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40 523

Change
(3.6)% (1.8)% 7.8% 0.8%
Impact of:

Exchange rates
(2.8)% (5.1)% (6.2)% (4.8)%
Acquisitions
0.0% 0.1% 1.1% 0.4%
Disposals
(2.1)% (2.9)% (0.4)% (1.8)%

Underlying sales growth
1.3% 6.5% 14.2% 7.4%
Price
3.8% 7.4% 10.3% 7.2%
Volume
(2.4)% (0.8)% 3.5% 0.1%

Operating profit

2007
1 563 1 971 1 711 5 245
2008
2 521 2 945 1 701 7 167
Change current rates
61.3% 49.4% (0.6)% 36.6%
Change constant rates
63.6% 58.5% 8.3% 43.6%

Operating margin

2007
11.7% 14.7% 12.8% 13.1%
2008
19.6% 22.3% 11.8% 17.7%

Includes restructuring, business disposals and other items

2007
(4.4)% (0.7)% 0.9% (1.4)%
2008
2.8% 6.9% 0.1% 3.1%

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NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
4 SEGMENTAL ANALYSIS BY GEOGRAPHY OLD BASIS
Continuing operations Full Year

million	Europe	Americas	Asia Africa	Total
Turnover				
2007	15 205	13 442	11 540	40 187
2008	15 056	13 199	12 268	40 523
Change	(1.0)%	(1.8)%	6.3%	0.8%
Impact of:				
Exchange rates	(2.1)%	(5.1)%	(7.5)%	(4.8)%
Acquisitions	0.9%	0.1%	0.2%	0.4%
Disposals	(2.0)%	(2.9)%	(0.3)%	(1.8)%
Underlying sales growth	2.2%	6.5%	15.1%	7.4%
Price	4.2%	7.4%	10.9%	7.2%
Volume	(1.8)%	(0.8)%	3.8%	0.1%
Operating profit				
2007	1 678	1 971	1 596	5 245
2008	2 619	2 945	1 603	7 167
Change current rates	56.1%	49.4%	0.4%	36.6%
Change constant rates	57.8%	58.5%	10.3%	43.6%
Operating margin				
2007	11.0%	14.7%	13.8%	13.1%
2008	17.4%	22.3%	13.1%	17.7%
Includes restructuring, business disposals and other items				
2007	(4.0)%	(0.7)%	1.1%	(1.4)%
2008	2.3%	6.9%	0.2%	3.1%

5 SEGMENTAL ANALYSIS BY PRODUCT AREA
Continuing operations Full Year

million	Savoury dressings and spreads	Ice cream and beverages	Personal care	Home care and other	Total
Turnover					
2007	13 988	7 600	11 302	7 297	40 187
2008	14 232	7 694	11 383	7 214	40 523

Change	1.7%	1.2%	0.7%	(1.1)%	0.8%
Impact of:					
Exchange rates	(3.6)%	(4.6)%	(5.5)%	(6.0)%	(4.8)%
Acquisitions	0.2%	1.7%	0.0%	0.0%	0.4%
Disposals	(2.1)%	(1.5)%	0.0%	(4.2)%	(1.8)%
Underlying sales growth	7.6%	5.9%	6.6%	9.8%	7.4%
Operating profit					
2007	2 059	809	1 786	591	5 245
2008	3 216	915	1 824	1 212	7 167
Change current rates	56.2%	13.0%	2.1%	105.2%	36.6%
Change constant rates	61.2%	17.3%	9.1%	122.7%	43.6%
Operating margin					
2007	14.7%	10.6%	15.8%	8.1%	13.1%
2008	22.6%	11.9%	16.0%	16.8%	17.7%

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
6 TAXATION
The tax rate for the year was 26.4% compared with 22.4% for 2007. The tax rate is calculated by dividing the tax charge by pre-tax profit excluding the contribution of joint ventures and associates.
7 RECONCILIATION OF NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

million	**Full Year** 2008	2007
Net profit	5 285	4 136
Taxation	1 844	1 137
Share of net profit of joint ventures/associates and other income from non-current investments	(219)	(191)
Net finance costs	257	252
Operating profit (continuing and discontinued operations)	7 167	5 334
Depreciation, amortisation and impairment	1 003	943
Changes in working capital	(161)	27
Pensions and similar provisions less payments	(502)	(910)
Restructuring and other provisions less payments	(62)	145
Elimination of (profits)/losses on disposals	(2 259)	(459)
Non-cash charge for share-based compensation	125	118
Other adjustments	15	(10)
Cash flow from operating activities	5 326	5 188

8 NET DEBT

million	**As at 31 December 2008**	**As at 31 December 2007**
Total financial liabilities	(11 205)	(9 649)
Financial liabilities due within one year	(4 842)	(4 166)
Financial liabilities due after one year	(6 363)	(5 483)
Cash and cash equivalents as per balance sheet	2 561	1 098
Cash and cash equivalents as per cash flow statement	2 360	901
Add bank overdrafts deducted therein	201	197
Financial assets	632	216
Net debt	(8 012)	(8 335)

On 21 February 2008 we issued Swiss franc notes to the value of CHF 600 million (360 million) in two tranches: CHF 250 million with an interest rate of 3.125% and maturing in January 2012, and CHF 350 million at 3.5% maturing in March 2015. On 21 May 2008 we issued 750 million fixed rate notes with a coupon rate of 4.875%, repayable in 2013.
We made partial repayments of the US $ Floating Rate extendible Notes due in 2009 amounting to US $215 million (on 11 August 2008) and US $105 million (on 11 September 2008). On 12 September 2008 we repaid South African

10.2% bonds of ZAR1 billion.
On 11 November 2008 we issued Swiss franc notes to the value of CHF 400 million with an interest rate of 3.625% and maturing in December 2011.
On 11 December 2008 we made a further partial repayment of the US $ floating rate extendible notes due in 2009 amounting to
US $20 million.

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NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
9 MOVEMENTS IN EQUITY

million	**Full Year** 2008	2007
Equity at 1 January	12 819	11 672
Total recognised income and expense for the period	1 140	4 351
Dividends	(2 052)	(2 070)
Movement in treasury stock	(1 417)	(1 054)
Share-based payment credit	125	140
Dividends paid to minority shareholders	(208)	(251)
Currency retranslation gains/(losses) net of tax	(38)	(18)
Other movements in equity	3	49
Equity at the end of the period	10 372	12 819

During the year we purchased shares to the value of 1.5 billion under the share buy-back programme.
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 full year were calculated as follows:
Combined EPS Basic

	2008	**2007**
	Millions of units	
Average number of combined share units	2 809.6	2 874.6
	million	
Net profit attributable to shareholders equity	5 027	3 888

Combined EPS Diluted

	Millions of units	
Adjusted average number of combined share units	2 905.9	2 976.1
Combined EPS diluted (Euros)	1.73	1.31

Impact of RDIs on Earnings Per Share

million

Total impact of RDIs on reported net profit (see note 3)	1 018	(186)
Impact of RDIs on basic earnings per share (Euros)	0.36	(0.07)

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 2007 (net of treasury stock)	2 853.1
Net movements in shares under incentive schemes	11.4
Share buy-back	(75.4)
Number of shares at 31 December 2008	2,789.1

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
11 DIVIDENDS
The Boards have resolved to recommend to the Annual General Meetings for PLC and NV, to be held on 13 May 2009 and 14 May 2009 respectively, the declaration of final dividends in respect of 2008 on the Ordinary capitals at the following rates which are equivalent in value at the rate of exchange applied in terms of the Equalisation Agreement between the two companies:
Unilever N.V.
0.51 per ordinary share* (2007: 0.50). Together with the interim dividend of 0.26 already paid, this brings the total of NV s interim and final dividends for 2008 to 0.77 per ordinary share (2007: 0.75).

* Unilever N.V. ordinary shares and Unilever N.V. depositary receipts for ordinary shares.

Unilever PLC
40.19p per ordinary share (2007: 34.11p). Together with the interim dividend of 20.55p already paid, this brings the total of PLC s interim and final dividends for 2008 to 60.74p per ordinary share (2007: 51.11p).
The NV final dividend will be paid on 18 June 2009, to shareholders registered at close of business on 20 May 2009 and will go ex-dividend on 18 May 2009.
The PLC final dividend will be paid on 18 June 2009, to shareholders registered at close of business on 22 May 2009 and will go ex-dividend on 20 May 2009.
Dividend on New York shares of NV
The New York shares of NV will go ex-dividend on 18 May 2009; US dollar checks for the final dividend on the New York shares of 0.16 nominal amount after deduction of Netherlands withholding tax at the appropriate rate, converted at the euro/dollar European Central Bank rate of exchange on 14 May 2009 will be mailed on 17 June 2009, to holders of record at the close of business on 20 May 2009. If converted at the euro/dollar rate of exchange on 4 February 2009, the NV final dividend would be US $0.6537 per New York share (2007 final dividend: US $0.7737 actual payment) before deduction of Netherlands withholding tax. With the interim dividend in respect of 2008 of US $0.3320 at the actual euro/dollar conversion rate, already paid, this would result in a total for regular interim and final dividends in respect of 2008 of US $0.9857 per New York Share (2007: US $1.1349 actual payment).
Dividend on American Depositary Receipts of PLC
The American Depositary Receipts will go ex-dividend on 20 May 2009; US Dollar checks for the final dividend on the American Depositary Receipts in PLC converted at the sterling/dollar rate of exchange current in London on 13 May 2009 will be mailed on 17 June 2009, to holders of record at the close of business on 22 May 2009. If converted at the sterling/dollar rate of exchange on 4 February 2009, the PLC final dividend would be US $0.5780 per American Depositary Receipt in PLC (2007 final dividend: US $0.6615 actual payment). With the interim dividend in respect of 2008 of US $0.3301 at the actual sterling/dollar conversion rate, already paid, this would result in a total for regular interim and final dividends in respect of 2008 of US $0.9081 per American Depositary Receipt in PLC (2007: US $1.0140 actual payment).

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)

12 DIVIDEND POLICY FOR 2010

Unilever s policy is to seek to pay an attractive, sustainable and growing dividend to shareholders. We propose to change to a simpler and more transparent dividend practice for the Unilever group. These changes will result in more frequent dividend payments to shareholders, and better align the payments with the cash flow generation of the business.

The proposed changes will simplify the dividend mechanics:

- There will be one dividend calendar for all listings in Amsterdam, London and New York, with four quarterly dividend payments to shareholders per calendar year.

- Dividends will be announced quarterly, with payment dates in March, June, September and December respectively.

- All dividends will be determined in Euros, which is our reporting currency.

- The Euro dividend amount will be converted into equivalent Sterling and US Dollar amounts using the spot rates of exchange two days before the announcement date.

The planned dividend calendar for 2009 and 2010 will be as follows:

	Announcement Date	Ex-Dividend Date	Record Date	Payment Date
Calendar Year 2009				
Final dividend for 2008				
- NV shares listed in Amsterdam	5-Feb-09	18-May-09	20-May-09	18-Jun-09
- PLC shares listed in London	5-Feb-09	20-May-09	22-May-09	18-Jun-09
- NV shares listed in New York	5-Feb-09	18-May-09	20-May-09	18-Jun-09
- PLC ADR s listed in New York	5-Feb-09	20-May-09	22-May-09	18-Jun-09
Interim dividend for 2009	5-Nov-09	18-Nov-09	20-Nov-09	16-Dec-09
Calendar Year 2010				
Quarterly dividend for Q4 2009	4-Feb-10	10-Feb-10	12-Feb-10	17-Mar-10
Quarterly dividend for Q1 2010	6-May-10	12-May-10	14-May-10	16-Jun-10
Quarterly dividend for Q2 2010	5-Aug-10	11-Aug-10	13-Aug-10	15-Sep-10
Quarterly dividend for Q3 2010	4-Nov-10	10-Nov-10	12-Nov-10	15-Dec-10

The required changes to the Equalisation Agreement and the NV Articles of Association will be tabled at the Annual General Meetings in May 2009.

If approved the new exchange rate convention will become effective immediately after the AGM s. Accordingly the 2009 interim dividend will be determined in Euros and subsequently converted into equivalent Sterling and US Dollars amounts using spot rates of exchange on 3rd November 2009. It is our intention to set the 2009 interim dividend to at least 35% of the 2008 total Euro dividend.

The new quarterly dividend calendar will become effective from 1 January 2010.

Notes:

(i) Currently Unilever pays an interim dividend in December, equal to 35% of the prior year total dividend, and a final dividend in June of the following year. The interim dividend is set in the stronger of the two currencies (Euros or Sterling) and converted into the other currency based on the average rate for the third quarter. The final dividend is translated between Euros and Sterling using an annual average rate. The US Dollar equivalents are set based on the spot rate on the day before announcement for the interim dividend and on the day of the AGM for the final dividend.

(ii) The total amount of Euro dividend available for payment to shareholders in 2009 and 2010 will not be affected by these changes in dividend mechanics, although the payment pattern and exchange rate convention will be different. From 2010 onwards, this will create a simpler and more transparent dividend practice for the Unilever group.

(iii) We intend to use the daily exchange rates issued by the European Central Bank as the basis for the conversion of Euro dividend into equivalent Sterling and US Dollar dividend amounts. These equivalent Sterling and US Dollar dividend amounts may vary each quarter depending on the foreign exchange rate fluctuations.

(iv) These changes do not apply to the NV cumulative preference shares.

NOTES TO THE FINANCIAL STATEMENTS
(unaudited)
13 ACQUISITIONS AND DISPOSALS
With effect from 1 January 2008, we entered into an expanded international partnership with Pepsico for the marketing and distribution of ready-to-drink tea products under the *Lipton* brand.
On 3 January 2008 we completed the sale of the Boursin brand to Le Groupe Bel for   400 million. The turnover of this brand in 2007 was approximately   100 million.
On 2 April 2008 we completed the acquisition of Inmarko, the leading Russian ice cream company. The company had a turnover in 2007 of approximately   115 million.
On 31 July 2008 we completed the sale of our Lawry s and Adolph s branded seasoning blends and marinades business in the US and Canada to McCormick & Company Incorporated for   410 million. The combined annual turnover of the business is approximately   100 million.
On 9 September 2008 we completed the sale of our North American laundry business in the US, Canada and Puerto Rico to Vestar Capital Partners, a leading global private equity firm, for a face value of US $1.45 billion. These businesses had a combined turnover in 2007 of approximately US $1.0 billion.
On 31 October 2008 we completed the sale of Komili, our olive oil brand in Turkey, to Ana Gida, part of the Anadolu Group.
On 4 December 2008 we completed the sale of our edible oil business in Côte d Ivoire, together with our interests in local oil palm plantations Palmci and PHCI, to SIFCA, the parent company of an Ivorian agro-industry group, and to a 50:50 joint venture between two Singapore-based companies, Wilmar International Limited and Olam International Limited. At the same time we acquired the soap business of Cosmivoire, a subsidiary of SIFCA.
On 23 December 2008 we completed the disposal of our Bertolli olive oil and vinegar business to Grupo SOS, for a consideration of   630 million. The transaction was structured as a worldwide perpetual licence by Unilever of the Bertolli brand in respect of olive oil and premium vinegar. The transaction included the sale of the Italian Maya, Dante and San Giorgio olive oil and seed oil businesses, as well as the factory at Inveruno, Italy.
14 EVENTS AFTER THE BALANCE SHEET DATE
On 26 January 2009 we announced that we had signed an agreement to acquire the global TIGI professional hair product business and its supporting advanced education academies for a cash consideration of US $411.5 million. The deal is subject to regulatory approval and is expected to be completed by the end of March 2009.