

**exhibit 11 Market Positions of Bestfoods Products, by Country, 1999**

	Soups*	Sauces*	Bouillons	Meal Kits*	Potato Products	Pasta/Pasta Dishes	Mayonnaise	Pourable Dressings	Corn Oil	Foodservice*	Peanut Butter	Starches	Desserts (Ambient)	Premium Baking
<b>1 Leader in Market Share</b>														
<b>2 Second in Market Share</b>														
<b>• Present in the Market</b>														
<b>North America, Caribbean</b>														
Canada	2	2	1				1		1	•	2	1		
Dominican Republic	2		2				•		•	•		1		
United States	•	•	2	•	•	•	1	•	1	•	2	1	•	1
<b>Europe</b>														
Austria	1	1	1	1	1				1	•		1		
Belgium	1	1	1	1						•		1		
Bulgaria	•	•	•		•					•				
Czech Republic	2	2	2	2	•		1	1		•				
Denmark	1	1	1	1	2			2	1	•		1	•	
Finland	1	1	1	2					1	•		2		
France	1	2	2				2	2		•		1	1	
Germany	2	2	2	2	1		•		1	•		1	•	
Greece	1	1	1		2	1	1	1		•		2	2	
Hungary	1	1	1	2	1		2			•			•	
Ireland	1	1	1	1	1	•	1	2	•	•		2	1	
Italy	1	•	2		1		•		•	•		1		
Netherlands	2	1	2	2	•				•	•		2		
Norway	•	2	•						•	•		1		
Poland	1	1	1	1	1		2			•			•	
Portugal	1	•	1		2		1	2		•		1	2	
Romania	1		1							•	•			
Russia	2	1	2		1		•		•	•	•			
Slovak Republic	2	•	•	•	•		1			•				
Slovenia														
Spain	2	•	2	•		•	•	•	•	•		1	2	
Sweden	1	2	1	1					•	1	•	1	1	
Switzerland	1	1	1	1	1				•	•	•	1	•	
United Kingdom	•	•	2	•		•	1	2	1	•		1	1	
<b>Africa/Middle East</b>														
Egypt														
Israel	1	2	2	1	•	•	1		1	•	1		2	
Jordan	2		2							•				
Kenya	1		2							•	2	1		
Morocco	1	•	1							•	•			
Saudi Arabia							2		2	•	•			
South Africa	1	2	1	1			•	1		•	•	1	•	
Tunisia	1	•	1				•			•		2	•	
Turkey	1		2	•						•		1	•	

## exhibit 11 (concluded)

	Soups*	Sauces*	Bouillons	Meal Kits*	Potato Products	Pasta/Pasta Dishes	Mayonnaise	Pourable Dressings	Corn Oil	Foodservice†	Peanut Butter	Starches	Desserts (Ambient)	Premium Baking
<b>Latin America</b>														
Argentina	1		1		1	1	1	1	2	•		1		
Bolivia	•		•				2			•		1		
Brazil	2		1			2	1	1	1	•		1		
Chile	•		•		2		1	1	1	•		1	•	
Colombia	•	2	2	2	•		1	•	•	•		1	1	
Costa Rica	2	1	•		•		1	1	1	•	•	1	•	
Ecuador	2	•	•	2			•		1			•		
El Salvador	•	•	•				•	•	1		•	1		
Guatemala	•	•	•		•		•	1	1	•	•	1		
Honduras		•					•		1			2		
Mexico	1	•	1	1		1	2	•	2	•		1	•	
Panama	•	•	•				•	•	•	•		1		
Paraguay	2		2		2	•	1		2	•		1		
Peru	2	•	2		2	2	1	2	1	•		1		
Uruguay	1		1		1	•	1		2	•		1		
Venezuela	2	•	2	1			•	•		•		1		
<b>Asia</b>														
China	•	•	•				•			•		•	•	•
Hong Kong	•	•	1			•	2		•	•	1	1	1	
India	1			1								1	1	
Indonesia	1	•	•				2	2	1	•	1			
Japan	1	•	1	•			2	2	1	•	•			
Malaysia	1	•	2				1	1	1	•	1	1	2	
Pakistan	1	•	1	•			2		1	•		1	1	
Philippines	1	•	1			1	1	•	•	•	1	•	1	
Singapore	1		1				2	2	•	•	1	1	1	
Sri Lanka	2	1	2						2	•				
Taiwan	1		1				2	•	•	•	1			
Thailand	1	1	1	2		1	1		1	•	1	•	•	
Vietnam	2		1				•			•				

\*Dehydrated products only.

†Bestfoods food-service (catering) products hold leading share positions in many of the categories in which they compete.

Source: Company annual report, 1999.

In February 2001, Unilever announced the sale of the Bestfoods Baking Company to George Weston, a Canadian food and supermarkets group, for \$1.76 billion in cash. Unilever had announced its intention to divest Bestfoods Baking Company two weeks after closing its merger with Bestfoods on October 4, 2000, noting that the characteristics of the baking business did not fit other Unilever products and that bakery products was a category no longer in existence at Unilever. Bestfoods Baking was entirely U.S.-based, with 19 plants across the country, a strong management team, 12,000 employees, and one of the best distribution systems for delivering fresh-baked products directly to retail stores. In 1999, Bestfoods Baking had sales of \$1.7 billion (up 2.3 percent over 1998) and an operating profit margin of 8 percent (good for the baking business).

In April 2002 Unilever announced an agreement to sell 19 former Bestfoods brands sold across North America to ACH Food Companies, a subsidiary of Associated British Foods, for €406 million (\$360 million) in cash. The brands had combined sales of €350 million (U.S.\$310 million) in 2001 and included Mazola cooking oil products, Argo and Kingsford's corn starches, Karo and Golden Griddle syrups, and Henri's salad dressing sold in the United States, Puerto Rico, and Canada, plus such Canadian brands as Benson's and Canada corn starches, St. Lawrence/St. Laurent corn oil, Crown and Bee Hive corn syrups, Old Colony maple syrup, and Old Tyme pancake syrup. The deal also included a cornstarch manufacturing facility in Argo, Illinois. Approximately 200 Unilever Bestfoods employees were transferred to ACH Food Companies.

By year-end 2003, Unilever management believed that it had successfully integrated the operations of Bestfoods with those of Unilever. Businesses of the two companies had been merged in 63 countries across 5 regions of the world, pro-

ducing €790 million in cost-saving synergies and efficiencies and leading to increased operating margins (15.7 percent for the first nine months of 2003 versus 14.8 percent in 2002 and 14.4 percent in 2001). Unilever's entire food division was operating under the name Unilever Bestfoods (UBF).

## UNILEVER IN 2003

Despite the obvious progress that Unilever had made as of the fall of 2003 in executing its Path to Growth strategy—most notably boosting its operating margins to over 15 percent (in striking distance of the 16+ percent target), the company's third-quarter 2003 report of a growth slowdown in the sales of its leading brands (Exhibit 2) raised questions among investors and analysts of whether the company's current lineup of businesses and brands could deliver 5–6 percent growth in revenues in the years to come. Did Unilever really have a “world-beating brand portfolio and unrivaled geographic coverage” as Niall FitzGerald and Antony Burgmans had claimed in the months following the company's acquisitions of SlimFast, Ben & Jerry's, and Bestfoods? Was the 2003 drop-off in the sales growth of leading brands just temporary or a sign of things to come? What options did Unilever have for addressing the underperforming parts of its business? How much confidence should be placed in the claim by FitzGerald and Burgmans that “higher levels of leading brands growth will resume”? What should be made of their statement that “good progress in the vast majority of our business is not yet sufficient to offset the weaknesses in a limited number of under-performing businesses”?

Exhibits 12, 13, and 14 present highlights of Unilever's performance for the first nine months of 2003, as compared to the first nine months of 2002.

**exhibit 12 Summary of Unilever's Financial Performance Based on Constant Exchange Rates, First Nine Months, 2003 versus 2002 (in millions)**

	First Nine Months		Percent Change
	2003	2002	
<b>Income statement data</b>			
Revenues	€35,559	€36,008	(1.25)%
Operating profit (BEIA*)	5,519	5,434	1.56
Operating profit	4,412	4,306	2.46
Net earnings	2,032	1,884	7.86
<b>Balance sheet data</b>			
Cash and short-term investments	€ 3,027	€ 4,476	(32.37)%
Net debt	14,363	18,846	(23.79)
Shareholders' equity	6,400	6,196	3.29

\*BEIA = Before exceptional items and amortization of goodwill and intangibles.

Source: Unilever press release, October 29, 2003, accessed at [www.unilever.com](http://www.unilever.com), January 9, 2004.

**exhibit 13 Unilever's Financial Performance by Geographic Area at Constant Exchange Rates, First Nine Months, 2003 versus 2002 (euros in millions)**

Geographic Area Performance	First Nine Months, 2003	First Nine Months, 2002	Percent Change
<b>Revenues</b>			
Europe	€14,273	€14,832	(4)%
North America	8,822	9,502	(7)%
Africa, Middle East, Turkey	2,516	2,373	6%
Asia and Pacific	6,000	5,781	4%
Latin America	4,164	3,899	7%
Total	€35,775	€36,387	(2)%
<b>Operating profit—BEIA*</b>			
Europe	€ 2,452	€ 2,183	12%
North America	1,310	1,550	(16)%
Africa, Middle East, Turkey	331	287	15%
Asia and Pacific	858	847	1%
Latin America	568	567	0%
Total	€ 5,519	€ 5,434	2%
<b>Operating margin—BEIA*</b>			
Europe	17.2%	14.7%	
North America	14.8%	16.3%	
Africa, Middle East, Turkey	13.1%	12.1%	
Asia and Pacific	14.3%	14.6%	
Latin America	13.6%	14.5%	
Total	15.4%	14.9%	

\*BEIA = Before exceptional items and amortization of goodwill and intangibles.

Source: Unilever press release, October 29, 2003, accessed at [www.unilever.com](http://www.unilever.com), January 9, 2004.

**exhibit 14 Unilever's Financial Performance by Business Segment at Constant Exchange Rates, First Nine Months, 2003 versus 2002 (euros in millions)**

Business Segment Performance	First Nine Months, 2003	First Nine Months, 2002	Percent Change
<b>Revenues</b>			
Foods	€20,059	€20,569	(2)%
Soups and dressings	6,892	6,654	1
Spreads and cooking products	3,954	4,521	(13)
Health and wellness and beverages	3,078	3,170	(3)
Ice cream and frozen foods	6,135	6,024	2
Home care and professional cleaning	6,000	6,529	(8)
Personal care	9,449	8,931	6
Other operations	267	358	(25)
Total	€35,557	€36,387	(2)%
<b>Operating profit—BEIA*</b>			
Foods	€ 3,154	€ 2,925	7%
Soups and dressings	1,084	967	12
Spreads and cooking products	627	676	(7)
Health and wellness and beverages	420	427	(1)
Ice cream and frozen foods	1,023	865	18
Home care and professional cleaning	752	766	(2)
Personal care	1,617	1,714	(6)
Other operations	(4)	19	(123)
Total	€ 5,519	€ 5,434	2%
<b>Operating profit margin—BEIA*</b>			
Foods	15.7%	14.3%	
Soups and dressings	15.7	14.1	
Spreads and cooking products	15.9	14.9	
Health and wellness and beverages	13.6	13.4	
Ice cream and frozen foods	16.7	14.4	
Home care and professional cleaning	12.5	11.7	
Personal care	17.1	19.2	
Other operations	(1.6)	5.4	
Overall	15.4	14.9	

\*BEIA = Before exceptional items and amortization of goodwill and intangibles.

Source: Unilever press release, October 29, 2003, accessed at [www.unilever.com](http://www.unilever.com), January 9, 2004.