exchange, with currency movements contributing a 8% decline. Operating profit improved by 1%, and operating profit BEIA improved by 12% with currency movements contributing a 12% and 8% decline respectively. The underlying performance of the business after eliminating these exchange translation effects is discussed below at constant rates of exchange.

Underlying sales grew by 7.2%.

Growth was strong across both Foods and Home and Personal Care categories, and comes mainly from volume. Argentina and Mexico both had excellent performances.

In Foods, growth has been driven by innovation to address both Vitality and low-income needs, including cholesterol-free *Hellmann's* mayonnaise; the extension of the soy benefits of *AdeS*; and the launch of low unit price *Knorr* seasoning cubes.

All of the global personal care brands contributed to another strong year. In laundry, growth of *Omo* was boosted by the global 'Pockets' and 'Dirt is Good' campaigns and the launch of the Aloe Vera variant.

Operating margin increased from 8.2% to 8.9%. Exceptional items included restructuring costs for the One Unilever simplification project and a provision for potential repayment of certain sales tax credits in Brazil.

Operating margin BEIA increased from 14.1% in 2003 to 16.4% in 2004 with the region benefiting from strong top-line growth and cost savings as we extended our regional shared service centres.

Operating review by region

Latin America (continued)

2003 results compared with 2002	€ million 2003 at 2002 rates	€ million Exchange rate effects	€ million 2003 at 2003 rates	€ million 2002 at 2002 rates	% Change at actual current rates	% Change at constant 2002 rates
Group turnover	5 706	(1 334)	4 372	5 433	(20)%	5%
Group operating profit	489	(131)	358	505	(29)%	(3)%
Turnover	5 715	(1 335)	4 380	5 445	(20)%	5%
Operating profit BEIA	809	(191)	618	770	(20)%	5%
Exceptional items	(114)	10	(104)	(58)		
Amortisation – goodwill and intangible assets	(207)	51	(156)	(207)		
Operating profit	488	(130)	358	505	(29)%	(3)%
Operating margin	8.5%		8.2%	9.3%		
Operating margin BEIA	14.2%		14.1%	14.1%		

Turnover and underlying sales growth (at constant 2002 rates)	2003 vs 2002
Underlying sales growth (%)	8.1
Effect of acquisitions (%)	0.1
Effect of disposals (%)	(3.1)
Turnover growth (%)	5.0

Turnover fell by 20% at current rates of exchange, with currency movements contributing a 25% decline. Operating profit fell by 29% and operating profit BEIA fell by 20%, with currency movements, notably in Brazil and Mexico, contributing declines of 26% and 25% respectively. The underlying performance of the business after eliminating exchange translation effects is discussed below at constant exchange rates.

Underlying sales grew by 8.1%, entirely through pricing as we recovered earlier devaluation-led cost increases. The speed of economic recovery was, however, uneven and Brazil in particular remained weak although we saw a strong improvement in Argentina. Home and Personal Care moved back into positive volume growth in the second half of the year, but this was offset by continuing market declines in Foods categories, resulting in a 2.2% overall volume decline for the year. Including the impact of disposals, turnover increased 5.0%.

The key drivers of growth were our personal care brands: *Lux*, which was relaunched with innovations in both product and packaging; *Sunsilk*, including the test launch of hair colorants in Argentina, Mexico and Brazil and the success of the *Lisage* hair-straightening variant; *Rexona,* with the launch of a deodorant spray in Colombia and Venezuela; and *Axe,* with the launch of new variants and extension to new geographies.

In laundry we continued to hold strong share positions and delivered good growth. A series of innovations were introduced under the *Omo*, *Radiant* and *Surf* brands, and fabric conditioners in Argentina performed particularly well.

In Foods, markets continued to be competitive and consumption remained weak, especially in Brazil. Nonetheless we continued to improve the base of our business. Innovations boosted strong growth for the *AdeS* soy-based drink. *Arisco* grew well in Brazil, showing the value of alternative 'smart choice' brands in a difficult economy. The savoury portfolio was strengthened through the migration of the *Cica* brand to *Knorr* in Brazil and the introduction of *Knorr* to Central America. Overall growth in Foods was impacted by our actions to reduce the tail of non-leading brands by managing some brands for value through a harvest strategy or through disposal.

The regional operating margin BEIA at 14.2% was 0.1% ahead of last year with an improvement in gross margin partly reinvested in increased advertising and promotions. We made good progress with savings programmes and progressively recovered the impact of devaluation-led cost increases.