

UNILEVER PLC  
Form 20-F  
March 04, 2011

**Table of Contents**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 20-F**

**(Mark one)**

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**OR**
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**  
**OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**OR**
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**Date of event requiring this shell company report**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**  
**Commission file number 001-04546**  
**UNILEVER PLC**

**(Exact name of Registrant as specified in its charter)**  
**ENGLAND**

**(Jurisdiction of incorporation or organization)**  
**Unilever House, Blackfriars, London, England**

**(Address of principal executive offices)**

**T. E. Lovell, Group Secretary**

**Tel: +44(0)2078225252, Fax: +44(0)2078226108**

**Unilever House, 100 Victoria Embankment, London EC4Y 0DY UK**

**(Name, telephone number, facsimile number and address of Company Contact)**

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
<b>American Shares (evidenced by Depositary Receipts) each representing one ordinary share of the nominal amount of 3 1/9p each</b>	<b>New York Stock Exchange</b>

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**The total number of outstanding shares of the issuer's capital stock at the close of the period covered by the annual report was: 1,310,156,361 ordinary shares**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act:

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934:

Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes  No

---

**Table of Contents**

**Cautionary statement**

This document 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 Group's Annual Report on Form 20-F for the year ended 31 December 2010 and the Annual Report and Accounts 2010. 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.

---

**Table of Contents**

---

## Contents

<u>Item 1</u>	<u>Identity of Directors, Senior Management and Advisers</u>	2
<u>Item 2</u>	<u>Offer Statistics and Expected Timetable</u>	2
<u>Item 3</u>	<u>Key Information</u>	3
<u>Item 4</u>	<u>Information on the Company</u>	7
<u>Item 4A</u>	<u>Unresolved Staff Comments</u>	7
<u>Item 5</u>	<u>Operating and Financial Review and Prospects</u>	7
<u>Item 6</u>	<u>Directors, Senior Management and Employees</u>	12
<u>Item 7</u>	<u>Major Shareholders and Related Party Transactions</u>	13
<u>Item 8</u>	<u>Financial Information</u>	14
<u>Item 9</u>	<u>The Offer and Listing</u>	14
<u>Item 10</u>	<u>Additional Information</u>	15
<u>Item 11</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	18
<u>Item 12</u>	<u>Description of Securities Other than Equity Securities</u>	19
<u>Item 13</u>	<u>Defaults, Dividend Arrearages and Delinquencies</u>	20
<u>Item 14</u>	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	20
<u>Item 15</u>	<u>Controls and Procedures</u>	21
<u>Item 16</u>	<u>Reserved</u>	21
<u>Item 17</u>	<u>Financial Statements</u>	22
<u>Item 18</u>	<u>Financial Statements</u>	23
<u>Item 19</u>	<u>Exhibits</u>	31
	<u>Exhibit 1.1</u>	
	<u>Exhibit 4.2</u>	
	<u>Exhibit 4.3</u>	
	<u>Exhibit 4.8</u>	
	<u>Exhibit 12.1</u>	
	<u>Exhibit 13.1</u>	
	<u>Exhibit 15.1</u>	
	<u>Exhibit 15.2</u>	



**Table of Contents**

**Form 20-F**

References set forth below are to certain references that include pages incorporated therein, including any page references incorporated in the incorporated material, unless specifically noted otherwise.

The following pages and sections of the Group's Annual Report and Accounts 2010, regardless of their inclusion in any cross-reference below, are hereby specifically excluded and are not incorporated by reference into this report on Form 20-F:

Page 1,

Operational highlights on page 2;

pages 4 to 7;

pages 10 and 11;

pages 14 and 15;

The best return on brand and customer investment on page 17;

pages 20 and 21;

Principal risk factors on pages 33 to 37;

pages 58 to 60;

pages 70 and 71; and

Additional statutory disclosures on page 67 and pages 128 to 138.

This 20-F Report and the Group's Annual Report and Accounts 2010 (furnished separately on 4 March 2011 under Form 6-K) contain certain measures that are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, is useful to investors because it provides a basis for measuring our operating performance, ability to retire debt and invest in new business opportunities. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our operating performance and value creation. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Non-GAAP financial measures as reported by us may not be comparable with similarly titled amounts reported by other companies.

We report on the following Non-GAAP measures:

Underlying sales growth;

Underlying volume growth;

Underlying operating margin (including explanation of restructuring, business disposals, impairments and other one-off items (RDIs));

Free cash flow; and

Net debt.

The information set forth under the heading "Financial Review 2010 - Non-GAAP measures" on pages 31 to 32 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference. Within these pages further information about the above measures can be found.

Unilever N.V. (NV) is a public limited company registered in the Netherlands, which has listings of shares and depositary receipts for shares on Euronext Amsterdam and of New York Registry Shares on the New York Stock Exchange. Unilever PLC (PLC) is a public limited company registered in England and Wales which has shares listed on the London Stock Exchange and, as American Depositary Receipts, on the New York Stock Exchange.

The two parent companies, NV and PLC, together with their Group companies, operate as a single economic entity (the Unilever Group, also referred to as "Unilever" or "the Group"). NV and PLC and their Group companies constitute a single reporting entity for the purposes of presenting consolidated accounts. Accordingly, the accounts of the Unilever Group are presented by both NV and PLC as their respective consolidated accounts.



This document contains references to our website. Information on our website or any other website referenced in this document is not incorporated into this document and should not be considered part of this document. We have included any website as an inactive textual reference only.

**Item 1 Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2 Offer Statistics and Expected Timetable**

Not applicable.

**2 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F****Item 3 Key Information****A. Selected financial data**

The information set forth under the heading "Unilever Group Financial record" on pages 124 and 125 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Dividends**

The information set forth under the headings "Dividend record" on page 125 and "Financial calendar" on page 141 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Exchange rates**

Unilever reports its financial results and balance sheet position in euros. Other currencies which may significantly impact our financial statements are sterling and US dollars. Average and year end exchange rates for these two currencies for the last five years are given below.

	<b>2010</b>	2009	2008	2007	2006
Year end					
1 = US \$	<b>1.337</b>	1.433	1.417	1.471	1.317
1 = £	<b>0.862</b>	0.888	0.977	0.734	0.671
Average					
1 = US \$	<b>1.326</b>	1.388	1.468	1.364	1.254
1 = £	<b>0.858</b>	0.891	0.788	0.682	0.682

On 28 February 2011 the exchange rates between euros and US dollars and between euros and sterling as published in the Financial Times in London were as follows: 1.00 = US \$1.375 and 1.00 = £0.855.

Noon Buying Rates in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York were as follows:

	<b>2010</b>	2009	2008	2007	2006
Year end					
1 = US \$	<b>1.327</b>	1.433	1.392	1.460	1.320
Average					
1 = US \$	<b>1.326</b>	1.394	1.473	1.371	1.256
High					
1 = US \$	<b>1.454</b>	1.510	1.601	1.486	1.333
Low					
1 = US \$	<b>1.196</b>	1.255	1.245	1.290	1.186

High and low exchange rate values for each of the last six months:

	September 2010	October 2010	November 2010	December 2010	January 2011	February(a) 2011
High						
1 = US \$	1.364	1.407	1.422	1.340	1.372	1.379
Low						

1 = US \$	1.271	1.369	1.304	1.309	1.294	1.347
-----------	-------	-------	-------	-------	-------	-------

(a) Through 25 February 2011

**Share capital**

The information set forth under the heading "Note 22 Share capital" on page 113 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**B. Capitalisation and indebtedness**

Not applicable.

**C. Reasons for the offer and use of proceeds**

Not applicable.

**Unilever** Annual Report on Form 20-F 2010 **3**

---

**Table of Contents**

**Form 20-F**

**D. Risk factors**

The information set forth under the heading “Note 15 Financial instruments and treasury risk management” on pages 98 to 104 of the Group’s Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Risk factors**

Risks and uncertainties that could cause actual results to vary from those described in this document, or that could impact on our future performance or our ability to meet our published targets, are identified below. This list is not intended to be exhaustive and there may be other risks and uncertainties that are not mentioned below that could impact our future performance or our ability to meet published targets. The risks and uncertainties discussed below should be read in conjunction with the Group’s consolidated financial statements and related notes and the portions of the Report of the Directors that are incorporated by reference from the Group’s Annual Report and Accounts 2010 (furnished separately on 4 March 2011 on Form 6-K) and other information included in or incorporated by reference in this Report on Form 20-F.

**Principal risk**

**Description of risk**

**Economic**

Economic slowdown could adversely impact the markets in which we operate by reducing the ability of consumers to buy our products. If we are unable to respond to changing consumer demand our cashflow, turnover, profits, profit margins and the carrying value of our brands could be adversely affected.

Unilever’s business is dependent on continuing consumer demand for our brands. Reduced consumer wealth driven by adverse economic conditions may result in our consumers becoming unwilling or unable to purchase our products, which could adversely affect our cash flow, turnover, profits and profit margins. In addition we have a large number of global brands, some of which have a significant carrying value as intangible assets: adverse economic conditions may reduce the value of those brands which could require us to impair their balance sheet value.

During economic downturns access to credit could be constrained. This could impact the viability of our suppliers and customers and could temporarily inhibit the flow of day-to-day cash transactions with suppliers and customers via the banks.

Adverse economic conditions may affect one or more countries within a region, or may extend globally. The impact on our overall portfolio will depend on the severity of the economic slowdown, the mix of countries affected and any government response to reduce the impact such as fiscal stimulus, changes to taxation and measures to minimise unemployment.

**Markets**

Unilever operates globally in competitive markets where the activities of competitors may adversely impact our market shares and therefore place our cash flow, turnover, profits and/or profit

Unilever operates globally in competitive markets where the activities of other multinational companies, local and regional companies and customers which have a significant private label business may adversely affect our market shares, cash flow, turnover, profits and/or profit margins.

In 2010, more than half of Unilever’s turnover came from developing and

margins under pressure. Further, we derive significant revenues from Developing & Emerging (D&E) markets which are typically more volatile than developed markets. Social, political and/or economic developments could adversely impact our business.

### **Brands and Innovation**

Unilever is a branded goods business and our success is dependent on producing superior innovations that meet the needs of our consumers. Failure to achieve this could damage our reputation and hence our growth prospects and future profitability.

emerging markets including Brazil, India, Indonesia, Turkey, South Africa, China, Mexico and Russia. These markets are typically more volatile than developed markets, so we are continually exposed to changing economic, political and social developments outside our control, any of which could adversely affect our business. Failure to understand and respond effectively to local market developments could put at risk our cash flow, turnover, profit and/or profit margins.

Unilever's Mission is to help people feel good, look good and get more out of life with brands and services that are good for them and good for others. This is achieved by designing and delivering superior branded products/services at relevant price points to consumers across the globe. Failure to provide sufficient funding to develop new products, lack of technical capability in the research and development function, lack of prioritisation of projects and/or failure by operating management to successfully and quickly roll out the products may adversely impact our cash flow, turnover, profit and/or profit margins and may impact our reputation.

**Table of Contents****Form 20-F****Principal risk****Customer**

Increasing competitive pressure from and consolidation of customers could adversely impact our cash flow, turnover, profits and/or profit margins.

**Description of risk**

Maintaining successful relationships with our customers is key to ensuring our brands are successfully presented to our consumers and are available for purchase at all times. Any breakdown in the relationships with customers could reduce the availability to our consumers of existing products and new product launches and therefore impact our cash flow, turnover, profits and/or profit margins.

The retail industry continues to consolidate in many of our markets. Further consolidation and the continuing growth of discounters could increase the competitive retail environment by increasing customers' purchasing power, increasing the demand for competitive promotions and price discounts, increase cross-border sourcing to take advantage of pricing arbitrage and thus adversely impact our cash flow, turnover, profits and/or profit margins. Increased competition between retailers could place pressure on retailer margins and increase the counterparty risk to Unilever.

**Financial/Treasury**

Our global operations expose us to changes in liquidity, interest rates, currency exchange rates, pensions and taxation, which may have a negative impact on our business.

As a global organisation Unilever's asset values, earnings and cash flows are influenced by a wide variety of currencies, interest rates, tax jurisdictions and differing taxes. If we are unable to manage our exposures to any one, or a combination, of these factors, this could adversely impact our cash flow, profits and/or profit margins. A material and significant shortfall in net cash flow could undermine Unilever's credit rating, impair investor confidence and hinder our ability to raise funds, whether through access to credit markets, commercial paper programmes, long-term bond issuances or otherwise. In times of financial market volatility, we are also potentially exposed to counterparty risks with banks.

We are exposed to market interest rate fluctuations on our floating rate debt. Increases in benchmark interest rates could increase the interest cost of our floating rate debt and increase the cost of future borrowings. Our inability to manage the interest cost effectively could have an adverse impact on our cash flow, profits and/or profit margins.

Because of the breadth of our international operations we are subject to risks from changes to the relative value of currencies which can fluctuate widely and could have a significant impact on our assets, cash flow, turnover, profits and/or profit margins. Further, because Unilever consolidates its financial statements in euros it is subject to exchange risks associated with the translation of the underlying net assets of its foreign subsidiaries. We are also

subject to the imposition of exchange controls by individual countries which could limit our ability to import materials paid by foreign currency or to remit dividends to the parent company.

Certain businesses have defined benefit pension plans, most now closed to new employees, which are exposed to movements in interest rates, fluctuating values of underlying investments and increased life expectancy. Changes in any or all of these inputs could potentially increase the cost to Unilever of funding the schemes and therefore have an adverse impact on profitability and cash flow.

In view of the current economic climate and deteriorating government deficit positions, tax legislation in the countries in which we operate may be subject to change, which may have an adverse impact on our profits.

### **Consumer safety and sustainability**

Our industry is subject to focus on social and environmental issues, including sustainable development, product safety and renewable resources. If we fail to meet applicable standards or expectations with respect to these issues, our reputation could be damaged and our business adversely affected.

Unilever has developed a strong corporate reputation over many years for its focus on social and environmental issues, including promoting sustainable renewable resources. The Unilever brand logo is now displayed on all our products and increasingly displayed in our advertising, increasing our external exposure. In 2010, we launched the Unilever Sustainable Living Plan that sets out our social and environmental ambitions for the coming decade.

The environmental measures that we regard as most significant are those relating to CO<sub>2</sub> from energy that we use, the water we consume as part of our production processes and the amount of waste that we generate for disposal. Failure to design products with a lower environmental footprint could damage our reputation and hence long-term cash flow, turnover, profits and/or profit margins. Should we fail to meet high product safety, social, environmental and ethical standards across all our products and in all our operations and activities it could impact our reputation, leading to the rejection of products by consumers, damage to our brands including growth and profitability, and diversion of management time into rebuilding our reputation.

**Table of Contents**

**Form 20-F**

**Principal risk**

**Operations**

Our input costs are subject to fluctuation and we are reliant on efficient suppliers and regional/global supply chains to produce and deliver our products to our customers.

**People and talent**

Our success depends on attracting, developing and retaining talented people within our business. Any shortfall in recruitment or retention could adversely affect our ability to deliver our strategy and compete in our markets.

**Legal and regulatory**

**Description of risk**

Our ability to make products is dependent on securing timely and cost-effective supplies of production materials, some of which are globally traded commodities. The price of commodities and other key materials, labour, warehousing and distribution fluctuates according to global economic conditions, which can have a significant impact on our product costs. We saw commodity prices rise during the second half of 2010 and this looks set to continue in 2011. If we are unable to increase prices to compensate for higher input costs, this could reduce our cash flow, profits and/or profit margins. If we increase prices more than our competitors, this could undermine our competitiveness and hence market shares.

Further, two-thirds of the raw materials that we buy come from agriculture. Changing weather patterns, water scarcity and unsustainable farming practices threaten the long-term viability of agricultural production. A reduction in agricultural production may limit our ability to manufacture products in the long term.

We are dependent on regional and global supply chains for the supply of raw materials and services and for the manufacture, distribution and delivery of our products. We may be unable to respond to adverse events occurring in any part of this supply chain such as changes in local legal and regulatory schemes, labour shortages and disruptions, environmental and industrial accidents, bankruptcy of a key supplier or failure to deliver supplies on time and in full, which could impact our ability to deliver orders to our customers. Any of the foregoing could adversely impact our cash flow, turnover, profits and/or profit margins and harm our reputation and our brands.

Attracting, developing and retaining talented employees is essential to the delivery of our strategy. If we fail to determine the appropriate mix of skills required to implement our strategy and subsequently fail to recruit or develop the right number of appropriately qualified people, or if there are high levels of staff turnover, this could adversely affect our ability to operate successfully, and hence grow our business and effectively compete in the marketplace.



Unilever is subject to many local, regional and global jurisdictions. Failure to comply with local laws and regulatory regimes could expose Unilever to litigation, penalties, fines and/or imprisonment of its executives.

Unilever is subject to local, regional and global rules, laws and regulations, covering such diverse areas as product safety, product claims, trademarks, copyright, patents, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. Important regulatory bodies in respect of our business include the European Commission and the US Food and Drug Administration. Failure to comply with laws and regulations could leave Unilever open to civil and/or criminal legal challenge and, if upheld, fines or imprisonment imposed on us or our employees. Further, our reputation could be significantly damaged by adverse publicity relating to such a breach of laws or regulations and such damage could extend beyond a single geography.

**Integration of acquisitions, restructuring and change management**

Integration of acquisitions and ongoing restructuring initiatives involve significant changes to our organisation. If we are unable to successfully implement these changes in a timely manner, we may not realise the expected benefits from the restructuring.

Since 2009, Unilever has announced 4.6 billion of acquisitions and our global and regional restructuring programmes will continue in 2011. In the event that we are unable to successfully implement these changes in a timely manner or at all, or effectively manage third-party relationships and/or outsourced processes, we may not be able to realise some or all of the anticipated expense reductions. In addition, because some of the restructuring changes involve important functions, any disruption could harm the operations of our business, our reputation and/or relationship with our employees.

**Other risks**

Unilever is exposed to varying degrees of risk and uncertainty related to other factors including physical, environmental, political, social and terrorism risks within the environments in which we operate, failure to complete planned divestments, taxation risks, failure to resolve insurance matters within current estimates and changing priorities of our boards of directors. All these risks could materially affect the Group's business, our turnover, operating profits, net profits, net assets and liquidity. There may be risks which are unknown to Unilever or which are currently believed to be immaterial.

**Table of Contents**

**Form 20-F**

**Item 4 Information on the Company**

**A. History and development of the Company**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

The Unilever Group on page 3;

Financial Review 2010 on pages 22 to 32;

Our requirements and compliance on pages 51 to 55;

Note 26 Acquisitions and disposals on pages 117 to 119; and

Shareholder information on pages 139 to 142.

Please refer also to Financial Review 2009 within Item 5A of this report.

**B. Business overview**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

The Unilever Group on page 3;

Our footprint on pages 8 and 9;

Laws and regulations on page 32; and

Note 2 Segment information on pages 81 to 82;

Simplifying the Supply Chain and Superior Service on pages 16 and 17.

**Raw materials**

Our products use a wide variety of raw and packaging materials which we source internationally, and which may be subject to price volatility. We saw commodity prices rise during the second half of 2010 and this looks set to continue into 2011.

**Seasonability**

Certain of our businesses, such as ice cream, are subject to significant seasonal fluctuations in sales. However, Unilever operates globally in many different markets and product categories, and no individual element of seasonality is likely to be material to the results of the Group as a whole.

**Intellectual property**

We have a large portfolio of patents and trademarks, and we conduct some of our operations under licences that are based on patents or trademarks owned or controlled by others. We are not dependent on any one patent or group of patents. We use all appropriate efforts to protect our brands and technology.

**C. Organisational structure**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

The Unilever Group on page 3; and

Principal group companies and non-current investments on pages 126 and 127.

**D. Property, plant and equipment**

We have interests in properties in most of the countries where there are Unilever operations. However, none is material in the context of the Group as a whole. The properties are used predominantly to house production and

distribution activities and as offices. There is a mixture of leased and owned property throughout the Group. There are no environmental issues affecting the properties which would have a material impact upon the Group, and there are no material encumbrances on our properties. Any difference between the market value of properties held by the Group and the amount at which they are included in the balance sheet is not significant. We believe our existing facilities are satisfactory for our current business and we currently have no plans to construct new facilities or expand or improve our current facilities in a manner that is material to the Group.

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Note 10 Property, plant and equipment on pages 89 and 90; and

Principal Group companies and non-current investments on pages 126 and 127.

**Item 4A Unresolved Staff Comments**

Not applicable.

**Item 5 Operating and Financial Review and Prospects**

**A. Operating results**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Outlook on page 33;

Financial Review 2010 on pages 22 to 32; and

Currency risks on page 98.

**Table of Contents****Form 20-F****Financial Review 2009****Basis of reporting**

The information set forth under the heading **Basis of reporting** on page 30 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Group results and earnings per share**

The following discussion summarises the results of the Group during the years 2009 and 2008. The figures quoted are in euros, at current rates of exchange, being the average rates applying in each period as applicable, unless otherwise stated. Information about exchange rates between the euro, pound sterling and US dollar is given on page 3.

In 2009 and 2008, no disposals qualified to be disclosed as discontinued operations for purposes of reporting.

	million	million	%
	2009	2008	Increase/ (Decrease)
Turnover	39,823	40,523	(1.7)
Operating profit	5,020	7,167	(30.0)
Underlying operating profit	5,888	5,898	0
Net profit	3,659	5,285	(31)
Diluted EPS	1.17	1.73	(32)

Turnover in 2009 at 39,823 million was 1.7% lower than in 2008. Underlying sales growth, excluding the impact of acquisitions, disposals and currency impacts, was 3.5%, including underlying volume growth of 2.3%.

Reported operating profit was 5,020 million, compared with 7,167 million in 2008, which benefited significantly from one-off profits arising on the disposal of Group companies. Underlying operating margin before the net impact of these and other RDI items was 14.8% compared with 14.6% in 2008. Reported operating margin for the year was 12.6% (2008: 17.7%).

The cost of financing net borrowings was 429 million, 29 million higher than last year. The interest rate on net borrowings was 4.9%, compared with 4.5% in 2008.

There was a net charge of 164 million for pensions financing compared with a credit of 143 million in 2008. Expected returns on assets were much reduced in 2009 due to the fall in asset values caused by the credit crunch.

The tax rate before RDIs was 26.6%, in line with 2008. The reported tax rate for the year was 26.2% compared with 26.4% for 2008.

Net profit from joint ventures and associates, together with other income from non-current investments, contributed 489 million, which included a gain of 327 million from the disposal of the majority of our equity interest in JohnsonDiversey. This compares with 219 million in 2008, which included a gain of 61 million on the disposal of our interests in plantations in Côte D'Ivoire.

Reported earnings per share of 1.21 were 33% lower than 2008 which was boosted by one-off profits on disposals of businesses. Earnings per share before RDIs at 1.33 for the year were 7% lower, principally due to the net charge for pensions financing, compared with a credit in 2008.

**8 Unilever Annual Report on Form 20-F 2010**

**Table of Contents****Form 20-F****Asia, Africa and Central & Eastern Europe**

	million	million	%
	2009	2008	Increase/ (Decrease)
Turnover	14,897	14,471	2.9
Operating profit	1,927	1,701	13.3
Underlying operating margin (%)	13.9	11.7	2.2
Underlying sales growth at constant rates (%)	7.7		
Underlying volume growth (%)	4.1		
Effect of price changes (%)	3.4		

Turnover at current rates of exchange grew by 2.9%, after the impact of acquisitions, disposals and exchange rate changes as set out in the table above. Operating profit at current rates of exchange grew by 13.3%, after including an adverse currency movement of 2.8%. The comments that follow reflect the underlying performance of the business, removing the impact of currency translation and all costs related to acquisitions and disposals, restructuring and impairment.

Despite market conditions being both challenging and volatile in most parts of the region, 2009 was a year of strong volume-led growth and significant improvement in operating margin. Underlying sales growth for the year was 7.7%, with a strong volume component of 4.1%. Volume growth accelerated through the year, reaching 9.4% in the fourth quarter. It was also broad-based with strong performances in particular from Indonesia, China, Turkey, Vietnam, Arabia and Australia.

Market shares also progressed positively through the year in most parts of the region, with the exception of India where competition intensified significantly, especially from lower-cost local players. Here, robust actions have been taken across the portfolio to strengthen market positions. We have continued to invest aggressively behind key fast-growing emerging markets including China and Russia. Business performance in China has been strong, and in Russia, despite a particularly difficult economic background, encouraging progress was made over the year.

Underlying price growth was positive for the year as a whole but turned negative towards the end of the year in most markets. This downward trend reflects the passing back to consumers of the benefits from commodity cost reductions and selective price adjustments. Underlying operating margin grew by 2.2% reflecting the positive impact of operational leverage and the combined impact of higher prices and lower commodity costs.

Other key developments in the year included a significant and broad-based improvement in customer service, the acquisition of the Baltimor sauce business in Russia and the establishment of the regional supply chain centre in Singapore. With this in place and related IT systems development progressing well the region is increasingly well-placed to exploit benefits of speed, scale and simplification in many aspects of its operations.

**The Americas**

	million	million	%
	2009	2008	Increase/ (Decrease)
Turnover	12,850	13,199	(2.6)

Edgar Filing: UNILEVER PLC - Form 20-F

Operating profit	1,843	2,945	(37.4)
Underlying operating margin (%)	16.1	15.4	0.7
Underlying sales growth at constant rates (%)	4.2		
Underlying volume growth (%)	2.5		
Effect of price changes (%)	1.6		

Turnover at current rates of exchange fell by 2.6%, after the impact of acquisitions, disposals and exchange rate changes as set out in the table above. Operating profit at current rates of exchange fell by 37.4%, after including a small adverse currency movement of 0.8%. This fall reflects the significant income received from business disposals in 2008. The comments below reflect the underlying performance of the business, removing the impact of currency translation and all costs related to acquisitions and disposals, restructuring and impairment.

Consumer confidence in the region was fragile throughout 2009, particularly in the USA. Against this backdrop, underlying sales growth for the year of 4.2% and volume growth of 2.5% represent a highly competitive performance. The volume trend showed improved momentum through the year with growth reaching 5.5% in the fourth quarter.

All major units in the region contributed positive volume growth, with strong performances in particular from Brazil, Chile and the USA. Pricing was positive for the year as a whole, but turned negative in the fourth quarter, particularly in the US and Brazilian markets. Partly this reflected the lapping of increases taken late in 2008, but it was also driven by a more intensive competitive pricing environment, especially in key Home and Personal Care categories.

Underlying operating margin grew by 0.7% despite the impact of overhead dilution from the major business disposals completed in 2008. This was driven by improvements in gross margin from mix, lower commodity costs and pricing, allowing an increase in advertising and promotional investment in addition to the improvement in underlying margin. Other key developments in the year included the leveraging of the Customer Insight and Innovation Centre in New Jersey, enabling us to provide a range of solutions to help our customers grow faster, and the acquisition of TIGI hair care business. There were also significant improvements in customer services and in-store presence throughout the region.

**Table of Contents****Form 20-F****Western Europe**

	million	million	%
	2009	2008	Increase/ (Decrease)
Turnover	12,076	12,853	(6.0)
Operating profit	1,250	2,521	(50.4)
Underlying operating margin (%)	14.4	16.8	(2.4)
Underlying sales growth at constant rates (%)	(1.9)		
Underlying volume growth (%)	(0.1)		
Effect of price changes (%)	(1.8)		

Turnover at current rates of exchange fell by 6.0%, after the impact of acquisitions, disposals and exchange rate changes as set out in the table above. Operating profit at current rates of exchange fell by 50.4%, after including a small adverse currency movement of 0.5%. This fall reflects in part the significant income received from business disposals in 2008. The comments below reflect the underlying performance of the business, removing the impact of currency translation and all costs related to acquisitions and disposals, restructuring and impairment.

Consumer confidence in Western Europe remained low throughout 2009 with unemployment rising and varying degrees of economic difficulty in many countries. Against this background an underlying volume decline of 0.1% was encouraging, and performance showed steadily improving momentum through the year. Volume growth in the UK was particularly strong, and France and Belgium also achieved positive volume growth for the year overall.

Conditions were most challenging in Southern Europe, with Spain and Greece in particular experiencing difficult years.

Underlying sales growth was negative 1.9%, reflecting a price decline of 1.8%. This downward trend was experienced in nearly all major countries. This again reflected falling commodity costs. We also corrected prices in categories or markets where consumer value propositions were out of line.

Market share performance was however encouraging, with differing performances by category but a slight increase overall in volume share for the year as a whole and more significant gains in the last quarter. Underlying operating margin for the year was down by 2.4%. Significant drivers of this were a substantial increase in marketing investment and the negative impact of sterling weakness on the UK business.

Other key developments in 2009 included the region beginning to fully leverage the power of a single IT system to improve operational execution and drive efficiencies. We also announced the acquisition of the Personal Care business of Sara Lee.

**Non-GAAP measures**

The information set forth under the heading **Financial Review 2010 Non-GAAP measures** on pages 31 and 32 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Underlying sales growth (USG)**

The reconciliation of USG to changes in the GAAP measure turnover is as follows:

Total Group

	2009	2008
	vs 2008	vs 2007

Underlying sales growth (%)	3.5	7.4
Effect of acquisitions (%)	0.6	0.4
Effect of disposals (%)	(3.0)	(1.8)
Effect of exchange rates (%)	(2.7)	(4.8)
Turnover growth (%)	(1.7)	0.8

Asia, Africa and Central & Eastern Europe

	2009 vs 2008	2008 vs 2007
Underlying sales growth (%)	7.7	14.2
Effect of acquisitions (%)	0.5	1.1
Effect of disposals (%)	(0.9)	(0.4)
Effect of exchange rates (%)	(4.0)	(6.2)
Turnover growth (%)	2.9	7.8

The Americas

	2009 vs 2008	2008 vs 2007
Underlying sales growth (%)	4.2	6.5
Effect of acquisitions (%)	0.7	0.1
Effect of disposals (%)	(6.0)	(2.9)
Effect of exchange rates (%)	(1.2)	(5.1)
Turnover growth (%)	(2.6)	(1.8)

Western Europe

	2009 vs 2008	2008 vs 2007
Underlying sales growth (%)	(1.9)	1.3
Effect of acquisitions (%)	0.5	(0.0)
Effect of disposals (%)	(2.2)	(2.1)
Effect of exchange rates (%)	(2.5)	(2.8)
Turnover growth (%)	(6.0)	(3.6)

**Underlying volume growth (UVG)**

Underlying volume growth is underlying sales growth after eliminating the impact of price changes. The relationship between the two measures is set out below:

	2009 vs 2008	2008 vs 2007
Underlying volume growth (%)	2.3	0.1
Effect of price changes (%)	1.2	7.2
Underlying sales growth (%)	3.5	7.4



**10 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F****Underlying operating margin**

The reconciliation of underlying operating profit and underlying operating margin to the reported measures is as follows:

	million 2009	million 2008
Operating profit	5,020	7,167
Restructuring costs	897	868
Business disposals	(4)	(2,190)
Impairments and other one-off items	(25)	53
<b>Underlying operating profit</b>	<b>5,888</b>	<b>5,898</b>
Turnover	39,823	40,523
Operating margin	12.6%	17.7%
Underlying operating margin	14.8%	14.6%

**Free cash flow (FCF)**

FCF represents the cash generation from the operation and financing of the business. The movement in FCF measures our progress against the commitment to deliver strong cash flows. FCF is not used as a liquidity measure within Unilever.

FCF includes the cash flow from Group operating activities, less income tax paid, less net capital expenditure less net interest and preference dividends paid. The reconciliation of FCF to net profit is as follows:

	million 2009	million 2008
<b>Net profit</b>	<b>3,659</b>	<b>5,285</b>
Taxation	1,257	1,844
Share of net profit of joint ventures/associates and other income from non-current investments	(489)	(219)
Net finance cost	593	257
Depreciation, amortisation and impairment	1,032	1,003
Changes in working capital	1,701	(161)
Pensions and similar provisions less payments	(1,028)	(502)
Restructuring and other provisions less payments	(258)	(62)
Elimination of (profits)/losses on disposals	13	(2,259)
Non-cash charge for share-based compensation	195	125
Other adjustments	58	15
<b>Cash flow from operating activities</b>	<b>6,733</b>	<b>5,326</b>
Income tax paid	(959)	(1,455)
Net capital expenditure	(1,258)	(1,099)
Net interest and preference dividends paid	(444)	(382)

<b>Free cash flow</b>	<b>4,072</b>	<b>2,390</b>
<b>Net debt</b>		
The reconciliation of net debt to the GAAP measure total financial liabilities is as follows:		
	million	million
	2009	2008
<b>Total financial liabilities</b>	<b>(9,971)</b>	<b>(11,205)</b>
Financial liabilities due within one year	(2,279)	(4,842)
Financial liabilities due after one year	(7,692)	(6,363)
<b>Cash and cash equivalents as per balance sheet</b>	<b>2,642</b>	<b>2,561</b>
Cash and cash equivalents as per cash flow statement	2,397	2,360
Add bank overdrafts deducted therein	245	201
<b>Financial assets</b>	<b>972</b>	<b>632</b>
<b>Net debt</b>	<b>(6,357)</b>	<b>(8,012)</b>

**Acquisitions and disposals**

The information set forth under the heading "Note 26 Acquisitions and disposals 2009 and 2008" on page 118 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**B. Liquidity and capital resources****(i) Information regarding the Group's liquidity**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Finance and liquidity and Treasury on page 29;

Liquidity management on page 98;

Liquidity risk on pages 98 and 99;

Capital management on page 103;

Going concern on page 69;

Cash flow on page 28;

Consolidated cash flow statement on page 75;

Note 28 Reconciliation of net profit to cash flow from operating activities on page 120; and

Note 14 Financial assets and liabilities on pages 93 to 97.

**(ii) Information regarding the type of financial instruments used, the maturity profile of debt, currency and interest rate structure**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Note 14 Financial assets and liabilities on pages 93 to 97;

Note 15 Financial instruments and treasury risk management on pages 98 to 104; and

Treasury on page 29.

**(iii) Information regarding the Group's material commitments for capital expenditure**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Note 25 Commitments and contingent liabilities on pages 115 and 116; and

Note 10 Property, plant and equipment on pages 89 and 90.

**C. Research and development, patent and licences, etc**

The information set forth under the heading "Bigger, better, faster innovation" on pages 12 to 13 and Note 3 Gross profit and operating cost (first table) on page 83 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Table of Contents**

**Form 20-F**

**D. Trend information**

Please refer also to Item 3D Risk Factors on pages 4 to 6 of this report.

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Outlook on page 33; and

Financial Review 2010 on pages 22 to 32;

Please refer also to Financial Review 2009 within Item 5A of this report.

**E. Off-balance sheet arrangements**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Off-balance sheet arrangements on page 28;

Note 15 Financial instruments and treasury risk management on pages 98 to 104; and

Note 25 Commitments and contingent liabilities on page 115 (last two paragraphs only).

**F. Tabular disclosure of contractual obligations**

The information set forth under the heading Contractual obligations at 31 December 2010 on page 28 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**G. Safe harbour**

This document 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, prioritization 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 Group's Annual Report on Form 20-F for the year ended 31 December 2010 and the Annual Report and Accounts 2010. 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.

**Item 6 Directors, Senior Management and Employees**

**A. Directors and senior management**

**(i) Name, experience and functions**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Unilever Executive on page 40,

Non-Executive Directors on page 40

Board of Directors on pages 40; and

Our Directors and Our Committees on pages 44 to 48.

**(ii) Activities outside the issuing company**

The information set forth under the headings Board of Directors, Non-Executive Directors and Unilever Executive (UEX) on page 40 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**(iii) Age**

The information set forth under the headings Board of Directors, Non-Executive Directors and Unilever Executive (UEX) on page 40 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**(iv) Family relationship**

The information set forth under the heading Executive Directors (paragraph 4) on page 46 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**(v) Other arrangements**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Executive Directors (paragraph 4) on page 46; and

Non-Executive Directors Independence (paragraph 5) on page 45.

**B. Compensation**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Executive Directors on pages 61 and 62;

The supporting policies on page 62;

Our remuneration practices on pages 63 and 64;

**12 Unilever Annual Report on Form 20-F 2010**

---

**Table of Contents**

**Form 20-F**

Proposed changes from 2011 onwards on pages 64 and 65;

Executive Directors remuneration in 2010 on pages 65 to 66;

Non-Executive Directors on page 67;

Note 29 Share-based compensation plans on pages 121 to 122;

Note 4 Staff and management costs Key management compensation on page 84; and

Note 19 Pension and similar obligations on pages 107 to 111.

**C. Board practices**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Board of Directors and Unilever Executive (UEX) page 40;

Appointment of Directors on page 43;

Executive Directors (paragraph 2) on page 46;

Non-Executive Directors on pages 44 to 46;

Our Committees on pages 47 and 48;

Report of the Audit Committee on pages 56 and 57; and

Directors Remuneration Report on pages 61 to 67.

**D. Employees**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Note 4 Staff and management costs Average number of employees during the year on page 84; and

Employee numbers table on page 18.

We believe our relationship with our employees and any labour unions of which they may be part is satisfactory in all material respects.

**E. Share ownership**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Our remuneration practices on pages 63 and 64;

Executive Directors remuneration in 2010 on pages 65 to 66;

Non-Executive Directors on page 67; and

Note 29 Share-based compensation plans on pages 121 and 122.

**Item 7 Major Shareholders and Related Party Transactions**

**A. Major shareholders**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Foundation Unilever NV Trust office and Margarine Union (1930) Limited on page 50; and

Analysis of shareholding on page 140.

The principal trading markets upon which Unilever shares are listed are Euronext Amsterdam for NV depositary receipts of ordinary and preference shares and the London Stock Exchange for PLC ordinary shares. NV ordinary shares mainly trade in the form of depositary receipts for shares.

In the United States, NV New York Registry Shares and PLC American Depositary Receipts are traded on the New York Stock Exchange. Citibank, N.A. acts for NV and PLC as issuer, transfer agent and, in respect of the PLC American Depositary Receipts, depositary.

There have not been any significant trading suspensions in the past three years.

At 28 February 2011 there were 5,645 registered holders of NV New York Registry Shares and 873 registered holders of PLC American Depositary Receipts in the United States. We estimate that approximately 16% of NV's ordinary shares were held in the United States (approximately 15% in 2009), while most holders of PLC ordinary shares are registered in the United Kingdom approximately 99% in 2010 and in 2009.

NV and PLC are separate companies with separate stock exchange listings and different shareholders. Shareholders cannot convert or exchange the shares of one for shares of the other and the relative share prices on the various markets can, and do, fluctuate. Each NV ordinary share represents the same underlying economic interest in the Unilever Group as each PLC ordinary share (save for exchange rate fluctuations).

If you are a shareholder of NV, you have an interest in a Dutch legal entity, your dividends will be paid in euros (converted into US dollars if you have shares registered in the United States) and you may be subject to tax in the Netherlands. If you are a shareholder of PLC, your interest is in a UK legal entity, your dividends will be paid in sterling (converted into US dollars if you have American Depositary Receipts) and you may be subject to UK tax. Nevertheless, the Equalisation Agreement means that as a shareholder of either company you effectively have an interest in the whole of Unilever. You have largely equal rights over our combined net profit and capital reserves as shown in the consolidated accounts.

The information set forth under the heading Equalisation Agreement on page 51 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

#### **B. Related party transactions**

The information set forth under the heading Note 30 Related party transactions on page 122 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

Transactions with related parties are conducted in accordance with agreed transfer pricing policies and include sales to joint ventures and associates. Other than those disclosed in the Group's Annual Report and Accounts (and incorporated herein as above), there were no related party transactions that were material to the Group or to the related parties concerned that are required to be reported in 2009 or the two preceding years.

#### **C. Interest of experts and counsel**

Not applicable.



**Table of Contents****Form 20-F****Item 8 Financial Information****A. Consolidated statements and other financial information**

Please refer also to Item 18 Financial Statements on pages 23 to 31 of this report.

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Financial statements on page 69 and pages 72 to 123 (excluding Note 31 on page 123);

Legal proceedings on pages 32 and 116; and

Dividend record on page 125 and Financial calendar on page 141.

**B. Significant changes**

The information set forth in Note 32 Events after the balance sheet date on page 123 of the Group's Annual Report and Accounts furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Item 9 The Offer and Listing****A. Offer and listing details**

Please refer to information given on page 13 under Item 7A Major shareholders .

**Share prices at 31 December 2010**

The share prices of the ordinary shares at the end of the year were as follows:

NV per 0.16 ordinary share in Amsterdam		23.30
NV per 0.16 ordinary share in New York	US	\$31.40
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in London		£19.63
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in New York	US	\$30.88

**Monthly high and low prices for the most recent six months**

		September 2010	October 2010	November 2010	December 2010	January 2011	February 2011
NV per 0.16 ordinary share in Amsterdam (in	High	22.40	22.05	22.84	24.08	23.99	22.68
	Low	21.09	20.82	21.17	21.68	21.46	21.54
NV per 0.16 ordinary share in New York (in US \$)	High	30.28	30.53	32.13	31.76	31.84	30.53
	Low	26.97	28.85	28.20	28.79	29.26	29.24
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in London (in £)	High	18.66	18.82	19.44	20.09	19.94	19.10
	Low	17.13	17.58	17.76	17.74	18.16	17.87
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in New York (in US \$)	High	29.48	29.63	31.46	31.07	31.23	30.10

Low 26.74 28.14 27.72 28.22 28.87 28.82

**14 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F****Quarterly high and low prices for 2010 and 2009**

	2010	1st	2nd	3rd	4th
NV per 0.16 ordinary share in Amsterdam (in )	High	23.00	23.89	24.11	24.08
	Low	20.82	21.17	20.68	20.82
NV per 0.16 ordinary share in New York (in US \$)	High	33.10	31.36	31.03	32.13
	Low	28.35	26.02	26.22	28.20
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in London (in £)	High	20.07	20.03	19.60	20.09
	Low	18.08	17.72	16.62	17.58
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in New York (in US \$)	High	32.41	30.75	30.26	31.46
	Low	28.20	25.74	25.90	27.72
	2009	1st	2nd	3rd	4th
NV per 0.16 ordinary share in Amsterdam (in )	High	18.11	17.97	19.88	22.88
	Low	13.59	14.42	17.13	19.33
NV per 0.16 ordinary share in New York (in US \$)	High	25.16	25.19	28.86	32.80
	Low	17.04	18.70	23.93	28.36
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in London (in £)	High	16.69	15.33	17.78	20.15
	Low	12.30	12.68	14.27	17.60
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in New York (in US \$)	High	24.06	24.88	28.68	32.19
	Low	17.04	18.36	23.26	28.29

**Annual high and low prices**

		2010	2009	2008	2007	2006
NV per 0.16 ordinary share in Amsterdam (in )	High	24.11	22.88	25.61	25.72	20.84
	Low	20.68	13.59	16.20	18.89	16.53
NV per 0.16 ordinary share in New York (in US \$)	High	33.10	32.80	37.18	37.31	27.32
	Low	26.02	17.04	21.27	24.94	20.72
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in London (in £)	High	20.09	20.15	19.47	19.24	14.28
	Low	16.62	12.30	12.49	13.20	11.25
PLC per 3 <sup>1</sup> / <sub>9</sub> p ordinary share in New York (in US \$)	High	32.41	32.19	38.02	38.25	27.95
	Low	25.74	17.04	20.22	25.57	20.66

**B. Plan of distribution**

Not applicable.

**C. Markets**

The information set forth under the heading "The Unilever Group" on page 3 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**D. Selling shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the issue**

Not applicable.

**Item 10 Additional Information**

**A. Share capital**

Not applicable.

**B. Memorandum and articles of association**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

Corporate governance on pages 41 to 55; and

Note 22 Share Capital on page 113.

**Unilever** Annual Report on Form 20-F 2010 **15**

---

**Table of Contents**

**Form 20-F**

**C. Material contracts**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Financial Review 2010 Acquisitions and disposals on page 29;

Note 26 Acquisition and disposals 2009 and 2008 on page 118; and

Our Foundation agreements on page 51.

**D. Exchange controls**

Under the Netherlands Act on Financial Supervision (Wet op het financieel toezicht (Wft)) the Minister of Finance is authorised to issue regulations relating to financial transactions. To date no regulations of this type have been issued which are applicable to Unilever N.V.

There are currently no exchange controls affecting PLC shareholders.

**E. Taxation**

**Taxation for US persons holding shares in NV**

The following notes are provided for guidance. US persons should consult their local tax advisers, particularly in connection with potential liability to pay US taxes on disposal, lifetime gift or bequest of their shares. A US person is a US individual citizen or resident, a corporation organised under the laws of the United States, or any other legal person subject to US federal income tax on its worldwide income.

**Taxation on dividends in the Netherlands**

As of 1 January 2007 dividends of companies in the Netherlands are in principle subject to dividend withholding tax of 15%. Where a shareholder is entitled to the benefits of the current Income Tax Convention (the Convention) concluded on 18 December 1992 between the United States and the Netherlands, when dividends are paid by NV to: a corporation organised under the laws of the United States (or any territory of it) having no permanent establishment in the Netherlands of which such shares form a part of the business property; or

any other legal person subject to United States Federal income tax with respect to its worldwide income, having no permanent establishment in the Netherlands of which such shares form a part of the business property, these dividends qualify for a reduction of withholding tax on dividends in the Netherlands from 15% to 5% if the beneficial owner is a company which directly holds at least 10% of the voting power of NV shares and to 0% if the beneficial owner is a qualified Exempt Organisation as defined in Article 36 of the Convention.

Where a United States person has a permanent establishment in the Netherlands, which has shares in NV forming part of its business property, dividends it receives on those shares are included in that establishment's profit. They are subject to income tax or corporation tax in the Netherlands, as appropriate, and tax on dividends in the Netherlands will generally be applied at the full rate of 15%. This tax will be treated as foreign income tax eligible for credit against the shareholder's United States income taxes.

Under the Convention, qualifying United States organisations that are generally exempt from United States taxes and that are constituted and operated exclusively to administer or provide pension, retirement or other employee benefits may be exempt at source from withholding tax on dividends received from a Dutch corporation. A Competent Authority Agreement between the US and Dutch Tax Authorities on 6 August 2007, published in the US as Announcement 2007-75, 2007-2 Cumulative Bulletin 540 as amended by a Competent Authority Agreement published in the United States as Announcement 2010-26, 2010-1 Cumulative Bulletin 604, describes the eligibility of these US organisations for benefits under the Convention and procedures for claiming these benefits.

A United States trust, company or organisation that is operated exclusively for religious, charitable, scientific, educational or public purposes is subject to an initial 15% withholding tax rate. Such an exempt organisation is entitled to reclaim from Tax Authorities in the Netherlands a refund of the Dutch dividend tax, if and to the extent that it is exempt from United States Federal Income Tax and it would be exempt from tax in the Netherlands if it were

organised and carried on all its activities there.

If you are an NV shareholder resident in any country other than the United States or the Netherlands, any exemption from, or reduction or refund of, dividend withholding tax in the Netherlands may be governed by the Tax Regulation for the Kingdom of the Netherlands or by the tax convention, if any, between the Netherlands and your country of residence.

**United States taxation on dividends**

If you are a United States person, the dividend (including the withheld amount) up to the amount of our earnings and profits for United States Federal income tax purposes will be ordinary dividend income. Dividends received by an individual during taxable years before 2013 will be taxed at a maximum rate of 15%, provided the individual has held the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, that NV is a qualified foreign corporation and that certain other conditions are satisfied. NV is a qualified foreign corporation for this purpose. Dividends received by an individual for taxable years after 2012 will be subject to tax at ordinary income rates. The dividends are not eligible for the dividends received deduction allowed to corporations.

**16 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F**

For US foreign tax credit purposes, the dividend is foreign source income, and withholding tax in the Netherlands is a foreign income tax that is eligible for credit against the shareholder's United States income taxes. However, the rules governing the US foreign tax credit are complex, and additional limitations on the credit apply to individuals receiving dividends eligible for the 15% maximum tax rate on dividends described above.

Any portion of the dividend that exceeds our United States earnings and profits is subject to different rules. This portion is a tax free return of capital to the extent of your basis in our shares, and thereafter is treated as a gain on a disposition of the shares.

Under a provision of the Dividend Tax Act in the Netherlands, NV is entitled to a credit (up to a maximum of 3% of the gross dividend from which dividend tax is withheld) against the amount of dividend tax withheld before remittance to tax authorities in the Netherlands. The United States tax authority may take the position that withholding tax in the Netherlands eligible for credit should be limited accordingly.

**Disclosure requirements for US individual holders**

US individuals that hold certain specified foreign financial assets, which include stock in a foreign corporation, may be subject to additional US return disclosure obligations (and related penalties for failure to disclose). Investors are encouraged to consult with their own tax advisors regarding the possible application of this disclosure requirement to their investment in the shares.

**Taxation on capital gains in the Netherlands**

Under the Convention, if you are a United States person and you have capital gains on the sale of shares of a Dutch company, these are generally not subject to taxation by the Netherlands. An exception to this rule generally applies if you have a permanent establishment in the Netherlands and the capital gain is derived from the sale of shares which form part of that permanent establishment's business property.

**Succession duty and gift taxes in the Netherlands**

Under the Estate and Inheritance Tax Convention between the United States and the Netherlands of 15 July 1969, individual US persons who are not Dutch citizens who have shares will generally not be subject to succession duty in the Netherlands on the individual's death, unless the shares are part of the business property of a permanent establishment situated in the Netherlands.

A gift of shares of a Dutch company by a person who is not a resident or a deemed resident of the Netherlands is generally not subject to gift tax in the Netherlands. A non-resident Netherlands citizen, however, is still treated as a resident of the Netherlands for gift tax purposes for ten years and any other non-resident person for one year after leaving the Netherlands.

**Taxation for US persons holding shares in PLC**

The following notes are provided for guidance. US persons should consult their local tax advisers, particularly in connection with potential liability to pay US taxes on disposal, lifetime gift or bequest of their shares. A US person is a US individual citizen or resident, a corporation organized under the laws of the United States, or any other legal person subject to US federal income tax on its worldwide income.

**United Kingdom taxation on dividends**

Under United Kingdom law, income tax is not withheld from dividends paid by United Kingdom companies. Shareholders, whether resident in the United Kingdom or not, receive the full amount of the dividend actually declared.

**United States taxation on dividends**

If you are a US person, the dividend up to the amount of our earnings and profits for United States Federal income tax purposes will be ordinary dividend income. Dividends received by an individual during taxable years before 2013 will be taxed at a maximum rate of 15%, provided the individual has held the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, that PLC is a qualified foreign corporation and certain other conditions are satisfied. PLC is a qualified foreign corporation for this purpose. Dividends received by an individual for taxable years after 2012 will be subject to tax at ordinary income rates. The dividend is not eligible for the dividends received deduction allowable to corporations. The dividend is foreign source income for US foreign tax

credit purposes.

Any portion of the dividend that exceeds our United States earnings and profits is subject to different rules. This portion is a tax free return of capital to the extent of your basis in our shares, and thereafter is treated as a gain on a disposition of the shares.

**Disclosure Requirements for US individual holders**

US individuals that hold certain specified foreign financial assets, which include stock in a foreign corporation, may be subject to additional US return disclosure obligations (and related penalties for failure to disclose). Investors are encouraged to consult with their own tax advisors regarding the possible application of this disclosure requirement to their investment in the shares.

**Unilever** Annual Report on Form 20-F 2010 **17**

---



**Table of Contents**

**Form 20-F**

**UK taxation on capital gains**

Under United Kingdom law, when you sell shares you may be liable to pay capital gains tax. However, if you are either:

an individual who is neither resident nor ordinarily resident in the United Kingdom; or

a company which is not resident in the United Kingdom

you will generally not be liable to United Kingdom tax on any capital gains made on disposal of your shares.

Two exceptions are: if the shares are held in connection with a trade or business which is conducted in the United Kingdom through a branch or an agency; and if the shares are held by an individual who has left the UK for a period of non-residence of less than five tax years having been resident for at least four of the seven tax years prior to leaving the UK.

**UK inheritance tax**

Under the current estate and gift tax convention between the United States and the United Kingdom, ordinary shares held by an individual shareholder who is:

domiciled for the purposes of the convention in the United States; and

is not for the purposes of the convention a national of the United Kingdom  
will not be subject to United Kingdom inheritance tax on:

the individual's death; or

on a gift of the shares during the individual's lifetime.

The exception is if the shares are part of the business property of a permanent establishment of the individual in the United Kingdom or, in the case of a shareholder who performs independent personal services, pertain to a fixed base situated in the United Kingdom.

**F. Dividends and paying agents**

Not applicable.

**G. Statement by experts**

Not applicable.

**H. Documents on display**

The information set forth under the heading "Shareholder information" on pages 139 to 142 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Unilever Annual Report on Form 20-F 2010**

Filed with the SEC on the SEC's website. Printed copies are available, free of charge, upon request to Unilever PLC, Investor Relations Department, Unilever House, 100 Victoria Embankment, London EC4Y 0DY, United Kingdom.

**Documents on display in the United States**

Unilever files and furnishes reports and information with the United States SEC. Such reports and information can be inspected and copied at the SEC's public reference facilities in Washington DC, Chicago and New York. Certain of our reports and other information that we file or furnish to the SEC are also available to the public over the internet on the SEC's website.

**I. Subsidiary information**

Not applicable.

**Item 11 Quantitative and Qualitative Disclosures About Market Risk**

Please refer also to Item 3D "Risk Factors" of this report.

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Outlook on page 33;

Note 13 Trade and other receivables on page 92;

Note 14 Financial assets and liabilities on pages 93 to 97;

Note 15 Financial instruments and treasury risk management on pages 98 to 104; and

Note 16 Trade payables and other liabilities on page 104.

**18 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents**

**Form 20-F**

**Item 12 Description of Securities Other than Equity Securities**

The Unilever Group has appointed Citibank, N.A. ( Citibank ) as both its transfer agent and registrar pursuant to the New York Registered Share program for Unilever N.V. and as its depository pursuant to its American Depositary Receipt program for Unilever PLC. Any fee arrangement with Citibank will therefore cover both programmes.

**D.3 Transfer Agent Fees and Charges for Unilever N.V.**

Although items 12.D.3 and 12.D.4 are not applicable to Unilever N.V. the following fees, charges and transfer agent payments are listed, as any fee arrangement with Citibank will cover both programmes.

Under the terms of the Transfer Agent Agreement for the Unilever N.V. New York Registered Share program, a New York Share (NYS) holder may have to pay the following service fees to the transfer agent:

Issuance of NYSSs: Up to US 5¢ per NYS issued.

Cancellation of NYSSs: Up to US 5¢ per NYS cancelled.

An NYS holder will also be responsible to pay certain fees and expenses incurred by the transfer agent and certain taxes and governmental charges such as:

Fees for the transfer and registration of Shares charged by the registrar and transfer agent for the Shares in the Netherlands (i.e. upon deposit and withdrawal of Shares);

Expenses incurred for converting foreign currency into US dollars;

Expenses for cable, telex and fax transmissions and for delivery of securities;

Taxes and duties upon the transfer of securities (i.e. when shares are deposited or withdrawn from deposit); and

Fees and expenses incurred in connection with the delivery or servicing of shares on deposit.

Transfer agent fees payable upon the issuance and cancellation of NYSSs are typically paid to the transfer agent by the brokers (on behalf of their clients) receiving the newly-issued NYSSs from the transfer agent and by the brokers (on behalf of their clients) delivering the NYSSs to the transfer agent for cancellation. The brokers in turn charge these transaction fees to their clients.

Note that the fees and charges an investor may be required to pay may vary over time and may be changed by us and by the Transfer Agent. Notice of any changes will be given to investors.

**D.3 Depository Fees and Charges for Unilever PLC**

Under the terms of the Deposit Agreement for the Unilever PLC American Depositary Shares (ADSs), an ADS holder may have to pay the following service fees to the depository bank:

Issuance of ADSs: Up to US 5¢ per ADS issued.

Cancellation of ADSs: Up to US 5¢ per ADS cancelled.

An ADS holder will also be responsible to pay certain fees and expenses incurred by the depository bank and certain taxes and governmental charges such as:

Fees for the transfer and registration of Shares charged by the registrar and transfer agent for the Shares in the United Kingdom (i.e., upon deposit and withdrawal of Shares);

Expenses incurred for converting foreign currency into US dollars;

Expenses for cable, telex and fax transmissions and for delivery of securities;

Taxes and duties upon the transfer of securities (i.e. when shares are deposited or withdrawn from deposit); and

Fees and expenses incurred in connection with the delivery or servicing of shares on deposit.

Depository fees payable upon the issuance and cancellation of ADSs are typically paid to the depository bank by the brokers (on behalf of their clients) receiving the newly-issued ADSs from the depository bank and by the brokers (on behalf of their clients) delivering the ADSs to the depository bank for cancellation. The brokers in turn charge these transaction fees to their clients.

Note that the fees and charges an investor may be required to pay may vary over time and may be changed by us and by the depository bank. Notice of any changes will be given to investors.

**Unilever** Annual Report on Form 20-F 2010 **19**

---

**Table of Contents****Form 20-F****D.4 Transfer Agent Payments Fiscal Year 2010 for Unilever N.V.**

In 2010, we received the following payments from Citibank, N.A., the Transfer Agent and Registrar for our New York Registered Share program:

	US \$
Reimbursement of listing fees (NYSE/NASDAQ)	248,748.00
Reimbursement of settlement infrastructure fees (including DTC feeds)	33,674.37
Reimbursement of proxy process expenses (printing, postage and distribution)	231,782.13
Tax reclaim services	40,000.00
Program-Related Expenses (that include expenses incurred from the requirements of the Sarbanes-Oxley Act of 2002)	795,795.50

**Indirect payments**

As part of its service to the Company, Citibank, N.A. has agreed to waive fees for the standard costs associated with the administration of the ADR Program, associated operating expenses and investor relations advice estimated to total \$150,000.

**D.4 Depositary Payments Fiscal Year 2010 for Unilever PLC**

In 2010, we received the following payments from Citibank, N.A., the Depositary Bank for our American Depositary Receipt program:

	US \$
Reimbursement of listing fees (NYSE/NASDAQ)	105,624.00
Reimbursement of settlement infrastructure fees (including DTC feeds)	21,853.74
Reimbursement of proxy process expenses (printing, postage and distribution)	258,866.16
Program-Related Expenses (that include expenses incurred from the requirements of the Sarbanes-Oxley Act of 2002)	963,656.10

**Indirect payments**

As part of its service to the Company, Citibank, N.A. has agreed to waive fees for the standard costs associated with the administration of the ADR Program, associated operating expenses and investor relations advice estimated to total US \$150,000.

**Item 13 Defaults, Dividend Arrearages and Delinquencies**

**A. Defaults**

There has been no material default in the payment of principal, interest, a sinking or purchase fund instalments or any other material default relating to indebtedness of the Group.

**B. Dividend arrearages and delinquencies**

There have been no arrears in payment of dividends on, and material delinquency with respect to, any class of preferred stock of any significant subsidiary of the Group.

**Item 14 Material Modifications to the Rights of Security Holders and Use of Proceeds**

Not applicable.

**20 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F****Item 15 Controls and Procedures**

The information set forth under the headings Report of Independent Registered Public Accounting Firm in Item 18 of this report, Risk management approach on pages 38 and 39, The United States on page 55 and Risk management and internal control arrangements on page 56 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Management's report on internal control over financial reporting**

In accordance with the requirements of Section 404 of the US Sarbanes-Oxley Act of 2002, the following report is provided by management in respect of the Company's internal control over financial reporting (as defined in rule 13a-15(f) or rule 15d-15(f) under the US Securities Exchange Act of 1934):

Unilever's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group;

Unilever's management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of our internal control over financial reporting. Management believes that the COSO framework is a suitable framework for its evaluation of our internal control over financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of internal controls, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of internal controls are not omitted and is relevant to an evaluation of internal control over financial reporting;

Management has assessed the effectiveness of internal control over financial reporting as of 31 December 2010, and has concluded that such internal control over financial reporting is effective; and

PricewaterhouseCoopers LLP and PricewaterhouseCoopers Accountants N.V., who have audited the consolidated financial statements of the Group for the year ended 31 December 2010, have also audited the effectiveness of internal control over financial reporting as at 31 December 2010 and have issued an attestation report on internal control over financial reporting. For the Auditors' Report please refer to Item 18.

**Item 16 Reserved****A. Audit Committee financial expert**

The information set forth under the heading Audit Committee on page 47 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**B. Code of Ethics**

The information set forth under the following headings of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference:

Foundation and principles on page 38; and

The United States on page 55.

**Unilever Annual Report on Form 20-F 2010 21**

**Table of Contents****Form 20-F****C. Principal accountant fees and services**

The information set forth under the heading "Report of the Audit Committee" on pages 56 and 57 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

	<b>million 2010</b>	million 2009	million 2008
Audit fees <sup>(a)</sup>	(17)	(18)	(21)
Audit-related fees <sup>(b)</sup>	(1)		(1)
Tax fees	(1)	(2)	(2)
All other fees	(3)	(1)	(2)

(a) Excludes 1 million of out of pocket expenses and 1 million fees paid in respect of services supplied for associated pension schemes.

(b) Includes other audit services which comprise audit and similar work that regulations or agreements with third parties require the auditors to undertake.

**D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**E. Purchases of equity securities by the issuer and affiliated purchasers****Share purchases during 2010**

	Total number of shares purchased	Average price paid per share	Of which, numbers of shares purchased as part of publicly announced plans <sup>(a)</sup>	<b>million</b> Maximum value that may yet be purchased as part of publicly announced plans
January				
February				
March	59,547	22.95		
April				
May				
June				
July				
August				
September				
October				
November	4,720,000	22.37		
December	4,280,000	22.25		
Total	9,059,547	22.32		



- (a) Shares were purchased to satisfy commitments to deliver shares under our share-based plans as described in note 29 on pages 121 and 122 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K and incorporated by reference.

**F. Change in Registrant's Certifying Accountant**

Not applicable.

**G. Corporate governance**

The information set forth under the heading "Corporate governance" on pages 41 to 55 of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Item 17 Financial Statements**

The Company has responded to Item 18 in lieu of this item.

**22 Unilever Annual Report on Form 20-F 2010**

---

**Table of Contents****Form 20-F****Item 18 Financial Statements**

The information set forth under the heading "Financial statements" on page 69 and pages 72 to 123 (excluding Note 31 on page 123) of the Group's Annual Report and Accounts 2010 furnished separately on 4 March 2011 under Form 6-K is incorporated by reference.

**Report of Independent Registered Public Accounting Firm**

In our opinion, the consolidated income statements and the related consolidated balance sheets, consolidated cash flow statements, consolidated statements of comprehensive income and consolidated statements of changes in equity set forth under the heading "Financial Statements" on pages 72 to 123 (excluding Note 31 on page 123) of Unilever Group's Annual Report and Accounts 2010 and the summarised presentation of the NV and PLC parts of the Group and the Guarantor financial information included in Item 18 of this Form 20-F present fairly, in all material respects, the financial position of the Unilever Group at 31 December 2010 and 31 December 2009 and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2010, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in conformity with IFRS as adopted by the European Union. Also in our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of 31 December 2010, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Group's Directors and management are responsible for these consolidated financial statements.

The Group's management are responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying

Management's report on internal control over financial reporting included in Item 15 of this Form 20-F. Our responsibility is to express opinions on these consolidated financial statements and on the Group's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall consolidated financial statements presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Edgar Filing: UNILEVER PLC - Form 20-F

Amsterdam, The Netherlands, 1 March 2011  
PricewaterhouseCoopers Accountants N.V.  
As auditors of Unilever N.V.

PricewaterhouseCoopers LLP  
London, United Kingdom  
As auditors of Unilever PLC

R A J Swaak RA

1 March 2011

**Unilever** Annual Report on Form 20-F 2010 **23**

---

**Table of Contents****Form 20-F****Summarised presentation of the NV and PLC parts of the Group (audited)**

NV and PLC and their group companies constitute a single entity for the purposes of presenting consolidated accounts. The following supplemental information shows the consolidated income statement and balance sheet of the Group analysed according to the relative legal ownership of the individual entities by NV or PLC.

	<b>million</b> <b>NV</b> <b>2010</b>	million NV 2009	million NV 2008	<b>million</b> <b>PLC</b> <b>2010</b>	million PLC 2009	million PLC 2008
<b>Income statement</b> for the year ended 31 December						
<b>Turnover</b>	<b>23,579</b>	21,917	22,108	<b>20,683</b>	17,906	18,415
<b>Operating profit</b>	<b>3,490</b>	2,700	4,033	<b>2,849</b>	2,320	3,134
Net finance costs	<b>(103)</b>	(259)	(170)	<b>(291)</b>	(334)	(87)
Share in net profit of joint ventures	<b>61</b>	61	49	<b>59</b>	50	76
Share in net profit of associates	<b>(7)</b>	(5)	(3)	<b>(2)</b>	9	9
Other income from non-current investments	<b>44</b>	350	12	<b>32</b>	24	76
<b>Profit before taxation</b>	<b>3,485</b>	2,847	3,921	<b>2,647</b>	2,069	3,208
Taxation	<b>(821)</b>	(715)	(971)	<b>(713)</b>	(542)	(873)
<b>Net profit</b>	<b>2,664</b>	2,132	2,950	<b>1,934</b>	1,527	2,335
Attributable to:						
Non-controlling interests	<b>67</b>	60	16	<b>287</b>	229	242
Shareholders' equity	<b>2,597</b>	2,072	2,934	<b>1,647</b>	1,298	2,093

**24 Unilever** Annual Report on Form 20-F 2010

---

**Table of Contents****Form 20-F**

	million NV 2010	million NV 2009	million PLC 2010	million PLC 2009
<b>Balance sheet</b> as at 31 December				
Goodwill and intangible assets	<b>10,691</b>	10,984	<b>7,587</b>	6,063
Property, plant and equipment	<b>3,732</b>	3,365	<b>4,122</b>	3,279
Pension asset for funded schemes in surplus	<b>809</b>	700	<b>101</b>	59
Deferred tax assets	<b>433</b>	435	<b>174</b>	303
Other non-current assets	<b>617</b>	572	<b>417</b>	445
<b>Total non-current assets</b>	<b>16,282</b>	16,056	<b>12,401</b>	10,149
Inventories	<b>2,614</b>	2,133	<b>1,695</b>	1,445
Trade and other current receivables	<b>2,318</b>	1,931	<b>1,817</b>	1,498
Cash and cash equivalents	<b>1,469</b>	2,004	<b>847</b>	638
Other financial assets	<b>574</b>	844	<b>274</b>	301
Assets held for sale	<b>800</b>	10	<b>76</b>	7
Total current assets	<b>7,775</b>	6,922	<b>4,709</b>	3,889
Financial liabilities	<b>(1,793)</b>	(1,472)	<b>(483)</b>	(807)
Trade payables and other current liabilities	<b>(6,398)</b>	(5,358)	<b>(4,467)</b>	(3,542)
Provisions	<b>(258)</b>	(262)	<b>(150)</b>	(158)
Liabilities associated with assets held for sale	<b>(57)</b>			
<b>Total current liabilities</b>	<b>(8,506)</b>	(7,092)	<b>(5,100)</b>	(4,507)
<b>Net current assets/(liabilities)</b>	<b>(731)</b>	(170)	<b>(391)</b>	(618)
<b>Total assets less current liabilities</b>	<b>15,551</b>	15,886	<b>12,010</b>	9,531
Financial liabilities due after one year	<b>5,035</b>	5,532	<b>2,223</b>	2,160
Pensions and post-retirement healthcare liabilities				
Funded schemes in deficit	<b>603</b>	635	<b>478</b>	884
Unfunded schemes	<b>1,023</b>	902	<b>876</b>	920
Provisions	<b>591</b>	510	<b>295</b>	219
Deferred tax liabilities	<b>745</b>	671	<b>135</b>	93
Other non-current liabilities	<b>276</b>	185	<b>203</b>	170

<b>Non-current liabilities</b>	<b>8,273</b>	8,435	<b>4,210</b>	4,446
Intra-group - NV/PLC	<b>(9,141)</b>	(5,727)	<b>9,141</b>	5,727
Shareholders' equity	<b>16,357</b>	13,128	<b>(1,872)</b>	(1,063)
Non-controlling interests	<b>62</b>	50	<b>531</b>	421
<b>Total equity</b>	<b>16,419</b>	13,178	<b>(1,341)</b>	(642)
<b>Total capital employed</b>	<b>15,551</b>	15,886	<b>12,010</b>	9,531

**Table of Contents****Form 20-F****Guarantor statements (audited)**

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 N.V., PLC and Unilever United States, Inc. (UNUS). This superseded 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 \$2.5 billion of Notes were outstanding at 31 December 2010 (2009: US \$4.25 billion, 2008: US \$2.75 billion) with coupons ranging from 3.65% 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. The financial information in respect of the non-guarantor subsidiaries has been prepared on a consolidated basis.

	million Unilever Capital Corporation subsidiary issuer	million Unilever N.V. parent issuer/ guarantor	million Unilever PLC parent guarantor	million Unilever United States subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
<b>Income statement</b> for the year ended 31 December 2010							
<b>Turnover</b>					<b>44,262</b>		<b>44,262</b>
<b>Operating profit</b>		<b>342</b>	<b>(62)</b>	<b>(21)</b>	<b>6,080</b>		<b>6,339</b>
Finance income					77		77
Finance costs	(182)	(143)	(40)		(126)		(491)
Pensions and similar obligations		(5)		(24)	49		20
Inter-company finance costs	184	97	(26)	(10)	(245)		
Dividends		1,098	1,187		(2,285)		
Share of net profit/(loss) of joint ventures					120		120
Share of net profit/(loss) of associates					(9)		(9)
Other income from non-current investments					76		76
<b>Profit before taxation</b>	<b>2</b>	<b>1,389</b>	<b>1,059</b>	<b>(55)</b>	<b>3,737</b>		<b>6,132</b>
Taxation	(1)	(91)	8	434	(1,884)		(1,534)
<b>Net profit</b>	<b>1</b>	<b>1,298</b>	<b>1,067</b>	<b>379</b>	<b>1,853</b>		<b>4,598</b>
Equity earnings of subsidiaries		3,300	3,531	96		(6,927)	
<b>Net profit</b>	<b>1</b>	<b>4,598</b>	<b>4,598</b>	<b>475</b>	<b>1,853</b>	<b>(6,927)</b>	<b>4,598</b>

Attributable to:

Non-controlling interests

Shareholders' equity

					<b>354</b>		<b>354</b>
<b>1</b>	<b>4,598</b>	<b>4,598</b>	<b>475</b>	<b>1,499</b>	<b>(6,927)</b>	<b>4,244</b>	

**26 Unilever** Annual Report on Form 20-F 2010

---



**Table of Contents****Form 20-F**

	million Unilever Capital Corporation subsidiary issuer/guarantor	million Unilever N.V. parent issuer/guarantor	million Unilever PLC parent/guarantor	million Unilever United States subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
<b>Income statement</b> for the year ended 31 December 2009							
<b>Turnover</b>					39,823		39,823
<b>Operating profit</b>		91	37	(31)	4,923		5,020
Finance income					75		75
Finance costs	(183)	(159)	(24)		(138)		(504)
Pensions and similar obligations		1		(61)	(104)		(164)
Inter-company finance costs	185	52	(36)	(10)	(191)		
Dividends		1,321	1,112		(2,433)		
Share of net profit/(loss) of joint ventures					111		111
Share of net profit/(loss) of associates					4		4
Other income from non-current investments					374		374
<b>Profit before taxation</b>	2	1,306	1,089	(102)	2,621		4,916
Taxation	(1)	(34)	(1)	(245)	(976)		(1,257)
<b>Net profit</b>	1	1,272	1,088	(347)	1,645		3,659
Equity earnings of subsidiaries		2,387	2,571	643		(5,601)	
<b>Net profit</b>	1	3,659	3,659	296	1,645	(5,601)	3,659
Attributable to:							
Non-controlling interests					289		289
Shareholders equity	1	3,659	3,659	296	1,356	(5,601)	3,370
<b>Income statement</b> for the year ended 31 December 2008							
<b>Turnover</b>					40,523		40,523

<b>Operating profit</b>	(1)	381	114	(19)	6,692		7,167
Finance income		1			105		106
Finance costs	(167)	(146)			(193)		(506)
Pension and similar obligations		1		(27)	169		143
Inter-company finance costs	196	42	42	(4)	(276)		
Dividends		1,473	1,160		(2,633)		
Share of net profit/(loss) of joint ventures					125		125
Share of net profit/(loss) of associates					6		6
Other income from non-current investments					88		88
<b>Profit before taxation</b>	28	1,752	1,316	(50)	4,083		7,129
Taxation	(11)	(41)	(134)	(619)	(1,039)		(1,844)
<b>Net profit</b>	17	1,711	1,182	(669)	3,044		5,285
Equity earnings of subsidiaries		3,316	3,845	1,637		(8,798)	
<b>Net profit</b>	17	5,027	5,027	968	3,044	(8,798)	5,285
Attributable to:							
Non-controlling interests					258		258
Shareholders' equity	17	5,027	5,027	968	2,786	(8,798)	5,027

**Table of Contents****Form 20-F**

	million Unilever Capital Corporation subsidiary issuer	million Unilever N.V. parent issuer/ guarantor	million Unilever PLC parents guarantor	million Unilever United States subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
<b>Balance sheet</b> at 31 December 2010							
Goodwill and intangible assets		40	80		18,158		18,278
Property, plant and equipment					7,854		7,854
Pension asset for funded schemes in surplus		6		14	890		910
Deferred tax assets				383	224		607
Other non-current assets					1,034		1,034
Amounts due from Group companies after one year	2,382	3,912			(6,294)		
Net assets of subsidiaries (equity accounted)		34,216	19,255	11,662	(15,939)	(49,194)	
<b>Total non-current assets</b>	<b>2,382</b>	<b>38,174</b>	<b>19,335</b>	<b>12,059</b>	<b>5,927</b>	<b>(49,194)</b>	<b>28,683</b>
Inventories					4,309		4,309
Amounts due from Group companies within one year		1,834	661	1,968	(4,463)		
Trade and other current receivables		69		6	4,060		4,135
Current tax assets		184	29	77	8		298
Other financial assets					550		550
Cash and cash equivalents				(3)	2,319		2,316
Assets held for sale					876		876
<b>Total current assets</b>		<b>2,087</b>	<b>690</b>	<b>2,048</b>	<b>7,659</b>		<b>12,484</b>
Financial liabilities	(224)	(558)	(2)		(1,492)		(2,276)
Amounts due to Group companies within one year		(17,042)	(4,496)	(13)	21,551		
Trade payables and other current liabilities	(24)	(150)	(21)	(16)	(10,015)		(10,226)
Current tax liabilities	(1)	(173)	(93)	(6)	(366)		(639)
Provisions		(78)	(48)		(282)		(408)
Liabilities directly associated with non-current assets held for sale					(57)		(57)
<b>Total current liabilities</b>	<b>(249)</b>	<b>(18,001)</b>	<b>(4,660)</b>	<b>(35)</b>	<b>9,339</b>		<b>(13,606)</b>

<b>Net current assets/liabilities</b>	<b>(249)</b>	<b>(15,914)</b>	<b>(3,970)</b>	<b>2,013</b>	<b>16,998</b>		<b>(1,122)</b>
<b>Total assets less current liabilities</b>	<b>2,133</b>	<b>22,260</b>	<b>15,365</b>	<b>14,072</b>	<b>22,925</b>	<b>(49,194)</b>	<b>27,561</b>
Financial liabilities due after one year	<b>1,853</b>	<b>3,235</b>	<b>864</b>		<b>1,306</b>		<b>7,258</b>
Amounts due to Group companies after one year		<b>4,407</b>		<b>5,062</b>	<b>(9,469)</b>		
Pensions and post-retirement healthcare liabilities							
Funded schemes in deficit					<b>1,081</b>		<b>1,081</b>
Unfunded schemes		<b>95</b>		<b>610</b>	<b>1,194</b>		<b>1,899</b>
Provisions		<b>21</b>		<b>2</b>	<b>863</b>		<b>886</b>
Deferred tax liabilities		<b>13</b>	<b>16</b>		<b>851</b>		<b>880</b>
Other non-current liabilities		<b>4</b>		<b>119</b>	<b>356</b>		<b>479</b>
<b>Total non-current liabilities</b>	<b>1,853</b>	<b>7,775</b>	<b>880</b>	<b>5,793</b>	<b>(3,818)</b>		<b>12,483</b>
Shareholders' equity attributed to:							
NV			<b>16,357</b>			<b>(16,357)</b>	
PLC		<b>(1,872)</b>				<b>1,872</b>	
Called up share capital		<b>274</b>	<b>210</b>				<b>484</b>
Share premium account		<b>25</b>	<b>109</b>	<b>106</b>	<b>(106)</b>		<b>134</b>
Other reserves	<b>6</b>	<b>(2,787)</b>	<b>(2,619)</b>	<b>(619)</b>	<b>(981)</b>	<b>1,594</b>	<b>(5,406)</b>
Retained profit	<b>274</b>	<b>18,845</b>	<b>428</b>	<b>8,792</b>	<b>27,237</b>	<b>(36,303)</b>	<b>19,273</b>
<b>Total shareholders' equity</b>	<b>280</b>	<b>14,485</b>	<b>14,485</b>	<b>8,279</b>	<b>26,150</b>	<b>(49,194)</b>	<b>14,485</b>
Non-controlling interests					<b>593</b>		<b>593</b>
<b>Total equity</b>	<b>280</b>	<b>14,485</b>	<b>14,485</b>	<b>8,279</b>	<b>26,743</b>	<b>(49,194)</b>	<b>15,078</b>
<b>Total capital employed</b>	<b>2,133</b>	<b>22,260</b>	<b>15,365</b>	<b>14,072</b>	<b>22,925</b>	<b>(49,194)</b>	<b>27,561</b>

**Table of Contents****Form 20-F**

	million Unilever Capital Corporation subsidiary issuer	million Unilever N.V. parent issuer/ guarantor	million Unilever PLC parent guarantor	million Unilever United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
<b>Balance sheet</b> at 31 December 2009							
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)	
<b>Total non-current assets</b>	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
<b>Total current assets</b>		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)
<b>Total current liabilities</b>	(1,273)	(17,163)	(4,239)	(28)	11,104		(11,599)
<b>Net current assets/(liabilities)</b>	(1,273)	(15,409)	(3,817)	2,020	17,691		(788)

<b>Total assets less current liabilities</b>	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)		
Pensions 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
<b>Total non-current liabilities</b>	1,728	6,636	853	3,962	(298)		12,881
Shareholders' equity attributed to:							
NV			13,128			(13,128)	
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
<b>Total shareholders' equity</b>	263	12,065	12,065	9,618	3,488	(25,434)	12,065
Non-controlling interests					471		471
<b>Total equity</b>	263	12,065	12,065	9,618	3,959	(25,434)	12,536
<b>Total capital employed</b>	1,991	18,701	12,918	13,580	3,661	(25,434)	25,417

**Table of Contents****Form 20-F**

	million Unilever Capital Corporation	million Unilever N.V. parent issuer/ guarantor	million Unilever PLC parents guarantor	million Unilever United States Inc. subsidiary guarantor	million Non- subsidiary guarantor	million Eliminations	million Unilever Group
<b>Cash flow statement</b> for the year ended 31 December 2010							
Cash flow from operating activities		469	(22)	(81)	6,452		6,818
Income tax		(86)	4	(148)	(1,098)		(1,328)
<b>Net cash flow from operating activities</b>		383	(18)	(229)	5,354		5,490
Interest received	184	76	6		(385)	189	70
Net capital expenditure		(10)			(1,691)		(1,701)
Acquisitions and disposals			(54)		(307)		(361)
Other investing activities	1,073	(9)		2,564	(1,059)	(1,741)	828
<b>Net cash flow from/(used in) investing activities</b>	1,257	57	(48)	2,564	(3,442)	(1,552)	(1,164)
Dividends paid on ordinary share capital		(193)	138	(2,276)	8		(2,323)
Interest and preference dividends paid	(198)	(36)	(68)	(10)	7	(189)	(494)
Change in borrowings and finance leases	(1,062)	(96)	(51)	(52)	(1,853)	1,741	(1,373)
Share buy-back programme							
Other movement in treasury stocks		(177)	47		6		(124)
Other finance activities					(295)		(295)
<b>Net cash flow from/(used in) financing activities</b>	(1,260)	(502)	66	(2,338)	(2,127)	1,552	(4,609)
Net increase/(decrease) in cash and cash equivalents	(3)	(62)		(3)	(215)		(283)
<b>Cash and cash equivalents at the beginning of the year</b>		14			2,383		2,397
Effect of foreign exchange rate changes	3	48			(199)		(148)
<b>Cash and cash equivalents at the end of the year</b>				(3)	1,969		1,966

**Cash flow statement**

for the year ended 31 December 2009

Cash flow from operating activities	13	153	(55)	71	6,551		6,733
Income tax		(86)	(42)	(52)	(779)		(959)
<b>Net cash flow from operating activities</b>	<b>13</b>	<b>67</b>	<b>(97)</b>	<b>19</b>	<b>5,772</b>		<b>5,774</b>
Interest received	186	48	13	(10)	27	(191)	73
Net capital expenditure		(6)			(1,252)		(1,258)
Acquisitions and disposals					(139)		(139)
Other investing activities		403			(292)	(50)	61
<b>Net cash flow from/(used in) investing activities</b>	<b>186</b>	<b>445</b>	<b>13</b>	<b>(10)</b>	<b>(1,656)</b>	<b>(241)</b>	<b>(1,263)</b>
Dividends paid on ordinary share capital		118	189		(2,413)		(2,106)
Interest and preference dividends paid	(167)	(142)	(59)		(340)	191	(517)
Change in borrowings and finance leases	(31)	(612)	(82)	3	(895)	50	(1,567)
Share buy-back programme							
Other movement in treasury stocks		131	36	(11)	(53)		103
Other finance activities					(214)		(214)
<b>Net cash flow from/(used in) financing activities</b>	<b>(198)</b>	<b>(505)</b>	<b>84</b>	<b>(8)</b>	<b>(3,915)</b>	<b>241</b>	<b>(4,301)</b>
Net increase/(decrease) in cash and cash equivalents	1	7		1	201		210
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(3)</b>	<b>7</b>		<b>(4)</b>	<b>2,360</b>		<b>2,360</b>
Effect of foreign exchange rate changes	2				(175)		(173)
<b>Cash and cash equivalents at the end of the year</b>		<b>14</b>		<b>(3)</b>	<b>2,386</b>		<b>2,397</b>



**Table of Contents****Form 20-F**

	million Unilever Capital Corporation subsidiary issuer	million Unilever N.V. parent issuer/ guarantor	million Unilever United States PLC parent guarantor	million Unilever Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
<b>Cash flow statement</b> for the year ended 31 December 2008							
Cash flow from operating activities		73	(527)	568	5,212		5,326
Income tax		(10)	(162)	(533)	(750)		(1,455)
<b>Net cash flow from operating activities</b>		63	(689)	35	4,462		3,871
Interest received	196	3	31		151	(276)	105
Net capital expenditure		(2)		2	(1,099)		(1,099)
Acquisitions and disposals					2,265		2,265
Other investing activities		(675)	(2,665)		843	2,641	144
<b>Net cash flow from/(used in) investing activities</b>	196	(674)	(2,634)	2	2,160	2,365	1,415
Dividends paid on ordinary share capital		297	271		(2,654)		(2,086)
Interest and preference dividends paid	(166)	(111)		(4)	(482)	276	(487)
Change in borrowings and finance leases	(34)	1,490	3,315		(1,080)	(2,641)	1,050
Share buy-back programme		(1,225)	(278)				(1,503)
Other movement in treasury stocks		165	15	(40)	(37)		103
Other finance activities					(207)		(207)
<b>Net cash flow from/(used in) financing activities</b>	(200)	616	3,323	(44)	(4,460)	(2,365)	(3,130)
Net increase/(decrease) in cash and cash equivalents	(4)	5		(7)	2,162		2,156
<b>Cash and cash equivalents at the beginning of the year</b>	1	2		(2)	900		901
Effect of foreign exchange rate changes				5	(702)		(697)
<b>Cash and cash equivalents at the end of the year</b>	(3)	7		(4)	2,360		2,360

**Item 19 Exhibits**

Please refer to the exhibit list located immediately following the signature page for this Form 20-F as filed with the SEC.

**Unilever** Annual Report on Form 20-F 2010 **31**

---

**Table of Contents**

Printed by St Ives Westerham Press Ltd, ISO9001, ISO14001, FSC certified and CarbonNeutral.

This document forms part of the Unilever Annual Report and Accounts 2010 suite of documents and is printed on Greencoat 80 Silk. This paper is made from 80% post consumer waste and virgin wood fibre, independently certified in accordance with the FSC (Forest Stewardship Council). It is manufactured at a mill that is certified to ISO14001 environmental management standards. The pulp is bleached using Elemental Chlorine Free (ECF) processes. The inks used are all vegetable oil based.

In addition, the carbon impacts of the paper for this suite have been estimated and an equivalent amount of carbon dioxide has been balanced through preservation of rainforest by the World Land Trust, an ecological charity. 11,944kg of carbon dioxide have been balanced; 2,352 m<sup>2</sup> of ecologically important forests have been protected; and using recycled fibre has prevented an estimated 17.8 tonnes of waste paper going to landfill.

If you have finished with this document and no longer wish to retain it, please pass it on to other interested readers or dispose of it in your recycled paper waste. Thank you.

---

**Table of Contents**

**Unilever N.V.**

Weena 455, PO Box 760

3000 DK Rotterdam

The Netherlands

T +31 (0)10 217 4000

F +31 (0)10 217 4798

Commercial Register Rotterdam

Number: 24051830

**Unilever PLC**

Unilever House

100 Victoria Embankment

London EC4Y 0DY

United Kingdom

T +44 (0)20 7822 5252

F +44 (0)20 7822 5951

**Unilever PLC registered office**

Unilever PLC

Port Sunlight

Wirral

Merseyside CH62 4ZD

United Kingdom

Registered in England and Wales

Company Number: 41424

[www.unilever.com](http://www.unilever.com)

---

**Table of Contents**

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this Annual Report on its behalf.

Unilever PLC.

(Registrant)

/s/ T. E. Lovell  
T. E. LOVELL,  
Group Secretary  
Date: 4 March, 2011

---

**Table of Contents**

2010 20-F Exhibits

**UNILEVER PLC 20-F EXHIBIT LIST**

Exhibit Number	Description of Exhibit
1.1	<u>Articles of Association of Unilever PLC</u>
2.1	Indenture dated as of August 1, 2000, among Unilever Capital Corporation, Unilever N.V., Unilever PLC, Unilever United States, Inc. and The Bank of New York, as Trustee, relating to Guaranteed Debt Securities 1
2.2	Trust Deed dated as of July 22, 1994, among Unilever N.V., Unilever PLC, Unilever Capital Corporation, Unilever United States, Inc. and The Law Debenture Trust Corporation p.l.c., relating to Guaranteed Debt Securities 2
4.1	Equalisation Agreement between Unilever N.V. and Unilever PLC 3
4.2	<u>Service Contracts of the Executive Directors of Unilever PLC</u>
4.3	<u>Letters regarding compensation of Executive Directors of Unilever PLC</u>
4.4	Unilever North America 2002 Omnibus Equity Compensation Plan 4
4.5	The Unilever PLC International 1997 Executive Share Option Scheme 5
4.6	The Unilever Long Term Incentive Plan 6
4.7	Global Share Incentive Plan 2007 7
4.8	<u>The Management Co-Investment Plan</u>
8.1	List of Subsidiaries 8
12.1	<u>Certifications of the Chief Executive Officer and Financial Director/Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
13.1	<u>Certifications of the Chief Executive Officer and Financial Director/Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
15.1	<u>Annual Report and Accounts sections incorporated by reference</u>
15.2	<u>Consent of PricewaterhouseCoopers Accountants N.V. and PricewaterhouseCoopers LLP</u>

Certain instruments which define rights of holders of long-term debt of the Company and its subsidiaries are not being filed because the total amount of securities authorized under each such instrument does not exceed 10% of the total consolidated assets of the Company and its subsidiaries. The Company and its subsidiaries hereby agree to furnish a copy of each such instrument to the Securities and Exchange Commission upon request.

1 Incorporated by reference to the Form 6-K furnished to the SEC on October 23, 2000.

Edgar Filing: UNILEVER PLC - Form 20-F

- 2 Incorporated by reference to Exhibit 2.2 of Form 20-F filed with the SEC on March 28, 2002.
- 3 Incorporated by reference to Exhibit 4.1 of Form 20-F filed with the SEC on March 5, 2010.
- 4 Incorporated by reference to Exhibit 99.1 of Form S-8 filed with the SEC on February 27, 2003.
- 5 Incorporated by reference to Exhibit 4.5 of Form 20-F filed with the SEC on March 28, 2002.
- 6 Incorporated by reference to Exhibit 4.6 of Form 20-F filed with the SEC on March 28, 2002.
- 7 Incorporated by reference to Exhibit 4.7 of Form 20-F filed with the SEC on March 26, 2008.
- 8 The required information is set forth on pages 126 to 127 of the 2010 Annual Report and Accounts.