

UNILEVER N V
Form 6-K
November 05, 2010

Table of Contents

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 November, 2010
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 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- _____

TABLE OF CONTENTS

SIGNATURES

Table of Contents

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.

/s/ T. E. Lovell
T. E. Lovell,
Secretary

Date: 5 November, 2010

Table of Contents**2010 FIRST HALF YEAR RESULTS****Half year highlights**

Turnover up 9.7% at 21.9 billion.

Underlying volume growth 6.6%. Underlying sales growth 3.8% and underlying price growth (2.6%); in-year pricing was stable.

Underlying operating margin up 30bps with continuing strong gross margins offset by significant investment in advertising and promotional expenditure, up 180bps.

Net cash flow from operating activities 2.2 billion, up 0.2 billion. Average trading working capital again reduced as a percentage of turnover and it is now negative.

Fully diluted earnings per share 0.70 up 36% reflecting improved operating profit, lower restructuring and the favourable impact of foreign exchange.

Chief Executive Officer

We have delivered robust volume growth with improved volume market shares in all of our regions. This is an encouraging result given the challenging economic and competitive environment and reflects the continuing investment behind our brands, better in-market execution, successful innovations and the extension of our brands into new markets. There was consistent strong performance of our personal care business.

We continue to operate under the assumption of slow economic growth, particularly in developed markets where consumer confidence remains fragile. We do not expect competitive pressures to ease and our ability to increase prices will remain constrained despite rising commodity costs in the second half. We still expect underlying price growth to turn positive towards the end of the year.

Notwithstanding this difficult environment and comparators which get tougher as the year progresses, the results confirm again that our strategy to focus on the consumer and to accelerate growth is working. Our priority remains to drive profitable volume growth and strong cash flow along with steady and sustainable improvement in operating margin for the year as a whole.

Turnover	21,895m	+9.7%
Underlying sales growth*	+3.8%	
Operating profit	3,066m	+20%
Net profit	2,209m	+35%
Diluted Earnings per share	0.70	+36%

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

Table of Contents**OPERATIONAL REVIEW: REGIONS****(unaudited)**

	m	%	%	%	bps
Unilever Total	21,895	3.8	6.6	(2.6)	30
Asia Africa	8,668	7.9	11.6	(3.3)	10
CEE					
Americas	7,199	3.8	5.6	(1.7)	(10)
Western Europe	6,028	(1.1)	1.7	(2.7)	130

Market growth in developed economies remains depressed whilst emerging market growth remains strong. The high intensity of competition has continued but we have remained competitive and delivered strong volume growth, with volume share gains across all regions. Whilst underlying price growth remains negative, in-period pricing was again stable, despite increased competitive pricing and promotional activity, especially in Laundry and Hair. Gross margins continued to improve allowing us to increase advertising & promotions investment whilst delivering improved underlying operating margin.

Asia Africa CEE Half year USG +7.9%, Volume +11.6%, Underlying Operating Margin +10 bps

The region continued its strong momentum in underlying volume and sales growth, ahead of the market. There was double digit volume growth with all the main countries and key categories positive despite intense competitive activity.

Half year underlying sales growth in Asia and Africa Middle East was strong, driven by double digit underlying volume growth which more than compensated for price action taken to ensure that our products remain fully competitive; volume shares progressed well. CEE performance was more mixed but again volume shares improved. Underlying operating margin was slightly positive in the half year with improved gross margins offset by a significant step-up in advertising and support behind our brands. The rollout of the regional IT platform continued with successful go-lives in China, Hong Kong, Taiwan and Australasia.

The Americas Half year USG +3.8%, Volume +5.6%, Underlying Operating Margin (10) bps

Despite the continued sluggish markets in North America, our business grew underlying volume at more than 2% in the half year on the back of successful new product launches and improved in-market execution. Dressings gained share through strong innovation and merchandising support and Skin Cleansing grew strongly.

Latin American markets are generally much stronger and our underlying volume growth for the half year was just under 10% on the back of strong performances from Deodorants, Hair, Ice Cream and soy-based drinks under the AdeS brand.

Underlying operating margin, down 10bps in the half year, again reflected the significant increase in brand support levels.

Western Europe Half year USG (1.1)%, Volume 1.7%, Underlying Operating Margin +130 bps

Markets were difficult, particularly in southern European countries such as Greece, Spain and, to a lesser extent, Italy. We continue to pursue our strategy of investing behind our brands and bringing strong innovations to market. This

approach is delivering good results, with both volume and value shares up.

Excluding Greece, where market volumes were down substantially, underlying volume growth in Western Europe was positive. However, our Greek business responded quickly to the crisis with 1 promotions crafted to reflect the new economic reality. In Paris we opened the second Customer Insight and Innovation Centre in the region following the opening of the first such centre in the UK.

Gross margin and indirects improved in the half year, driven by strong savings programmes. Underlying operating margin increased alongside increased advertising and promotions investment.

Table of Contents**OPERATIONAL REVIEW: CATEGORIES****(unaudited)**

	m	%
Unilever Total	21,895	3.8
Savoury, Dressings & Spreads	6,910	0.3
Ice Cream & Beverages	4,494	5.1
Personal Care	6,700	7.9
Home Care & other	3,791	2.4

We maintained our volume growth momentum with strong performances from Deodorants, Skin Cleansing and Homecare. We continue to focus on bigger innovations, rolled out faster and to more countries. Dove Men + Care is now in 29 markets and Knorr jelly bouillon has been extended from China to 18 markets, the latest being Brazil and Mexico. Magnum Gold?! has been launched in 29 markets and Cornetto Enigma is in 12 European markets. We are also extending our iconic brands into new markets more quickly than ever before.

Savoury, Dressings and Spreads Half year USG +0.3%

Spreads volume share increased again but markets remain weak. Significant events included the no hydrogenated oils relaunches of I Can't Believe it's not Butter and Country Crock in the US and the re-launch of the pro.activ brand in Europe. The new Rama margarine specifically formulated for spreading continues to make good progress in Central and South Africa based on the attractive proposition of nutrition at an affordable price. In Europe we still have more to do to convince butter users of the benefits of our products. Dressings benefited from the campaign to tackle the negative health perceptions of mayonnaise and to inspire new uses through recipe ideas.

Savoury growth picked up on the continuing success and rollout of Knorr jelly bouillon and the introduction of Knorr seasoning for beans in Brazil and Mexico. The success of the Knorr cook-in bags gave us category leadership in Australasia. The PF Chang premium restaurant-quality frozen Asian meals have started well in the US despite supply difficulties. Knorr soups in France performed strongly after we introduced new varieties.

Ice Cream and Beverages Half year USG +5.1%

Ice Cream delivered a strong performance irrespective of the poor weather in Europe and China. Magnum Gold?!, Cornetto Enigma and Fruttare are all exceeding expectations. The new Klondike variants continue to drive growth in the US whilst the new Ben & Jerry's and Breyer's Smooth and Dreamy ranges have been well received. Strong growth in South East Asia and Latin America came from distribution gains, strong point-of-purchase activity and great innovation.

Tea volume growth slowed but overall performance remains good. The innovations across the price points, from Brooke Bond Sehatmand in India at a low price to the Lipton premium fruit and herbal infusions doing well in markets like Australia and Russia, are helping drive balanced growth. The Lipton Green Tea launches in USA and France are delivering good growth. The launches of the Lipton brand in Spain and the UK continue to do well.

Personal Care Half year USG +7.9%

Personal Care again delivered strong growth, powered by Deodorants. Notable successes include Degree in the US, Dove in Brazil and the relaunch of Rexona in Japan. Hair growth accelerated and we saw volume share gains despite the increased competitive environment. Dove Hair Damage Repair gained good initial acceptance and there were also strong performances by Sunsilk Co-Creations in Asia and Suave in the US. TiGi has just launched Sleek Mystique which completes the new range from Catwalk.

Skin Cleansing is growing strongly on the back of the success of Dove Nutrium moisture and the good results from the launches of Citra bar soap in Indonesia and Lifebuoy in Argentina, Brazil, Bolivia, Peru and Australia. Hand and

body creams continue to grow despite Vaseline Sheer Infusions being off to a slow start. Oral is doing well with notable successes for the anti-age variant in Europe and the launch of Pepsodent in the Philippines.

Home Care and other Half year USG +2.4%

Despite high levels of competitive intensity we maintained volume growth momentum. Notable was the continuing success of liquid detergents with recent introductions in Turkey and Vietnam, the successful Wheel relaunch in India and the launch of the Surf brand position in Indonesia and Thailand.

Household Cleaning has continued to deliver strong results with Cif Active-Shield technology doing well in Western Europe, now launched into Poland and Argentina. The Cif launch in Vietnam has had an encouraging start and we have just launched in Indonesia. Domestos, recently launched in Italy, is performing strongly.

Table of Contents**ADDITIONAL COMMENTARY ON THE FINANCIAL STATEMENTS FIRST HALF YEAR****Finance costs and tax**

The cost of financing net borrowings in the half year was 214 million, 30 million less than the same period last year mainly reflecting lower average net debt in the first half. The interest rate on net borrowing was 6.3% reflecting the low interest rates on cash deposits. The charge for pensions financing was a credit of 8m compared with a net charge of 90m in the prior year.

The effective tax rate was 26.3% compared with 29.4% for 2009 primarily reflecting favourable prior year tax settlements and lower one-off items.

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 116 million compared to 72 million last year. The main factors behind the increase were 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 in 2008 and a fair value adjustment on the warrants in Johnson Diversey.

Earnings per share

Fully diluted earnings per share for the half year were 0.70, up 36% on the previous year.

Restructuring

Restructuring in the first half year was around 120 bps of Turnover, at 253 million. This reflects action being taken to make the business fit to compete in the current environment. Full year restructuring is expected at similar levels.

Cash Flow and Net Debt

Strong management focus led to further reductions in average trading working capital as a percentage of turnover, which was negative. The working capital outflow reflected the normal seasonal pattern with the levels at end of June higher than at the start of the year.

Capital expenditure increased by 247 million to 753 million in support of future growth in emerging markets such as Russia and Indonesia.

Free cash flow (see note 2, page 11 for further explanation) at 1.3 billion was broadly stable versus the prior year. This reflected improved net cash flow from operating activities at 2.2 billion, up 218 million versus the prior year. The improved operating profit was offset by the absolute increase in working capital and the higher level of capital expenditure.

Net debt at 7.6 billion was up from 6.4 billion as at 31 December 2009, primarily reflecting the impact of the changes in foreign exchange rates.

Pensions

The net deficit in pension schemes was 4.0bn at the end of June up from 2.6bn at the end of 2009. This is mainly due to the impact of lower discount rate assumptions on the liabilities.

Acquisitions and disposals (full details can be found in note 12, page 16)

After the period end we announced the disposal of our frozen foods business in Italy for 805m to Birds Eye Iglo. We expect to complete the acquisition of Sara Lee's personal care business in Q4 2010.

Unilever NV Preference Shares

The period for the creditors of Unilever NV to object to the cancellation of the 4% preference shares has now closed and cancellation will take place shortly with a record date of August 12th and payment on August 23rd. It is our intention to launch a tender offer in respect of the 6% and 7% preference shares in due course.

Table of Contents

Principal Risk Factors

On pages 30 to 34 of our 2009 Report and Accounts we set out our assessment of the principal risk issues that would face the business through 2010 under the headings: economic; markets; brand; customer; financial/treasury; consumer safety and environmental sustainability; operations; people and talent; legal and regulatory; 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 2010.

COMPETITION INVESTIGATIONS

As previously reported, in June 2008 the European Commission initiated an investigation into potential competition law infringements in the European Union in relation to consumer detergents. The investigation is ongoing although no statement of objections against Unilever has been issued to date.

In December 2009, as previously reported, Unilever received separate statements of objection from the French competition authority and from the Italian competition authority in connection with investigations into certain product markets in France and Italy respectively. In April 2010, Unilever received a statement of objections from the Dutch competition authority in relation to its investigation into certain product markets in The Netherlands. An earlier decision by the Greek authority fining Unilever in relation to alleged restrictions on parallel trade within certain of its contracts with retailers in Greece is under appeal.

In addition and as previously disclosed, Unilever is involved in a number of other ongoing investigations by national competition authorities. These include investigations in Belgium, France and Germany. These investigations are at various stages and concern a variety of product markets.

Substantial fines can be levied as a result of competition and antitrust investigations especially at the European Union level. Fines imposed by the European Commission in other sectors for violations of the competition rules have amounted to hundreds of millions of euros. It is too early reliably to estimate the total amount of fines to which Unilever will be subject as a result of all of these investigations. However, provisions have been made, to the extent appropriate, in relation to the national investigations.

It is Unilever's policy to co-operate fully with the competition authorities in the context of all ongoing investigations. In addition, Unilever reinforces and enhances its internal competition law compliance procedures on an ongoing basis.

Table of Contents

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 20-F Report and the Annual Report and Accounts 2009. 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

Media: Media Relations Team

UK +44 20 7822 6805 stephen.pain@unilever.com

or +44 20 7822 6010 trevor.gorin@unilever.com

NL +31 10 217 4844 flip.dotsch@unilever.com

There will be a web cast of the results presentation available at:

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

Investors: Investor Relations Team

+44 20 7822 6830 investor.relations@unilever.com

Table of Contents**INCOME STATEMENT**

(unaudited)

Continuing operations:

Turnover	21,895	19,963	9.7%	3.9%
Operating profit	3,066	2,554	20%	15%
Restructuring, business disposals and other (RDIs) (see note 3)	(204)	(361)		
Underlying operating profit	3,270	2,915	12%	7%
Net finance costs	(206)	(334)		
Finance income	41	44		
Finance costs	(255)	(288)		
Pensions and similar obligations	8	(90)		
Share in net profit/(loss) of joint ventures	68	63		
Share in net profit/(loss) of associates	(5)	(3)		
Other income from non-current investments	53	12		
Profit before taxation	2,976	2,292	30%	24%
Taxation	(767)	(656)		
Net profit	2,209	1,636	35%	29%
Attributable to:				
Non-controlling interests	174	147		
Shareholders equity	2,035	1,489	37%	30%
Total operations (Euros)	0.72	0.53	36%	29%
Total operations diluted (Euros)	0.70	0.52	36%	29%

Table of Contents**STATEMENT OF COMPREHENSIVE INCOME**

(unaudited)

million	Half Year	
	2010	2009
Net profit	2,209	1,636
Other comprehensive income		
Fair value gains/(losses) on financial instruments net of tax	(68)	85
Actuarial gains/(losses) on pension schemes net of tax	(935)	(270)
Currency retranslation gains/(losses) net of tax	444	142
Total comprehensive income	1,650	1,593
Attributable to:		
Non-controlling interests	253	152
Shareholders equity	1,397	1,441

STATEMENT OF CHANGES IN EQUITY

(unaudited)

million	Half Year	
	2010	2009
Equity at 1 January	12,536	10,372
Total comprehensive income for the period	1,650	1,593
Dividends on ordinary capital	(1,134)	(1,361)
Movement in treasury stock	(2)	18
Share-based payment credit	74	65
Dividends paid to non-controlling interests	(88)	(70)
Currency retranslation gains/(losses) net of tax	12	(6)
Other movements in equity	32	(33)
Equity at the end of the period	13,080	10,578

Table of Contents**CASH FLOW STATEMENT**

(unaudited)

million	Half Year	
	2010	2009
Cash flow from operating activities	2,809	2,450
Income tax paid	(572)	(431)
Net cash flow from operating activities	2,237	2,019
Interest received	33	38
Net capital expenditure	(753)	(506)
Acquisitions and disposals	70	(365)
Other investing activities	740	(5)
Net cash flow from/(used in) investing activities	90	(838)
Dividends paid on ordinary share capital	(1,148)	(1,302)
Interest and preference dividends paid	(257)	(258)
Change in financial liabilities	(289)	130
Other movements on treasury stock	8	17
Other financing activities	(87)	(43)
Net cash flow from/(used in) financing activities	(1,773)	(1,456)
Net increase/(decrease) in cash and cash equivalents	554	(275)
Cash and cash equivalents at the beginning of the period	2,397	2,360
Effect of foreign exchange rate changes	(201)	(176)
Cash and cash equivalents at the end of the period	2,750	1,909

Table of Contents

(unaudited)

million	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
Goodwill	13,371	12,464	12,338
Intangible assets	5,031	4,583	4,598
Property, plant and equipment	7,504	6,644	6,261
Pension asset for funded schemes in surplus	536	759	413
Deferred tax assets	1,045	738	1,083
Other non-current assets	1,106	1,017	1,591
Total non-current assets	28,593	26,205	26,284
Inventories	4,398	3,578	3,759
Trade and other current receivables	4,922	3,429	4,813
Current tax assets	125	173	167
Cash and cash equivalents	3,105	2,642	2,082
Other financial assets	415	972	334
Non-current assets held for sale	398	17	13
Total current assets	13,363	10,811	11,168
Financial liabilities	(2,895)	(2,279)	(2,470)
Trade payables and other current liabilities	(10,336)	(8,413)	(8,428)
Current tax liabilities	(534)	(487)	(408)
Provisions	(312)	(420)	(698)
Liabilities associated with assets held for sale	(21)	-	-
Total current liabilities	(14,098)	(11,599)	(12,004)
Net current assets/(liabilities)	(735)	(788)	(836)
Total assets less current liabilities	27,858	25,417	25,448

Edgar Filing: UNILEVER N V - Form 6-K

Financial liabilities due after one year	8,188	7,692	8,826
Non-current tax liabilities	153	107	231
Pensions and post-retirement healthcare liabilities:			
Funded schemes in deficit	2,428	1,519	2,052
Unfunded schemes	2,061	1,822	2,011
Provisions	848	729	695
Deferred tax liabilities	807	764	796
Other non-current liabilities	293	248	259
Total non-current liabilities	14,778	12,881	14,870
Shareholders' equity	12,428	12,065	10,085
Non-controlling interests	652	471	493
Total equity	13,080	12,536	10,578
Total capital employed	27,858	25,417	25,448

Table of Contents

(unaudited)

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 2009 and are in compliance with IAS34

Interim Financial reporting .

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 rates current in each period.

The balance sheet on page 10 and the analysis of net debt on page 15 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 2009 have been delivered to the Registrar of Companies. The auditors' report on these accounts was 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 2010 the Group has adopted the following new and amended IFRSs and IFRIC interpretations with no material impact:

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Revised) (effective for periods beginning on or after 1 July 2009).

Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions (effective for periods beginning on or after 1 January 2010).

Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (effective for periods beginning on or after 1 July 2009).

IFRIC 17 Distributions of Non-cash Assets to Owners (effective for periods beginning on or after 1 July 2009).

Improvements to IFRSs (issued April 2009) (effective for periods beginning on or after 1 January 2010).

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, disposals 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.

In explaining cash flow performance we refer to the trend of average trading working capital. This metric is used internally, focusing on average rather than closing positions to ensure consistent performance, whilst excluding the

elements of working capital that operational management cannot influence.

Further information about these measures and their reconciliation to GAAP measures is given on our website at www.unilever.com/investorrelations

Table of Contents

(unaudited)

In our income statement reporting we recognise restructuring costs, profits and losses on business disposals and certain 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. In our operating review by region and in note 4 we highlight the impact of these items on our operating margin.

million	Half Year	
	2010	2009

RDIs within operating profit:

Restructuring	(253)	(361)
Business disposals	49	-
Impairments and other one-off items	-	-
Total RDIs within operating profit	(204)	(361)

Continuing operations million	Half Year	Asia Africa CEE	Americas	Western Europe	Total
Turnover					
2009		7,431	6,491	6,041	19,963
2010		8,668	7,199	6,028	21,895
Change		16.7%	10.9%	(0.2)%	9.7%
Impact of:					
Exchange rates		8.0%	6.7%	1.0%	5.6%
Acquisitions		0.3%	0.6%	0.3%	0.4%
Disposals		(0.2)%	(0.4)%	(0.5)%	(0.3)%
Underlying sales growth		7.9%	3.8%	(1.1)%	3.8%
Price		(3.3)%	(1.7)%	(2.7)%	(2.6)%
Volume		11.6%	5.6%	1.7%	6.6%
Operating profit					
2009		966	883	705	2,554
2010		1,149	1,013	904	3,066
Underlying operating profit					
2009		1,017	977	921	2,915
2010		1,196	1,080	994	3,270
Operating margin					

Edgar Filing: UNILEVER N V - Form 6-K

2009	13.0%	13.6%	11.7%	12.8%
2010	13.3%	14.1%	15.0%	14.0%
Underlying operating margin				
2009	13.7%	15.1%	15.2%	14.6%
2010	13.8%	15.0%	16.5%	14.9%

Table of Contents

(unaudited)

Continuing operations million	Half Year	Savoury Dressings and Spreads	Ice Cream and Beverages	Personal Care	Home Care and other	Total
Turnover						
2009		6,544	4,132	5,803	3,484	19,963
2010		6,910	4,494	6,700	3,791	21,895
Change		5.6%	8.8%	15.5%	8.8%	9.7%
Impact of:						
Exchange rates		4.4%	5.3%	6.3%	6.9%	5.6%
Acquisitions		0.5%	0.0%	0.7%	0.0%	0.4%
Disposals		0.4%	(1.7)%	0.0%	(0.5)%	(0.3)%
Underlying sales growth		0.3%	5.1%	7.9%	2.4%	3.8%
Operating profit						
2009		857	493	901	303	2,554
2010		1,142	526	1,082	316	3,066
Operating margin						
2009		13.1%	11.9%	15.5%	8.7%	12.8%
2010		16.5%	11.7%	16.1%	8.3%	14.0%

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

6 TAXATION

The effective tax rate for the half year was 26.3% compared with 29.4% for 2009. 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 2010			Half Year 2009		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Fair value gains/(losses) on financial instruments net of tax	(77)	9	(68)	133	(48)	85
Actuarial gains/(losses) on pension schemes net of tax	(1,290)	355	(935)	(373)	103	(270)
Currency retranslation gains/(losses) net of tax	444		444	142		142
Other comprehensive income	(923)	364	(559)	(98)	55	(43)

7 RECONCILIATION OF NET PROFIT TO CASH FLOW FROM OPERATING ACTIVITIES

million	Half Year	
	2010	2009
Net profit	2,209	1,636
Taxation	767	656
Share of net profit of joint ventures/associates and other income from non-current investments	(116)	(72)
Net finance costs	206	334
Operating profit	3,066	2,554
Depreciation, amortisation and impairment	498	497
Changes in working capital	(489)	(260)
Pensions and similar provisions less payments	(204)	(333)
Restructuring and other provisions less payments	(70)	(123)
Elimination of (profits)/losses on disposals	(56)	(2)
Non-cash charge for share-based compensation	74	65
Other adjustments	(10)	52
Cash flow from operating activities	2,809	2,450

8 FREE CASH FLOW

million

	Half Year	
	2010	2009
Cash flow from operating activities	2,809	2,450
Income tax paid	(572)	(431)
Net capital expenditure	(753)	(506)
Net interest and preference dividends paid	(224)	(220)
Free cash flow	1,260	1,293

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

9 NET DEBT

million	As at 30 June 2010	As at 31 December 2009	As at 30 June 2009
Total financial liabilities	(11,083)	(9,971)	(11,296)
Financial liabilities due within one year	(2,895)	(2,279)	(2,470)
Financial liabilities due after one year	(8,188)	(7,692)	(8,826)
Cash and cash equivalents as per balance sheet	3,105	2,642	2,082
Cash and cash equivalents as per cash flow statement	2,750	2,397	1,909
Add bank overdrafts deducted therein	355	245	173
Other financial assets	415	972	334
Net debt	(7,563)	(6,357)	(8,880)

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:

	2010	2009
Combined EPS Basic		
Average number of combined share units (Millions of units)	2,810.6	2,792.4
Net profit attributable to shareholders equity	2,035	1,489
Combined EPS	0.72	0.53
Combined EPS Diluted		
Adjusted average number of combined share units (Millions of units)	2,905.0	2,881.5
Combined EPS diluted	0.70	0.52

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 2009 (net of treasury stock)	2,804.2
Net movements in shares under incentive schemes	10.5
Number of shares at 30 June 2010	2,814.7

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

11 DIVIDENDS

As agreed at the 2009 Annual General Meetings, Unilever moved to the payment of quarterly dividends with effect from

1 January 2010.

The Boards have declared a quarterly interim dividend for Q1 2010 and Q2 2010 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:

	Q1 2010	Q2 2010
Per Unilever N.V. ordinary share:	0.208	0.208
Per Unilever PLC ordinary share:	£0.1803	£0.1726
Per Unilever N.V. New York share:	US\$0.2764	US\$0.2750
Per Unilever PLC American Depository Receipt:	US\$0.2764	US\$0.2750

The quarterly dividend calendar for the remainder of 2010 will be as follows:

	Announcement Date	Ex-Dividend Date	Record Date	Payment Date
Calendar Year 2010				
Quarterly dividend for Q3 2010	4 November 2010	10 November 2010	12 November 2010	15 December 2010

12 ACQUISITIONS AND DISPOSALS

On 18 January 2010 we announced a definitive agreement with Hormel Foods Corporation to sell our Shedd's Country Crock branded side dish business in the US. The transaction was completed in February 2010. Under the terms of the agreement, Hormel will market and sell Shedd's Country Crock chilled side-dish products, such as homestyle mashed potatoes, under a licence agreement.

On 26 April 2010 we announced the agreement with Strauss Holdings Ltd to increase the Unilever shareholding in Glidat Strauss Israel from 51% to 90% for an undisclosed sum. The transaction was completed on 7 October 2010.

On 1 June 2010 we completed the disposal of the Brunch brand in Germany to Bongrain.

On 9 August 2010 we announced an asset purchase agreement with the Norwegian dairy group TINE, to acquire the Ice Cream operations of Diplom-Is in Denmark, as of 30th September 2010. The value of the transaction is undisclosed.

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 assets and liabilities related to this business are reported as held for sale.

On 27 September 2010 we announced a definitive agreement to acquire Alberto Culver Company for US\$3.7 billion in cash. The acquisition is subject to regulatory approval and approval of the Alberto Culver shareholders.

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 agreement is subject to regulatory approval by the Greek competition authorities. The disposal of our frozen foods business in Italy for €805m to Birds Eye Iglo was completed on 1 October 2010. The assets and liabilities related to this business are reported as held for sale.

The acquisition of Sara Lee's personal care business is expected to be completed during Q4 2010.

13 EVENTS AFTER THE BALANCE SHEET DATE

There were no material post balance sheet events other than those mentioned elsewhere in this report.

Table of Contents

(unaudited)

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 NV, PLC and Unilever United States, Inc. (UNUS). This supersedes 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 \$4.25 billion of Notes were outstanding at 31 December 2009 (2008: US \$2.75 billion; 2007: US \$2.75 billion) with coupons ranging from 3.650% to 7.125%. These Notes are repayable between 1 November 2010 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 of Unilever N.V., Unilever PLC and Unilever United States, Inc. 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.

million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Income Statement							
Six months ended 30 June 2010							

Continuing operations:

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	-	-	-	-	68	-	68
Share of net profit/loss of associations	-	-	-	-	(5)	-	(5)
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
Net profit from discontinued operations	-	-	-	-	-	-	-
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

Table of Contents

(unaudited)

million

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Income Statement Six months ended 30 June 2009							
Continuing operations:							
Turnover	-	-	-	-	19,963	-	19,963
Operating Profit	-	211	(146)	(13)	2,502	-	2,554
Finance income	-	-	-	-	44	-	44
Finance costs	(95)	(73)	(5)	-	(115)	-	(288)
Pensions and similar obligations	-	(3)	-	(34)	(53)	-	(90)
Intercompany finance costs	114	25	(26)	(68)	(45)	-	-
Dividends	-	158	-	731	(889)	-	-
Share of net profit/loss of joint ventures	-	-	-	-	63	-	63
Share of net profit/loss of associations	-	-	-	-	(3)	-	(3)
Other income from non-current investments	-	-	-	-	12	-	12
Profit before taxation	19	318	(177)	616	1,516	-	2,292
Taxation	(7)	(56)	64	(148)	(509)	-	(656)
Net profit from continuing operations	12	262	(113)	468	1,007	-	1,636
Net profit from discontinued operations	-	-	-	-	-	-	-
Equity earning of subsidiaries	-	1,226	1,602	(342)	-	(2,486)	-
Net Profit	12	1,488	1,489	126	1,007	(2,486)	1,636
Attributed to:							
Minority interest	-	-	-	-	147	-	147

Edgar Filing: UNILEVER N V - Form 6-K

Shareholders equity	12	1,488	1,489	126	860	(2,486)	1,489
---------------------	----	-------	-------	-----	-----	---------	-------

18

Table of Contents

(unaudited)

million

Balance Sheet As at 30 June 2010	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Goodwill and intangible assets	-	42	28	-	18,332	-	18,402
Property, plant and equipment	-	-	-	-	7,504	-	7,504
Pension asset for funded schemes in surplus	-	10	-	-	526	-	536
Deferred tax assets	-	-	-	535	510	-	1,045
Other non-current assets	-	-	-	15	1,091	-	1,106
Amounts due from group companies after one year	4,055	3,371	-	-	(7,426)	-	-
Net assets of subsidiaries (equity accounted)	-	30,833	18,016	10,841	(14,417)	(45,273)	-
Total non-current assets	4,055	34,256	18,044	11,391	6,120	(45,273)	28,593
Inventories	-	-	-	-	4,398	-	4,398
Amounts due from group companies within one year	-	2,869	478	-	(3,347)	-	-
Trade and other current receivables	-	98	-	12	4,812	-	4,922
Current tax assets	-	119	-	1	5	-	125
Other financial assets	-	-	-	-	415	-	415
Cash and cash equivalents	-	8	-	(7)	3,104	-	3,105
Assets held for sale	-	-	-	-	398	-	398
Total current assets	-	3,094	478	6	9,785	-	13,363
Financial liabilities	(1,684)	(45)	-	-	(1,166)	-	(2,895)
Amounts due to group companies within one year	-	(17,798)	(5,058)	-	22,856	-	-
Trade payables and other current liabilities	(43)	(136)	(10)	(8)	(10,139)	-	(10,336)
Current tax liabilities	(1)	(111)	(93)	(12)	(317)	-	(534)
Provisions	-	(11)	-	-	(301)	-	(312)

Liabilities associated with assets held for sale	-	-	-	-	(21)	-	(21)
Total current liabilities	(1,728)	(18,101)	(5,161)	(20)	10,912	-	(14,098)
Net current assets/(liabilities)	(1,728)	(15,007)	(4,683)	(14)	20,697	-	(735)
Total assets less current liabilities	2,327	19,249	13,361	11,377	26,817	(45,273)	27,858
Financial liabilities due after one year	2,020	3,605	911	-	1,652	-	8,188
Amounts due to group companies after one year	-	3,089	-	3,310	(6,399)	-	-
Pension and post-retirement healthcare liabilities:	-	-	-	-	-	-	-
Funded schemes in deficit	-	-	-	24	2,404	-	2,428
Unfunded schemes	-	97	-	704	1,260	-	2,061
Provisions	-	2	-	3	843	-	848
Deferred tax liabilities	-	25	16	-	766	-	807
Other non-current liabilities	-	3	6	116	321	-	446
Total non-current liabilities	2,020	6,821	933	4,157	847	-	14,778
Shareholders' equity attributable to:							
Unilever NV	-	-	15,366	-	-	(15,366)	-
Unilever PLC	-	(2,398)	-	-	-	2,938	-
Called up share capital	-	274	210	-	-	-	484
Share premium account	-	25	115	97	(97)	-	140
Other reserves	34	(2,691)	(2,371)	(1,266)	(584)	1,816	(5,422)
Retained profit	273	17,758	(532)	8,389	25,999	(34,661)	17,226
Total shareholders' equity	307	12,428	12,428	7,220	25,318	(45,273)	12,428
Minority interests	-	-	-	-	652	-	652
Total equity	307	12,428	12,428	7,220	25,970	(45,273)	13,080
Total capital employed	2,327	19,249	13,361	11,377	26,817	(45,273)	27,858

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

14 GUARANTOR STATEMENTS (continued)**million**

Balance Sheet As at 31 December 2009	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Goodwill and intangible assets	-	44	26	-	16,977	-	17,047
Property, plant and equipment	-	-	-	-	6,644	-	6,644
Pension asset for funded schemes in surplus	-	-	-	35	724	-	759
Deferred tax assets	-	-	-	495	243	-	738
Other non-current assets	-	-	-	13	1,004	-	1,017
Amounts due from group companies after one year	3,264	3,242	-	-	(6,506)	-	-
Net assets of subsidiaries (equity accounted)	-	30,824	16,709	11,017	(33,116)	(25,434)	-
Total non-current assets	3,264	34,110	16,735	11,560	(14,030)	(25,434)	26,205
Inventories	-	-	-	-	3,578	-	3,578
Amounts due from group companies within one year	-	1,668	421	2,015	(4,104)	-	-
Trade and other current receivables	-	44	1	10	3,374	-	3,429
Current tax assets	-	28	-	26	119	-	173
Other financial assets	-	-	-	-	972	-	972
Cash and cash equivalents	-	14	-	(3)	2,631	-	2,642
Assets held for sale	-	-	-	-	17	-	17
Total current assets	-	1,754	422	2,048	6,587	-	10,811
Financial liabilities	(1,229)	(33)	-	-	(1,017)	-	(2,279)
Amounts due to group companies within one year	(6)	(16,939)	(4,157)	-	21,102	-	-
Trade payables and other current liabilities	(37)	(176)	(13)	(24)	(8,163)	-	(8,413)
Current tax liabilities	(1)	(15)	(69)	(4)	(398)	-	(487)
Provisions	-	-	-	-	(420)	-	(420)
	-	-	-	-	-	-	-

Liabilities associated with
assets held for sale

Total current liabilities	(1,273)	(17,163)	(4,239)	(28)	11,104	-	(11,599)
Net current assets/(liabilities)	(1,273)	(15,409)	(3,817)	2,020	17,691	-	(788)
Total assets less current liabilities	1,991	18,701	12,918	13,580	3,661	(25,434)	25,417
Financial liabilities due after one year	1,728	3,213	838	-	1,913	-	7,692
Amounts due to group companies after one year	-	3,299	-	3,256	(6,555)	-	-
Pension and post-retirement healthcare liabilities:							
Funded schemes in deficit	-	-	-	-	1,519	-	1,519
Unfunded schemes	-	90	-	620	1,112	-	1,822
Provisions	-	15	-	2	712	-	729
Deferred tax liabilities	-	16	15	-	733	-	764
Other non-current liabilities	-	3	-	84	268	-	355
Total non-current liabilities	1,728	6,636	853	3,962	(298)	-	12,881
Shareholders equity attributable to:							
Unilever NV	-	-	13,128	-	-	(13,128)	-
Unilever PLC	-	(1,063)	-	-	-	1,063	-
Called up share capital	-	274	210	-	-	-	484
Share premium account	-	25	106	97	(97)	-	131
Other reserves	(9)	(3,629)	(2,271)	936	(1,966)	1,039	(5,900)
Retained Profit	272	16,458	892	8,585	5,551	(14,408)	17,350
Total shareholders equity	263	12,065	12,065	9,618	3,488	(25,434)	12,065
Minority interests	-	-	-	-	471	-	471
Total equity	263	12,065	12,065	9,618	3,959	(25,434)	12,536
Total capital employed	1,991	18,701	12,918	13,580	3,661	(25,434)	25,417

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

14 GUARANTOR STATEMENTS (continued)**million**

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	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)
Other movement on treasury stock	-	-	-	-	8	-	8
Other financing activities	-	166	-	(34)	(219)	-	(87)
Net cash flow from/(used in) financing activities	113	(484)	159	(2,362)	1,296	(495)	(1,173)
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

Table of Contents**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

14 GUARANTOR STATEMENTS (continued)**million**

	Unilever Capital Corporation subsidiary issuer	Unilever N.V. parent issuer/ guarantor	Unilever PLC parent guarantor	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiaries	Eliminations	Unilever Group
Cash flow statement							
Six months ended 30 June 2009							
Cash flow from operating activities	15	431	(162)	(81)	2,247	-	2,450
Income tax paid	-	(58)	43	(41)	(375)	-	(431)
Net cash flow from operating activities	15	373	(119)	(122)	1,872	-	2,019
Interest received	114	(23)	13	-	(66)	-	38
Net capital expenditure	-	(3)	-	-	(503)	-	(506)
Acquisitions and disposals	-	-	-	-	(365)	-	(365)
Other investing activities	-	865	-	634	(1,504)	-	(5)
Net cash flow from/(used in) investing activities	114	839	13	634	(2,438)	-	(838)
Dividends paid on ordinary share capital	-	(620)	(582)	(731)	631	-	(1,302)
Interest and preference dividends paid	(79)	(111)	(32)	(68)	32	-	(258)
Change in financial liabilities	(45)	(545)	715	187	(182)	-	130
Other movement on treasury stock	-	67	5	3	(58)	-	17
Other financing activities	-	-	-	97	(140)	-	(43)
Net cash flow from/(used in) financing activities	(124)	(1,209)	106	(512)	283	-	(1,456)
Net increase/(decrease) in cash and cash equivalents	5	3	-	-	(283)	-	(275)
Cash and cash equivalents at beginning of year	(3)	7	-	(4)	2,360	-	2,360
Effect of foreign exchange rates	-	-	-	2	(178)	-	(176)
Cash and cash equivalents at end of year	2	10	-	(2)	1,899	-	1,909

