

Edgar Filing: UNILEVER N V - Form 6-K

UNILEVER N V  
Form 6-K  
August 04, 2006

FORM 6-K  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

REPORT OF FOREIGN ISSUER

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

For the month of August, 2006

UNILEVER N.V.  
(Translation of registrant's name into English)

WEENA 455, 3013 AL, P.O. BOX 760, 3000 DK, ROTTERDAM, THE NETHERLANDS  
(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..X.. 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 ..X..

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

Exhibit 99 attached hereto is incorporated herein by reference.

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 N.V.

Edgar Filing: UNILEVER N V - Form 6-K

/S/ A. BURGMANS  
By A. BURGMANS  
CHAIRMAN

/S/ J.A.A. VAN DER BIJL  
By J.A.A. VAN DER BIJL  
SECRETARY

Date: August 03, 2006

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
99	Notice to Euronext, Amsterdam dated 03 August 2006 2nd Quarter Results 2006

Exhibit 99

SECOND QUARTER AND HALF YEAR RESULTS 2006

Broad-based growth in first half year, outlook for 2006 reaffirmed.

FINANCIAL HIGHLIGHTS

(unaudited)

Second Quarter 2006			EUR million	Half Year 2006		
Current rates	Current rates	Constant rates		Current rates	Current rates	Constant rates
Continuing operations:						
10 258	3%	3%	Turnover	19 793	6%	3%
1 435	20%	21%	Operating profit	2 845	13%	10%
1 351	28%	29%	Pre-tax profit	2 661	19%	16%
1 007	37%	38%	Net profit from continuing operations	2 008	22%	19%
1 044	33%	34%	Net profit from total operations	2 103	19%	17%
0.33	42%	42%	EPS from continuing operations (Euros)	0.65	23%	20%
0.34	37%	38%	EPS from total operations (Euros)	0.69	20%	18%

## Edgar Filing: UNILEVER N V - Form 6-K

### KEY FEATURES

- Underlying sales growth of 3.4% in the first half year and 3.9% in the quarter, with sustained volume momentum and a pick-up in price.
- Increased investment in advertising and promotions.
- Operating margin of 14.4% in the first half year and 14.0% in the quarter.
- EPS from continuing operations up by 23% in the first half year, and by 8% excluding the impact of last year's impairment of Slim Fast.

### GROUP CHIEF EXECUTIVE'S COMMENT

The first half year results give me confidence that we have largely succeeded in restoring competitiveness. All regions and categories contributed to growth and we continue to maintain market share in aggregate. Investment in support of our priorities has been rewarded by sustained progress in personal care, developing and emerging markets and Vitality innovation. I am also particularly encouraged by the resumption of growth in Europe.

I fully expect that we will achieve our outlook for this year of sustained growth and an operating margin above last year. This is in spite of a harsher than expected commodity cost environment which has impacted margins in the first half. We are accelerating our savings programmes and have an increasing contribution from price, while a strong innovation programme is driving improved mix.

We are now moving to the next phase of our strategy. Our new organisation is already focusing resources more effectively behind our priorities. We now need to drive harder to build a winning portfolio by extending our leadership positions and our presence in high growth spaces. At the same time we are improving our consumer marketing and customer development to deliver outstanding execution. Bringing all this together as 'One Unilever' will ensure that we capitalise on both our local roots and global scale.

This strategy will enable us to grow ahead of our markets with sustainable margin improvement. I am confident that this will lead to sustainable underlying sales growth of 3-5%, and an operating margin in excess of 15% by 2010.

Patrick Cescau, Group Chief Executive

3 August 2006

In the following commentary, sales growth is stated on an underlying basis at constant exchange rates and excluding the effects of acquisitions and disposals. Turnover includes the impact of exchange rates and acquisitions and disposals. Unilever uses 'constant rate' and 'underlying' measures primarily for internal performance analysis and targeting purposes. Unilever believes that such measures provide additional information for shareholders on underlying business performance trends. Such measures are not defined under IFRS or US GAAP and are not intended to be a substitute for GAAP measures of turnover, profit and cash flow.

### SECOND QUARTER AND HALF YEAR FINANCIAL RESULTS

Turnover increased by 5.8% in the first half year, with 3.4% underlying sales growth including 0.7% from price. Favourable currency movements added 3.2%, while disposals account for the remainder of the change in turnover. In the second quarter underlying sales grew by 3.9% including pricing of 0.8%.

## Edgar Filing: UNILEVER N V - Form 6-K

The operating margin for the first half year at 14.4% was 1.0 percentage point higher than a year ago, while the quarter at 14.0% was 2.0 percentage points higher. Before the impact of restructuring, disposals and impairment, the operating margin would have been 0.6 percentage points lower than a year ago for the first half and 1.0 percentage point lower in the second quarter.

Investment behind our brands has been stepped up in priority categories and regions. Advertising and promotions as a percentage of turnover increased by 0.5 points in the first half year and by 0.6 points in the second quarter.

Gross margins were in line with last year throughout the first half. Savings programmes are accelerating and innovation continues to drive an improved mix. However input costs, particularly mineral oil-based, edible oils and tea have continued to rise and pricing has lagged.

Overhead costs were higher in the second quarter than the same period last year, which included the benefit of the profit on sale of an office building in the US.

Net profit from continuing operations increased by 22% in the first half year and by 37% in the quarter. Total net profit, including discontinued operations, increased by 19% in the first half year and by 33% in the quarter.

EPS from continuing operations increased by 23% in the first half year and by 42% in the quarter. Excluding the impact of the Slim Fast impairment charge in the second quarter of last year, EPS from continuing operations increased by 8% in the first half year and by 6% in the quarter. The growth in net profit and EPS included important contributions from improvements in tax, financing, associates and joint ventures for both the half year and the quarter.

Net finance costs benefited from a lower level of net debt and the effect of higher asset values on pensions financing. The tax rate was 25% for the first half year compared with 26% last year. In the quarter the tax rate was also 25%, against 30% last year. The lower rates include better country mix and other improvements.

Share of net profit from joint ventures increased due to strong growth in the partnerships between Lipton and Pepsi for ready-to-drink tea.

### OUTLOOK

The outlook for the year of sustained top line growth and an operating margin of greater than 13.4% is reconfirmed. Support for innovation is expected to be strongest in the middle of the year, while last year's heavier weighting of market research and development costs towards the end of the year contribute to an easier margin comparator in the fourth quarter. We now expect gross restructuring costs ahead of one percentage point of sales as savings programmes are accelerated.

The outlook for ungeared free cash flow of EUR25-30 billion over the period 2005-2010 and an improvement in return on invested capital over the 2004 base of 11% is also reaffirmed. This is expected to be achieved with underlying sales growth of 3-5%, representing growth ahead of our markets, and an operating margin in excess of 15% by 2010 after a normal level of restructuring.

### CASH FLOW

Net cash flow from operating activities was EUR0.1 billion higher than last year, with lower tax payments more than offsetting a slightly higher seasonal outflow of working capital. Net cash flow used in investing and financing activities was EUR0.3 billion higher than last year including EUR0.1 billion higher dividends. During the first half there was a net reduction in cash and

## Edgar Filing: UNILEVER N V - Form 6-K

cash equivalents of EUR0.2 billion.

### BALANCE SHEET

The euro has strengthened against a number of currencies since the start of the year, resulting in a significant lowering in balance sheet values. Assets and liabilities held for sale include items related to the frozen foods businesses.

Closing net debt was EUR10.3 billion, a reduction of EUR0.2 billion since the start of the year. Total equity has increased by EUR0.4 billion. Net profit for the period of EUR2.1 billion is netted by dividends of EUR1.3 billion and currency translation losses of EUR0.4 billion.

### PERFORMANCE BY REGION

#### EUROPE

Underlying sales grew by 0.3% in the half year and by 1.0% in the second quarter, with volume growth partly offset by a small reduction in price. Conditions in Western Europe remain tough, but demand has picked up slightly and we are growing in line with our markets in aggregate.

There has been a steady improvement in performance over the past six quarters across most countries and categories. The Netherlands grew strongly, benefiting from being a first mover in the One Unilever programme, and the UK and Italy have returned to modest levels of growth. However sales were still down in the quarter in France, despite an improvement over the very slow start to the year, and in Germany. Central and Eastern Europe continues to grow well.

A key driver of the overall improvement has been the impact of Vitality led innovation in savoury, in heart health spreads and in leaf tea. There have also been encouraging share gains in skin care, deodorants and household cleaners. The ice cream season started slowly because of the later Easter but picked up well in the second quarter, although sales were still slightly behind a strong second quarter last year. We have lost some share in laundry and hair care in competitive markets and sales of ready-to-drink tea were lower.

The theme of Vitality runs clearly through the innovation programme. AdeZ drinks, combining the goodness of soya with the refreshment, taste and health of fruit juice have just been launched in the UK, building on success in Latin America. A range of Knorr bouillon cubes with selected natural ingredients and a better, richer taste is being rolled out across the region and Vie 'one shot' fruit and vegetable drinks have been launched into two new countries. 'Fresh' soups in pouches with premium ingredients and tasty recipes are re-energizing markets in the Netherlands, Russia and Poland. New Lipton see-through pyramid tea bags with a unique and healthy mix of the best tea leaves, spices and dried fruit have been launched in France and the Netherlands.

Product launches in Home and Personal Care with clear functional or emotional benefits are being rolled out rapidly across the region. Dove 'summer glow', offers gentle self-tanning from a trusted brand and the latest Axe fragrance 'Click' is being introduced globally. Comfort Creme blended with natural oils brings premium indulgence to fabric conditioning while Cif Power Cream combines convenience with high performance.

The operating margin for the first half year at 15.0% was 1.7 percentage points lower than last year. This is mainly due to higher restructuring costs, lower profits on disposals and the impact of input cost increases, particularly in

## Edgar Filing: UNILEVER N V - Form 6-K

edible oils, tea and mineral oil based costs. These were only partly offset by savings programmes and a better mix.

### THE AMERICAS

Underlying sales grew by 3.2% in the first half year and by 3.6% in the second quarter with a slight acceleration over the first quarter in both volume and price. Markets in the US continue to grow well and we are maintaining our share. In the rest of the region demand in Home and Personal Care markets remains solid, but there has been a further slowdown in market growth in Foods.

Sales in the US improved after a slow start and were 2.7% ahead in the first half year. This included the continued success of Bertolli frozen meals and Country Crock side dishes, and a second quarter of growth for Slim Fast. There was further innovation driven growth in deodorants and skin cleansing and good results from the initial sell-in of Sunsilk.

In Brazil there was good growth in hair care, deodorants and laundry but skin cleansing and spreads faced tough price competition. In Mexico, new regionally harmonised transaction systems were successfully implemented in April. Trade stocks had been built up ahead of this and, as expected, sales in the second quarter were substantially down as a result. There was strong growth elsewhere, particularly in Canada, Venezuela, Central America and the Caribbean.

Recently introduced products in the US include Wishbone salad 'spritzers', with one calorie per spray, and Lipton pyramid tea bags, as in Europe. Launches under the Breyer's ice cream brand include 'cyclone' with pieces of confectionery in a swirl and more creamy varieties of 'double churn'.

New Knorr soups and bouillons across the region cater for local flavour and tastes while sharing common product platforms. The highly successful AdeS nutritional drink has been extended with a 'light' variant, new fruit flavours and the launch of Soymilk in Brazil.

We have been reshaping our hair care portfolio in the US. Sunsilk, with ranges tailored to tackle individual hair 'dramas', was launched in the US and Canada in June with a strong initial support programme starting in July. Dove has been further extended throughout the region with three new skin care ranges in the US and 'cool moisture' deodorants and hair care products in Latin America. Laundry innovations include 'baby' and 'foam control' variants of Omo in Brazil and the launch of a second concentrated detergent, Wisk dual action, in the US.

The operating margin for the first half year at 15.3% was 5.6 percentage points higher than last year which included the impairment charge for Slim Fast in the second quarter, equivalent to 5.7 percentage points. The second quarter last year also included a profit on the sale of an office building in the US. Price increases, savings programmes and an improved mix more than offset the impact of higher input costs.

### ASIA AFRICA

Underlying sales grew by 8% in the first half year and by 9% in the second quarter. Volume continued to be the major driver, although price increases have been taken in some categories, particularly in laundry to mitigate the effects of higher input costs.

Markets remain buoyant and we have capitalised on our strong market positions to deliver good growth across all categories.

India sustained double-digit sales increases across almost all categories. Growth was driven by a mix of global, regional and local brands, notably Surf, Lux, Lifebuoy, Clinic and Fair and Lovely.

## Edgar Filing: UNILEVER N V - Form 6-K

China continued to grow very strongly through a healthy combination of market growth and share gains from better distribution and innovation behind brands such as Omo, Zonghua, Lux and Pond's. Lipton leaf and powder teas both performed well.

Other highlights of the first half year included good performances in Indonesia, Vietnam, Turkey, Egypt and Arabia with Thailand also coming through well in the second quarter. Sales in Nigeria were lower as we work to restructure our distribution model in the country.

Australia has sustained an improved performance, while Japan had a weaker second quarter after a promising start to the year.

Increasingly, innovation activity has been driven globally and regionally rather than locally. The new Sunsilk range has been introduced in most major markets and in laundry the global 'Dirt is Good' positioning is now in place across the region. The latest Axe/Lynx fragrance, 'Click' has been introduced in Australia and New Zealand.

In Foods, low unit priced Knorr bouillon cubes, already successful in Latin America, have been brought to the region and Green Tea innovations are being rolled out extensively. In South Africa, communication behind new Rama communicates the healthy oils in the product, a theme being used well elsewhere around the world.

The operating margin for the first half year at 12.3% was 0.9 percentage points lower than a year ago, due to increased investment in advertising and promotions. Selected price increases, savings programmes and the benefit of increased volumes more than offset the impact of higher input costs.

**SAFE HARBOUR STATEMENT:** This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'expects', 'anticipates', 'intends' 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, consumption levels, costs, the ability to maintain and manage key customer relationships and supply chain sources, currency values, interest rates, the ability to integrate acquisitions and complete planned divestitures, 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 Annual Report and Accounts on Form 20-F. 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.

Edgar Filing: UNILEVER N V - Form 6-K

CONDENSED FINANCIAL STATEMENTS

INCOME STATEMENT  
(unaudited)

Second Quarter				EUR million		
2006	2005	Increase/ (Decrease)		2006	2005	
	Current rates	Constant rates				Current rates
Continuing operations:						
10 258	9 926	3%	3%	Turnover	19 793	18 709
1 435	1 191	20%	21%	Operating profit	2 845	2 511
After (charging)/crediting:						
(100)	(28)			Restructuring	(161)	(49)
36	(326)			Business disposals and impairments	155	(255)
(114)	(152)			Net finance costs	(235)	(303)
(19)	4			Finance income	68	101
(108)	(144)			Finance costs	(324)	(377)
13	(12)			Pensions and similar obligations	21	(27)
16	9			Share in net profit/(loss) of joint ventures	34	19
6	(8)			Share in net profit/(loss) of associates	6	(8)
8	13			Other income from non-current investments	11	21
1 351	1 053	28%	29%	Profit before taxation	2 661	2 240
(344)	(317)			Taxation	(653)	(591)
1 007	736	37%	38%	Net profit from continuing operations	2 008	1 649
37	48			Net profit/(loss) from discontinued operations	95	116
1 044	784	33%	34%	Net profit for the period	2 103	1 765
Attributable to:						



Edgar Filing: UNILEVER N V - Form 6-K

58	53			Minority interests	127	100	
986	731	35%	36%	Shareholders' equity	1 976	1 665	19
-----	-----	-----	-----		-----	-----	-----
				Combined earnings per share			
0.34	0.25	37%	38%	Total operations	0.69	0.57	20
				(Euros)			
0.34	0.24	38%	39%	Total operations - diluted	0.67	0.55	21
				(Euros)			
0.33	0.23	42%	42%	Continuing operations	0.65	0.53	23
				(Euros)			
0.32	0.23	43%	43%	Continuing operations - diluted	0.63	0.51	23
				(Euros)			
-----	-----	-----	-----		-----	-----	-----

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

EUR million

	Half Year	
	2006	2005
Fair value gains/(losses) on financial instruments net of tax	5	12
Actuarial gains/(losses) on pension schemes net of tax	7	12
Currency retranslation gains/(losses) net of tax	(368)	482
	-----	-----
Net income/(expense) recognised directly in equity	(356)	506
Net profit for the period	2 103	1 765
	-----	-----
Total recognised income and expense for the period	1 747	2 271
	-----	-----
Attributable to:		
Minority interests	103	146
Shareholders' equity	1 644	2 125
	-----	-----

MOVEMENTS IN EQUITY

(unaudited)

EUR million

	Half Year	
	2006	2005
Equity at 1 January	8 765	6 515
Total recognised income and expense for the period	1 747	2 271
Dividends	(1 266)	(1 229)
Conversion of preference shares	-	930
(Purchase)/sale of treasury stock	(14)	(285)
Share option credit	63	85
Dividends paid to minority shareholders	(97)	(106)
Currency retranslation gains/(losses) net of tax	(11)	15
Other movements in equity	6	-
	-----	-----

Edgar Filing: UNILEVER N V - Form 6-K

Equity at the end of the period 9 193 8 196

BALANCE SHEET  
(unaudited)

EUR million	As at		As at
	1 July 2006	31 December 2005	2 July 2005
<b>Non-current assets</b>			
Goodwill and intangible assets	17 428	18 055	17 876
Property, plant and equipment	6 139	6 492	6 451
Pension asset for funded schemes in surplus	1 099	1 036	720
Deferred tax assets	1 469	1 703	1 633
Other non-current assets	1 068	1 072	1 243
<b>Total non-current assets</b>	<b>27 203</b>	<b>28 358</b>	<b>27 923</b>
Assets held for sale	488	217	373
<b>Current assets</b>			
Inventories	3 893	4 107	4 282
Trade and other current receivables	5 043	4 830	5 370
Other financial assets	297	335	372
Cash and cash equivalents	1 590	1 529	1 594
<b>Total current assets</b>	<b>10 823</b>	<b>10 801</b>	<b>11 618</b>
<b>Current liabilities</b>			
Borrowings due within one year	(5 939)	(5 942)	(7 506)
Trade payables and other current liabilities	(7 989)	(8 658)	(8 613)
Restructuring and other provisions	(497)	(644)	(983)
<b>Total current liabilities</b>	<b>(14 425)</b>	<b>(15 244)</b>	<b>(17 102)</b>
<b>Net current assets/(liabilities)</b>	<b>(3 602)</b>	<b>(4 443)</b>	<b>(5 484)</b>
<b>Total assets less current liabilities</b>	<b>24 089</b>	<b>24 132</b>	<b>22 812</b>
<b>Non-current liabilities</b>			
Borrowings due after one year	6 111	6 457	6 085
Pension liability for funded schemes in deficit	2 305	2 415	2 428
Pension liability for unfunded schemes	3 931	4 202	4 002
Restructuring and other provisions	783	732	366
Deferred tax liabilities	951	933	855
Other non-current liabilities	583	602	761
<b>Total non-current liabilities</b>	<b>14 664</b>	<b>15 341</b>	<b>14 497</b>
Liabilities held for sale	232	26	119
<b>Equity</b>			

Edgar Filing: UNILEVER N V - Form 6-K

-----			
Shareholders' equity	8 788	8 361	7 782
Minority interests	405	404	414
	-----	-----	-----
Total equity	9 193	8 765	8 196
	-----	-----	-----
Total capital employed	24 089	24 132	22 812

CASH FLOW STATEMENT

(unaudited)

EUR million

	Half Year	
	-----	-----
	2006	2005
Operating activities		
-----		
Cash flow from operating activities	1 894	2 127
Income tax paid	(435)	(777)
	-----	-----
Net cash flow from operating activities	1 459	1 350
Investing activities		
-----		
Interest received	49	79
Net capital expenditure	(440)	(335)
Acquisitions and disposals	186	117
Other investing activities	45	299
	-----	-----
Net cash flow from/(used in) investing activities	(160)	160
Financing activities		
-----		
Dividends paid on ordinary share capital	(1 194)	(1 093)
Interest and preference dividends paid	(278)	(364)
Change in borrowings and finance leases	49	327
Purchase of treasury stock	(14)	(285)
Other financing activities	(72)	(101)
	-----	-----
Net cash flow from/(used in) financing activities	(1 509)	(1 516)
	-----	-----
Net increase/(decrease) in cash and cash equivalents	(210)	(6)
Cash and cash equivalents at the beginning of the year	1 265	1 406
Effect of foreign exchange rate changes	269	(36)
	-----	-----
Cash and cash equivalents at the end of period	1 324	1 364

ANALYSIS OF NET DEBT

(unaudited)

EUR million	-----	-----
	As at	As at
	1 July	31 December
	2006	2005
	-----	-----
Total borrowings	(12 050)	(12 399)
	-----	-----

Edgar Filing: UNILEVER N V - Form 6-K

Borrowings due within one year	(5 939)	(5 942)
Borrowings due after one year	(6 111)	(6 457)
	-----	-----
Cash and cash equivalents as per balance sheet	1 590	1 529
	-----	-----
Cash and cash equivalents as per cash flow statement	1 324	1 265
Add bank overdrafts deducted therein	266	265
Less cash and cash equivalents in assets/liabilities held for sale	-	(1)
	-----	-----
Other financial assets	297	335
Derivatives and finance leases included in other receivables and other liabilities	(184)	33
	-----	-----
Net debt	(10 347)	(10 502)

GEOGRAPHICAL ANALYSIS  
(unaudited)

Continuing operations - Second Quarter

EUR million	Europe	Americas	Asia	Africa	Total
	-----	-----	-----	-----	-----
Turnover					
2005	4 011	3 301	2 614		9 926
2006	4 009	3 478	2 771		10 258
Change	0.0%	5.4%	6.0%		3.3%
Impact of:					
Exchange rates	(0.1)%	2.5%	(1.4)%		0.4%
Acquisitions	0.0%	0.0%	0.0%		0.0%
Disposals	(0.9)%	(0.7)%	(1.1)%		(0.9)%
Underlying sales growth	1.0%	3.6%	8.7%		3.9%
	-----	-----	-----	-----	-----
Price	(0.2)%	1.6%	1.4%		0.8%
Volume	1.2%	1.9%	7.2%		3.0%
	-----	-----	-----	-----	-----
Operating profit					
2005	683	167	341		1 191
2006	539	556	340		1 435
Change current rates	(21.0)%	232.7%	(0.4)%		20.5%
Change constant rates	(21.0)%	237.5%	0.6%		20.8%
Operating margin					
2005	17.0%	5.1%	13.0%		12.0%
2006	13.4%	16.0%	12.3%		14.0%
Includes restructuring, business disposals and impairments					
2005	0.1%	(11.0)%	0.2%		(3.6)%
2006	(1.6)%	0.4%	(0.5)%		(0.6)%

Continuing operations -Half Year

EUR million	Europe	Americas	Asia	Africa	Total
	-----	-----	-----	-----	-----
Turnover					
2005	7 517	6 249	4 943		18 709
2006	7 480	6 896	5 417		19 793
Change	(0.5)%	10.4%	9.6%		5.8%
Impact of:					

Edgar Filing: UNILEVER N V - Form 6-K

Exchange rates	0.2%	7.5%	2.3%	3.2%
Acquisitions	0.0%	0.0%	0.0%	0.0%
Disposals	(1.0)%	(0.5)%	(1.1)%	(0.9)%
Underlying sales growth	0.3%	3.2%	8.3%	3.4%
-----	-----	-----	-----	-----
Price	(0.4)%	1.5%	1.2%	0.7%
Volume	0.7%	1.7%	7.0%	2.7%
-----	-----	-----	-----	-----

Operating profit				
2005	1 253	606	652	2 511
2006	1 121	1 056	668	2 845
Change current rates	(10.5)%	74.3%	2.3%	13.3%
Change constant rates	(10.7)%	60.7%	(0.2)%	9.8%

Operating margin				
2005	16.7%	9.7%	13.2%	13.4%
2006	15.0%	15.3%	12.3%	14.4%
Includes restructuring, business disposals and impairments				
2005	0.4%	(5.8)%	0.6%	(1.6)%
2006	(0.4)%	0.0%	0.5%	0.0%

Operating profit of discontinued operations - Second Quarter				
EUR million	Europe	Americas	Asia Africa	Total
	-----	-----	-----	-----
2005	70	3	-	73
2006	58	-	-	58

Operating profit of discontinued operations - Half Year				
EUR million	Europe	Americas	Asia Africa	Total
	-----	-----	-----	-----
2005	149	20	-	169
2006	139	-	-	139

PRODUCT AREA ANALYSIS  
(unaudited)

Continuing operations - Second Quarter

EUR million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	T
	-----	-----	-----	-----	-----	-----	-----
Turnover							
2005	3 267	2 294	5 561	2 595	1 770	4 365	9 9
2006	3 338	2 362	5 700	2 764	1 794	4 558	10 2
Change	2.2%	2.9%	2.5%	6.5%	1.3%	4.4%	3
Impact of:							
Exchange rates	0.5%	0.4%	0.4%	0.5%	0.1%	0.4%	0
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Disposals	(1.5)%	(0.4)%	(1.0)%	(1.1)%	(0.3)%	(0.7)%	(0
Underlying sales growth	3.2%	3.0%	3.1%	7.1%	1.4%	4.8%	3

Edgar Filing: UNILEVER N V - Form 6-K

Operating profit							
2005	519	73	592	418	181	599	1 1
2006	463	383	846	451	138	589	1 4
Change current rates	(10.7)%	429.6%	43.2%	7.8%	(24.3)%	(1.9)%	20
Change constant rates	(10.9)%	502.0%	45.3%	6.6%	(25.3)%	(3.0)%	20
Operating margin							
2005	15.9%	3.2%	10.6%	16.1%	10.2%	13.7%	12
2006	13.9%	16.3%	14.9%	16.2%	7.6%	12.8%	14

Continuing operations - Half Year

EUR million	Savoury, dressings and spreads	Ice cream and beverages	Foods	Personal care	Home care and other	Home and Personal Care	T
Turnover							
2005	6 503	3 789	10 292	4 973	3 444	8 417	18 7
2006	6 737	3 992	10 729	5 466	3 598	9 064	19 7
Change	3.6%	5.3%	4.2%	9.9%	4.5%	7.7%	5
Impact of:							
Exchange rates	2.5%	2.8%	2.6%	4.1%	3.5%	3.8%	3
Acquisitions	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0
Disposals	(1.5)%	(0.3)%	(1.0)%	(0.8)%	(0.5)%	(0.7)%	(0
Underlying sales growth	2.5%	2.8%	2.6%	6.4%	1.4%	4.4%	3
Operating profit							
2005	1 087	196	1 283	853	375	1 228	2 5
2006	1 037	544	1 581	950	314	1 264	2 8
Change current rates	(4.6)%	178.3%	23.3%	11.3%	(16.3)%	2.9%	13
Change constant rates	(6.5)%	179.2%	21.3%	5.9%	(20.0)%	(2.0)%	9
Operating margin							
2005	16.7%	5.2%	12.5%	17.2%	10.9%	14.6%	13
2006	15.4%	13.6%	14.7%	17.4%	8.7%	13.9%	14

NOTES  
(unaudited)

## Edgar Filing: UNILEVER N V - Form 6-K

### Basis of Preparation

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. These are the same accounting policies as those used for preparation of the Annual Report and Accounts for the year ended 31 December 2005.

The condensed interim financial statements, which comply with IAS 34, are shown at current exchange rates, while percentage year-on-year changes are shown at both current and constant exchange rates to facilitate comparison.

### Discontinued operations

In line with the requirements of IFRS 5, the frozen foods businesses in Western Europe which are planned to be sold are treated as discontinued operations, together with the results of Unilever Cosmetics International, which was sold in the middle of last year.

Restated figures for all quarters of 2005 are available at [www.unilever.com/ourcompany/investorcentre](http://www.unilever.com/ourcompany/investorcentre).

The net cash flows attributable to the discontinued operations in respect of operating, investing and financing activities for the half year were EUR63 million, EUR(2) million and EUR(2) million respectively (2005: EUR(37) million, EUR19 million and EUR(5) million). Earnings per share for discontinued operations are given on page 12.

### Taxation

The charge for the year to date includes EUR76 million (2005: EUR76 million) relating to United Kingdom taxation.

### Issuances and repayments of debt and purchase of own shares

On 7 June 2006 Unilever repaid on maturity a EUR1.0 billion bond with a fixed interest rate of 5.125%. Also in June we repaid three floating rate bonds denominated in Japanese yen for a total of Y 37 billion (approximately EUR250 million) and issued a new floating rate bond for a similar amount with a maturity date of June 2008.

### Exchange rate conventions

The income statement on page 5, the statement of recognised income and expense and the movements in equity on page 6 and the cash flow statement on page 8 are translated at rates current in each period.

The balance sheet on page 7 and the analysis of net debt on page 8 are translated at period-end rates of exchange.

Supplementary information in US dollars and sterling is available on our website at [www.unilever.com/ourcompany/investorcentre](http://www.unilever.com/ourcompany/investorcentre).

The financial statements attached do not constitute the full financial statements within the meaning of Section 240 of the UK Companies Act 1985. Full accounts for Unilever for the year ended 31 December 2005 have been delivered to the Registrar of Companies. The auditors' report on these accounts was unqualified and did not contain a statement under Section 237(2) or Section 237(3) of the UK Companies Act 1985.

## Edgar Filing: UNILEVER N V - Form 6-K

EARNINGS PER SHARE  
(unaudited)

Combined earnings per share

At the Annual General Meetings of NV and PLC held on 8 May and 9 May 2006 respectively, shareholders approved proposals that the NV ordinary shares be split 3 to 1 and that the PLC ordinary shares be consolidated 9 to 20. Corresponding changes have also been made to the NV New York shares and PLC ADRs, so that these units now also represent equivalent value to the shares traded in the UK and the Netherlands.

These changes are aimed at improving transparency for investors and establishing a one-to-one equivalence in their economic interests in the Unilever Group. 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; (ii) conversion of the EUR0.05 NV preference shares (up to the point of conversion); and (iii) the exercise of share options by employees.

Earnings per share attributable to discontinued operations were as follows:

	2006 -----	2005 -----
Second quarter:		
Basic EPS	EUR 0.01	EUR 0.02
Diluted EPS	EUR 0.02	EUR 0.01
First half year:		
Basic EPS	EUR 0.04	EUR 0.04
Diluted EPS	EUR 0.04	EUR 0.04

Earnings per share for total operations for the first half year

	2006 -----	2005 -----
Combined EPS	Thousands of units -----	
Average number of combined share units	2 881 632	2 922 018
	EUR million -----	
Net profit attributable to shareholders' equity	1 976	1 665
	-----	



## Edgar Filing: UNILEVER N V - Form 6-K

Combined EPS (Euros)	0.69	0.57
-----		
Combined EPS - Diluted	Thousands of units	
	-----	
Adjusted average number of combined share units	2 966 729	3 019 830
	EUR million	
	-----	
Adjusted net profit attributable to shareholders' equity	1 976	1 668
-----		
Combined EPS - diluted (Euros)	0.67	0.55
-----		
Earnings per share in US Dollars and Sterling		
-----		
Combined EPS (Dollars)	0.84	0.73
Combined EPS - diluted (Dollars)	0.82	0.71
-----		
Combined EPS (Pounds)	0.47	0.39
Combined EPS - diluted (Pounds)	0.46	0.38
-----		

### DATES

The results for the third quarter and the announcement of interim dividends will be published on 2 November 2006.

ENQUIRIES: UNILEVER PRESS OFFICE  
+44 (0) 20 7822 6805/6010  
Internet: [www.unilever.com](http://www.unilever.com)  
E-mail: [press-office.london@unilever.com](mailto:press-office.london@unilever.com)

3 August 2006