

Q1 2010 Results

29th April 2010

Paul Polman (CEO) – Jean Marc Huët (CFO)

James Allison (Head of IR)



Jean Marc Huët
CFO

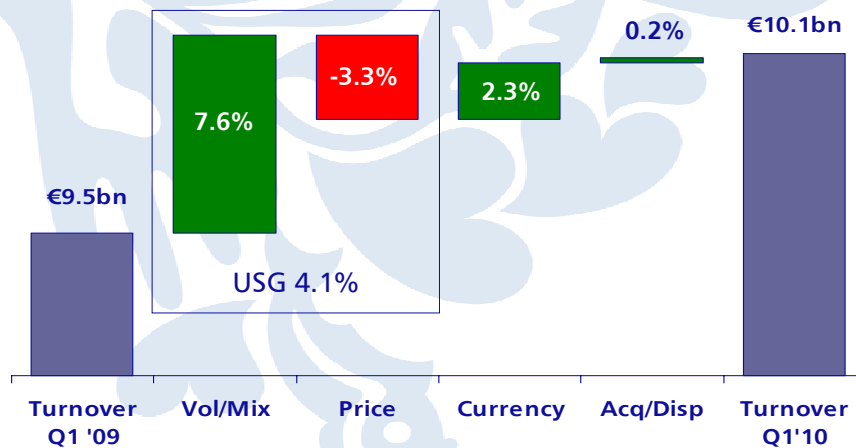


Safe Harbour Statement

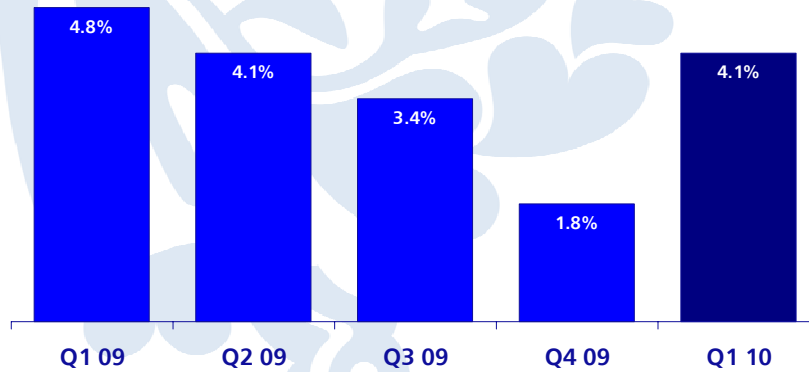


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Q1: Strong Top Line Growth



Q1: Improved Underlying Sales Growth

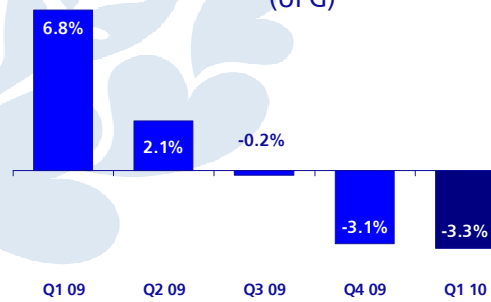


Q1: In-Quarter Pricing Stable

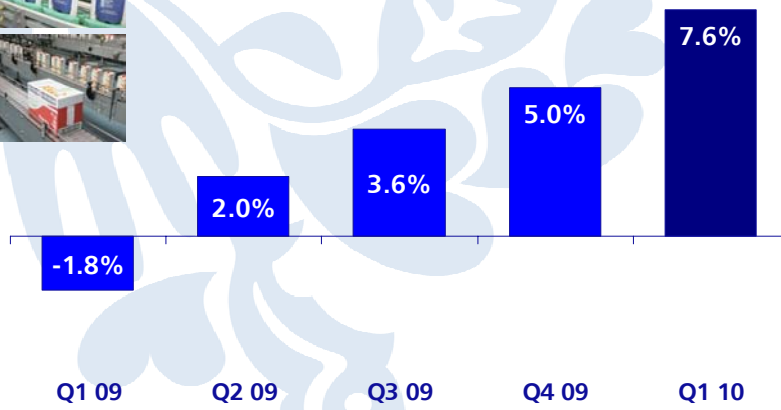


- Improving trend in the Americas
- Western Europe unchanged
- AACEE - intense price competition in key markets
- UPG to turn positive towards the end of 2010

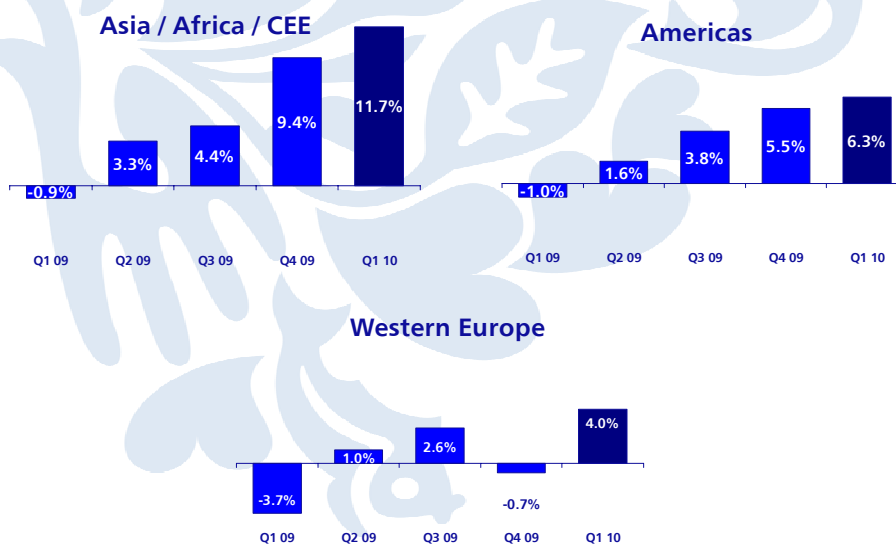
Underlying Price Growth (UPG)



Q1: Continued Volume Growth Momentum



Q1: Broad Based Volume Growth



Bigger, Better, Faster Innovations



Dove Damage Expert 3D Design



Dove Men + Care

Active Wheel Re-launch India



Bigger, Better, Faster Innovations



Magnum Gold?!



P.F. Chang's Home Menu



Frozen Entrées
Launch in the US

Knorr Dry Mealmakers 2 in 1



Launch in CEE

Brands Into New Markets



CIF & Domestos -
India, Italy



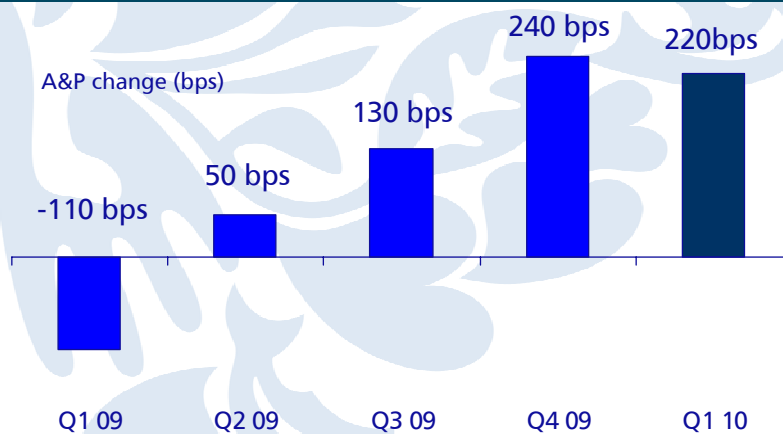
Vaseline for Men -
Asia



Lifebuoy –
Turkey, Argentina



Q1: Continued Investment in A&P

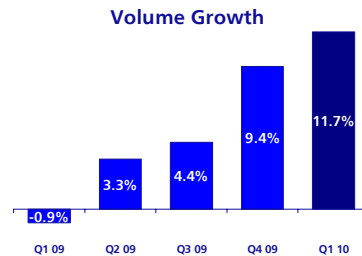


Full year A&P will be comfortably ahead of 2009

Q1: Asia / Africa / CEE



- Strong volume shares
- Good performance where we have seen intense competition
- Gross margin continues to improve
- Underlying operating margin +30bps



Radiant re-launch Optical Whitener

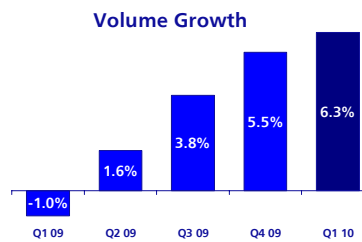


Brooke Bond Tea India

Q1: Americas



- Strong volume shares
- Double-digit volume growth in Latin America
- Gross margin continues to improve
- Underlying operating margin +40bps

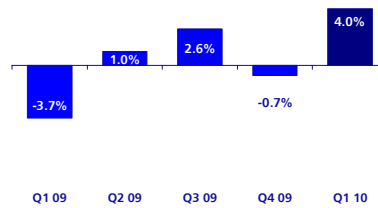


Q1: Western Europe

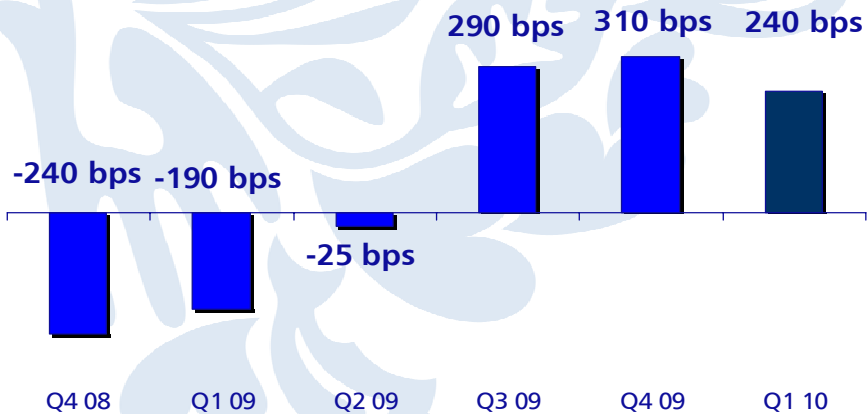


- Strong volume shares
- Broad based volume growth
- Gross margin continues to improve
- Underlying operating margin +130 bps

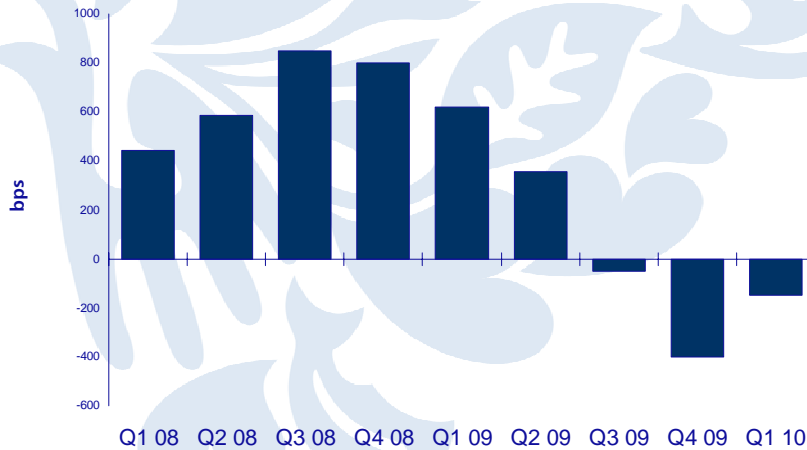
Volume Growth



Q1: Improved Gross Margins

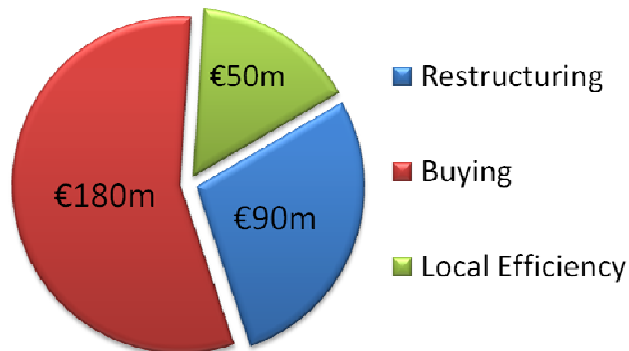


Q1: Commodity Costs Tailwind Continues



Commodity costs will increase in H2 and will be 2 – 3% higher full year 2010 vs. 2009

Q1: Strong Savings Delivery



Savings of at least €1bn in 2010
Full year restructuring costs higher than 50 – 100bps

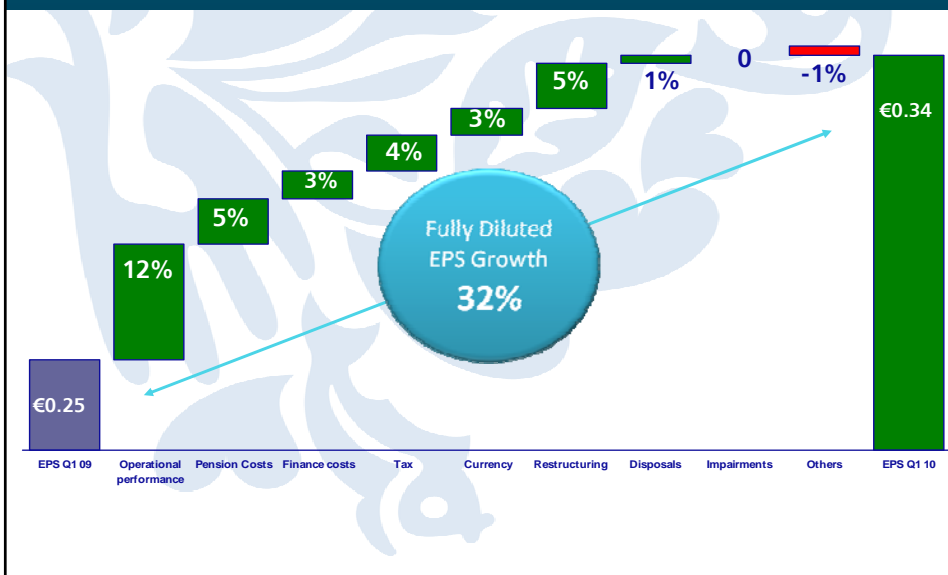
Q1: Underlying Operating Margin



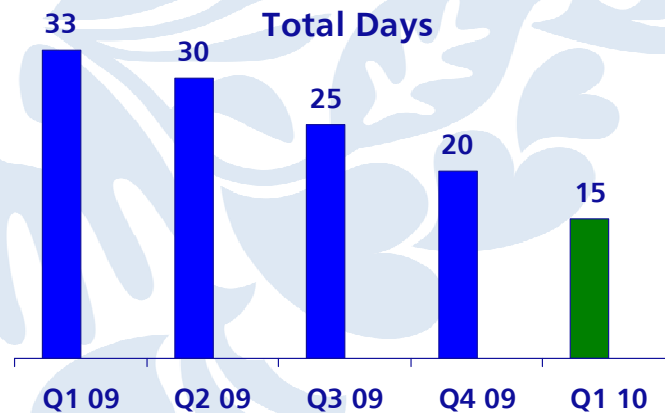
	Q1 2010	Change
Underlying Operating Margin	15.2 %	60bps
Operating Margin	14.2 %	120bps
Including restructuring, disposals and one-off items	1.0 %	-60bps

Gross Margin	+ 240 bps
A&P	+ 220 bps
Overheads	- 40 bps

Q1: Double Digit Increase in Earnings Per Share



Cash Conversion Cycle has Improved by 18 Days vs. Q1'09



2nd consecutive quarter of negative average Trading Working Capital

Net Debt, Pensions and Dividends



- Net debt at €7.1bn vs. €6.4bn at year end
- Pension deficit levels broadly stable at €2.7bn (IFRS basis)
- Full year cash contribution to pension funds of €0.75bn
- Pension financing charge substantially down on last year
- 2nd quarterly interim dividend €0.208 per share - up 6.7%

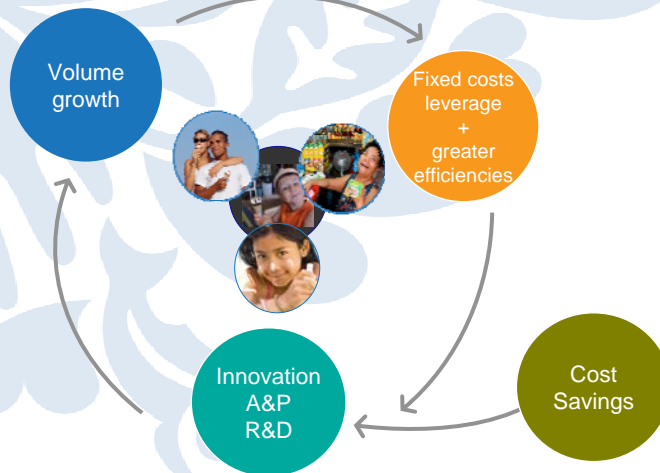
Paul Polman
CEO



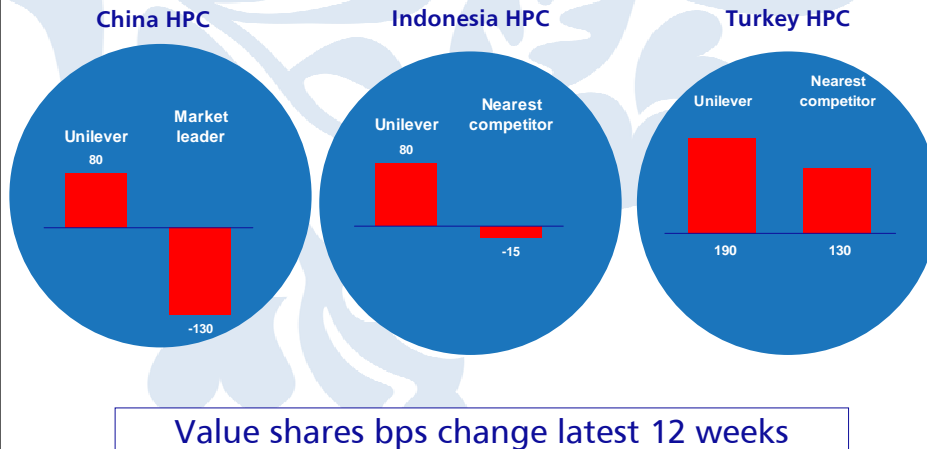
The Model is Working



Virtuous Circle of Growth



Winning Where Markets Are Toughest



The Culture is Changing



- Senior management changes continue to reflect the growth orientation of the company
- Stretch targets aligned to company strategy
- Greater differentiation in variable pay awards
- More reward for outstanding performance
- Senior executives to own more shares

Priorities for 2010



- Continue to drive volume growth
- Steady and sustainable improvement in full year underlying operating margin
- Strong cash flow

End

