

UNILEVER PLC
Form 6-K
October 21, 2011

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

REPORT OF FOREIGN ISSUER

Pursuant to Rule 13 a-16 or 15d-16 of the Securities Exchange Act of 1934

For the month of October, 2011

UNILEVER PLC

(Translation of registrant's name into English)

UNILEVER HOUSE, BLACKFRIARS, LONDON, ENGLAND

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNILEVER PLC

/s/ T.E. Lovell

T.E. Lovell,

Secretary

Date: 21 October, 2011

2011 FIRST HALF YEAR RESULTS

CONTINUING GOOD PROGRESS DESPITE DIFFICULT MARKETS

First Half Highlights

First half underlying sales growth 5.7% comprising volume growth 2.2% and price growth 3.5%.

Turnover up 4.1% at 22.8 billion with a negative impact from foreign exchange of 1.6%.

Underlying operating margin down 20bps; impact of high input cost inflation mitigated by pricing and savings. Stepped-up continuous improvement programmes generated efficiencies in advertising and promotions and led to lower indirect costs.

Advertising and promotions expenditure, at around 3 billion, was higher than the second half of 2010 but down 150bps versus the exceptionally high prior year comparator.

Fully diluted earnings per share up 10% at 0.77.

Integration of Sara Lee brands largely complete and Alberto Culver progressing rapidly. The acquisition of the laundry business in Colombia completed.

Chief Executive Officer

We are making encouraging progress in the transformation of Unilever to a sustainable growth company. In a tough and volatile environment we have again delivered strong growth. Volumes were robust and in line with the market, despite having taken price increases. This shows the strength of our brands and innovations. Our emerging markets business continues to deliver double digit growth.

Bigger and better innovation rolled out faster and moving our brands into white spaces continue to be the biggest drivers of growth. We are now striving to go further and faster still. For example Dove Hair Damage Therapy will be in more than 30 markets by the end of the year, Magnum has been rolled out to the United States and Indonesia and the Vaseline Men face range has been launched in South East Asia. We also continue to transform the portfolio with the integration of Sara Lee brands largely complete and Alberto Culver progressing rapidly. The acquisition of the Fab laundry brand in Colombia has now been completed.

The recently announced organisational changes are another building block in the transformation of Unilever, enabling us to further drive the virtuous circle of growth. Our priorities remain: profitable volume growth ahead of our markets, steady and sustainable underlying operating margin improvement and strong cash flow. More so than ever, in today's volatile environment, our number one priority is to ensure that our brands are managed for the long term health of the business.

Key financials (unaudited)

Half Year 2011

Current rates

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| | | | |
|-----------------------------------|--|----------------|--------------|
| Underlying sales growth* | | 5.7% | |
| Turnover | | 22,788m | +4.1% |
| Operating profit | | 3,308m | +8% |
| Net profit | | 2,405m | +9% |
| Diluted earnings per share | | 0.77 | +10% |

(*) Underlying sales growth is a constant currency non-GAAP measure, see note 2 on Page 11 for further explanation.

OPERATIONAL REVIEW: CATEGORIES

| (unaudited) | Half Year 2011 | | | | Change in Underlying Op Margin |
|------------------------------|----------------|------------|------------|------------|--|
| | Turnover | USG | UVG | UPG | |
| | m | % | % | % | bps |
| Unilever Total | 22,788 | 5.7 | 2.2 | 3.5 | (20) |
| Personal Care | 7,236 | 5.5 | 2.6 | 2.9 | 140 |
| Home Care | 4,018 | 6.7 | 2.7 | 3.9 | (330) |
| Savoury, Dressings & Spreads | 6,834 | 5.0 | 0.2 | 4.8 | 80 |
| Ice Cream & Beverages | 4,700 | 6.4 | 4.1 | 2.2 | (140) |

Market conditions remain sluggish in the developed economies but emerging markets continue to deliver strong growth. Our innovation programme continues to underpin our growth as we roll out new products to new markets faster and with greater discipline and rigour in execution. Magnum has been successfully introduced in the United States and Indonesia and is now present in 40 markets. Dove Men+Care is now in 38 markets. Axe/Lynx and Pond's Men facial cleansers have been launched in China. Knorr Stockpots are now available in 31 markets and Domestos in 38 markets.

All categories are managing significant input cost increases which, despite pricing actions and savings initiatives, have not been fully recovered in the first half, leading to overall gross margins lower by 230bps. Advertising and promotions expenditure is down 150bps against the high prior year comparator also reflecting the phasing of in-market activities, particularly in Personal Care, and the impact of our marketing savings activities. Indirects were also lower, the result of our stepped-up continuous improvement programmes. Underlying operating margin was down 20bps in the first half with earnings per share up 10%.

Personal Care

Deodorants extended its track record of consistent growth with a strong performance from Dove driven by the rollout of Dove Men+Care and the Dove Beauty Finish innovation for women. The Axe Excite variant is proving to be one of the most successful in recent years. The relaunch of Dove Hand & Body lotions has started promisingly in Europe. Skin Cleansing was more mixed with strong growth in Dove Nutrium Moisture, Radox Spa and Lifebuoy offset by generally weaker growth in soap bars following price increases.

Hair saw continuing strong performance from Dove Damage Therapy and Dove Nourishing Oil Care coupled with the impact of the relaunch of Clear in Asia. The earthquake in Japan caused serious disruption to our local business. The brands are now coming back on stream thanks to the efforts of our people in the region. Oral benefited from the rollout of premium innovations such as Sensitive Expert, now launched in Europe and Turkey, and Close-Up Fire-Freeze which is being launched in North Africa, Middle East, Vietnam, Pakistan and Brazil and is continuing to do well in India.

The integration of the Sara Lee brands is largely complete with cost synergies on track. We completed the Alberto Culver acquisition in May. The integration is progressing rapidly.

Underlying operating margin improved 140bps with lower gross margins more than offset by reduced indirects and advertising and promotions.

Home Care

Underlying sales growth has strengthened with the balance moving more towards price to help cover significantly higher commodity costs. For the most part the competition was lower on pricing but our strong innovation programme, including the new improved Small & Mighty range of fabric liquids, is helping us maintain positive volume momentum. Fabric Conditioners continue to grow consistently with the continuing extension of Comfort into new markets, including Australia and New Zealand.

Household Cleaning results were solid with double digit growth in Sunlight dishwash liquids and a good performance by Domestos driven by the UK toilet cleaning system campaign.

Home Care underlying operating margin declined 330bps reflecting the impact of higher input costs not fully mitigated by price increases and savings.

Savoury, Dressings and Spreads

Savoury grew in both volume and price helped by a strong performance in the emerging markets. The Knorr jelly bouillon continues to drive growth with the launch of Bouillon Pur in Germany and the extension into affordable sachets in China. The Knorr Season and Shake baking bags and PF Chang's restaurant quality frozen meals continue to grow strongly.

In Spreads as markets stabilised at higher price levels. Flora Pro.Active Buttery is performing ahead of expectations and liquid margarines continue to do well. Rama Irresistible has achieved target distribution and advertising has commenced. Dressings was also impacted by the need to increase prices but we maintained volume growth through the campaigns to encourage new and innovative uses of Hellmann's. These are encouraging signs that the new strategy to win differently is delivering benefits.

Underlying operating margin improved by 80bps, driven by indirect savings and lower advertising and promotions.

Ice Cream and Beverages

Ice Cream delivered a strong performance driven by the launch of Magnum in the United States and Indonesia, good weather in northern Europe, successful innovations such as Breyer's Blast in the US and Max in Europe and strong market development activities. Ben & Jerry's did well globally. Highlights were the Cococutterly Fair Trade variant in Europe and Red Velvet cake in the United States. Café Zero has been launched in Spain, Greece and Benelux following the success in Italy.

Tea performance was held back by declines in Japan but reflected strong shares in the UK, France and the good performance of Brooke Bond Red Label in India. The new innovations Lipton Sun Tea and Lipton Green Tea are both performing strongly. Soy and fruit drinks in emerging markets continue to deliver double digit growth.

Underlying operating margin was down 140bps mainly reflecting lower gross margins.

OPERATIONAL REVIEW: REGIONS

| (unaudited) | Half Year 2011 | | | | Change in Underlying Op Margin |
|-----------------------|----------------|------------|------------|------------|--------------------------------------|
| | Turnover | USG | UVG | UPG | |
| | m | % | % | % | bps |
| Unilever Total | 22,788 | 5.7 | 2.2 | 3.5 | (20) |
| Asia Africa CEE | 9,316 | 9.0 | 5.0 | 3.8 | (90) |
| The Americas | 7,368 | 5.3 | 0.3 | 5.0 | 20 |
| Western Europe | 6,104 | 1.3 | 0.2 | 1.1 | 50 |

Asia Africa CEE

The region continued to grow ahead of the markets despite the impact of increased competitive activity. This good growth was delivered in spite of the Japanese earthquake and uncertainty in the Middle East. In the half year, China and India delivered double digit underlying sales growth, driven by strong volume growth. South East Asia also delivered broad-based strong growth and elsewhere we saw notably good performances from Egypt and South Africa.

Underlying operating margin down 90bps in the first half reflects the action taken to ensure our brands stay competitive in the environment of exceptional commodity cost increases. The roll out of the regional IT platform continues to make good progress.

The Americas

Underlying sales growth in North America was low single digit in the half year, reflecting the impact of price increases and competitive dynamics. Growth picked up towards the end of the period with an improving performance from savoury, dressings and spreads. Latin America grew at just under 10% with Argentina and Mexico performing particularly well. Performance in Brazil was constrained by actions taken to reduce trade stocks.

Underlying operating margin, up 20bps in the half year, reflects lower gross margins offset by lower advertising and promotions expenditure linked to the timing of our innovation programme and lower indirects.

Western Europe

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The markets remain challenging. The first half results taken as a whole reflect the underlying performance of the business with volumes broadly stable. We delivered robust, well-balanced growth with notably good performances from Germany and France.

Underlying operating margin increased 50bps, reflecting reduced advertising and promotions expenditure.

ADDITIONAL COMMENTARY ON THE FINANCIAL STATEMENTS FIRST HALF YEAR

Finance costs and tax

The cost of financing net borrowings was 195 million; 19 million lower than last year. This reflects the impact of currencies, repayment of high cost debt and better returns from our cash balances. The interest rate on borrowings was 3.8% and on cash deposits was 2.3%. There was a credit for pensions financing of 30 million, which is higher than the prior year credit of 8 million.

The effective tax rate for the first half was 26.1%, broadly in line with the last year's rate of 26.3%.

Joint ventures, associates and other income from non-current investments

Net profit from joint ventures and associates, together with other income from non-current investments contributed 87 million in first half 2011 compared to 116 million in the previous year. This in part reflects the lower income following the partial redemption of a portion of the preferred shares that had been held as consideration for the sale of Unilever's US laundry business.

Restructuring and one-off items

Restructuring in the first half year was around 110bps of turnover, at 242 million. This reflects continued action being taken to make the business fit to compete in the current environment. Acquisition and integration costs (including restructuring) associated with Sara Lee and Alberto Culver was 101 million.

The first half results included a credit of 147 million relating to changes already made to the UK pension fund, reducing benefits, mainly for former employees, which were at the discretion of the company.

Earnings per share

Fully diluted earnings per share at 0.77 for the first half was 10% higher than the same period in 2010. The principal drivers were improved underlying profit and disposals, with lower interest and pension costs also contributing to the higher earnings.

Cash Flow and Net Debt

Net cash flow from operating activities during the first half was 1.9 billion. Higher operating profits were offset by working capital increases. However, we continued to maintain a negative net working capital.

Net capital expenditure was 906 million representing 4.0% of turnover. This primarily reflects the investment required to support the strong volume growth of the business in emerging markets, for example the new deodorants factory recently opened in Mexico.

Free cash flow was 804 million.

Net debt was 8.1 billion versus 6.7 billion at the start of the year. The 1.4 billion increase in net debt is explained by outflows from acquisitions and disposals of 1.4 billion and payment of dividends of 1.3 billion offset by free cash flow of 0.8 billion and the favourable impact of exchange rates amounting to 0.5 billion.

Pensions

The net pension deficit was 1.5 billion at the end of the first half, down from 2.1 billion at the end of 2010. This is mainly due to the impact of higher corporate bond rates on the calculation of the pension liabilities as well as good asset returns over the half year.

Unilever N.V. Preference Shares

Following the cancellation of the 4% preference shares in August 2010 we have reached an agreement with AEGON for the purchase of their 6% and 7% preference shares. At a recent Extraordinary General Meeting, shareholders of Unilever N.V. approved extension of the terms agreed with AEGON to all other holders of the NV preference shares. Accordingly, we have launched a public offer to re-purchase all outstanding Unilever N.V. preference shares. The maximum cost of this offer if, all outstanding shares are tendered, is 157 million.

Principal Risk Factors

On pages 33 to 37 of our 2010 Report and Accounts we set out our assessment of the principal risk issues that would face the business through 2011 under the headings: economic; markets; brands and innovation; customer; financial/treasury; consumer safety and sustainability; operations; people and talent; legal and regulatory; integration of acquisitions, restructuring and change management; and other risks. In our view, the nature and potential impact of such risks remain essentially unchanged as regards our performance over the second half of 2011.

Compliance with laws and regulation is of key importance for Unilever. Our Code of Business Principles and related policies underlie our everyday operations in Unilever and provide the foundation for our compliance activities. These compliance activities, which we continue to reinforce and enhance on an ongoing basis, include both training and processes and procedures in areas such as anti-bribery and competition law.

CAUTIONARY 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 expects, anticipates, intends, believes 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, including, among others, competitive pricing and activities, economic slowdown, industry consolidation, access to credit markets, recruitment levels, reputational risks, commodity prices, continued availability of raw materials, prioritisation of projects, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, consumer demands, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, the ability to complete planned restructuring activities, physical risks, environmental risks, the ability to manage regulatory, tax and legal matters and resolve pending matters within current estimates, legislative, fiscal and regulatory developments, political, economic and social conditions in the geographic markets where the Group operates and new or changed priorities of the Boards. 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 2010. These forward-looking statements speak only as of the date of this document. 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.

ENQUIRIES

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There is a web cast of the results presentation available at:

www.unilever.com/ourcompany/investorcentre/results/quarterlyresults/default.asp

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| INCOME STATEMENT | | | | |
|------------------|--|--|--|--|
|------------------|--|--|--|--|

(unaudited)

| million | Half Year | | Increase/ (Decrease) | |
|--|---------------|---------------|-------------------------|-------------------|
| | 2011 | 2010 | Current rates | Constant rates |
| Turnover | 22,788 | 21,895 | 4.1% | 5.7% |
| Operating profit | 3,308 | 3,066 | 8% | 9% |
| Restructuring, business disposals, impairments and other one-off items | (48) | (204) | | |
| Underlying operating profit | 3,356 | 3,270 | 3% | 4% |
| Net finance costs | (165) | (206) | | |
| Finance income | 42 | 41 | | |
| Finance costs | (237) | (255) | | |
| Pensions and similar obligations | 30 | 8 | | |
| Share in net profit/(loss) of joint ventures and associates | 64 | 63 | | |
| Other income from non-current investments | 23 | 53 | | |
| Profit before taxation | 3,230 | 2,976 | 9% | 10% |
| Taxation | (825) | (767) | | |
| Net profit | 2,405 | 2,209 | 9% | 10% |
| Attributable to: | | | | |
| Non-controlling interests | 170 | 174 | | |
| Shareholders' equity | 2,235 | 2,035 | 10% | 11% |
| Combined earnings per share | | | | |
| Basic earnings per share () | 0.79 | 0.72 | 10% | 11% |
| Diluted earnings per share () | 0.77 | 0.70 | 10% | 11% |

STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

| million | Half Year | |
|---|--------------|--------------|
| | 2011 | 2010 |
| Net profit | 2,405 | 2,209 |
| Other comprehensive income | | |
| Fair value gains/(losses) on financial instruments net of tax | (57) | (68) |
| Actuarial gains/(losses) on pension schemes net of tax | 95 | (935) |
| Currency retranslation gains/(losses) net of tax | (270) | 444 |
| Total comprehensive income | 2,173 | 1,650 |
| Attributable to: | | |
| Non-controlling interests | 132 | 253 |
| Shareholders' equity | 2,041 | 1,397 |

STATEMENT OF CHANGES IN EQUITY

(unaudited)

| million | Half Year | |
|--|---------------|---------------|
| | 2011 | 2010 |
| Equity at 1 January | 15,078 | 12,536 |
| Total comprehensive income for the period | 2,173 | 1,650 |
| Dividends on ordinary capital | (1,221) | (1,134) |
| Movement in treasury stock | (43) | (2) |
| Share-based payment credit | 66 | 74 |
| Dividends paid to non-controlling interests | (93) | (88) |
| Currency retranslation gains/(losses) net of tax | (10) | 12 |
| Other movements in equity | (94) | 32 |
| Equity at the end of the period | 15,856 | 13,080 |

| CASH FLOW STATEMENT | | |
|---------------------|--|--|
|---------------------|--|--|

(unaudited)

| million | Half Year | |
|---|----------------|----------------|
| | 2011 | 2010 |
| Cash flow from operating activities | 2,423 | 2,809 |
| Income tax paid | (552) | (572) |
| Net cash flow from operating activities | 1,871 | 2,237 |
| Interest received | 43 | 33 |
| Net capital expenditure | (906) | (753) |
| Acquisitions and disposals | (1,381) | 70 |
| Other investing activities | (43) | 740 |
| Net cash flow (used in)/from investing activities | (2,287) | 90 |
| Dividends paid on ordinary share capital | (1,220) | (1,148) |
| Interest and preference dividends paid | (204) | (257) |
| Change in financial liabilities | 1,695 | (289) |
| Other movements on treasury stock | (48) | 8 |
| Other financing activities | (208) | (87) |
| Net cash flow (used in)/from financing activities | 15 | (1,773) |
| Net increase/(decrease) in cash and cash equivalents | (401) | 554 |
| Cash and cash equivalents at the beginning of the period | 1,966 | 2,397 |
| Effect of foreign exchange rate changes | 161 | (201) |
| Cash and cash equivalents at the end of the period | 1,726 | 2,750 |

BALANCE SHEET

(unaudited)

| million | As at | As at | As at |
|--|-----------------|------------------|-----------------|
| | 30 June | 31 December 2010 | 30 June |
| | 2011 | | 2010 |
| Goodwill | 14,133 | 13,116 | 13,371 |
| Intangible assets | 6,124 | 5,090 | 5,031 |
| Property, plant and equipment | 8,018 | 7,854 | 7,504 |
| Pension asset for funded schemes in surplus | 1,130 | 910 | 536 |
| Deferred tax assets | 235 | 607 | 1,045 |
| Other non-current assets | 1,041 | 1,034 | 1,106 |
| Total non-current assets | 30,681 | 28,611 | 28,593 |
| Inventories | 4,633 | 4,309 | 4,398 |
| Trade and other current receivables | 5,421 | 4,135 | 4,922 |
| Current tax assets | 231 | 298 | 125 |
| Cash and cash equivalents | 2,332 | 2,316 | 3,105 |
| Other financial assets | 568 | 550 | 415 |
| Non-current assets held for sale | 169 | 921 | 398 |
| Total current assets | 13,354 | 12,529 | 13,363 |
| Financial liabilities | (3,153) | (2,276) | (2,895) |
| Trade payables and other current liabilities | (10,849) | (10,226) | (10,336) |
| Current tax liabilities | (650) | (639) | (534) |
| Provisions | (395) | (408) | (312) |
| Liabilities associated with assets held for sale | (32) | (30) | (21) |
| Total current liabilities | (15,079) | (13,579) | (14,098) |
| Net current assets/(liabilities) | (1,725) | (1,050) | (735) |
| Total assets less current liabilities | 28,956 | 27,561 | 27,858 |
| Financial liabilities due after one year | 7,852 | 7,258 | 8,188 |
| Non-current tax liabilities | 200 | 184 | 153 |
| Pensions and post-retirement healthcare liabilities: | | | |
| Funded schemes in deficit | 932 | 1,081 | 2,428 |
| Unfunded schemes | 1,746 | 1,899 | 2,061 |
| Provisions | 887 | 886 | 848 |
| Deferred tax liabilities | 1,219 | 880 | 807 |
| Other non-current liabilities | 264 | 295 | 293 |
| Total non-current liabilities | 13,100 | 12,483 | 14,778 |
| Shareholders' equity | 15,275 | 14,485 | 12,428 |
| Non-controlling interests | 581 | 593 | 652 |
| Total equity | 15,856 | 15,078 | 13,080 |
| Total capital employed | 28,956 | 27,561 | 27,858 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

1 ACCOUNTING INFORMATION AND POLICIES

The condensed interim financial statements are based on International Financial Reporting Standards (IFRS) as adopted by the EU and IFRS as issued by the International Accounting Standards Board. The accounting policies and methods of computation are consistent with the year ended 31 December 2010 and are in compliance with IAS 34 Interim Financial reporting .

The Group has considerable financial resources together with established business relationships with many customers and suppliers in countries throughout the world. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half year financial statements.

The condensed interim financial statements are shown at current exchange rates, while percentage year-on-year changes are shown at both current and constant exchange rates to facilitate comparison. The income statement on page 7, the statements of comprehensive income and changes in equity on page 8, the cash flow statement on page 9, and the analysis of free cash flow on page 14 are translated at exchange rates current in each period. The balance sheet on page 10 and the analysis of net debt on page 14 are translated at period-end rates of exchange.

The financial statements attached do not constitute the full financial statements within the meaning of Section 434 of the UK Companies Act 2006. Full accounts for Unilever for the year ended 31 December 2010 have been delivered to the Registrar of Companies. The auditors' reports on these accounts were unqualified and did not contain a statement under Section 498 (2) or Section 498 (3) of the UK Companies Act 2006.

Recent accounting developments

With effect from 1 January 2011 the Group has adopted the following new and amended IFRSs and IFRIC interpretations with no material impact:

- IAS 24 Related Party Disclosures (Revised) (effective for periods beginning on or after 1 January 2011).
- IAS 32 (Amendments) Financial Instruments: Disclosure (effective for periods beginning on or after 1 February 2010).
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for periods beginning on or after 1 July 2010).
- IFRIC 14 Minimum Funding Requirement (Amendment) (effective for periods beginning on or after 1 January 2011).
- Improvements to IFRS (issued May 2010) (effective for periods beginning on or after 1 July 2010).

2 NON-GAAP MEASURES

In our financial reporting we use certain measures that are not recognised under IFRS or other generally accepted accounting principles (GAAP). We do this because we believe that these measures are useful to investors and other users of our financial statements in helping them to understand underlying business performance. Wherever we use such measures, we make clear that these are not intended as a substitute for recognised GAAP measures. Wherever appropriate and practical, we provide reconciliations to relevant GAAP measures. Unilever uses constant rate and underlying measures primarily for internal performance analysis and targeting purposes.

The principal non-GAAP measure which we apply in our reporting is underlying sales growth, which we reconcile to changes in the GAAP measure turnover in notes 4 and 5. Underlying sales growth (abbreviated to USG or growth) reports turnover growth at constant exchange rates, excluding the effects of acquisitions and disposals. Turnover includes the impact of exchange rates, acquisitions and disposals.

We also comment on underlying trends in operating margin before the impact of restructuring, business disposals, impairments and other one-off items, which we collectively term RDIs, on the grounds that the incidence of these items is uneven between reporting periods. Further detail on RDIs can be found in note 3. We also discuss free cash flow, which we reconcile in note 8 to the amounts in the cash flow statement, and net debt, which we reconcile in note 9 to the amounts reported in our balance sheet and cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

3 SIGNIFICANT ITEMS WITHIN THE INCOME STATEMENT

In our income statement reporting we recognise restructuring costs, profits and losses on business disposals, impairments and other one-off items, which we collectively term RDIs. We disclose on the face of our income statement the total value of such items that arise within operating profit.

| million | Half Year | |
|---|-------------|--------------|
| | 2011 | 2010 |
| RDIs within operating profit: | | |
| Restructuring | (242) | (253) |
| Business disposals | 144 | 49 |
| Acquisition and integration costs | (101) | - |
| Impairments and other one-off items | 151 | - |
| Total RDIs within operating profit | (48) | (204) |

4 SEGMENT INFORMATION-CATEGORIES

| Half Year | Personal | Home Care | Savoury | Ice Cream | Total |
|------------------------------------|-------------|-------------|---------------|---------------|-------------|
| million | Care | | Dressings and | and Beverages | |
| | | | Spreads | | |
| Turnover | | | | | |
| 2010 | 6,700 | 3,791 | 6,910 | 4,494 | 21,895 |
| 2011 | 7,236 | 4,018 | 6,834 | 4,700 | 22,788 |
| Change | 8.0% | 6.0% | (1.1)% | 4.6% | 4.1% |
| Impact of: | | | | | |
| Exchange rates | (2.0)% | (1.4)% | (1.0)% | (1.7)% | (1.6)% |
| Acquisitions | 4.6% | 1.0% | 0.1% | 0.4% | 1.7% |
| Disposals | (0.2)% | (0.2)% | (4.9)% | (0.3)% | (1.7)% |
| Underlying sales growth | 5.5% | 6.7% | 5.0% | 6.4% | 5.7% |
| Price | 2.9% | 3.9% | 4.8% | 2.2% | 3.5% |
| Volume | 2.6% | 2.7% | 0.2% | 4.1% | 2.2% |
| Operating profit | | | | | |
| 2010 | 1,082 | 316 | 1,142 | 526 | 3,066 |
| 2011 | 1,216 | 215 | 1,384 | 493 | 3,308 |
| Underlying operating profit | | | | | |
| 2010 | 1,144 | 352 | 1,217 | 557 | 3,270 |
| 2011 | 1,342 | 243 | 1,256 | 515 | 3,356 |
| Operating margin | | | | | |
| 2010 | 16.1% | 8.3% | 16.5% | 11.7% | 14.0% |
| 2011 | 16.8% | 5.4% | 20.3% | 10.5% | 14.5% |
| Underlying operating margin | | | | | |
| 2010 | 17.1% | 9.3% | 17.6% | 12.4% | 14.9% |
| 2011 | 18.5% | 6.0% | 18.4% | 11.0% | 14.7% |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

5 SEGMENT INFORMATION-REGIONS

| | Half Year | | The | | |
|------------------------------------|-----------|--------------------|-------------|----------------|-------------|
| | million | Asia Africa CEE | Americas | Western Europe | Total |
| Turnover | | | | | |
| 2010 | | 8,668 | 7,199 | 6,028 | 21,895 |
| 2011 | | 9,316 | 7,368 | 6,104 | 22,788 |
| Change | | 7.5% | 2.4% | 1.3% | 4.1% |
| Impact of: | | | | | |
| Exchange rates | | (2.1)% | (2.7)% | 0.7% | (1.6)% |
| Acquisitions | | 0.6% | 1.1% | 4.3% | 1.7% |
| Disposals | | 0.0% | (1.1)% | (4.9)% | (1.7)% |
| Underlying sales growth | | 9.0% | 5.3% | 1.3% | 5.7% |
| Price | | 3.8% | 5.0% | 1.1% | 3.5% |
| Volume | | 5.0% | 0.3% | 0.2% | 2.2% |
| Operating profit | | | | | |
| 2010 | | 1,149 | 1,013 | 904 | 3,066 |
| 2011 | | 1,126 | 1,146 | 1,036 | 3,308 |
| Underlying operating profit | | | | | |
| 2010 | | 1,196 | 1,080 | 994 | 3,270 |
| 2011 | | 1,201 | 1,120 | 1,035 | 3,356 |
| Operating margin | | | | | |
| 2010 | | 13.3% | 14.1% | 15.0% | 14.0% |
| 2011 | | 12.1% | 15.6% | 17.0% | 14.5% |
| Underlying operating margin | | | | | |
| 2010 | | 13.8% | 15.0% | 16.5% | 14.9% |
| 2011 | | 12.9% | 15.2% | 17.0% | 14.7% |

6 TAXATION

The effective tax rate for the half year was 26.1% compared with 26.3% for 2010. The tax rate is calculated by dividing the tax charge by pre-tax profit excluding the contribution of joint ventures and associates.

Tax effects of components of other comprehensive income were as follows:

million

| | Half Year 2011 Tax | | Half Year 2010 Tax | | |
|--------|-----------------------|--------|-----------------------|-----|-----|
| Before | After | Before | After | | |
| tax | (charge)/ | tax | (charge)/ | tax | tax |
| | credit | | credit | | |
| | | | | | |

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| | | | | | | |
|--|--------------|-------------|--------------|--------------|------------|--------------|
| Fair value gains/(losses) on financial instruments | (66) | 9 | (57) | (77) | 9 | (68) |
| Actuarial gains/(losses) on pension schemes | 145 | (50) | 95 | (1,290) | 355 | (935) |
| Currency retranslation gains/(losses) | (278) | 8 | (270) | 444 | - | 444 |
| Other comprehensive income | (199) | (33) | (232) | (923) | 364 | (559) |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

7 RECONCILIATION OF NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

| million | Half Year | |
|--|--------------|--------------|
| | 2011 | 2010 |
| Net profit | 2,405 | 2,209 |
| Taxation | 825 | 767 |
| Share of net profit of joint ventures/associates and other income from non-current investments | (87) | (116) |
| Net finance costs | 165 | 206 |
| Operating profit | 3,308 | 3,066 |
| Depreciation, amortisation and impairment | 505 | 498 |
| Changes in working capital | (1,191) | (489) |
| Pensions and similar provisions less payments | (240) | (204) |
| Restructuring and other provisions less payments | 97 | (70) |
| Elimination of (profits)/losses on disposals | (132) | (56) |
| Non-cash charge for share-based compensation | 66 | 74 |
| Other adjustments | 10 | (10) |
| Cash flow from operating activities | 2,423 | 2,809 |

8 FREE CASH FLOW

| million | Half Year | |
|--|--------------|--------------|
| | 2011 | 2010 |
| Cash flow from operating activities | 2,423 | 2,809 |
| Income tax paid | (552) | (572) |
| Net capital expenditure | (906) | (753) |
| Net interest and preference dividends paid | (161) | (224) |
| Free cash flow | 804 | 1,260 |

9 NET DEBT

| million | As at 30 | As at 31 | As at 30 |
|---|-----------------|----------------|-----------------|
| | June | December | June |
| | 2011 | 2010 | 2010 |
| Total financial liabilities | (11,005) | (9,534) | (11,083) |
| Financial liabilities due within one year | (3,153) | (2,276) | (2,895) |
| Financial liabilities due after one year | (7,852) | (7,258) | (8,188) |
| Cash and cash equivalents as per balance sheet | 2,332 | 2,316 | 3,105 |
| Cash and cash equivalents as per cash flow statement | 1,726 | 1,966 | 2,750 |

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| | | | |
|--------------------------------------|----------------|----------------|----------------|
| Add bank overdrafts deducted therein | 606 | 350 | 355 |
| Other financial assets | 568 | 550 | 415 |
| Net debt | (8,105) | (6,668) | (7,563) |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

10 COMBINED EARNINGS PER SHARE

The combined earnings per share calculations are based on the average number of share units representing the combined ordinary shares of NV and PLC in issue during the period, less the average number of shares held as treasury stock.

In calculating diluted earnings per share, a number of adjustments are made to the number of shares, principally the following: (i) conversion into PLC ordinary shares in the year 2038 of shares in a group company under the arrangements for the variation of the Leverhulme Trust and (ii) the exercise of share options by employees.

Earnings per share for total operations for the six months were calculated as follows:

| | 2011 | 2010 |
|---|---------|---------|
| Combined EPS Basic | | |
| Average number of combined share units (Millions of units) | 2,814.2 | 2,810.6 |
| Net profit attributable to shareholders equity (millions) | 2,235 | 2,035 |
| Combined EPS basic () | 0.79 | 0.72 |
| Combined EPS Diluted | | |
| Adjusted average number of combined share units (Millions of units) | 2,906.3 | 2,905.0 |
| Combined EPS diluted () | 0.77 | 0.70 |

The numbers of shares included in the calculation of earnings per share is an average for the period. During the period the following movements in shares have taken place:

| | Millions |
|--|----------|
| Number of shares at 31 December 2010 (net of treasury stock) | 2,809.8 |
| Net movements in shares under incentive schemes | 5.3 |
| Number of shares at 30 June 2011 | 2,815.1 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

11 ACQUISITIONS AND DISPOSALS**Alberto Culver acquisition**

On 10 May 2011 we completed the purchase of 100% of Alberto Culver. This acquisition adds brands to Unilever's existing portfolio including TRESemmé, Nexxus, St. Ives and Noxzema in the United States and internationally.

The consideration was 2.7 billion in cash. The fair values shown below are provisional and are based upon the fair value work that has been performed since the acquisition date. The acquisition accounting will be finalised in 2012.

The intangible assets of Alberto Culver are principally brands. Their fair values have been provisionally determined pending the completion of valuations in 2012.

The provisional estimate of the goodwill arising on the acquisition of Alberto Culver is 1,435 million. It relates to the value of the anticipated synergies to be realised from the acquisition, together with the market position and the assembled workforce.

The following table summarises the consideration paid and assets and liabilities recognized for the Group's acquisition of Alberto Culver.

| | million |
|---|--------------|
| Intangible assets | 1,332 |
| Property, plant and equipment | 115 |
| Other non-current assets | 41 |
| Deferred tax assets | 2 |
| Total non-current assets | 1,490 |
| Inventories | 126 |
| Trade and other current receivables | 157 |
| Current tax assets | 28 |
| Cash and cash equivalents | 357 |
| Other financial assets | 32 |
| Assets held for sale | 41 |
| Total current assets | 741 |
| Financial liabilities | (3) |
| Trade payables and other current liabilities | (268) |
| Current tax liabilities | (2) |
| Liabilities associated with assets held for sale | (12) |
| Total current liabilities | (285) |
| Pensions and post-retirement healthcare liabilities | (4) |
| Deferred tax liabilities | (536) |
| Other non-current liabilities | (152) |
| Total non-current liabilities | (692) |
| Total identifiable net assets | 1,254 |
| Consideration cash | 2,689 |
| Goodwill on acquisition | 1,435 |

Total acquisition-related costs incurred to date for Alberto Culver are 30 million of which 10 million have been recorded in the income statement for the period ended 30 June 2011. These acquisition costs are included in administrative expenses and presented within RDI in calculating underlying operating profit.

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Since acquisition, Alberto Culver has contributed 104 million to the Group revenue and a loss of 8 million to Group operating profit of which 33 million related to one-off costs which were recorded within RDI. If the acquisition had taken place at the beginning of the year, Group turnover would have been higher by 442 million and Group operating profit would have been higher by 63 million.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

11 ACQUISITIONS AND DISPOSALS (continued)

Sara Lee acquisition

During the period ended 30 June 2011, the Group updated the provisional acquisition accounting recorded at 31 December 2010 for the Sara Lee acquisition. Certain adjustments to the 31 December 2010 balance sheet have been recorded during the period including the update of the valuation of the assets held for sale in relation to the Sanex business which were disposed of during the first half of 2011. These have reduced goodwill reported at 31 December 2010 by 62 million. The fair values for the Sara Lee acquisition remain provisional and will be finalised later this year.

Other acquisitions and disposals

On 24 September 2010 we announced a definitive agreement to sell our consumer tomato products business in Brazil to Cargill for approximately R\$600 million. The deal was completed on 1 March 2011.

On 28 September 2010 we announced an agreement to buy EVGA's ice cream brands and distribution network in Greece for an undisclosed sum. The deal was completed on 27 January 2011.

On 23 March 2011 we announced a binding agreement to sell the global Sanex business to Colgate-Palmolive for 672 million. The deal was completed on 20 June 2011.

On 23 March 2011 we announced a binding agreement to buy the Columbian Laundry business from Colgate-Palmolive for US\$215 million. The deal was completed on 29 July 2011.

The disposal of Simple Soap in the UK, the Republic of Ireland and the Channel Islands and the Cidal and Wright's brands worldwide was completed on 30 June 2011.

12 DIVIDENDS

The Boards have declared a quarterly interim dividend for Q1 2011 and Q2 2011 at the following rates which are equivalent in value at the rate of exchange applied under the terms of the Equalisation Agreement between the two companies:

| | US\$00.3289 | US\$00.3289 |
|--|-------------|-------------|
| | Q1 2011 | Q2 2011 |
| Per Unilever N.V. ordinary share | 0.2250 | 0.2250 |
| Per Unilever PLC ordinary share | £ 0.1996 | £ 0.1962 |
| Per Unilever N.V. New York share | US\$ 0.3289 | US\$ 0.3188 |
| Per Unilever PLC American Depositary Receipt | US\$ 0.3289 | US\$ 0.3188 |

The quarterly dividend calendar for the remainder of 2011 will be as follows:

| | Announcement Date | Announcement Date | Announcement Date | Announcement Date |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Announcement Date | Ex-Dividend Date | Record Date | Payment Date |
| Calendar Year 2011 | | | | |
| Quarterly dividend for Q3 2011 | 3 November 2011 | 9 November 2011 | 11 November 2011 | 14 December 2011 |

13 EVENTS AFTER THE BALANCE SHEET DATE

On 14 October 2011, we announced that we have agreed to acquire 82% of Concern Kalina, a leading Russian beauty company, at a cost of approximately RUB 16.7 billion. The transaction is subject to regulatory approvals.

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS

On 18 November 2008, NV and Unilever Capital Corporation (UCC) filed a US Shelf registration, which is unconditionally and fully guaranteed, jointly and severally, by N.V., PLC and Unilever United States, Inc. (UNUS). This superseded the previous NV and UCC US Shelf registration filed on 2 October 2000, which is unconditionally and fully guaranteed, jointly and severally, by NV, PLC and UNUS. Of the US Shelf registration, US \$4.0 billion of Notes were outstanding at 30 June 2011 (2010 \$2.5 billion, 2009: US \$4.25 billion, 2008: US \$2.75 billion) with coupons ranging from 2.75% to 5.9%. These Notes are repayable between 15 February 2014 and 15 November 2032.

Provided below are the income statements, cash flow statements and balance sheets of each of the companies discussed above, together with the income statement, cash flow statement and balance sheet of non-guarantor subsidiaries. These have been prepared under the historical cost convention, and, aside from the basis of accounting for investments at net asset value (equity accounting), comply in all material respects with International Financial Reporting Standards. The financial information in respect on NV, PLC and UNUS has been prepared with all subsidiaries accounted for on an equity basis. The financial information in respect of the non-guarantor subsidiaries has been prepared on a consolidated basis.

| Income Statement | million | | | | | | |
|---|--|--|--|---|---------------------------------|----------------|-------------------|
| | Unilever Capital Corporation subsidiary issuer | N.V. parent issuer/ guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non- guarantor subsidiary | Eliminations | Unilever Group |
| Six months ended 30 June 2011 | | | | | | | |
| Turnover | - | - | - | - | 22,788 | - | 22,788 |
| Operating Profit | - | 178 | (58) | (8) | 3,196 | - | 3,308 |
| Finance income | - | - | - | - | 42 | - | 42 |
| Finance costs | (63) | (42) | (19) | - | (113) | - | (237) |
| Pensions and similar obligations | - | (2) | - | (10) | 42 | - | 30 |
| Intercompany finance costs | 63 | 32 | (9) | (62) | (24) | - | - |
| Dividends | - | 120 | 1 | - | (121) | - | - |
| Share of net profit/(loss) of joint ventures and associates | - | - | - | - | 64 | - | 64 |
| Other income from non-current investments | - | - | - | - | 23 | - | 23 |
| Profit before taxation | - | 286 | (85) | (80) | 3,109 | - | 3,230 |
| Taxation | - | (41) | 19 | (136) | (667) | - | (825) |
| Net profit from continuing operations | - | 245 | (66) | (216) | 2,442 | - | 2,405 |
| Equity earning of subsidiaries | - | 2,160 | 2,471 | 442 | - | (5,073) | - |
| Net Profit | - | 2,405 | 2,405 | 226 | 2,442 | (5,073) | 2,405 |
| Attributed to: | | | | | | | |
| Minority interest | - | - | - | - | 170 | - | 170 |
| Shareholders equity | - | 2,405 | 2,405 | 226 | 2,272 | (5,073) | 2,235 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS (continued)

| Income Statement | Unilever | | | | | | Eliminations | Unilever Group |
|---|--|------------------------------|-------------------------------|--|--------------------------|----------------|---------------|----------------|
| | Unilever Capital Corporation subsidiary issuer | N.V. parent issuer/guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non-guarantor subsidiary | | | |
| Six months ended 30 June 2010 | | | | | | | | |
| Turnover | - | - | - | - | 21,895 | - | 21,895 | |
| Operating Profit | - | 269 | 17 | (9) | 2,789 | - | 3,066 | |
| Finance income | - | - | - | - | 41 | - | 41 | |
| Finance costs | (94) | (189) | (20) | - | 48 | - | (255) | |
| Pensions and similar obligations | - | (2) | - | (12) | 22 | - | 8 | |
| Intercompany finance costs | 96 | 55 | (12) | (50) | (89) | - | - | |
| Dividends | - | 280 | - | - | (280) | - | - | |
| Share of net profit/(loss) of joint ventures and associates | - | - | - | - | 63 | - | 63 | |
| Other income from non-current investments | - | - | - | - | 53 | - | 53 | |
| Profit before taxation | 2 | 413 | (15) | (71) | 2,647 | - | 2,976 | |
| Taxation | (1) | (94) | 5 | 515 | (1,192) | - | (767) | |
| Net profit from continuing operations | 1 | 319 | (10) | 444 | 1,455 | - | 2,209 | |
| Equity earning of subsidiaries | - | 1,890 | 2,219 | (223) | - | (3,886) | - | |
| Net Profit | 1 | 2,209 | 2,209 | 221 | 1,455 | (3,886) | 2,209 | |
| Attributed to: | | | | | | | | |
| Minority interest | - | - | - | - | 174 | - | 174 | |
| Shareholders equity | 1 | 2,209 | 2,209 | 221 | 1,281 | (3,886) | 2,035 | |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS (continued)

| million | Unilever | | | | | | Eliminations | Unilever Group |
|---|--|------------------------------|-------------------------------|--|--------------------------|----------|--------------|----------------|
| | Unilever Corporation subsidiary issuer | N.V. parent issuer/guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non-guarantor subsidiary | | | |
| Balance Sheet | | | | | | | | |
| As at 30 June 2011 | | | | | | | | |
| Goodwill and intangible assets | - | 39 | 84 | - | 20,134 | - | 20,257 | |
| Property, plant and equipment | - | - | - | - | 8,018 | - | 8,018 | |
| Pension asset for funded schemes in surplus | - | 6 | - | 21 | 1,103 | - | 1,130 | |
| Deferred tax assets | - | - | - | 295 | (60) | - | 235 | |
| Other non-current assets | - | - | - | 9 | 1,032 | - | 1,041 | |
| Amounts due from group companies after one year | 3,455 | - | - | - | (3,455) | - | - | |
| Net assets of subsidiaries (equity accounted) | - | 36,517 | 20,429 | 13,666 | (17,918) | (52,694) | - | |
| Total non-current assets | 3,455 | 36,562 | 20,513 | 13,991 | 8,854 | (52,694) | 30,681 | |
| Inventories | - | - | - | - | 4,633 | - | 4,633 | |
| Amounts due from group companies within one year | - | 4,277 | 489 | 1,422 | (6,188) | - | - | |
| Trade and other current receivables | - | 101 | 2 | 5 | 5,313 | - | 5,421 | |
| Current tax assets | - | 211 | 33 | 60 | (73) | - | 231 | |
| Other financial assets | - | - | - | - | 568 | - | 568 | |
| Cash and cash equivalents | - | - | - | (3) | 2,335 | - | 2,332 | |
| Assets held for sale | - | - | - | - | 169 | - | 169 | |
| Total current assets | - | 4,589 | 524 | 1,484 | 6,757 | - | 13,354 | |
| Financial liabilities | (422) | (1,084) | (2) | - | (1,645) | - | (3,153) | |
| Amounts due to group companies within one year | - | (18,129) | (4,796) | (8) | 22,933 | - | - | |
| Trade payables and other current liabilities | (37) | (207) | (54) | (6) | (10,545) | - | (10,849) | |
| Current tax liabilities | - | (197) | (68) | (12) | (373) | - | (650) | |
| Provisions | - | (15) | - | - | (380) | - | (395) | |
| Liabilities associated with assets held for sale | - | - | - | - | (32) | - | (32) | |
| Total current liabilities | (459) | (19,632) | (4,920) | (26) | 9,958 | - | (15,079) | |
| Net current assets/(liabilities) | (459) | (15,043) | (4,396) | 1,458 | 16,715 | - | (1,725) | |
| Total assets less current liabilities | 2,996 | 21,519 | 16,117 | 15,449 | 25,569 | (52,694) | 28,956 | |
| Financial liabilities due after one year | 2,736 | 3,021 | 827 | - | 1,268 | - | 7,852 | |
| Amounts due to group companies after one year | - | 3,091 | - | 4,449 | (7,540) | - | - | |
| Pension and post-retirement healthcare liabilities: | | | | | | | | |
| Funded schemes in deficit | - | - | - | - | 932 | - | 932 | |
| Unfunded schemes | - | 92 | - | 522 | 1,132 | - | 1,746 | |
| Provisions | - | 19 | - | 1 | 867 | - | 887 | |
| Deferred tax liabilities | - | 17 | 15 | - | 1,187 | - | 1,219 | |
| Other non-current liabilities | - | 4 | - | 123 | 337 | - | 464 | |
| Total non-current liabilities | 2,736 | 6,244 | 842 | 5,095 | (1,817) | - | 13,100 | |
| Shareholders' equity attributable to: | | | | | | | | |
| Unilever NV | - | - | 17,060 | - | - | (17,060) | - | |

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| | | | | | | | |
|----------------------------------|-------|---------|---------|--------|---------|----------|---------|
| Unilever PLC | - | (1,783) | - | - | - | 1,783 | - |
| Called up share capital | - | 274 | 210 | - | - | - | 484 |
| Share premium account | - | 25 | 105 | 942 | (942) | - | 130 |
| Other reserves | (15) | (2,987) | (2,648) | (93) | (1,719) | 1,827 | (5,635) |
| Retained profit | 275 | 19,746 | 548 | 9,505 | 29,466 | (39,244) | 20,296 |
| Total shareholders equity | 260 | 15,275 | 15,275 | 10,354 | 26,805 | (52,694) | 15,275 |
| Minority interests | - | - | - | - | 581 | - | 581 |
| Total equity | 260 | 15,275 | 15,275 | 10,354 | 27,386 | (52,694) | 15,856 |
| Total capital employed | 2,996 | 21,519 | 16,117 | 15,449 | 25,569 | (52,694) | 28,956 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS (continued)

| million | Unilever | | | | | | |
|---|--|--|--|--|-----------------------------|--------------|-------------------|
| | Unilever Capital Corporation subsidiary issuer | N.V. parent issuer/ guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non-guarantor subsidiary | Eliminations | Unilever Group |
| Balance Sheet | | | | | | | |
| As at 31 December 2010 | | | | | | | |
| Goodwill and intangible assets | - | 40 | 80 | - | 18,086 | - | 18,206 |
| Property, plant and equipment | - | - | - | - | 7,854 | - | 7,854 |
| Pension asset for funded schemes in surplus | - | 6 | - | 14 | 890 | - | 910 |
| Deferred tax assets | - | - | - | 383 | 224 | - | 607 |
| Other non-current assets | - | - | - | - | 1,034 | - | 1,034 |
| Amounts due from group companies after one year | 2,382 | 3,912 | - | - | (6,294) | - | - |
| Net assets of subsidiaries (equity accounted) | - | 34,216 | 19,255 | 11,662 | (15,939) | (49,194) | - |
| Total non-current assets | 2,382 | 38,174 | 19,335 | 12,059 | 5,855 | (49,194) | 28,611 |
| Inventories | - | - | - | - | 4,309 | - | 4,309 |
| Amounts due from group companies within one year | - | 1,834 | 661 | 1,968 | (4,463) | - | - |
| Trade and other current receivables | - | 69 | - | 6 | 4,060 | - | 4,135 |
| Current tax assets | - | 184 | 29 | 77 | 8 | - | 298 |
| Other financial assets | - | - | - | - | 550 | - | 550 |
| Cash and cash equivalents | - | - | - | (3) | 2,319 | - | 2,316 |
| Assets held for sale | - | - | - | - | 921 | - | 921 |
| Total current assets | - | 2,087 | 690 | 2,048 | 7,704 | - | 12,529 |
| Financial liabilities | (224) | (558) | (2) | - | (1,492) | - | (2,276) |
| Amounts due to group companies within one year | - | (17,042) | (4,496) | (13) | 21,551 | - | - |
| Trade payables and other current liabilities | (24) | (150) | (21) | (16) | (10,015) | - | (10,226) |
| Current tax liabilities | (1) | (173) | (93) | (6) | (366) | - | (639) |
| Provisions | - | (78) | (48) | - | (282) | - | (408) |
| Liabilities associated with assets held for sale | - | - | - | - | (30) | - | (30) |
| Total current liabilities | (249) | (18,001) | (4,660) | (35) | 9,366 | - | (13,579) |
| Net current assets/(liabilities) | (249) | (15,914) | (3,970) | 2,013 | 17,070 | - | (1,050) |
| Total assets less current liabilities | 2,133 | 22,260 | 15,365 | 14,072 | 22,925 | (49,194) | 27,561 |
| Financial liabilities due after one year | 1,853 | 3,235 | 864 | - | 1,306 | - | 7,258 |
| Amounts due to group companies after one year | - | 4,407 | - | 5,062 | (9,469) | - | - |
| Pension and post-retirement healthcare liabilities: | | | | | | | |
| Funded schemes in deficit | - | - | - | - | 1,081 | - | 1,081 |
| Unfunded schemes | - | 95 | - | 610 | 1,194 | - | 1,899 |
| Provisions | - | 21 | - | 2 | 863 | - | 886 |
| Deferred tax liabilities | - | 13 | 16 | - | 851 | - | 880 |
| Other non-current liabilities | - | 4 | - | 119 | 356 | - | 479 |
| Total non-current liabilities | 1,853 | 7,775 | 880 | 5,793 | (3,818) | - | 12,483 |

Shareholders' equity attributable to:

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| | | | | | | | |
|----------------------------------|-------|---------|---------|--------|--------|----------|---------|
| Unilever NV | - | - | 16,357 | - | - | (16,357) | - |
| Unilever PLC | - | (1,872) | - | - | - | 1,872 | - |
| Called up share capital | - | 274 | 210 | - | - | - | 484 |
| Share premium account | - | 25 | 109 | 106 | (106) | - | 134 |
| Other reserves | 6 | (2,787) | (2,619) | (619) | (981) | 1,594 | (5,406) |
| Retained Profit | 274 | 18,845 | 428 | 8,792 | 27,237 | (36,303) | 19,273 |
| Total shareholders equity | 280 | 14,485 | 14,485 | 8,279 | 26,150 | (49,194) | 14,485 |
| Minority interests | - | - | - | - | 593 | - | 593 |
| Total equity | 280 | 14,485 | 14,485 | 8,279 | 26,743 | (49,194) | 15,078 |
| Total capital employed | 2,133 | 22,260 | 15,365 | 14,072 | 22,925 | (49,194) | 27,561 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS (continued)

| million | Unilever | | | | | Eliminations | Unilever Group |
|---|--|------------------------------|-------------------------------|--|--------------------------|--------------|----------------|
| | Unilever Capital Corporation subsidiary issuer | N.V. parent issuer/guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non-guarantor subsidiary | | |
| Cash flow statement | | | | | | | |
| Six months ended 30 June 2011 | | | | | | | |
| Cash flow from operating activities | - | 141 | (272) | (53) | 2,607 | - | 2,423 |
| Income tax paid | - | (45) | (11) | (42) | (454) | - | (552) |
| Net cash flow from operating activities | - | 96 | (283) | (95) | 2,153 | - | 1,871 |
| Interest received | 62 | 32 | - | - | 43 | (94) | 43 |
| Net capital expenditure | - | (5) | - | - | (901) | - | (906) |
| Acquisitions and disposals | - | - | 4 | - | (1,385) | - | (1,381) |
| Other investing activities | (1,345) | 4 | - | (651) | 1,009 | 940 | (43) |
| Net cash flow from / (used in) investing activities | (1,283) | 31 | 4 | (651) | (1,234) | 846 | (2,287) |
| Dividends paid on ordinary share capital | - | (550) | (555) | - | (115) | - | (1,220) |
| Interest and preference dividends paid | (46) | (40) | (30) | (62) | (120) | 94 | (204) |
| Change in financial liabilities | 1,328 | 510 | 878 | (22) | (59) | (940) | 1,695 |
| Share buy-back programme | - | - | - | - | - | - | - |
| Other movement on treasury stock | - | (28) | (14) | (6) | - | - | (48) |
| Other financing activities | - | - | - | 836 | (1,044) | - | (208) |
| Net cash flow from / (used in) financing activities | 1,282 | (108) | 279 | 746 | (1,338) | (846) | 15 |
| Net increase / (decrease) in cash and cash equivalents | (1) | 19 | - | - | (419) | - | (401) |
| Cash and cash equivalents at beginning of year | - | (2) | - | (3) | 1,971 | - | 1,966 |
| Effect of foreign exchange rates | 1 | (17) | - | - | 177 | - | 161 |
| Cash and cash equivalents at end of year | - | - | - | (3) | 1,729 | - | 1,726 |

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

14 GUARANTOR STATEMENTS (continued)

| million | Unilever | | | | | | |
|---|--|--|--|---|---------------------------------|--------------|-------------------|
| | Unilever Capital Corporation subsidiary issuer | N.V. parent issuer/ guarantor | Unilever PLC parent guarantor | Unilever United States Inc. subsidiary guarantor | Non- guarantor subsidiary | Eliminations | Unilever Group |
| Cash flow statement | | | | | | | |
| Six months ended 30 June 2010 | | | | | | | |
| Cash flow from operating activities | - | 244 | (183) | 1,748 | 1,000 | - | 2,809 |
| Income tax paid | - | (54) | 23 | 606 | (1,147) | - | (572) |
| Net cash flow from operating activities | - | 190 | (160) | 2,354 | (147) | - | 2,237 |
| Interest received | 96 | 6 | - | - | (63) | (6) | 33 |
| Net capital expenditure | - | (5) | - | - | (748) | - | (753) |
| Acquisitions and disposals | - | - | - | - | 70 | - | 70 |
| Other investing activities | (209) | 281 | - | - | 167 | 501 | 740 |
| Net cash flow from / (used in) investing activities | (113) | 282 | - | - | (574) | 495 | 90 |
| Dividends paid on ordinary share capital | - | (638) | (515) | (2,276) | 2,281 | - | (1,148) |
| Interest and preference dividends paid | (96) | (11) | (36) | (50) | (70) | 6 | (257) |
| Change in financial liabilities | 209 | (1) | 710 | (2) | (704) | (501) | (289) |
| Share buy-back programme | - | - | - | - | 8 | - | 8 |
| Other movement on treasury stock | - | 166 | - | (34) | (219) | - | (87) |
| Other financing activities | - | - | - | - | - | - | - |
| Net cash flow from / (used in) financing activities | 113 | (484) | 159 | (2,362) | 1,296 | (495) | (1,773) |
| Net increase / (decrease) in cash and cash equivalents | - | (12) | (1) | (8) | 575 | - | 554 |
| Cash and cash equivalents at beginning of year | - | 14 | - | (3) | 2,386 | - | 2,397 |
| Effect of foreign exchange rates | - | 6 | 1 | 4 | (212) | - | (201) |
| Cash and cash equivalents at end of year | - | 8 | - | (7) | 2,749 | - | 2,750 |