

UNILEVER N V  
Form 6-K  
July 27, 2012

## **Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of July, 2012.**

**Commission File Number 001-04547**

# **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 office)**

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

Form 20-F  Form 40-F

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

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):

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

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):

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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

Yes  No

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

**SIGNATURES**

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

UNILEVER N.V.

/s/ T. E. Lovell  
By T. E. LOVELL,  
Group Secretary  
Date: 27 July 2012

## 2012 FIRST HALF YEAR RESULTS

## CONSISTENT PERFORMANCE SUSTAINED DESPITE CHALLENGING MARKETS

**First half highlights**

**Turnover up 11.5% at 25.4 billion** with a positive impact from foreign exchange of 1.9% and acquisitions net of disposals of 2.2%.

**First half underlying sales growth 7.0%** comprising volume growth of 2.8% and price growth of 4.1%.

**Emerging markets underlying sales growth up 11.4% in the first half.**

**Core operating margin flat;** increased advertising and promotions investment behind our brands.

**Core earnings per share up 6% at 0.76; free cash flow at 1.5 billion.**

**Paul Polman: Chief Executive Officer statement**

Solid and consistent first half results provide further evidence that we are making progress in the transformation of Unilever to a sustainable growth company.

Despite deteriorating global economic conditions and a competitive environment which remains intense, we again delivered volume growth ahead of our markets and gained value share across the majority of our business. Our performance reflects continued investment in innovation, brand-building and people, whilst keeping discipline on both costs and execution.

The Unilever Sustainable Living Plan is increasingly bearing fruit by accelerating innovation and helping us build stronger relationships with consumers, customers and communities, energising our people and reducing costs. It lies at the heart of our strategy to double the size of the business whilst reducing our overall environmental footprint.

We continue to prepare the ground for future growth. The first half saw the completion of the acquisition of Concern Kalina, Russia's leading local personal care business, Tresemmé made excellent progress in Brazil and we launched Magnum in the Philippines, all evidence that we are further strengthening our position as the emerging markets consumer goods company. We are also investing in developed markets: during the first half we successfully launched Clear in the United States and Axe Hair in Europe.

Looking forward we expect continued volatility, especially in commodity costs and economic conditions. We remain focused on profitable volume growth ahead of our markets, steady and sustainable core operating margin improvement and strong cash flow, driven by increased capital discipline. For 2012 we remain on track to deliver a modest improvement in core operating margin.

**Key Financials (unaudited)**

Current Rates	First Half 2012	
<b>Underlying Sales Growth (*)</b>	<b>7.0%</b>	
<b>Turnover</b>	<b>25.4bn</b>	<b>+11.5%</b>
<b>Operating Profit</b>	<b>3.4bn</b>	<b>+4%</b>
<b>Net Profit</b>	<b>2.4bn</b>	<b>+1%</b>
<b>Core earnings per share (*)</b>	<b>0.76</b>	<b>+6%</b>
<b>Diluted earnings per share</b>	<b>0.75</b>	<b>-3%</b>

**Quarterly dividend payable in September 2012**

**0.243 per share**

(\*) Underlying sales growth and core earnings per share are non-GAAP measures see note 2 on page 11.

## OPERATIONAL REVIEW: CATEGORIES

(unaudited)	First Half 2012				Change in core operating margin bps
	Turnover bn	USG %	UVG %	UPG %	
<b>Unilever Total</b>	<b>25.4</b>	<b>7.0</b>	<b>2.8</b>	<b>4.1</b>	<b>0</b>
Personal Care	8.7	10.4	6.7	3.5	(140)
Foods	7.1	3.2	(1.0)	4.2	50
Home Care	4.4	9.8	5.3	4.3	50
Refreshment	5.2	4.9	0.3	4.5	70

The first half results reflect a strong performance in markets that remain challenging. Consumer confidence remains fragile and the competitive environment intense. The value growth of our markets is driven largely by pricing and reflects the combination of strong growth in emerging markets and sluggish growth in the developed markets where volume growth continues to be negative.

In this context, all of our Categories grew, driven by strong innovations and the roll-out of our brands into new markets. Emerging markets continued to deliver double digit underlying sales growth, reaching 11.4% over the first half year. Dove continues to grow strongly, with annual turnover now in excess of 3 billion whilst Magnum is well on track to become a 1 billion brand.

Higher commodity costs were partially offset by increased prices and our disciplined savings programmes. Gross margins declined by 40bps, albeit on an improving trend, to 39.7% at constant exchange rates. We continued to invest strongly behind our brands and the level of advertising and promotions increased by 10bps. Tight control over overhead costs led to a reduction of 50bps, including a reduction of 20bps in business restructuring. Core operating margin was therefore flat at 13.7% in the first half.

**Personal Care**

Hair delivered strong double digit growth driven by Dove, with the continuing success of Dove Damage Therapy, and Clear, benefiting from the continuing success of its relaunch as a premium scalp expert. The expansion of our brands into new markets is also contributing strongly, with the launch of Clear in the United States, Tresemmé in Brazil, Dove Hair in the Philippines, and the introduction of Axe Hair in Europe.

Skin cleansing delivered strong growth ahead of our markets, with Dove, Lux and Lifebuoy all performing well. Dove benefited from the continuing success of Nutrium Moisture shower gels and the Dove Men+Care range, which was recently extended to Brazil. Dove bars were launched in Indonesia and Lifebuoy Clini-Care 10 has made an excellent start in India. In skin care, the launch of Simple in the United States is making good progress and Vaseline maintained strong momentum, underpinned by the success of the Total Moisture range. Concern Kalina in Russia is performing well.

Deodorants growth reflected a good performance from Dove on the back of successful innovations and consistent advertising and a good performance from Axe Anarchy. Oral care growth was mid-single digit, reflecting in-market activities which are weighted to the second half. In the first half our new Expert Protection range was launched under the Signal brand in France and under the Pepsodent brand in India.

Core operating margin was down 140bps, primarily due to lower gross margins and the phasing of marketing investments.

**Foods**

Savoury growth was underpinned by strong performances in Knorr cooking products and soups. Knorr jelly bouillon continued to grow as we supported the latest innovation, gravy, and through successful market development programmes such as the Steak Challenge initiative in Latin America. Knorr baking bags also delivered good growth and are now available in 40 countries. Our Food Solutions business, which serves professional chefs, is helping drive savoury growth by working with our customers to create healthy menus and through the wise up on waste initiatives, working with chefs to reduce energy consumption and food wastage.

In spreads we have increased prices to keep pace with significant commodity cost inflation and this impacted volumes in the first half. We delivered positive growth in the first half and we continued to innovate with the successful Latta aerated product now launched in the Netherlands. Liquid margarines continued to do well in Europe. Dressings continues to grow, reflecting a strong performance by Hellmann's in Latin America driven by the Inspire campaign to encourage new uses of mayonnaise.

Edgar Filing: UNILEVER N V - Form 6-K

Core operating margin was up 50bps, reflecting lower gross margin more than compensated by lower overheads.

**Home Care**

Laundry grew ahead of our markets, reflecting the success of our innovations and the actions taken to improve the product performance. Omo has been re-formulated to deliver faster stain removal and is already available in nine countries. Comfort Anti-Bacterial has been launched in Indonesia and Vietnam.

Household care growth reflected the strong performance of Sunlight hand dishwash. Sunlight was relaunched with an improved degreasing formulation in Vietnam, Indonesia and Malaysia. Domestos was launched in the Gulf, including Saudi Arabia. Cif was launched in Mexico and was extended to affordable pouches in Indonesia.

Core operating margin was up 50bps, primarily due to lower overheads.

**Refreshment**

Ice cream performed well despite the adverse weather conditions in northern Europe and the high prior year comparator. This reflects good progress in expanding our global footprint. Magnum delivered high single-digit growth, building on the successful launch in the United States with the introduction of Magnum Minis, and with the recent launch of Magnum in the Philippines and Thailand. Cornetto also grew strongly on the back of the Angels & Devils innovation and a successful digital campaign in China. Ben & Jerry's opened its first premium ice cream shop in Japan.

Beverages saw a strong performance in Africa and the Middle East, improved performance in Russia driven by the Lipton re-launch and a good initial response to the launch of Lipton Tea & Honey powdered ready-to-drink tea sachets in the United States.

The 70bps improvement in core operating margin was driven by lower overheads.

**OPERATIONAL REVIEW: GEOGRAPHIES**

(unaudited)	Turnover bn	First Half 2012			Change in core operating margin bps
		USG %	UVG %	UPG %	
<b>Unilever Total</b>	<b>25.4</b>	<b>7.0</b>	<b>2.8</b>	<b>4.1</b>	<b>0</b>
Asia/AMET/RUB	10.0	11.0	5.4	5.3	80
The Americas	8.5	7.7	2.0	5.6	(30)
Europe	6.9	1.1	0.3	0.7	(80)
<b><u>Asia/AMET/RUB</u></b>					

The first half saw another strong performance with double digit growth. This growth, ahead of our markets, reflected a good balance between price and volume and was driven by strong performances in India, Turkey, Indonesia and Vietnam. Growth rates in Russia continued to improve with a strong contribution from the recently acquired Concern Kalina business. Thailand is recovering well after the floods late in 2011 and the business is back to healthy growth rates. The regional SAP platform was successfully implemented in Central Africa during the period.

Core operating margin was up 80bps, benefiting from higher prices and lower overheads.

**The Americas**

North America grew at 4.1% in the half year, driven by increased price. Volumes were slightly negative with positive growth in Personal Care more than offset by declines in Foods, most notably spreads.

Latin America growth was 11.6% in the half year, with a good balance between volume and price. Brazil, Argentina and Colombia all performed well. The integration of the newly acquired laundry business in Colombia is progressing to plan.

Core operating margin, down 30bps, was driven by the increase in advertising and promotions expenditure.



**Europe**

Growth in the first half of 1.1% with stable volume is a creditable performance given continued sluggish economies and fragile consumer confidence. Overall, we grew volumes ahead of our markets and gained value share. We saw continuing good performances in France and the UK.

Core operating margin was down 80bps, mainly due to the impact of higher commodity costs

---

**ADDITIONAL COMMENTARY ON THE FINANCIAL STATEMENTS FIRST HALF**

**Finance costs and tax**

The cost of financing net borrowings in the first half 2012 was 201 million versus 195 million in 2011. Whilst the average level of net debt increased, interest rate movements were favourable: the average interest rate on borrowings was 3.7% and the average return on cash deposits was 3.4%. Pensions financing was a debit of 5 million compared with a credit of 30 million in the prior year.

The effective tax rate was 26.1%, the same as 2011. Our longer-term expectation for the tax rate remains around 26%.

**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 49 million compared to 87 million in 2011. The income from joint ventures and associates was broadly stable. Income from non-current investments fell, mainly due to the impairment of warrants associated with the disposal of the US laundry business in the current year versus a prior year positive fair value adjustment for warrants associated with the disposal of Johnson Diversey.

**Earnings per share**

Core earnings per share for the first half was up 6% at 0.76, driven by the improvement in core operating profit, partially offset by higher minority interests. This measure excludes the impact of business disposals, acquisition and disposal related costs, impairments and other one-off items.

Fully diluted earnings per share for the first half was down 3% at 0.75. Higher core operating profit and positive currency were offset by lower profits from business disposals and lower one-off items, principally the pension credit in the prior year.

**Restructuring and disposals**

Business restructuring spend in the first half was 90bps of turnover, 20bps lower than the same period in 2011. We continue to expect full year business restructuring, expressed as a percentage of turnover, to be at a similar level to 2011. This reflects our determination to make the business fit to compete in the current environment and excludes the restructuring associated with acquisitions and disposals.

Acquisitions-related one-off costs and restructuring amounted to 48 million, significantly lower than the 101 million in 2011 and mainly relating to the integration of Alberto Culver. Business disposals contributed 10 million, lower than the 144 million in 2011 which reflected the disposal of our Brazilian tomatoes business.

**Free cash flow and net debt**

Free cash flow was 1.5 billion, up from 0.8 billion in 2011. This is mainly due to improved trade working capital performance. Trade working capital as a percentage of sales has now been negative for eleven consecutive quarters.

Closing net debt at 9.2 billion was up from 8.8 billion as at 31 December 2011. The outflow from dividends, acquisitions and the negative impact of foreign exchange rates on net debt together exceeded free cash flow.

Closing cash and cash equivalents was 4.1 billion, up from 3.5 billion as at 31 December 2011. This largely reflects a cautious approach in the context of the ongoing volatility in financial markets.

**Pensions**

The net pensions deficit was 4.1 billion at the end of June 2012 versus 3.2 billion at the end of 2011. This is mainly due to an increase in liabilities resulting from the decrease in discount rates over the period. Cash expenditure on pensions was 305 million and is still expected to be around 700 million in 2012.

---

**Principal risk factors**

On pages 28 to 32 of our 2011 Report and Accounts we set out our assessment of the principal risk issues that would face the business through 2012 under the headings: consumer preference; competition; portfolio management; sustainability; customer relationships; people; supply chain; systems and information; business transformation; external economic and political risks, and natural disasters; financial; ethical and legal, regulatory 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 2012.

**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 will, aim, expects, anticipates, intends, believes, vision, or the negative 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. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are; Unilever's global brands not meeting consumer preferences; increasing competitive pressures; Unilever's investment choices in its portfolio management; finding sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and national disasters; the sovereign debt crisis in Europe; financial risks; and failure to meet high product safety and ethical standards; managing regulatory, tax and legal matters. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Group's Annual Report on Form 20-F for the year ended 31 December 2011 and the Annual Report and Accounts 2011. These forward-looking statements speak only as of the date of this announcement. 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 6719 [trevor.gorin@unilever.com](mailto:trevor.gorin@unilever.com)

NL +31 10 217 4844 [flip.dotsch@unilever.com](mailto:flip.dotsch@unilever.com)

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

[www.unilever.com/ourcompany/investorcentre/results/quarterlyresults/default.asp](http://www.unilever.com/ourcompany/investorcentre/results/quarterlyresults/default.asp)

The web cast can also be viewed from the Unilever Investor Relations app which you can download from:

<http://itunes.apple.com/us/app/unilever-investor-centre-app/id483403509?mt=8&ign-mpt=uo%3D4>

---

**INCOME STATEMENT**

(unaudited)

million	First Half		Increase/ (Decrease)	
	2012	2011	Current rates	Constant rates
<b>Turnover</b>	<b>25,398</b>	<b>22,788</b>	<b>11.5%</b>	<b>9.3%</b>
<b>Operating profit</b>	<b>3,429</b>	<b>3,308</b>	<b>4%</b>	<b>2%</b>
After (charging)/crediting non-core items	(38)	194		
<b>Net finance costs</b>	<b>(206)</b>	<b>(165)</b>		
Finance income	82	42		
Finance costs	(283)	(237)		
Pensions and similar obligations	(5)	30		
<b>Share of net profit/(loss) of joint ventures and associates</b>	<b>60</b>	<b>64</b>		
<b>Other income/(loss) from non-current investments</b>	<b>(11)</b>	<b>23</b>		
<b>Profit before taxation</b>	<b>3,272</b>	<b>3,230</b>	<b>1%</b>	<b>0%</b>
Taxation	(837)	(825)		
<b>Net profit</b>	<b>2,435</b>	<b>2,405</b>	<b>1%</b>	<b>0%</b>
<b>Attributable to:</b>				
Non-controlling interests	254	170		
Shareholders' equity	2,181	2,235	(2)%	(4)%
Combined earnings per share				
Basic earnings per share (euros)	0.77	0.79	(3)%	(4)%
Diluted earnings per share (euros)	0.75	0.77	(3)%	(4)%

## STATEMENT OF COMPREHENSIVE INCOME

(unaudited)

million	First Half	
	2012	2011
<b>Net profit</b>	<b>2,435</b>	<b>2,405</b>
<b>Other comprehensive income</b>		
Fair value gains/(losses) on financial instruments net of tax	(69)	(57)
Actuarial gains/(losses) on pension schemes net of tax	(722)	95
Currency retranslation gains/(losses) net of tax	(204)	(270)
<b>Total comprehensive income</b>	<b>1,440</b>	<b>2,173</b>
<b>Attributable to:</b>		
Non-controlling interests	242	132
Shareholders' equity	1,198	2,041

## STATEMENT OF CHANGES IN EQUITY

(unaudited)

million	First Half	
	2012	2011
Equity at 1 January	14,921	15,078
Total comprehensive income for the period	1,440	2,173
Dividends on ordinary capital	(1,323)	(1,221)
Movement in treasury stock	31	(43)
Share-based payment credit	66	66
Dividends paid to non-controlling interests	(99)	(93)
Currency retranslation gains/(losses) net of tax	1	(10)
Other movements in equity	(89)	(94)
<b>Equity at the end of the period</b>	<b>14,948</b>	<b>15,856</b>

**BALANCE SHEET**

(unaudited)

<b>million</b>	As at 30 June 2012	As at 31 December 2011	As at 30 June 2011
<b>Non-current assets</b>			
Goodwill	15,012	14,896	14,133
Intangible assets	7,249	7,017	6,124
Property, plant and equipment	9,113	8,774	8,018
Pension asset for funded schemes in surplus	599	1,003	1,130
Deferred tax assets	366	421	235
Financial assets	574	478	493
Other non-current assets	562	632	548
	<b>33,475</b>	<b>33,221</b>	<b>30,681</b>
<b>Current assets</b>			
Inventories	5,003	4,601	4,633
Trade and other current receivables	5,462	4,513	5,421
Current tax assets	702	219	231
Cash and cash equivalents	4,097	3,484	2,332
Other financial assets	564	1,453	568
Non-current assets held for sale	143	21	169
	<b>15,971</b>	<b>14,291</b>	<b>13,354</b>
<b>Total assets</b>	<b>49,446</b>	<b>47,512</b>	<b>44,035</b>
<b>Current liabilities</b>			
Financial liabilities	6,564	5,840	3,153
Trade payables and other current liabilities	11,977	10,971	10,849
Current tax liabilities	1,474	725	650
Provisions	352	393	395
Liabilities associated with assets held for sale			32
	<b>20,367</b>	<b>17,929</b>	<b>15,079</b>
<b>Non-current liabilities</b>			
Financial liabilities	7,248	7,878	7,852
Non-current tax liabilities	188	258	200
Pensions and post-retirement healthcare liabilities:			
Funded schemes in deficit	2,685	2,295	932
Unfunded schemes	1,981	1,911	1,746
Provisions	962	908	887
Deferred tax liabilities	725	1,125	1,219
Other non-current liabilities	342	287	264
	<b>14,131</b>	<b>14,662</b>	<b>13,100</b>
<b>Total liabilities</b>	<b>34,498</b>	<b>32,591</b>	<b>28,179</b>

<b>Equity</b>			
Shareholders' equity	14,234	14,293	15,275
Non-controlling interests	714	628	581
<b>Total equity</b>	<b>14,948</b>	<b>14,921</b>	<b>15,856</b>
<b>Total liabilities and equity</b>	<b>49,446</b>	<b>47,512</b>	<b>44,035</b>

---

**CASH FLOW STATEMENT**

(unaudited)

million	First Half	
	2012	2011
Net profit	2,435	2,405
Taxation	837	825
Share of net profit of joint ventures/associates and other income from non-current investments	(49)	(87)
Net finance costs	206	165
<b>Operating profit</b>	<b>3,429</b>	<b>3,308</b>
Depreciation, amortisation and impairment	582	505
Changes in working capital	(488)	(1,191)
Pensions and similar obligations less payments	(163)	(240)
Provisions less payments	38	97
Elimination of (profits)/losses on disposals	(128)	(132)
Non-cash charge for share-based compensation	66	66
Other adjustments	4	10
<b>Cash flow from operating activities</b>	<b>3,340</b>	<b>2,423</b>
Income tax paid	(801)	(552)
<b>Net cash flow from operating activities</b>	<b>2,539</b>	<b>1,871</b>
Interest received	81	43
Net capital expenditure	(826)	(906)
Acquisitions and disposals	(94)	(1,381)
Other investing activities	996	(43)
<b>Net cash flow (used in)/from investing activities</b>	<b>157</b>	<b>(2,287)</b>
Dividends paid on ordinary share capital	(1,324)	(1,220)
Interest and preference dividends paid	(257)	(204)
Change in financial liabilities	(13)	1,695
Other movements on treasury stock	31	(48)
Other financing activities	(85)	(208)
<b>Net cash flow (used in)/from financing activities</b>	<b>(1,648)</b>	<b>15</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,048</b>	<b>(401)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,978</b>	<b>1,966</b>
Effect of foreign exchange rate changes	(260)	161
<b>Cash and cash equivalents at the end of the period</b>	<b>3,766</b>	<b>1,726</b>





---

**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

**1 ACCOUNTING INFORMATION AND POLICIES**

Except for the revised policy on operating segments and the replacement of underlying operating profit with core operating profit as a non-GAAP measure (see below), the accounting policies and methods of computation are consistent with the year ended 31 December 2011 and are in compliance with IAS 34 Interim Financial Reporting. 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 Group has revised its operating segments to align with the new structure under which the business is managed. Beginning 2012, operating segment information is provided based on four product areas: Personal Care, Foods, Home Care and Refreshment. Additional information is provided by geographies.

From 2012 the Group refers to core operating profit and core operating margin as non-GAAP measures. This means operating profit and operating margin, respectively, before the impact of business disposals, acquisition and disposal related costs, impairments and other one-off items, which we collectively term non-core items, on the grounds that the incidence of these items is uneven between reporting periods. The Group also refers to core earnings per share (core EPS). In calculating core EPS, net profit attributable to shareholders' equity is adjusted to eliminate the post tax impact of non-core items.

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

The condensed interim financial statements are shown at current exchange rates, while percentage year-on-year changes are shown at both current and constant exchange rates to facilitate comparison. The income statement on page 7, the statements of comprehensive income and changes in equity on page 8, the cash flow statement on page 10, and the free cash flow note on page 15 are translated at exchange rates current in each period. The balance sheet on page 9 and the net debt note on page 16 are translated at period-end rates of exchange.

The condensed interim 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 2011 have been delivered to the Registrar of Companies. The auditors' reports on these accounts were unqualified and did not contain a statement under Section 498 (2) or Section 498 (3) of the UK Companies Act 2006.

**Recent accounting developments**

The Group has not adopted new or amended IFRSs or IFRIC interpretations in the six month period ended 30 June 2012.

---

**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

**2 NON-GAAP MEASURES AND OTHER SUPPLEMENTARY SCHEDULES**

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 (abbreviated to USG or growth), which we reconcile to changes in the GAAP measure turnover in notes 4 and 5. Underlying sales growth represents turnover growth at constant exchange rates, excluding the effects of acquisitions and disposals. Turnover includes the impact of exchange rates, acquisitions and disposals.

Other non-GAAP measures are core operating profit, core operating margin and core EPS, as explained in note 1. Core EPS is further discussed on page 4 and in note 9. We also discuss free cash flow, which we reconcile in note 7 to the amounts in the cash flow statement, and net debt, which we reconcile in note 8 to the amounts reported in our balance sheet and cash flow statement.

**3 SIGNIFICANT ITEMS WITHIN THE INCOME STATEMENT**

In our income statement reporting we disclose the total value of non-core items that arise within operating profit.

million	First Half	
	2012	2011
Acquisition and disposal related costs	(48)	(101)
Gain/(loss) on disposal of group companies	10	144
Impairments and other one-off items		151
Non-core items before tax	(38)	194
Tax impact of non-core items	11	(30)
Non-core items after tax	(27)	164
<b>Attributable to:</b>		
Non-controlling interests		
Shareholders' equity	(27)	164

The following table shows the impact of non-core items on profit attributable to shareholders.

million	First Half	
	2012	2011
Net profit attributable to shareholders' equity	2,181	2,235
Post tax impact of non-core items	27	(164)
Core profit attributable to shareholders' equity	2,208	2,071



## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 4 SEGMENT INFORMATION - CATEGORIES

First Half	Personal Care	Foods	Home Care	Refreshment	Total
<b>Turnover ( million)</b>					
2011	7,236	6,834	4,018	4,700	22,788
2012	8,715	7,131	4,378	5,174	25,398
Change (%)	20.4	4.3	9.0	10.1	11.5
<b>Impact of:</b>					
Exchange rates (%)	2.1	2.2	(0.6)	3.4	1.9
Acquisitions (%)	7.4	0.0	1.0	0.8	2.8
Disposals (%)	(0.4)	(1.1)	(1.2)	0.6	(0.5)
<b>Underlying sales growth (%)</b>	<b>10.4</b>	<b>3.2</b>	<b>9.8</b>	<b>4.9</b>	<b>7.0</b>
Price (%)	3.5	4.2	4.3	4.5	4.1
Volume (%)	6.7	(1.0)	5.3	0.3	2.8
<b>Operating profit ( million)</b>					
2011	1,216	1,384	215	493	3,308
2012	1,406	1,264	219	540	3,429
<b>Core operating profit ( million)</b>					
2011	1,302	1,176	178	458	3,114
2012	1,448	1,264	215	540	3,467
<b>Operating margin (%)</b>					
2011	16.8	20.3	5.4	10.5	14.5
2012	16.1	17.7	5.0	10.4	13.5
<b>Core operating margin (%)</b>					
2011	18.0	17.2	4.4	9.7	13.7
2012	16.6	17.7	4.9	10.4	13.7

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 5 SEGMENT INFORMATION - GEOGRAPHIES

First Half	Asia / AMET / RUB	The Americas	Europe	Total
<b>Turnover ( million)</b>				
2011	8,697	7,368	6,723	22,788
2012	9,977	8,479	6,942	25,398
Change (%)	14.7	15.1	3.3	11.5
<b>Impact of:</b>				
Exchange rates (%)	1.7	3.2	0.6	1.9
Acquisitions (%)	1.9	4.3	2.3	2.8
Disposals (%)	(0.3)	(0.7)	(0.7)	(0.5)
<b>Underlying sales growth (%)</b>	<b>11.0</b>	<b>7.7</b>	<b>1.1</b>	<b>7.0</b>
Price (%)	5.3	5.6	0.7	4.1
Volume (%)	5.4	2.0	0.3	2.8
<b>Operating profit ( million)</b>				
2011	1,080	1,146	1,082	3,308
2012	1,337	1,115	977	3,429
<b>Core operating profit ( million)</b>				
2011	1,098	1,016	1,000	3,114
2012	1,341	1,148	978	3,467
<b>Operating margin (%)</b>				
2011	12.4	15.6	16.1	14.5
2012	13.4	13.2	14.1	13.5
<b>Core operating margin (%)</b>				
2011	12.6	13.8	14.9	13.7
2012	13.4	13.5	14.1	13.7

## Additional geographical information

	First Half 2012				First Half 2011			
	Turnover m	USG %	UVG %	UPG %	Turnover m	USG %	UVG %	UPG %
<b>Unilever Total</b>	<b>25,398</b>	<b>7.0</b>	<b>2.8</b>	<b>4.1</b>	<b>22,788</b>	<b>5.7</b>	<b>2.2</b>	<b>3.5</b>
Developed markets	11,550	1.9	(0.1)	2.0	10,544	0.8	(0.9)	1.6
Emerging markets	13,848	11.4	5.4	5.8	12,244	10.3	4.9	5.1
	First Half 2012				First Half 2011			
	Turnover m	USG %	UVG %	UPG %	Turnover m	USG %	UVG %	UPG %
<b>The Americas</b>	<b>8,479</b>	<b>7.7</b>	<b>2.0</b>	<b>5.6</b>	<b>7,368</b>	<b>5.3</b>	<b>0.3</b>	<b>5.0</b>

Edgar Filing: UNILEVER N V - Form 6-K

North America	4,471	4.1	(0.5)	4.6	3,766	1.5	(1.5)	3.1
Latin America	4,008	11.6	4.7	6.6	3,602	9.7	2.4	7.1

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

**6 TAXATION**

The effective tax rate for the first half was 26.1%, the same level as 2011. 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	First Half 2012			First Half 2011		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
Fair value gains/(losses) on financial instruments	(74)	5	(69)	(66)	9	(57)
Actuarial gains/(losses) on pension schemes	(935)	213	(722)	145	(50)	95
Currency retranslation gains/(losses)	(208)	4	(204)	(278)	8	(270)
<b>Other comprehensive income</b>	<b>(1,217)</b>	<b>222</b>	<b>(995)</b>	<b>(199)</b>	<b>(33)</b>	<b>(232)</b>

**7 FREE CASH FLOW**

million	First Half	
	2012	2011
<b>Cash flow from operating activities</b>	<b>3,340</b>	<b>2,423</b>
Income tax paid	(801)	(552)
Net capital expenditure	(826)	(906)
Net interest and preference dividends paid	(176)	(161)
<b>Free cash flow</b>	<b>1,537</b>	<b>804</b>

**8 NET DEBT**

million	As at 30 June 2012	As at 31 December 2011	As at 30 June 2011
<b>Total financial liabilities</b>	<b>(13,812)</b>	<b>(13,718)</b>	<b>(11,005)</b>
Current financial liabilities	(6,564)	(5,840)	(3,153)
Non-current financial liabilities	(7,248)	(7,878)	(7,852)
<b>Cash and cash equivalents as per balance sheet</b>	<b>4,097</b>	<b>3,484</b>	<b>2,332</b>
Cash and cash equivalents as per cash flow statement	3,766	2,978	1,726
Add bank overdrafts deducted therein	331	506	606



Edgar Filing: UNILEVER N V - Form 6-K

<b>Other financial assets</b>	<b>564</b>	<b>1,453</b>	<b>568</b>
<b>Net debt</b>	<b>(9,151)</b>	<b>(8,781)</b>	<b>(8,105)</b>

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

**9 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 and core earnings per share, a number of adjustments are made to the number of shares, principally: (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:

	2012	2011
<b>Combined EPS Basic</b>		
Net profit attributable to shareholders' equity ( million)	2,181	2,235
Average number of combined share units (millions of units)	2,826.9	2,814.2
Combined EPS basic ( )	0.77	0.79
<b>Combined EPS Diluted</b>		
Net profit attributable to shareholders' equity ( million)	2,181	2,235
Adjusted average number of combined share units (millions of units)	2,916.8	2,906.3
Combined EPS diluted ( )	0.75	0.77
<b>Core EPS</b>		
Core profit attributable to shareholder's equity (see note 4) ( million)	2,208	2,071
Adjusted average number of combined share units (millions of units)	2,916.8	2,906.3
Core EPS diluted ( )	0.76	0.71

In calculating core earnings per share, net profit attributable to shareholders' equity is adjusted to eliminate the post tax impact of business disposals, acquisition and disposals and related costs, impairments, and other one-off items.

During the period the following movements in shares have taken place:

	Millions
Number of shares at 31 December 2011 (net of treasury stock)	2,820.4
Net movements in shares under incentive schemes	9.4
Number of shares at 30 June 2012	2,829.8

**10 ACQUISITIONS AND DISPOSALS**

There were no material acquisitions or disposals for the period ended 30 June 2012.



---

**NOTES TO THE FINANCIAL STATEMENTS**

(unaudited)

**11 DIVIDENDS**

The Boards have declared quarterly interim dividend for Q1 2012 and Q2 2012 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 2012	Q2 2012
Per Unilever N.V. ordinary share	0.2430	0.2430
Per Unilever PLC ordinary share	£ 0.1981	£ 0.1892
Per Unilever N.V. New York share	US\$ 0.3198	US\$ 0.2938
Per Unilever PLC American Depositary Receipt	US\$ 0.3198	US\$ 0.2938

The quarterly dividend calendar for the remainder of 2012 will be as follows:

	Announcement Date	Ex-Dividend Date	Record Date	Payment Date
Quarterly dividend for Q2 2012	26 July 2012	8 August 2012	10 August 2012	12 September 2012
Quarterly dividend for Q3 2012	25 October 2012	7 November 2012	9 November 2012	12 December 2012

**12 EVENTS AFTER THE BALANCE SHEET DATE**

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

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

**13 GUARANTOR STATEMENTS**

On 1 November 2011, Unilever N.V. and Unilever Capital Corporation (UCC) filed a US Shelf registration, which is unconditionally and fully guaranteed, jointly and severally, by Unilever N.V. (NV), Unilever PLC (PLC) and Unilever United States, Inc. (UNUS). This superseded the previous NV and UCC US Shelf registration filed on 18 November 2008, which is unconditionally and fully guaranteed, jointly and severally, by NV, PLC and UNUS. Of the US Shelf registration, US \$4.0 billion of Notes were outstanding at 30 June 2012 (2011 US \$ 4.0 billion, 2010 US \$2.5 billion, 2009: US \$4.25 billion), with coupons ranging from 2.75% to 5.9%. These Notes are repayable between 15 February 2014 and 15 November 2032.

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

million						
Income Statement	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non-guarantor subsidiary	Eliminations	Unilever Group
<b>Six months ended 30 June 2012</b>						
<b>Turnover</b>				<b>25,398</b>		<b>25,398</b>
<b>Operating profit</b>		<b>76</b>	<b>(8)</b>	<b>3,361</b>		<b>3,429</b>
Finance income				82		82
Finance costs	(75)	(87)		(121)		(283)
Pensions and similar obligations		(2)	(9)	6		(5)
Inter-company finance income/(costs)	75	15	(57)	(33)		
Dividends		4	676	(680)		
Share of net profit/(loss) of joint ventures and associates				60		60
Other income from non-current investments				(11)		(11)
<b>Profit before taxation</b>		<b>6</b>	<b>602</b>	<b>2,664</b>		<b>3,272</b>
Taxation		98	(109)	(826)		(837)
<b>Net profit</b>		<b>104</b>	<b>493</b>	<b>1,838</b>		<b>2,435</b>
Equity earnings of subsidiaries		2,331	415		(2,746)	
<b>Net profit</b>		<b>2,435</b>	<b>908</b>	<b>1,838</b>	<b>(2,746)</b>	<b>2,435</b>
Attributed to:						
Non-controlling interests				254		254
Shareholders' equity		2,435	908	1,584	(2,746)	2,181

<sup>(a)</sup> The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.



## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 13 GUARANTOR STATEMENTS (continued)

million

Income Statement	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiary	Eliminations	Unilever Group
<b>Six months ended 30 June 2011</b>						
<b>Turnover</b>				<b>22,788</b>		<b>22,788</b>
<b>Operating profit</b>		<b>120</b>	<b>(8)</b>	<b>3,196</b>		<b>3,308</b>
Finance income				42		42
Finance costs	(63)	(61)		(113)		(237)
Pensions and similar obligations		(2)	(10)	42		30
Inter-company finance income/(costs)	63	23	(62)	(24)		
Dividends		121		(121)		
Share of net profit/(loss) of joint ventures and associates				64		64
Other income from non-current investments				23		23
<b>Profit before taxation</b>		<b>201</b>	<b>(80)</b>	<b>3,109</b>		<b>3,230</b>
Taxation		(22)	(136)	(667)		(825)
<b>Net profit</b>		<b>179</b>	<b>(216)</b>	<b>2,442</b>		<b>2,405</b>
Equity earning of subsidiaries		2,226	442		(2,668)	
<b>Net profit</b>		<b>2,405</b>	<b>226</b>	<b>2,442</b>	<b>(2,668)</b>	<b>2,405</b>
Attributed to:						
Non-controlling interests				170		170
Shareholders equity		2,405	226	2,272	(2,668)	2,235

<sup>(a)</sup> The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 13 GUARANTOR STATEMENTS (continued)

million						
Balance Sheet	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiary	Eliminations	Unilever Group
<b>As at 30 June 2012</b>						
<b>Non-current assets</b>						
Goodwill and intangible assets		290		21,971		22,261
Property, plant and equipment				9,113		9,113
Pension asset for funded schemes in surplus		5		594		599
Deferred tax assets		116	316	(66)		366
Financial assets			1	573		574
Other non-current assets			9	553		562
Amounts due from group companies	6,418				(6,418)	
Net assets of subsidiaries (equity accounted)		41,046	14,847	(17,981)	(37,912)	
	<b>6,418</b>	<b>41,457</b>	<b>15,173</b>	<b>14,757</b>	<b>(44,330)</b>	<b>33,475</b>
<b>Current assets</b>						
Inventories				5,003		5,003
Amounts due from group companies		7,185	1,681	(8,866)		
Trade and other current receivables		113	9	5,340		5,462
Current tax assets		263	167	272		702
Other financial assets		9		555		564
Cash and cash equivalents		4		4,093		4,097
Non-current assets held for sale				143		143
		<b>7,574</b>	<b>1,857</b>	<b>6,540</b>		<b>15,971</b>
<b>Total assets</b>	<b>6,418</b>	<b>49,031</b>	<b>17,030</b>	<b>21,297</b>	<b>(44,330)</b>	<b>49,446</b>
<b>Current liabilities</b>						
Financial liabilities	2,300	3,217	4	1,043		6,564
Amounts due to group companies	607	28,993		(29,600)		
Trade payables and other current liabilities	45	173	16	11,743		11,977
Current tax liabilities		213		1,261		1,474
Provisions		11		341		352
Liabilities associated with assets held for sale						
	<b>2,952</b>	<b>32,607</b>	<b>20</b>	<b>(15,212)</b>		<b>20,367</b>
<b>Non-current liabilities</b>						
Financial liabilities	3,157	2,066		2,025		7,248
Amounts due to group companies	13		6,424	(19)	(6,418)	
Pension and post-retirement healthcare liabilities:						
Funded schemes in deficit			165	2,520		2,685
Unfunded schemes		94	617	1,270		1,981



Edgar Filing: UNILEVER N V - Form 6-K

Provisions	25	1	936	962		
Deferred tax liabilities			725	725		
Other non-current liabilities	5	157	368	530		
	<b>3,170</b>	<b>2,190</b>	<b>7,364</b>	<b>7,825</b>	<b>(6,418)</b>	<b>14,131</b>
<b>Total liabilities</b>	<b>6,122</b>	<b>34,797</b>	<b>7,384</b>	<b>(7,387)</b>	<b>(6,418)</b>	<b>34,498</b>
<b>Shareholders equity</b>						
Called up share capital	484			484		
Share premium account	141	942	(942)	141		
Other reserves	21	(6,079)	(932)	(1,249)	2,160	(6,079)
Retained profit	275	19,688	9,636	30,161	(40,072)	19,688
<b>Total shareholders equity</b>	<b>296</b>	<b>14,234</b>	<b>9,646</b>	<b>27,970</b>	<b>(37,912)</b>	<b>14,234</b>
Non-controlling interests				714		714
<b>Total equity</b>	<b>296</b>	<b>14,234</b>	<b>9,646</b>	<b>28,684</b>	<b>(37,912)</b>	<b>14,948</b>
<b>Total liabilities and equity</b>	<b>6,418</b>	<b>49,031</b>	<b>17,030</b>	<b>21,297</b>	<b>(44,330)</b>	<b>49,446</b>

- (a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 13 GUARANTOR STATEMENTS (continued)

million						
Balance Sheet	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiary	Eliminations	Unilever Group
<b>As at 31 December 2011</b>						
<b>Non-current assets</b>						
Goodwill and intangible assets		162		21,751		21,913
Property, plant and equipment				8,774		8,774
Pension asset for funded schemes in surplus		5		998		1,003
Deferred tax assets			373	48		421
Financial assets				478		478
Other non-current assets				632		632
Amounts due from group companies	5,498				(5,498)	
Net assets of subsidiaries (equity accounted)		39,816	14,213	(17,992)	(36,037)	
	<b>5,498</b>	<b>39,983</b>	<b>14,586</b>	<b>14,689</b>	<b>(41,535)</b>	<b>33,221</b>
<b>Current assets</b>						
Inventories				4,601		4,601
Amounts due from group companies		8,562	2,042	(10,604)		
Trade and other current receivables		70	3	4,440		4,513
Current tax assets		256	109	(146)		219
Other financial assets		1		1,452		1,453
Cash and cash equivalents		1		3,483		3,484
Non-current assets held for sale				21		21
		<b>8,890</b>	<b>2,154</b>	<b>3,247</b>		<b>14,291</b>
<b>Total assets</b>	<b>5,498</b>	<b>48,873</b>	<b>16,740</b>	<b>17,936</b>	<b>(41,535)</b>	<b>47,512</b>
<b>Current liabilities</b>						
Financial liabilities	1,526	2,087	3	2,224		5,840
Amounts due to group companies	573	25,638	14	(26,225)		
Trade payables and other current liabilities	42	170	11	10,748		10,971
Current tax liabilities		187		538		725
Provisions		13		380		393
Liabilities associated with assets held for sale						
	<b>2,141</b>	<b>28,095</b>	<b>28</b>	<b>(12,335)</b>		<b>17,929</b>
<b>Non-current liabilities</b>						
Financial liabilities	3,068	3,207		1,603		7,878
Amounts due to group companies		3,091	5,498	(3,091)	(5,498)	
Pension and post-retirement healthcare liabilities:						

Edgar Filing: UNILEVER N V - Form 6-K

Funded schemes in deficit			187	2,108		2,295
Unfunded schemes	96	608		1,207		1,911
Provisions	33	1		874		908
Deferred tax liabilities	53			1,072		1,125
Other non-current liabilities	5	138		402		545
	<b>3,068</b>	<b>6,485</b>	<b>6,432</b>	<b>4,175</b>	<b>(5,498)</b>	<b>14,662</b>
<b>Total liabilities</b>	<b>5,209</b>	<b>34,580</b>	<b>6,460</b>	<b>(8,160)</b>	<b>(5,498)</b>	<b>32,591</b>
<b>Shareholders' equity</b>						
Called up share capital		484				484
Share premium account		137	942	(942)		137
Other reserves	14	(6,004)	(791)	(1,428)	2,205	(6,004)
Retained Profit	275	19,676	10,129	27,838	(38,242)	19,676
	<b>289</b>	<b>14,293</b>	<b>10,280</b>	<b>25,468</b>	<b>(36,037)</b>	<b>14,293</b>
Non-controlling interests				628		628
<b>Total equity</b>	<b>289</b>	<b>14,293</b>	<b>10,280</b>	<b>26,096</b>	<b>(36,037)</b>	<b>14,921</b>
<b>Total liabilities and equity</b>	<b>5,498</b>	<b>48,873</b>	<b>16,740</b>	<b>17,936</b>	<b>(41,535)</b>	<b>47,512</b>

<sup>(a)</sup> The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 13 GUARANTOR STATEMENTS (continued)

million	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiary	Eliminations	Unilever Group
<b>Cash flow statement</b>						
<b>Six months ended 30 June 2012</b>						
Cash flow from operating activities		(128)	(19)	3,487		3,340
Income tax paid		(45)	(92)	(664)		(801)
<b>Net cash flow from operating activities</b>		<b>(173)</b>	<b>(111)</b>	<b>2,823</b>		<b>2,539</b>
Interest received		18		63		81
Net capital expenditure		(134)		(692)		(826)
Acquisitions and disposals				(94)		(94)
Other investing activities	(696)	2,247	390	(1,631)	686	996
<b>Net cash flow from /(used in) investing activities</b>	<b>(696)</b>	<b>2,131</b>	<b>390</b>	<b>(2,354)</b>	<b>686</b>	<b>157</b>
Dividends paid on ordinary share capital		(1,328)	(917)	921		(1,324)
Interest and preference dividends paid	(70)	(94)		(93)		(257)
Change in borrowing and finance leases	701	65		(779)		(13)
Other movement in treasury stocks		122	(50)	(41)		31
Other finance activities	65	(712)	686	562	(686)	(85)
<b>Net cash flow from/(used in) financing activities</b>	<b>696</b>	<b>(1,947)</b>	<b>(281)</b>	<b>570</b>	<b>(686)</b>	<b>(1,648)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>11</b>	<b>(2)</b>	<b>1,039</b>		<b>1,048</b>
<b>Cash and cash equivalents at beginning of year</b>		1	(2)	2,979		2,978
Effect of foreign exchange rates		(8)		(252)		(260)
<b>Cash and cash equivalents at end of year</b>		<b>4</b>	<b>(4)</b>	<b>3,766</b>		<b>3,766</b>

<sup>(a)</sup> The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.



## NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

## 13 GUARANTOR STATEMENTS (continued)

million

Cash flow statement	Unilever Capital Corporation subsidiary issuer	Unilever <sup>(a)</sup> parent entities	Unilever United States Inc. subsidiary guarantor	Non- guarantor subsidiary	Eliminations	Unilever Group
<b>Six months ended 30 June 2011</b>						
Cash flow from operating activities		(131)	(53)	2,607		2,423
Income tax paid		(56)	(42)	(454)		(552)
<b>Net cash flow from operating activities</b>		(187)	(95)	2,153		1,871
Interest received	62	32		43	(94)	43
Net capital expenditure		(5)		(901)		(906)
Acquisitions and disposals		4		(1,385)		(1,381)
Other investing activities	(1,345)	4	(651)	1,009	940	(43)
<b>Net cash flow from /(used in) investing activities</b>	(1,283)	35	(651)	(1,234)	846	(2,287)
Dividends paid on ordinary share capital		(1,105)		(115)		(1,220)
Interest and preference dividends paid	(46)	(70)	(62)	(120)	94	(204)
Change in borrowing and finance leases	1,328	1,388	(22)	(59)	(940)	1,695
Other movement on treasury stock		(42)	(6)			(48)
Other finance activities			836	(1,044)		(208)
<b>Net cash flow from/(used in) financing activities</b>	1,282	171	746	(1,338)	(846)	15
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1)	19		(419)		(401)
<b>Cash and cash equivalents at beginning of year</b>		(2)	(3)	1,971		1,966
Effect of foreign exchange rates	1	(17)		177		161
<b>Cash and cash equivalents at end of year</b>			(3)	1,729		1,726

<sup>(a)</sup> The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

