



## **UNILEVER REVIEW ANNOUNCEMENT CONFERENCE CALL**

**Monday 19<sup>th</sup> December, 2005**

### **INTRODUCTORY REMARKS BY ANTONY BURGMANS**

Good morning ladies and gentlemen.

Welcome to this conference call on the subject of the announcement we released this morning, giving the conclusions of the study on our corporate structure.

This call is conducted subject to the usual disclaimer as to forward-looking statements. A transcript of my introduction, together with the formal disclaimer can be accessed on our web site at [www.unilever.com](http://www.unilever.com).

I am joined here this morning by Patrick Cescau, our Group Chief Executive, and Rudy Markham, our Chief Financial Officer so I think we have all necessary areas of expertise and responsibility covered.

The purpose of this call is to give you the opportunity to ask questions about the announcement made this morning but before I get to that I think some opening remarks from me might be helpful.

First, let me put the review in context.

In fact this review of our corporate structure is the third stage of a comprehensive review of Unilever's governance arrangements that started in 2002.

The first stage resulted in a re-shaping of our Board, with the establishment of the same single tier Board in both Unilever NV and PLC and a majority of independent Non-Executive Directors. As a result of this we became largely compliant with both the Combined Code in the UK and the Tabaksblat Code in the Netherlands.

The second stage, which was announced early in 2005, concentrated on the top management structure and business accountability. This resulted in the streamlining of our business organisation with the reduction of three executive teams down to one and, most importantly in terms of ultimate accountability, the adoption of a single Group Chief Executive responsible for the whole of Unilever's operations and a Non-Executive Chairman of both boards.

So, by the start of this year, most of the work necessary to bring Unilever's organisation truly up to date had been done. As a result our governance arrangements are substantially in accordance with all prevailing Codes and with best practice in our principal countries of incorporation and/or registration.

That done, we turned our attention to the nature of our corporate structure and announced the third stage of our study with a promise to report back at the AGM in 2006.

This review is now complete, hence the announcement.

Let me say a few words about the nature of the study and those involved in it.

The Board set up a sub committee to lead the study, chaired by myself and comprising 2 of our Senior Non-Executive Directors, David Simon and Jeroen van der Veer. Also on the committee were Rudy Markham, the Chief Financial Officer, and the Joint Secretaries.

We retained as advisers Rothschild and UBS Investment Bank together with John Studzinski of HSBC and Michael Pescod of Tricorn Partners.

Legal advice was provided by Slaughter and May, De Brauw Blackstone Westbroek and Cravath Swaine & Moore.

The brief of the review was extensive. It required the committee to examine whether the existing structures of Unilever, or features of them, inhibited operational flexibility or our capacity to realise shareholder value and, if so, to identify any useful changes or alternative structures.

Nothing was ruled out, but the committee was clear that its decisions should be guided by the goal of long term shareholder value creation.

The review involved several months of hard work and, as John Studzinski has allowed me to say, was in his view one of the most exhaustive and thorough studies that he has seen undertaken in the City. A view which my Board colleagues endorse.

We have reached clear conclusions.

The principal of these is that, with a number of important improvements, our existing structure is well placed to meet the needs of our business and the interest of our shareholders in the foreseeable future.

In the board's view the current dual structure does not hinder Unilever's operations or its decision making and our existing structure has been and still serves as the framework within which we can enjoy the best of many cultures and influences.

The Board has decided on important changes.

A number of improvements to the existing structure are proposed which in our judgement are important if the dual structure is to carry us through into the future.

We are going to adapt our constitutional arrangements to allow greater flexibility to allocate assets between the two parent companies. This will ensure that we continue to be able to pay dividends and return capital to shareholders in the most efficient manner.

We will propose a simplification of the relationship between our PLC and NV share quotations. We will equalise the underlying economic values of the shares by means of a share split and consolidation, resulting in greater transparency across the various markets on which they are quoted.

Further, we will open the nomination procedures to shareholders, which hitherto have been closed, so that they can put forward their own Board nominees, within the context of our unified Board structures. As you will know, our Directors offer themselves for re-election each year.

We believe we enjoy flexibility in terms of management, culture, geography and taxation and that there is no compelling advantage today in a change to alternative structures, including a unitary one. Flexibility has been critical to the success of Unilever in the past and will continue to bring benefits to the business and our shareholders.

In this context the Board acknowledges its responsibility to review Unilever's structure from time to time if circumstances require.

So, based on a thorough review of the facts, as they exist today, we are confident that by electing to improve our existing arrangements we are best serving the long-term interests of all our stakeholders.

I'm now happy to take your questions.

**SAFE HARBOUR STATEMENT:** This release may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. 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. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report & Accounts on Form 20-F. These forward-looking statements speak only as of the date of this release.