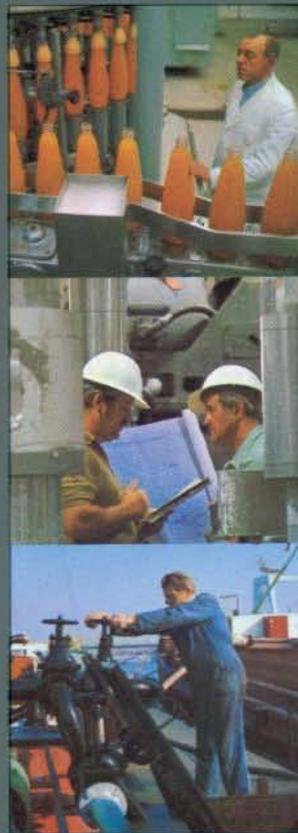


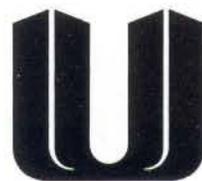


# Unilever report and accounts

1971



UNILEVER



Report and

accounts

1971



# UNILEVER N.V.

## Directors

G. D. A. Klijnstra, chairman	C. T. C. Heyning
E. G. Woodroofe, vice-chairman	H. F. van den Hoven
A. W. J. Caron, vice-chairman	J. J. H. Nagel
A. I. Anderson	M. Ormerod
M. R. Angus	D. A. Orr
W. B. Blaisse	E. Smit
E. Brough	A. W. P. Stenham
J. G. Collingwood	S. G. Sweetman
R. H. Del Mar	The Viscount Trenchard
J. M. Goudswaard	K. H. Veldhuis
G. E. Graham	

## Advisory directors

H. S. A. Hartog  
R. Mueller  
J. H. van Roijen  
F. J. Tempel  
G. E. van Walsum

## Secretaries

C. Zwagerman  
H. A. Holmes

## Auditors

Price Waterhouse & Co.  
Cooper Brothers & Co.

The illustrations in this Report show Unilever people at work.

## Unilever

Unilever comprises Unilever N.V., Rotterdam (**N.V.**) and Unilever Limited, London (**Limited**) and their respective subsidiary companies which operate in more than seventy countries and are mainly engaged in the manufacture and sale of a wide variety of goods for household use. The principal products are foods (including margarine, other fats and oils; ice-cream; quick-frozen and other packaged 'convenience' foods; meat and fish); detergents and toilet preparations; paper, plastics, packaging; chemicals; and animal feeds. Through the United Africa Group a substantial business is carried on mainly—but not exclusively—in Africa as merchants and retailers, as timber producers and manufacturers of timber

products, in diverse industrial ventures, and in the operation of an ocean fleet. Unilever also has interests in plantations.

**N.V.** and **Limited** have identical Boards of Directors and are linked by agreements of which the principal is the Equalisation Agreement which requires dividends and other rights and benefits (including rights on liquidation) receivable by shareholders in respect of each Fl. 12 nominal of ordinary capital of **N.V.** to be equal in value at the current Guilder/Sterling rate of exchange to those receivable in respect of each £1 nominal of ordinary share capital of **Limited** as if each such unit formed part of the ordinary capital of one and the same

company. In consequence, the combined affairs of **N.V.** and **Limited** are more important to shareholders than the separate affairs of either company.

The Report and Accounts as usual combine the results and operations of **N.V.** and **Limited**.

This is a translation of the original Dutch report. French and German translations, with the figures remaining in guilders, are also published.

The report and accounts of **Limited**, which are in English with the figures expressed in Sterling, contain the same information as this document.

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# Salient figures

All figures relate to N.V. and Limited Groups combined

Fl. million	1970	1971
Sales to third parties	24,917	26,483
Operating profit	1,433	1,717
Interest on loan capital	100	109
Profit of the year before taxation	1,353	1,653
Taxation on profit of the year	659	766
Consolidated profit of the year	668	859
Profit of the year accruing to ordinary capital	650	841
Ordinary dividends	307	348
Profit of the year retained	343	493
Capital employed	9,908	10,140
Net liquid funds	461	1,051
Capital expenditure	993	850
Depreciation	666	667
Ordinary dividends		
N.V. (per Fl. 20 of capital)	Fl. 5.43	Fl. 6.20
Limited (per 25p of capital)	9.415p	11.20p
Number of employees	335,000	324,000

Salient figures, together with Combined earnings per share are shown on page 50 in certain other currencies.

# Report for the year 1971

*to be submitted at the annual  
general meeting of shareholders  
to be held at the  
company's offices,  
Burgemeester s'Jacobplein 1,  
Rotterdam,  
on 8th May, 1972.*

## Salient facts

Combined operating profit was about 20% higher than in 1970. Combined sales to third parties were over 6% higher.

Working capital was reduced, liquidity improved, and interest charges as a whole were lower. Profit accruing to ordinary capital increased by Fl. 191 million (29%).

Virtually all the improvement in operating profit came from Foods and from Detergents and toilet preparations. However, some of the food companies had a difficult year. Profits from detergents were substantially better and the toilet preparations business was very successful. The Paper, plastics and packaging, chemicals and Animal feeds businesses had disappointing results in common with the rest of their industries. The United Africa Group and Plantations, which had a good year in 1970, made slightly less profit in 1971.

Inflation remained widespread and in Western Europe where the markets are important to us, the rate of economic expansion slowed down. It was, therefore, difficult to increase the volume of sales, and the increase in profitability came mainly from rationalisation, higher productivity and cost savings.

Management and staff at all levels in all parts of the business co-operated under exacting conditions in the measures necessary to improve the results. Thanks are due to all of them for their efforts.

An unwelcome but unavoidable consequence of these measures was a reduction in numbers employed. Where practicable, this was achieved by natural wastage and transfers to other employment within the Group.

After approval by the general meetings of shareholders, the Boards' final dividend recommendations will increase total dividends for 1971 as compared with 1970 by Fl. 0.77 per Fl. 20 nominal of ordinary capital of **N.V.** and by 1.785p per 25p ordinary share of **Limited**.

Because of the changes in exchange rates, the percentage increases in 1971 profits and sales are somewhat higher when the results are reported in sterling in the Report and Accounts of **Limited**. For the same reason the proportionate increase in **N.V.**'s dividend is smaller than the proportionate increase in **Limited**'s.

# Sales to third parties, profit and capital employed by geographical areas 1962 and 1971

## Sales to third parties

	Total Fl. million	Percentages Amounts			
		Europe	N. & S. America	Africa	Rest of the world
1971	26,483	65 17,194	14 3,773	13 3,504	8 2,012
1962	14,972	61 9,179	16 2,333	16 2,378	7 1,082

## Profit<sup>1)</sup>

	Total Fl. million	Percentages Amounts			
		Europe	N. & S. America	Africa	Rest of the world
1971	948	67 632	14 134	14 134	5 48
1962	550	72 396	15 81	6 35	7 38

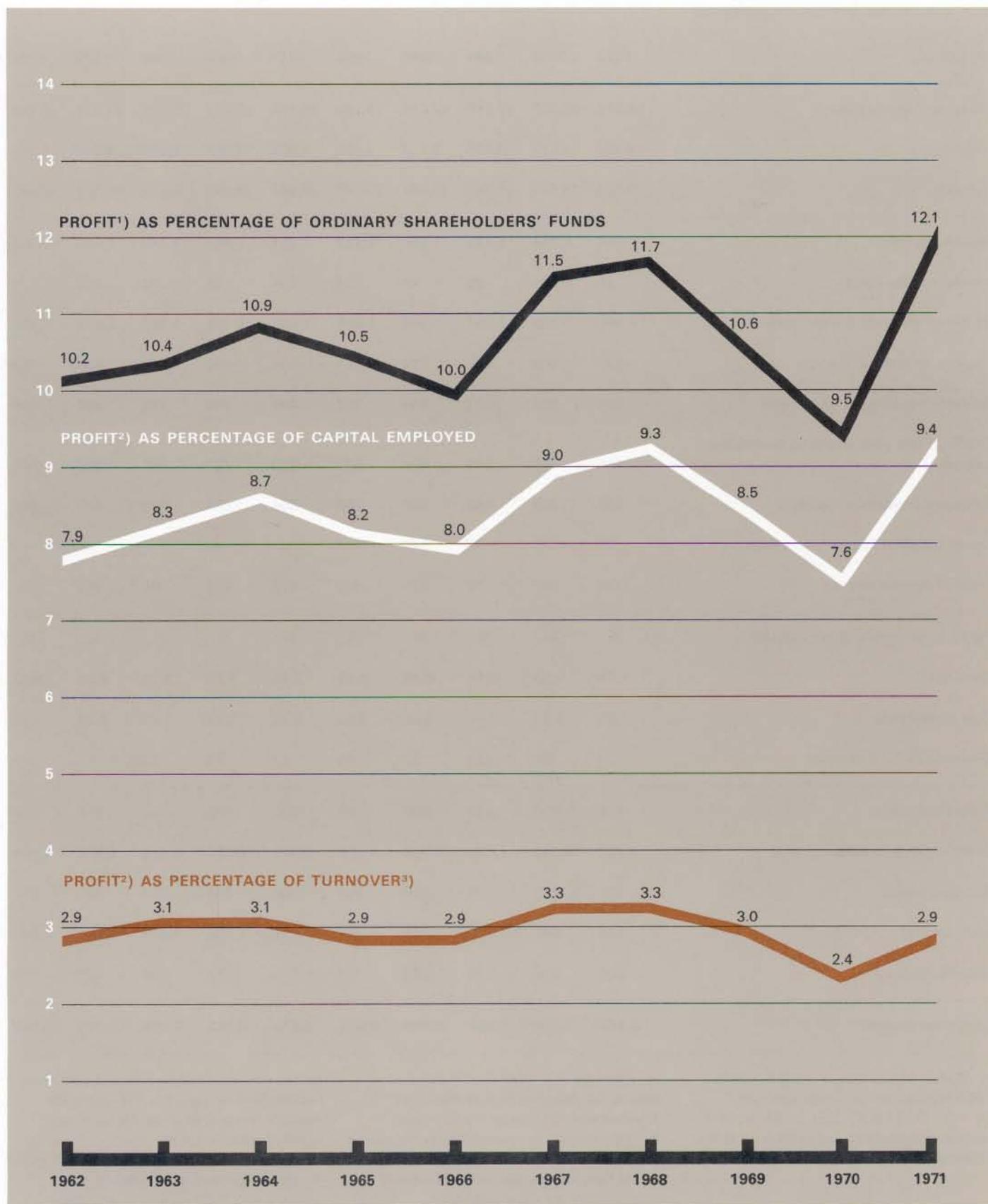
## Capital employed

	Total Fl. million	Percentages Amounts			
		Europe	N. & S. America	Africa	Rest of the world
1971	10,140	68 6,916	13 1,330	12 1,226	7 668
1962	6,993	65 4,510	12 872	17 1,175	6 436

Africa includes all our operations in that continent—namely the United Africa Group operations, the manufacturing businesses and the plantations interests.

<sup>1)</sup> Profit after taxation but before loan interest.

# Return on ordinary shareholders' funds, capital employed and turnover 1962–1971



<sup>1)</sup> Based on profit accruing to ordinary capital.

<sup>2)</sup> Based on profit after taxation but before loan interest.

<sup>3)</sup> Turnover includes internal sales as shown on page 13.

# Summary of combined figures 1962–1971

N.V. and Limited and their subsidiaries

Fl. million	1962	1963	1964	1965	1966	1967 <sup>1)</sup>	1968	1969	1970	1971 <sup>1)</sup>
<b>Sales to third parties</b>	<b>14,972</b>	<b>15,557</b>	<b>17,115</b>	<b>18,464</b>	<b>19,189</b>	<b>19,714</b>	<b>20,032</b>	<b>21,829</b>	<b>24,917</b>	<b>26,483</b>
Internal sales	4,251	4,121	4,634	5,117	5,054	4,875	4,961	5,062	5,914	6,399
Turnover	19,223	19,678	21,749	23,581	24,243	24,589	24,993	26,891	30,831	32,882
<b>Operating profit</b>	<b>1,044</b>	<b>1,164</b>	<b>1,220</b>	<b>1,190</b>	<b>1,223</b>	<b>1,411</b>	<b>1,494</b>	<b>1,443</b>	<b>1,433</b>	<b>1,717</b>
Interest on loan capital	21	24	25	40	81	104	96	93	100	109
<b>Profit of the year before taxation</b>	<b>1,080</b>	<b>1,203</b>	<b>1,257</b>	<b>1,186</b>	<b>1,200</b>	<b>1,380</b>	<b>1,476</b>	<b>1,406</b>	<b>1,353</b>	<b>1,653</b>
Taxation on profit of the year	540	608	588	522	541	634	698	663	659	766
<b>Consolidated profit of the year</b>	<b>525</b>	<b>566</b>	<b>635</b>	<b>646</b>	<b>627</b>	<b>698</b>	<b>746</b>	<b>709</b>	<b>668</b>	<b>859</b>
<b>Profit of the year accruing to ordinary capital</b>	<b>485</b>	<b>526</b>	<b>594</b>	<b>606</b>	<b>597</b>	<b>680</b>	<b>728</b>	<b>691</b>	<b>650</b>	<b>841</b>
<b>Ordinary dividends—gross<sup>2)</sup></b>	<b>195</b>	<b>223</b>	<b>239</b>	<b>237</b>	<b>236</b>	<b>254</b>	<b>264</b>	<b>305<sup>4)</sup></b>	<b>307</b>	<b>348</b>
United Kingdom income tax retained	34	39	42	42	—	—	—	—	—	—
Profit of the year retained	324	342	397	411	361	426	464	345	343	493
Per Fl. 12 or £1 of ordinary capital <sup>3)</sup> :	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.	Fl.
<b>Earnings</b>	<b>5.14</b>	<b>5.58</b>	<b>6.30</b>	<b>6.48</b>	<b>6.39</b>	<b>7.28</b>	<b>7.78</b>	<b>7.38</b>	<b>6.92</b>	<b>9.05</b>
Cost of dividends	1.65	1.89	2.07	2.08	2.53	2.72	2.82	3.26 <sup>4)</sup>	3.27	3.75
Dividends as % of earnings	32	34	33	32	40	37	36	44 <sup>4)</sup>	47	41
Preferential capital	815	815	836	836	317	310	310	310	310	308
<b>Ordinary shareholders' funds</b>	<b>4,757</b>	<b>5,048</b>	<b>5,425</b>	<b>5,750</b>	<b>5,955</b>	<b>5,919</b>	<b>6,221</b>	<b>6,515</b>	<b>6,826</b>	<b>6,982</b>
Outside interests	251	262	225	199	194	205	209	214	250	211
<b>Loan capital</b>	<b>570</b>	<b>541</b>	<b>688</b>	<b>859</b>	<b>1,570</b>	<b>1,491</b>	<b>1,452</b>	<b>1,477</b>	<b>1,634</b>	<b>1,660</b>
Deferred liabilities	600	653	678	735	769	708	770	804	888	979
<b>Capital employed</b>	<b>6,993</b>	<b>7,319</b>	<b>7,852</b>	<b>8,379</b>	<b>8,805</b>	<b>8,633</b>	<b>8,962</b>	<b>9,320</b>	<b>9,908</b>	<b>10,140</b>

<sup>1)</sup> Sterling devaluation on 18th November, 1967, lowered the exchange rate from £1 = Fl. 10.136 to £1 = Fl. 8.688, and the parity was further reduced to £1 = Fl. 8.455 in December 1971.

<sup>2)</sup> Up to the year 1965 United Kingdom income tax deducted from dividends of Limited was retained by the Company. With the change to corporation tax, income tax deducted from dividends has to be handed to the Revenue and the cost of dividends is consequently the gross amount.

<sup>3)</sup> See note on Combined earnings per share and dividend on page 50. The figures for earnings and cost of dividends have been adjusted for scrip issues.

<sup>4)</sup> The special ordinary dividends, paid with the final 1969 dividends, amounting to Fl. 41 million, are not included.

# The background

## General

Inflation continued unabated in most parts of the world in 1971. There was a modest pick-up in the world economic growth rate but this was due to a recovery in the United States economy after its 1970 recession. In Western Europe and Japan, the difficulties of 1970 persisted; expansion slowed down and unemployment rose sharply in a number of countries. More idle capacity in industry and, in some countries, greater labour unrest, put pressure on profits and discouraged investment. The slowdown in Western Europe and Japan contributed to a slackening in the growth of international trade. A fall in the general level of world commodity prices unfortunately resulted in a weakening of the balance of payments position of developing countries, but drawings on foreign exchange reserves or foreign borrowing cushioned the effect of their deteriorating trading positions and permitted real expansion rates to be maintained at reasonably high levels.

The United States external trading position weakened in 1971. Increased selling of dollars on the

international currency markets led to a general floating of exchange rates until late in December when agreement on new alignments of the major currencies was reached. Among other changes, devaluation of the United States dollar was proposed, certain protectionist measures imposed by the United States in August were lifted, and the Netherlands guilder and the German mark were revalued.

New attempts to curb inflation included voluntary price restraint in the United Kingdom and even controls on prices, wages and dividends in the United States. Increased attention is being paid by the public, governments and industry, especially in the developed countries, to such issues as pollution, conservation and consumer protection.

## European integration

As an international group with substantial interests in all the countries concerned we welcomed the successful conclusion of the negotiations for enlargement of the European Communities (E.C.). The

ability of the United Kingdom, Republic of Ireland, Denmark and Norway to take part in the process of economic integration within these Communities should benefit all the ten countries. The position of the E.C. in world trade will be strengthened, even more so if satisfactory arrangements can be made with those countries of the European Free Trade Association remaining outside the E.C.

Freedom of world trade is very important to us, especially in view of our need to import raw materials from many countries. We, therefore, hope that the enlarged E.C., the United States and other industrialised countries will avoid protectionist measures.

In February 1971 the member states decided to develop the European Economic Community (E.E.C.) towards a full economic and monetary union but progress in this direction was delayed by the exchange rate uncertainties.

Unfortunately harmonisation of taxation and food legislation again made little progress.

# Taxation

In the Netherlands the rate of corporation tax was increased from 46% to 47.38%. In the United Kingdom it was reduced from 42.5% to 40%. The treaties for the avoidance of double taxation concluded between the Netherlands government and those of Belgium and Austria were ratified and became effective. Losses

of certain subsidiaries which could not be set off against taxable profits of other subsidiaries in 1970 were carried forward and set off against profit in 1971. Altogether these and other factors resulted in a reduced average rate of taxation on our profits as compared with the previous year.

# Finance

Details of increase/*decrease* in funds during year.  
Fl. million; *figures in italics represent deductions*

	1966	1967	1968	1969	1970	1971
<b>Source of funds</b>						
Profit of the year re-invested in the business	361	426	464	345	343	493
Depreciation charged against profit	500	498	523	572	666	667
Proceeds of disposal of fixed assets	61	79	54	103	87	101
Changes in share and loan capital	192	68	<i>15</i>	25	182	24
	<b>1,114</b>	<b>1,071</b>	<b>1,026</b>	<b>1,045</b>	<b>1,278</b>	<b>1,285</b>
<b>Use of funds</b>						
<i>Capital expenditure</i>	<i>605</i>	<i>616</i>	<i>716</i>	<i>881</i>	<i>993</i>	<i>850</i>
<i>Additional/reduced working capital other than cash</i>	<i>8</i>	<i>175</i>	<i>315</i>	<i>445</i>	<i>246</i>	<i>310</i>
<i>Subsidiaries acquired</i>	<i>105</i>	<i>54</i>	<i>259</i>	<i>132</i>	<i>230</i>	<i>34</i>
<i>Trade investments</i>	<i>46</i>	<i>8</i>	<i>9</i>	<i>20</i>	<i>9</i>	<i>9</i>
	<b>764</b>	<b>503</b>	<b>1,299</b>	<b>1,478</b>	<b>1,460</b>	<b>583</b>
<b>Other sources/uses</b>	<b>41</b>	<b>125</b>	<b>88</b>	<b>22</b>	<b>91</b>	<b>112</b>
<b>Increase/<i>decrease</i> during year</b>	<b>309</b>	<b>443</b>	<b><i>185</i></b>	<b><i>411</i></b>	<b><i>91</i></b>	<b>590</b>
Net liquid funds 1st January	396	705	1,148	963	552	461
<b>Net liquid funds 31st December</b>	<b>705</b>	<b>1,148</b>	<b>963</b>	<b>552</b>	<b>461</b>	<b>1,051</b>

Net liquid funds consist of marketable securities, cash and deposits less short-term borrowings.

Funds increased by Fl. 590 million in 1971 compared with an outflow in each of the previous three years. Both working capital and capital expenditure were reduced.

The principal acquisition in 1971 was the Croklaan business in the Netherlands producing speciality oils and fats for the food industry, particularly for export.

# Analysis of sales and operating profit

Fl. million		1970			1971		Fl. million	
Limited	N.V.	Combined			Combined	N.V.	Limited	
				<b>Turnover</b>				
4,201	8,312	12,513		Foods	13,573	9,127	4,446	
1,963	3,992	5,955		Detergents and toilet preparations	6,343	4,235	2,108	
848	882	1,730		Paper, plastics and packaging, chemicals and other interests	1,856	917	939	
1,327	388	1,715		Animal feeds	1,627	383	1,244	
2,885	119	3,004		Merchandise and other activities of the United Africa Group and plantations	3,084	114	2,970	
11,224	13,693	24,917		<b>Sales to third parties</b>	26,483	14,776	11,707	
2,416	3,498	5,914		Internal sales (mainly oils and fats)	6,399	3,795	2,604	
13,640	17,191	30,831		<b>Total turnover</b>	32,882	18,571	14,311	
				<b>Operating profit</b>				
172	505	677		Foods	875	621	254	
167	221	388		Detergents and toilet preparations	493	299	194	
69	76	145		Paper, plastics and packaging, chemicals and other interests	155	87	68	
20	6	26		Animal feeds	8	1	7	
169	28	197		Merchandise and other activities of the United Africa Group and plantations	186	17	169	
597	836	1,433		<b>Total operating profit</b>	1,717	1,025	692	

Where by-products, such as oil-cake and glycerine, are sold without further processing, the proceeds are included with the sales and profits of the main product from which the by-product is derived.

Internal sales represent supplies of marketable products—for use as raw materials—and services by one industry to other industries within the organisation. Operating profit resulting from these sales is included in the profit of the supplying industry, and is proportionately significant only in the case of Paper, plastics and packaging.

# Foods

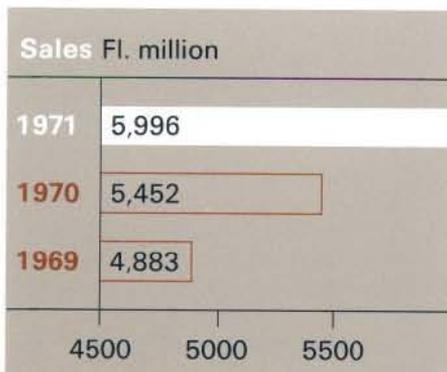
## Margarine, other fats and oils

For the first time for some years, the increase in world consumption of margarine, butter and other edible fats and oils slowed down a little, reaching only 2% compared with 3% in 1970. Butter consumption, which had increased slightly in 1970 with the disposal of the surplus stocks in the E.E.C., actually fell in 1971 by 2½%. An increase of 3% was achieved by both margarine and liquid oils, principally in developing countries.

Our profits from margarine, other fats and oils showed a recovery from the disappointing level of the previous year. The spectacular rise in raw material prices which was a feature of 1970 continued in the early months of 1971, when it reached a post-war peak. Thereafter prices began to ease, and the pressure on our margins was somewhat relieved, but only towards the end of the year. Margins were also improved by cost saving programmes initiated by many of our operating companies. Our ability to bring selling prices into line with inflation varied considerably from country to country. In most parts of Europe, for instance, it was possible to achieve a return to normal margins; but in some countries profitability remained low.

The butter surplus in the E.E.C. which in 1970 had seriously affected our sales to bakeries and other industrial users, disappeared by the end of that year. The demand for our margarines based on a high content of polyunsaturated oils showed further increases. The sales of low calorie spreads again improved.

## Margarine, other fats and oils



In the United Kingdom butter prices rose sharply. The gap between butter and margarine prices widened, and margarine consumption increased by 15%. The new soft margarines helped to increase demand.

In countries outside Europe our sales in general made good progress. In Brazil where we opened a new factory in 1970, we extended our market in 1971 to cover the main urban areas. In South Africa, legislation was passed permitting the addition of natural colouring matter to margarine produced entirely from vegetable oils and fats. This and improved packaging had an immediate effect on the demand for our margarine. Profits in countries outside Europe, however, improved only marginally. Excellent progress in some countries, notably Australia and South Africa, was offset by a set-back in the Philippines, caused by a currency devaluation and bad results from vegetable ghee in India due to price control.

Our oil milling business in Europe did well despite a disaster at Mannheim. There, the extraction plant rebuilt and modernised less than a year earlier, was destroyed in June by an explosion. Production was resumed in January 1972. The explosion unfortunately caused the deaths of two employees. The new mill at Erith in the United Kingdom is expected to commence operation in 1972 and will further increase capacity.

A major technical development in 1971 was the installation at Silvertown, London, of a plant for refining vegetable oils by a new process which produces no effluent and gives improved yields.

## Other foods

### General

The general economic downturn in Western Europe coupled with the higher selling prices forced on us by rising costs again slowed down the growth in demand for most of our other food products. Sales increased by 8% in value but for several of

the product categories the progress in volume was disappointing. However, by determined and successful efforts to improve productivity and by increasing the number of new products, most of our companies made useful contributions to the increase in the year's total profit.

### Quick-frozen foods

Quick-frozen food sales were held back not only by the economic conditions and higher selling prices but also by the abundance of fresh vegetables available because of the mild weather in Western Europe in the spring and autumn. Production of some vegetables, mainly spinach and peas, had to be reduced.

The general cost increases were accompanied by sharp rises in the world market prices of meat and fish. Cod, for instance, by the end of 1971 was up to 50% dearer than in mid-1970. The sales of our three main businesses—those in the Netherlands, the United Kingdom and Germany—were all adversely affected. Progress, however, was made with sales of composite products.

In Austria, Belgium and Italy, where consumption of quick-frozen foods is still low, results made good progress.

### Ice-cream

The demand for ice-cream continued to grow in most countries. The aim of our companies is to increase the popularity of ice-cream for eating at all seasons at home whilst widening the range and increasing the attraction of products designed for the traditional summer trade. Wall's in the United Kingdom and Langnese in Germany had increasing success in pursuit of this aim and both improved their sales and profits compared with 1970. The weather was better than average over most of Western Europe, and particularly so in Austria, where our ice-cream business had an excellent year. Our companies in the Netherlands and Belgium also made progress. In Italy and the Scandinavian



**TURKEY:** (ABOVE LEFT) A van salesman and his assistant deliver margarine in Istanbul.

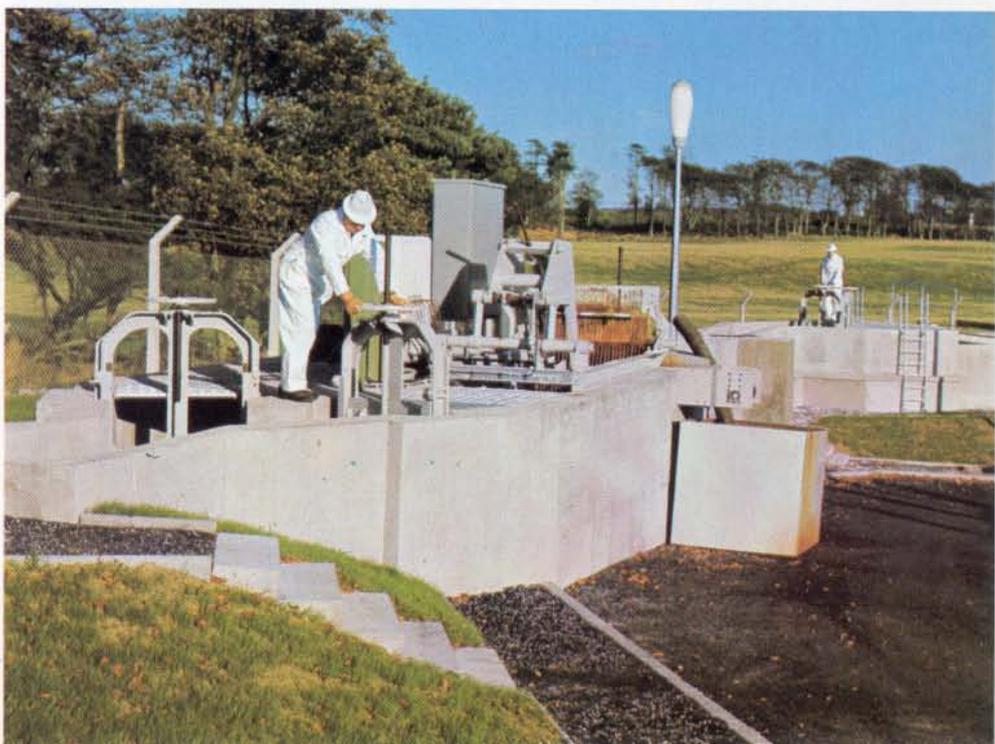


**GERMANY:** (ABOVE RIGHT) A Unilever agricultural adviser reports to the factory by radio telephone on the harvesting of a contract-farmer's spinach crop for quick-freezing.

**ITALY:** (CENTRE) The Cornetto Algida ice-cream filling line, Naples.



**UNITED KINGDOM:** (BELOW) Operating the new effluent plant at Lawson's meat factory. The system, which cost the company Fl. 2.5 million to build, protects the River Don from pollution.





countries, the weather was less helpful and there was little growth in the market. In South Africa and Australia, the results of our ice-cream operations suffered from bad weather.

#### **Sundry packaged foods**

The markets for canned, dried and other packaged foods expanded only slightly. However, with the aid of high quality standards and innovation, most of our companies producing and marketing these products managed to increase their sales and profitability. Lipton in the United States considerably increased its sales of instant tea, as well as of teabags and the traditional packaged teas.

Since the year-end, arrangements have been made for extending our tea interests and, with them, our right to use the name 'Lipton'. Details are given on page 49. We introduced new varieties of dried soups in a number of countries. In the United States Lipton launched a range of instant soups packed in single portions under the name 'Cup-a-Soup'. This range was a spectacular success and has considerably increased the demand for soup as a between-meals beverage. The consumption of canned soup showed a further increase in most countries. In the Netherlands the new extra-rich Unox soups were well received. In the United Kingdom Batchelors maintained its leading position in the dried soups and ready meals market. John West Foods, whose canned salmon and 'Skippers' are household names in the United Kingdom, had a good year and is expanding its sales of canned fruit.



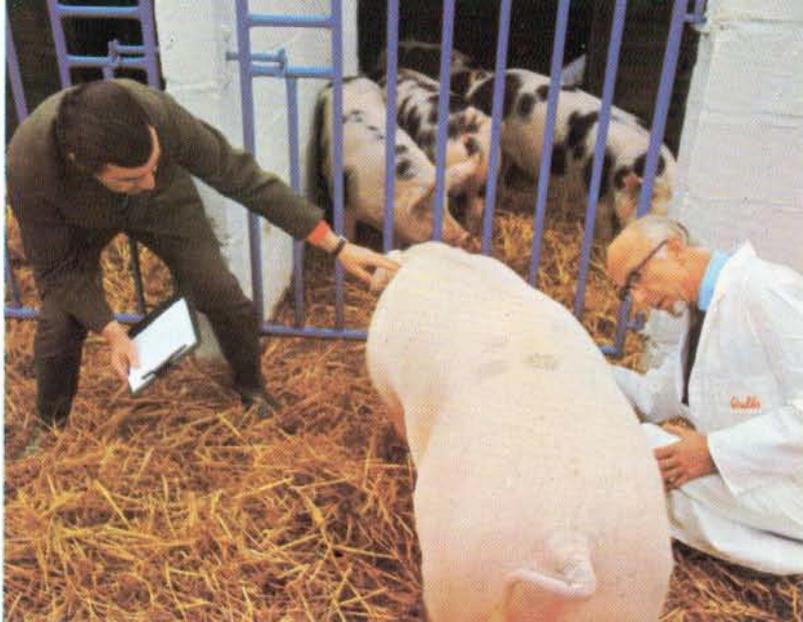
Sales of fruit drinks developed well. In the Netherlands a novel range of



NETHERLANDS: (ABOVE) Bottling Tree Top fruit drink for export at De Betuwe, Tiel.

SWEDEN: (CENTRE) Packing freeze-dried food at the Novia factory, Halmstad.

NETHERLANDS: (BELOW) Connecting a Unilever vegetable oil tanker barge to our refinery at Zwijndrecht.



**BELGIUM:** (LEFT) Discussion on new snack-type sausages made in the pilot plant of Zwan meat factory.

**UNITED KINGDOM:** (RIGHT) Inspecting a new Landrace boar which Wall's, under its pig improvement scheme, will use to help contract-farmers to breed better pigs more economically.

De Betuwe mixed fruit drinks made a promising start while Tree Top drinks were put on the market in Belgium. Our sales of mayonnaise and salad dressings continued to grow strongly in most countries, particularly Germany.

Our results from sundry packaged foods in Australia and South Africa improved, but conditions in New Zealand remained difficult.

#### Dairy products

Good progress was made with sales of cheese products in South Africa and France. In most countries, however, markets remained static, and in Italy after a number of years of steady growth sales and profits fell. This set-back was caused partly by deterioration of the Italian economy and partly by more intense competition. By the end of the year conditions were improving slightly.

Yoghurt and other fresh dairy products continued to show good sales progress, especially in the Netherlands, France and Germany, and were successfully launched in Finland and Sweden. To achieve a satisfactory level of profit still larger sales are needed. The potential for such expansion undoubtedly exists.

#### Meat and meat products

For our larger meat companies—Unox and Zwanenberg in the Netherlands, and Wall's in the United Kingdom—the year was one of integration, reorganisation and consolidation. As a result there was little growth in their sales, although in the United Kingdom there were signs of improved progress at the end of the year. Considerable

advantages have already come from the merger of Unox and Zwanenberg, and profits improved. Our smaller meat companies in the United Kingdom, Belgium, Canada and Germany are all doing well and made further progress.

With the acquisition of Shopsy's Foods Limited, a speciality meat company based in Toronto, Canada, our total annual sales of meat products, excluding those sold in quick-frozen form, are approaching Fl. 1,500 million. In this industry new products, new processes and improved refrigeration are gradually enabling us to derive more benefit from large scale production.

#### Fish

Nordsee in Germany, in which we have a majority interest, had mixed results with its trawling operations. The factory trawlers gained from good catches and the rising world price for frozen cod, while the fresh fish trawlers still had to contend with low prices on the local markets. The company took over the government-owned Kiel trawling fleet on a charter basis. The range of canned fish products was enlarged. More fish restaurants were opened and the results of this side of the business were favourable. The company is increasing the profitability of more of its fish shops by installing snack bars.

#### Retailing

In the United Kingdom Mac Fisheries increased the number of its supermarkets. Sales rose and profits of the business as a whole were better.

#### Other foods

Sales Fl. million	
1971	7,577
1970	7,061
1969	5,884
	5000 6000 7000

# Detergents and toilet preparations

## Detergents

Our profits from detergents were very substantially higher in 1971, mainly because of better cost control and higher productivity. The fact that some of the more frenetic and less constructive elements of competitive activity subsided helped management to devote more attention to the planning of improved products for the consumer.

In Europe the total detergents market showed little real growth so that the increase in our tonnage was small. In the United States the market actually declined. In other territories detergents represent a much larger proportion of our total business than they do in Europe; in these territories markets expanded and we obtained our full share of the increase. Gains in profit were more evenly spread than gains in sales.

Our detergents companies again faced rapid increases in costs. These were offset by price increases where competitively possible and allowed under price controls. By increasing their productivity, however, our companies were able to contain unit cost rises to amounts below the general trend and consequently their profit margin improved.

In terms of products, the detergents market moves steadily towards greater specialisation. In Continental Western Europe the popularity of the fully automatic type of washing machine capable of operating at the

medium temperatures that suit the newer synthetic fibres has led to greater demand for washing powders designed to give the best performance at such temperatures. We continued to take our full share in the expanding market for additives designed to produce softening or conditioning of fabrics at the rinse stage of the wash. In all developed countries, the use of automatic dishwashers increases, bringing opportunities for detergent products specially formulated for them.

In household cleaning the tendency towards increasing specialisation can be seen in the development of products designed to clean specific types of surfaces.

Similar considerations apply to the industrial detergents market where we have made progress in volume of sales as well as in profit.

Controversy has continued over the role of phosphoric nutrients in causing excessive growth of vegetation in lakes or slow-moving shallow waters. In developed countries, phosphates in detergents account for about a third of these nutrients.

In the United States, in spite of recommendations to the contrary by the Federal authorities, certain states and towns have enacted laws limiting or banning phosphates in detergents.

In Europe, Sweden has accelerated a programme for improved sewage treatment, which at present offers the only satisfactory answer, and the Federal authorities in Switzerland have recommended the same course. There is also concern in the Netherlands, and in Germany where Lake Constance is affected.

Although the detergents industry continues to spend heavily on research and development to help solve the problem—in our case at a rate of well over Fl. 8 million per year—no safe and satisfactory substitute for phosphate has yet emerged.

## Toilet preparations

The year 1971 was a very successful one for our toilet preparations business. We increased our share of the market for each of our four main products—toothpastes, shampoos, hairsprays and deodorants. Total deodorant sales were more than a third above those of the previous year.

Much of the year's progress came from building on existing brands. However, ten new products were put on general sale in Europe, and a number of others were test marketed. Signal toothpaste and Sunsilk shampoo and hairsprays were improved and relaunched in several countries.

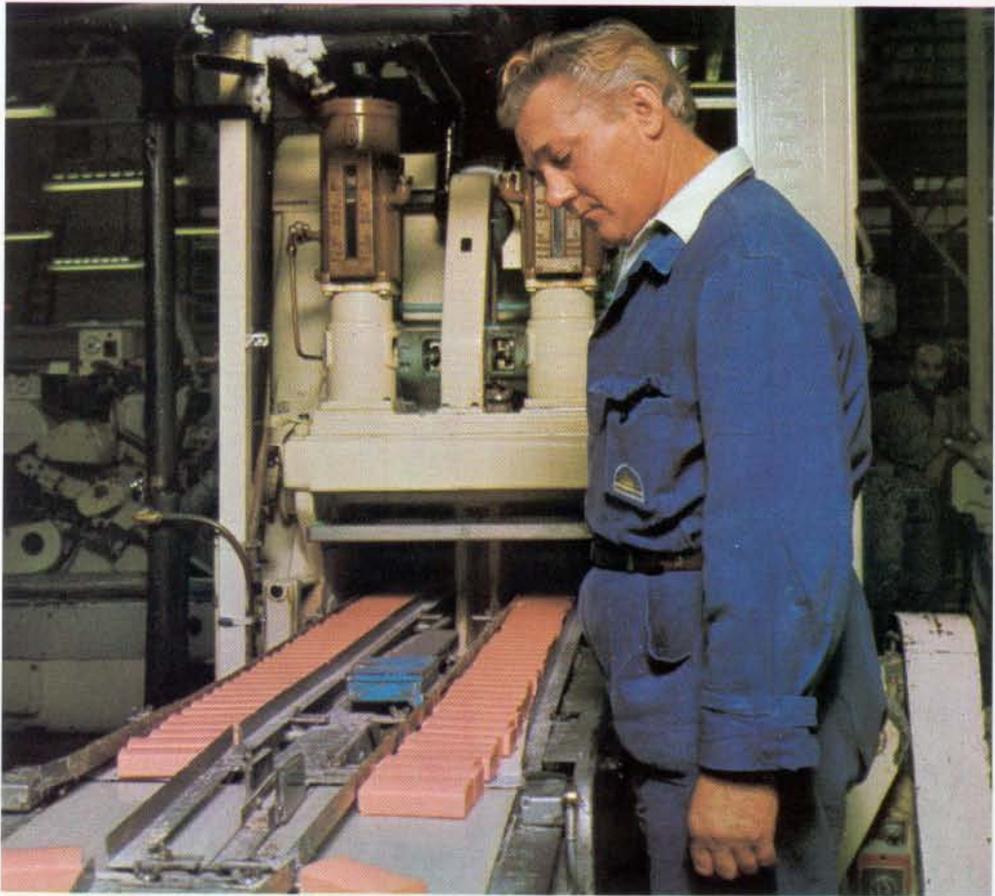
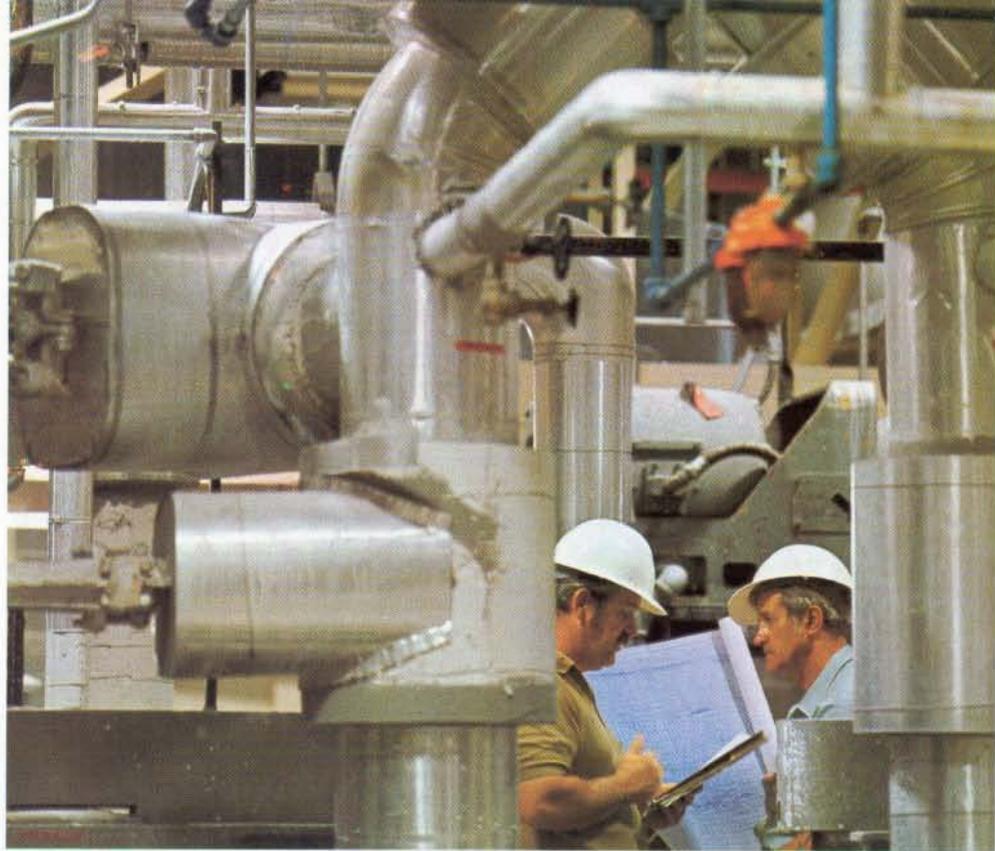
Close-Up, our translucent toothpaste which has become a leading brand in the United States in under two years, has been launched in several other countries. Reports so far indicate that its North American success is likely to be repeated elsewhere.

We improved our position in the Netherlands where progress had been disappointing in the past. In the United Kingdom Elida Gibbs made a general advance with all product lines and the Clynol business, specialising in sales to professional hairdressers, had a record year. In Germany intense competition made conditions difficult but results were satisfactory. In Austria, Belgium, France, Spain and Switzerland we did particularly well.

In Italy trade was hampered by uncertainties about the introduction of value added tax. However, in spite of this our Gibbs and our Atkinsons businesses performed well. In Indonesia and South Africa we made good advances in sales and profit. Our results in South America were good in spite of sometimes difficult trading conditions.

Detergents and toilet preparations





UNITED STATES: (ABOVE) A final check of new detergent plant at the St. Louis factory which was expanded in 1971.

NETHERLANDS: (CENTRE) Supervising a stage in the production of toilet soap at Lever's Zeep-Maatschappij, Vlaardingen.

UNITED KINGDOM: (BELOW) Marketing men discuss with their advertising agents the presentation of Close-Up toothpaste.





**NETHERLANDS:** (ABOVE) The biological waste water purification plant of Unilever-Emery N.V., Gouda, our joint venture with Emery Industries, Inc., of Cincinnati. An operator records the oxygen content of the outflow. When the installation becomes fully operational by the end of 1972 it will have cost some Fl. 5 million.

**UNITED KINGDOM:** (BELOW) A quality control team at the Proprietary Perfumes laboratories, Ashford, Kent.



## Paper, plastics and packaging

In the United Kingdom, owing to the general state of the economy, demand for packaging board and cases was depressed. Thames Board Mills increased its share of the market for many of the main grades of packaging board, but profits fell below the level of 1970. Thames Case was able to reduce costs and improve margins, thereby achieving a better profit on virtually unchanged sales.

The Commercial Plastics Group increased its turnover, particularly in export markets which now account for about 30% of sales. Although profits improved slightly they remained disappointing. One of the factories is now being closed and production concentrated elsewhere.

In the E.E.C. our sales and profits were at about the same unsatisfactory level as in 1970. Over-capacity in the industry continued and competition was intense. Our paper producing companies were the worst affected; results from other parts of the business, particularly folding cartons and cardboard and plastic tubs, improved slightly.

### Paper, plastics, packaging and chemicals

Sales Fl. million	
1971	1,856
1970	1,730
1969	1,504
	1000    1300    1600

## Chemicals

The outstanding growth rates which have been a feature of the West European chemical industry over the previous decade disappeared in some parts of the industry and were greatly reduced in others. In common with world-wide experience our chemical business grew at a slower rate than hitherto. The process of improving management techniques and seeking higher productivity continued throughout the year. Owing to this and restructuring, our chemical companies are now well placed to take advantage of future improvements in general economic conditions.

This part of our business is heavily export orientated, especially in the Netherlands and Germany where at least half of the production is sold to other countries. The international currency uncertainties of 1971 were, therefore, a particular source of difficulty for our chemical interests.

We are in the forefront of chemical technology in the fields of oils and fats since these have always been important raw materials. With the development of the chemical industry over the years and through acquisitions we have moved into related or otherwise relevant areas. The companies of our fatty acids division are now important suppliers to the rubber, textile and pharmaceutical industries, as well as to the soap and detergent industries and other chemical manufacturers.

The user markets for the companies in our polymers division include paints, paper coating, textiles, printing inks, and the many applications for glass fibre reinforced resins. The operating companies are very widely spread across Western Europe linked by co-ordination of management and technology. In 1971 an agreement was signed with the Spencer Kellogg division of Textron Inc. of the United States, giving us access in Western Europe to important new developments in polyurethanes for surface coating applications.

In the United Kingdom good

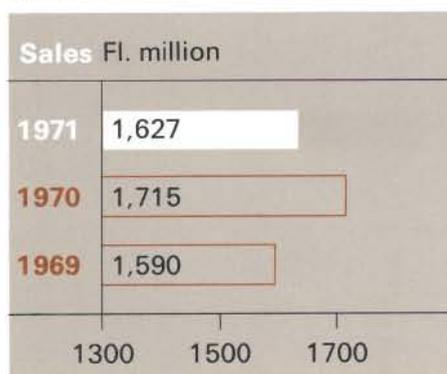
progress was recorded at Crosfield's in the upgrading of their product range and Proprietary Perfumes had another year of expansion.

## Animal feeds

In the Netherlands our sales of compound animal feeds were virtually unchanged and profits fell. Losses were sustained on forward raw material purchases in a falling market. The difficulties of the poultry industry adversely affected our sales and profits from poultry feed. Sales of pig feed improved but demand for cattle feed was reduced by the mild spring weather.

The compound animal feeds market in the United Kingdom was almost 6 1/2% lower than in the previous year. The steepest decline was in demand from the poultry industry which was ravaged by fowl pest. The merger of our two main operating companies in the United Kingdom into BOCM Silcock was carried through on schedule. The new company's product range was carefully selected from the best selling lines of the two constituent companies. Lower sales, largely due to the total market decline, combined with the non-recurring costs of the merger, caused profit to fall below the 1970 level, but the company is now in a stronger position to re-shape its business to suit modern farming conditions.

Animal feeds



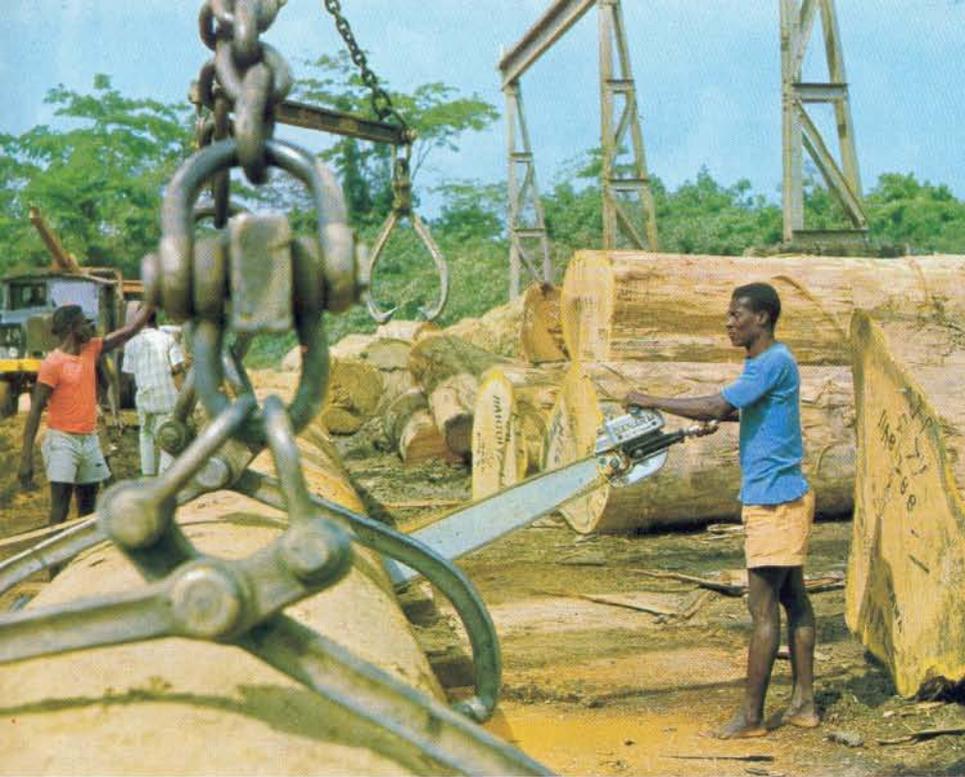
## Exports

In 1971 our exports—from some 30 countries—reached a combined value of Fl. 2,875 million compared with Fl. 2,550 million in 1970.

The value of our shipments from the two main exporting countries, and from all other countries, from 1969 onwards, was as follows:

Fl. million	1969	1970	1971
Netherlands	698	915	1,098
United Kingdom	646	760	776
Other countries	715	875	1,001

Part of the increase in shipments from the Netherlands was due to the inclusion of a full year's exports of meat products by Zwanenberg, acquired during April 1970 and by Croklaan acquired in 1971. Most other exports also increased, including a steep rise in exports of oilcake and meal, and satisfactory increases in margarine, fats and oils.



GHANA: Processing hardwood logs at African Timber & Plywood (Ghana) Ltd., Samreboi.

## Plantations

Total profits were somewhat less than in 1970 but were again good. Increased production of all crops partially offset lower produce prices and large wage increases in Africa.

The price of rubber declined to its lowest level for many years, and cocoa also dropped sharply. The price of our main crop, palm oil, fell only slightly but in some countries we were required to make substantial sales for local consumption at prices well below export value.

## Personnel

The total number of Unilever employees world-wide is 324,000 (1970: 335,000).

In economic conditions that made it difficult to increase sales in most of our important markets, the improvement in profitability achieved in 1971 came mainly from rationalisation, higher productivity and cost savings. Substantial productivity gains were made, not only in those parts of the business where profits rose but also in those where the best that could be done was to prevent further deterioration. Thanks are due to management and staff at all levels for their co-operation.

An unpleasant but inevitable consequence was a considerable reduction in numbers employed, particularly in the United Kingdom. Everything possible was done to cushion the impact and, whenever practicable, cutbacks were achieved by natural wastage and by transfers to other employment within the Group. It was essential to make these unwelcome staff reductions when we did, in order to avoid more serious consequences later.

In industrial relations the trend in Continental Western Europe is for Works Councils to be better informed about the Company's economic situation, and more involved in decision making in personnel and social matters. Recent legislation in the

## The United Africa Group

The value of the United Africa Group's sales increased further in 1971, but this was largely the result of inflation and in volume terms there was little change. The Group had to contend with a number of financial problems during the year. Nigeria declared a moratorium on outstanding payments for imports. Ghana remained prone to balance of payments problems and there were sharp increases in taxation in mid-year, followed by a very substantial devaluation of the currency. Falling world commodity prices forced several other African countries to tighten exchange controls or restrict local borrowing. In spite of the Ghana devaluation and other difficulties, the Group's total profits showed only a relatively slight decrease from the good level of the previous year.

The textiles operations were somewhat less profitable as a result of price controls and increased competition in Africa; the timber ventures did a little less well than in the previous year owing to falling world demand and prices; Palm Line had another difficult year because of falling cargo volume and continuously rising costs. On the other hand the technical, motors and earth moving equipment businesses had an outstandingly successful year. The chemists and

foods operations were more profitable and a number of the Group's diverse industrial ventures also did well. The general trading activities of G. B. Ollivant were profitable.

The post-war boom in Nigeria continued during most of the year though profit margins later tended to fall. In French speaking Africa political and economic conditions were generally stable and the Group's ventures continued to do well. In Zaïre and Uganda results improved in spite of a rather more difficult trading situation. The technical businesses in Kenya and Zambia were profitable.

Netherlands and in Germany is aimed at strengthening these statutory internal company institutions. These and other developments, including the new Industrial Relations Act in the United Kingdom, should lead in time to improved relations based on better communication and negotiating procedures.

In our management development work we are making increasing use of conferences and courses to provide opportunities for group study of human and business problems.

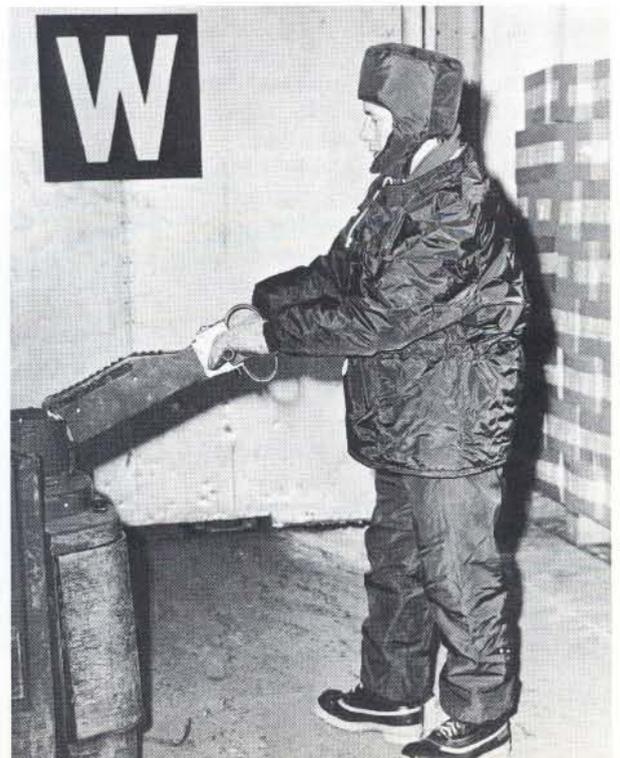
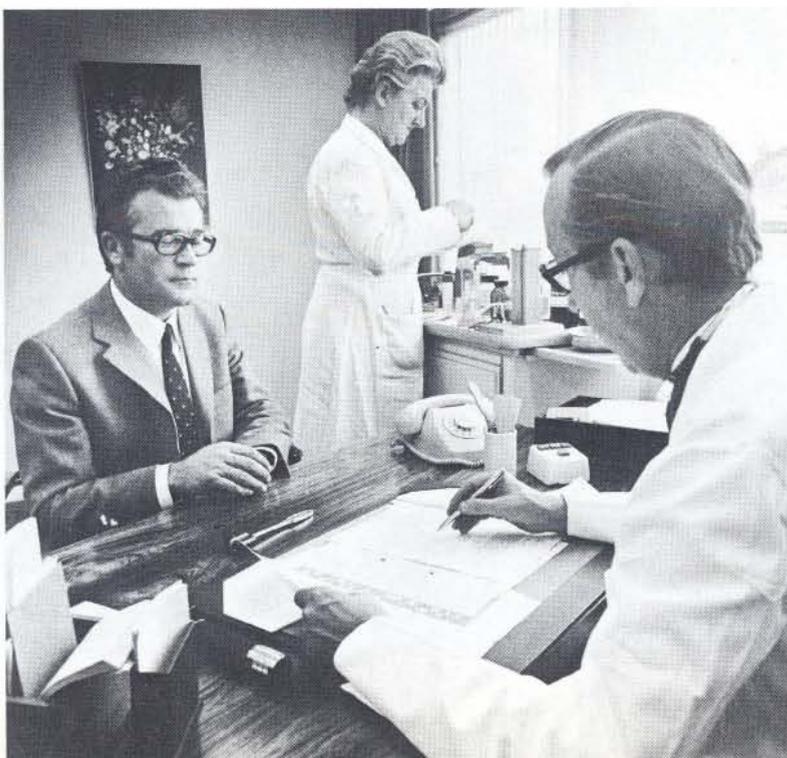
Attention is still being given to improving our appraisal systems to ensure that the best use is made of individual talents and potential. The international character and diverse activities of the Group give us wider scope than most to match skills and aspirations with job opportunities.

Unilever's pension contributions for its own and other pension schemes, including State Pensions, and other payments for employees' retirement and death benefits amounted in 1971 to Fl. 465 million. The assets of the Unilever pension and provident funds throughout the world increased to Fl. 3,585 million.

Unilever has always been a leader in occupational health. Its medical services are designed to cover a wide range of needs, even including the provision of hospital care in developing countries. Pre-employment assessment, health counselling of employees and prompt care of accidents and illness at work are some of the facilities provided.

(LEFT) In the interests of hygiene pre-employment screening is of particular importance in the food industry.

(RIGHT) Continuing research over many years by Wall's, our ice-cream business in the United Kingdom, in collaboration with the medical services and others has evolved this special protective clothing for cold store operatives working in a temperature averaging minus 26°C.



# Research

In 1971 more emphasis was put on applied research, and in relation to margarine, edible oils and dairy products the organisation was modified so as to make it more quickly responsive to the needs of the operating companies.

One change of direction has been in oil-seed cultivation where research has been done to increase the supply and improve the quality of the oils required for high quality margarine. This work has enabled us to help a number of countries with their agriculture. One outcome has been a large increase in the acreage devoted to sunflower growing in Mexico. We have also helped farmers to grow an improved variety of rapeseed, which is the major source of edible oil among seeds that can be grown in temperate climates.

The rising demand for margarines with high polyunsaturated oil content has stimulated successful research into improving the 'spreadability' and texture of margarine with a high soft oil content. A number of new products—desserts, yoghurts and milk drinks—were developed for sale from the chilled cabinet. Research continued into the complex subject of human nutrition, and especially into the utilisation of new types of protein and new and better strains of vegetables.

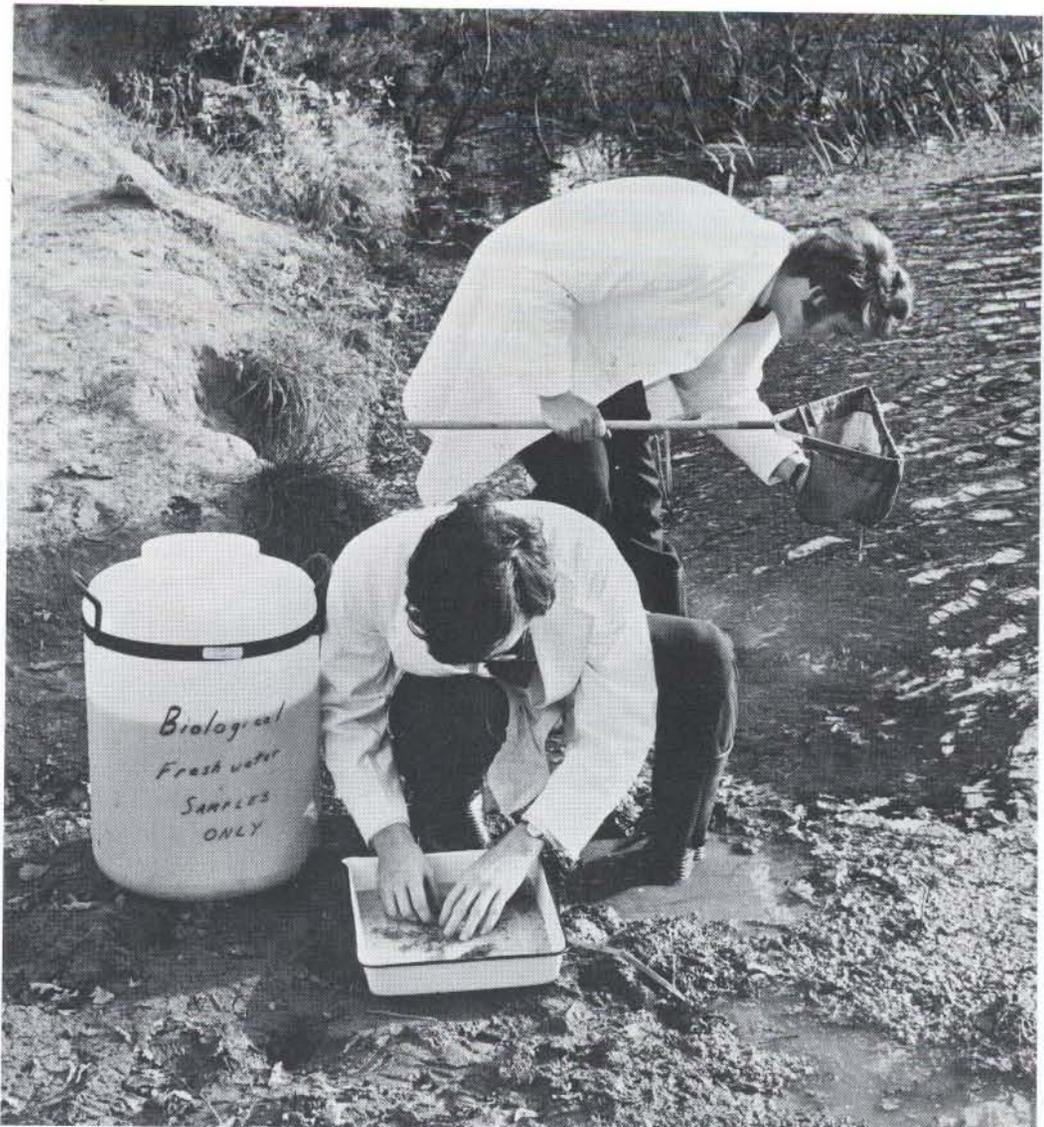
With detergents, steady progress continues to be the key note, and over the years additions to quality which are small in themselves have together amounted to dramatic improvements in the cleaning power of modern products. In view of our considerable research investment showing the safety and cleansing value of enzymes in fabric washing, it is satisfactory to note that in 1971 official investigations in the United Kingdom, the United States and Germany each confirmed the suitability for consumers of enzyme-based detergent powders.

Similarly, gradual improvements have been made to our toilet preparations. Because of the need to ensure that even when a preparation is incorrectly used there is no risk of undesirable side effects,

the individual improvements have often been small. Cumulatively we have made significant advances in the cleaning properties of toothpastes, in their efficacy for preventing dental decay and in their beneficial effect on the health of the gums. Hair condition after shampooing has been enhanced, and the effectiveness of deodorants improved.

All our products are thoroughly tested in our laboratories for safety in use. This includes testing their environmental safety.

(BELOW) Scientists collect aquatic organisms for use in toxicity tests in the laboratory.



# Capital projects

Expenditure of Fl. 702 million was approved in 1971.

The geographical pattern was as follows:

	%	Fl. million
Europe	66	461
North and South America	17	122
Africa	12	84
Rest of World	5	35
	<u>100</u>	<u>702</u>

The more important items are listed below:

	Fl. million
<b>Margarine, other fats and oils</b>	<b>150</b>
Concentration of seed processing, changeover from expelling to extracting, new extraction plant in the United Kingdom and expansion and rebuilding of extraction plant in Germany.	
New production facilities for high protein soya meal in the Netherlands.	
Reorganisation of margarine factory in the United Kingdom.	
Modernising warehousing facilities in the United Kingdom.	
<b>Other foods</b>	<b>213</b>
Additional facilities for storage and distribution in the United Kingdom, Germany and Italy and for ice-cream production in Austria.	
Expansion of dairy products facilities in Belgium and Germany.	
Sausage and bacon production facilities in the United Kingdom.	
Fitting out additional supermarkets for Mac Fisheries in the United Kingdom and modernisation of Nordsee shops in Germany.	
<b>Detergents and toilet preparations</b>	<b>128</b>
Expansion of detergent production facilities in Brazil, Indonesia, Nigeria, Spain and the United States.	
Improved toilet soap packing facilities in the United States and expansion of production facilities in Brazil.	
Warehousing facilities in Germany and Switzerland.	
<b>Paper, plastics, packaging, chemicals and other interests</b>	<b>39</b>
Printing and tub production facilities in Germany.	
Production facilities for vinyl acetate and acrylate based emulsions in Germany.	
Rationalisation of animal feed production in the United Kingdom.	
Extension of plywood mill in Africa.	
<b>General</b>	<b>172</b>
Effluent treatment facilities in the United Kingdom, Germany and Italy.	
Office accommodation in the United Kingdom, Belgium and Brazil.	
Warehouse facilities for finished products in Austria.	
	<u>702</u>

## Interests in land

N.V. and Limited have interests in land in Europe, North and South America, Africa, Asia and Australasia. Such interests are developed either as purpose designed factories, warehouses and trading establishments with ancillary offices and laboratories or as plantations. Substantially all the land and buildings are fully used in the business and their continued suitability for these purposes

is kept under review. In these circumstances it is considered that an assessment of the market value of all interests in land throughout the world would not produce information of significance to members or debenture or unsecured loan stock holders in terms of Section 16 of the United Kingdom Companies Act 1967.

## Capital and membership

There were no changes during 1971 in the share capital of **N.V.** or **Limited**. In 1971 **N.V.** issued Fl. 45,328,725 8% 5-year notes in connection with its offer for the 5½% cumulative preference shares and the ordinary A shares of Van den Bergh's en Jurgens' Fabrieken N.V.; Fl. 201,975 of these notes remain available for issue.

At the year end **Limited** had 91,457 ordinary and 1,350 preferential shareholdings, and 112,520 debenture and unsecured loan stockholdings.

As **N.V.**'s share and loan capital is held by the public largely in the form of bearer scrip, the exact number of holders cannot be ascertained.

## Dividends

The proposed appropriations of the profits of **N.V.** and **Limited** are shown in the consolidated profit and loss accounts on page 32. The final dividends for 1971 recommended by the Boards on the ordinary capitals are at the rates of Fl. 3.69 per Fl. 20 of ordinary capital of **N.V.** and 6.68p per 25p ordinary share of **Limited**, bringing total dividends for 1971 to Fl. 6.20 per Fl. 20 of ordinary capital of **N.V.** (1970: Fl. 5.43) and 11.20p per 25p ordinary share of **Limited** (1970: 9.415p). The dividends are equivalent in value under the terms of the Equalisation Agreement.

It is intended to make the final dividends for 1971 on the ordinary shares of both Companies payable as from 19th May, 1972 except that the dividends on the New York Shares of **N.V.** and on the American Depository Receipts representing ordinary capital of **Limited** will be paid on 8th June, 1972.

It is also proposed to set aside Fl. 54,713,000 (**N.V.** Fl. 35,000,000, **Limited** Fl. 19,713,000) to reserve for replacement of fixed assets (on behalf of subsidiaries).

# Quarterly results

## Profit accruing to ordinary capital

	Total Fl. million	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1971*	841	166 20%	242 29%	227 27%	206 24%
1970	650	134 21%	195 30%	173 27%	148 22%
1969**	691	151 22%	181 26%	176 25%	183 27%

\* The published results for the first three quarters of 1971 have been recalculated at the year-end rates of exchange which have been used for calculating the results of the year.

\*\* Adjusted to reflect the effect of German revaluation.

## Exchange rates

N.V. reports its consolidated results combined with those of **Limited** in terms of guilders while **Limited** reports the same results in terms of sterling. After major changes in exchange rates, such as took place in 1971, the trend of profit as reported in guilders may be different from the trend as reported in sterling. The profit accruing to ordinary capital for 1971 would have been about Fl. 25.5

million or 3% greater if all other currencies had been converted at the exchange rates ruling at the end of 1970. In sterling the 1971 profits are not materially different from what they would have been if all other currencies had been converted at the previous rates. The principles on which foreign currencies have been dealt with in the Report and Accounts are explained in detail on page 34.

## Directors

In accordance with Article 21 of the Articles of Association all the Directors retire at the Annual General Meeting and offer themselves for re-election.

At the Annual General Meetings of **N.V.** and **Limited** on 10th May, 1971, Mr. W. B. Blaisse and Mr. M. Ormerod were elected as Directors of both Companies.

The Directors wish to place on record their appreciation of the long and distinguished services rendered to Unilever by Mr. D. J. Mann who retired as a Director of both Companies on 30th September, 1971, and by Mr. J. P. Stubbs who retired as a Director of both Companies at the end of the year. Mr. Mann joined Unilever in 1933 and was elected to the Boards of **N.V.** and **Limited** in 1960.

Mr. Stubbs joined Unilever in 1932 and was elected to the Boards in 1960.

Mr. H. S. A. Hartog was appointed an Advisory Director of **N.V.** after retiring from the Boards on 10th May, 1971. Dr. R. Mueller, Advocate and Notary Public of Frankfort, was appointed an Advisory Director of **N.V.** on 1st October, 1971.

Mr. G. E. van Walsum, having been an Advisory Director of **N.V.** since 6th May, 1965, retired on grounds of age on 29th February, 1972. The Directors express their gratitude to him for his valuable advice and assistance.

Mr. A. A. Haak was appointed an Advisory Director of **Limited** on 30th July, 1971.

It is recorded with deep regret that Dr. K. Blessing, who, having earlier in his career been associated with our interests in Germany, became an Advisory Director of **N.V.** in March, 1970, died in April, 1971. His wise counsel and experience will be sadly missed.

The Directors record with deep regret the deaths early in 1972 of Sir Herbert Davis and Mr. J. F. Knight. Sir Herbert was a Director of **N.V.** and **Limited** from 1937 to 1956 and a former Vice-Chairman of **Limited**. Mr. Knight was a Director of **N.V.** and **Limited** from 1958 to 1970.

## Secretaries

Mr. A. A. Haak, for medical reasons, relinquished his position as a Secretary of **N.V.** and **Limited** at the end of July, 1971.

Mr. C. Zwagerman was appointed to succeed him as a Secretary of both Companies.

## Auditors

The auditors, Price Waterhouse & Co. and Cooper Brothers & Co., retire and offer themselves for reappointment.

Rotterdam, 14th March, 1972.

ON BEHALF OF THE BOARD,

C. ZWAGERMAN Secretary

H. A. HOLMES Secretary

# Accounts

**N.V.** and **Limited** are linked by a series of agreements of which the principal is the Equalisation Agreement. Inter alia this equalises the rights of the ordinary capitals of the two Companies as to dividends and, on liquidation, as to capital value, on the basis of Fl. 12 nominal of **N.V.**'s ordinary capital being equivalent to £1 of **Limited**'s ordinary capital. Combined figures are given for the information of shareholders.

## Reports of the Auditors

### **N.V. Group**

To the Members of Unilever N.V.

In our opinion the accounts and the notes relevant thereto set out on pages 29 to 43 and 47 to 49 give a true and consistent view of the amount and composition of the equity at 31st December, 1971 and of the results for the year 1971 of the Company and of the Group.

The Hague/London  
Rotterdam/London  
14th March, 1972

**Price Waterhouse & Co.**  
**Cooper Brothers & Co.**

### **Limited Group**

To the Members of Unilever Limited.

In our opinion the accounts and the notes relevant thereto set out on pages 29 to 41 and 44 to 49 give a true and consistent view of the amount and composition of the equity at 31st December, 1971 and of the results for the year 1971 of the Company and of the Group and comply with the United Kingdom Companies Acts 1948 and 1967.

London  
14th March, 1972

**Cooper Brothers & Co.**  
**Price Waterhouse & Co.**

## Combined results

for the year ended 31st December

*Figures in italics represent deductions*

Fl. million

	1970	1971
<b>Sales to third parties</b>	24,917	<b>26,483</b>
<b>Operating profit</b>	1,433	<b>1,717</b>
<b>Financial items</b>	<i>80</i>	<i>64</i>
<b>Profit of the year before taxation</b>	1,353	<b>1,653</b>
<b>Taxation on profit of the year</b>	<i>659</i>	<i>766</i>
<b>Profit of the year after taxation</b>	694	<b>887</b>
<b>Outside interests and preference dividends</b>	<i>44</i>	<i>46</i>
<b>Profit of the year accruing to ordinary capital</b>	650	<b>841</b>
<b>Ordinary and deferred dividends</b>	<i>307</i>	<i>348</i>
<b>Profit of the year retained*</b>	343	<b>493</b>

\* Other movements in Profits retained are shown on page 32.

The figures above and on page 31 are arrived at by combining the figures in the consolidated accounts of N.V. and Limited and should be read in conjunction with these accounts and the note on page 29.

## Combined assets and liabilities

as at 31st December

*Figures in italics represent deductions*

Fl. million

	1970	1971
Capital Employed		
<b>Preferential capital</b>	310	<b>308</b>
<b>Ordinary shareholders' funds</b>	6,826	<b>6,982</b>
<b>Outside interests in subsidiaries</b>	250	<b>211</b>
<b>Loan capital</b>	1,634	<b>1,660</b>
<b>Deferred liabilities</b>	888	<b>979</b>
	<hr/>	<hr/>
	9,908	<b>10,140</b>
	<hr/>	<hr/>
Employment of Capital		
<b>Land, buildings and plant</b>	5,439	<b>5,371</b>
<b>Trade investments</b>	199	<b>208</b>
<b>Long-term debtors</b>	187	<b>198</b>
<b>Net current assets</b>	4,083	<b>4,363</b>
	<hr/>	<hr/>
	9,908	<b>10,140</b>
	<hr/>	<hr/>

# Consolidated profit and loss accounts

for the year ended 31st December

Figures in italics represent deductions

Fl. 000's

Limited	N.V.	1970 Combined		1971 Combined	N.V.	Limited
11,224,548	13,692,691	24,917,239	<b>Sales to third parties</b>	26,482,999	14,776,032	11,706,967
<i>10,627,700</i>	<i>12,856,398</i>	<i>23,484,098</i>	Costs	<i>24,766,259</i>	<i>13,751,334</i>	<i>11,014,925</i>
596,848	836,293	1,433,141	<b>Operating profit</b>	1,716,740	1,024,698	692,042
17,437	23,677	41,114	Income from trade investments	30,992	13,042	17,950
<i>62,032</i>	<i>38,224</i>	<i>100,256</i>	Interest on loan capital	<i>108,017</i>	<i>47,513</i>	<i>60,504</i>
3,727	<i>24,535</i>	<i>20,808</i>	Other interest	13,608	199	13,807
555,980	797,211	1,353,191	<b>Profit of the year before taxation</b>	1,653,323	990,028	663,295
<i>287,999</i>	<i>370,961</i>	<i>658,960</i>	Taxation on profit of the year	<i>766,367</i>	<i>440,959</i>	<i>325,408</i>
267,981	426,250	694,231	<b>Profit of the year after taxation</b>	886,956	549,069	337,887
<i>11,525</i>	<i>15,106</i>	<i>26,631</i>	Outside interests in results of subsidiaries	<i>27,493</i>	<i>16,231</i>	<i>11,262</i>
256,456	411,144	667,600	<b>Consolidated profit of the year</b>	859,463	532,838	326,625
<i>3,484</i>	<i>14,694</i>	<i>18,178</i>	Preference dividends	<i>18,084</i>	<i>14,694</i>	<i>3,390</i>
252,972	396,450	649,422	<b>Profit of the year accruing to ordinary capital</b>	841,379	518,144	323,235
<i>132,895</i>	<i>173,805</i>	<i>306,700</i>	Ordinary and deferred dividends	<i>348,498</i>	<i>198,451</i>	<i>150,047</i>
120,077	222,645	342,722	<b>Profit of the year retained</b>	492,881	319,693	173,188
			<b>Movements in profits retained</b>			
26,464	<i>41,652</i>	<i>15,188</i>	Exceptional items not applicable to current trading	<i>22,142</i>	30,538	8,396
<i>16,481</i>	<i>14,365</i>	<i>30,846</i>	Goodwill on acquisition of new subsidiaries after deducting surplus on revaluation of fixed assets	<i>51,591</i>	<i>51,743</i>	152
4,387	<i>15,678</i>	<i>11,291</i>	Effect of exchange rate changes	<i>174,346</i>	<i>68,768</i>	<i>105,578</i>
—	—	—	Guilder/Sterling realignment	<i>76,242</i>	—	<i>76,242</i>
120,077	222,645	342,722	Profit of the year retained of which fixed assets replacement reserve	492,881	319,693	173,188
<i>22,589</i>	<i>15,000</i>	<i>37,589</i>		<i>54,713</i>	<i>35,000</i>	<i>19,713</i>
134,447	150,950	285,397	Net addition to profits retained	168,560	168,644	84
2,708,310	2,666,062	5,374,372	Profits retained—1st January	5,659,769	2,817,012	2,842,757
2,842,757	2,817,012	5,659,769	Profits retained—31st December	5,828,329	2,985,656	2,842,673

The notes on pages 29 to 31 and 34 to 36 form part of the above accounts.

## Consolidated balance sheets

as at 31st December

Figures in italics represent deductions

Fl. 000's

Limited	N.V.	1970 Combined		1971 Combined	N.V.	Limited
			Capital Employed			
44,683	265,060	309,743	<b>Preferential capital</b>	308,544	265,060	43,484
3,317,087	3,509,343	6,826,430	<b>Ordinary shareholders' funds</b>	6,982,269	3,677,987	3,304,282
549,204	640,165	1,189,369	Ordinary capital	1,189,369	640,165	549,204
2,767,883	2,869,178	5,637,061	Profits retained and other reserves	5,792,900	3,037,822	2,755,078
85,229	165,110	250,339	<b>Outside interests in subsidiaries</b>	210,922	135,334	75,588
899,686	733,658	1,633,344	<b>Loan capital</b>	1,659,607	792,174	867,433
447,089	441,506	888,595	<b>Deferred liabilities</b>	979,009	485,465	493,544
44,547	44,547	—	Inter-Group—N.V./Limited	—	47,110	47,110
4,838,321	5,070,130	9,908,451		10,140,351	5,308,910	4,831,441
			Employment of Capital			
2,589,119	2,849,374	5,438,493	<b>Land, buildings and plant</b>	5,370,619	2,920,580	2,450,039
104,647	94,416	199,063	<b>Trade investments</b>	207,772	94,221	113,551
43,284	143,809	187,093	<b>Long-term debtors</b>	198,459	153,926	44,533
2,101,271	1,982,531	4,083,802	<b>Net current assets</b>	4,363,501	2,140,183	2,223,318
2,127,292	2,208,306	4,335,598	Stocks	4,341,577	2,318,870	2,022,707
1,457,334	1,414,051	2,871,385	Debtors	2,777,953	1,450,095	1,327,858
1,236,355	1,559,764	2,796,119	Creditors	2,883,518	1,656,165	1,227,353
322,273	287,585	609,858	Provision for taxation	704,568	379,177	325,391
73,796	103,828	177,624	Dividends	219,615	128,072	91,543
133,804	264,173	397,977	Marketable securities	253,631	146,718	106,913
364,853	510,620	875,473	Cash and deposits	1,586,172	840,213	745,959
349,588	463,442	813,030	Short-term borrowings	788,131	452,299	335,832
4,838,321	5,070,130	9,908,451		10,140,351	5,308,910	4,831,441

# General notes to the accounts

## Companies legislation

The accounts have been prepared in compliance with the provisions of the Netherlands Act on Annual Accounts 1970 and the United Kingdom Companies Acts 1948 and 1967, and take account of recommended standards in the Netherlands and the United Kingdom.

## Foreign currencies

Foreign currencies have been converted into guilders or sterling at official parities or other rates of exchange ruling at the year end, with the following exceptions:

- sales to third parties for the first nine months were converted at the official parity rates ruling prior to the floating of certain exchange rates in 1971;
- the degree of restriction affecting the transfer of certain currencies varies from year to year. In order to give a realistic view of the results and assets in terms of guilders or sterling the rates of exchange used for restricted currencies are those expected to apply when the relative transfer restrictions are removed;
- land, buildings and plant are in general stated at historical cost in terms of guilders or sterling.

The effect of changes in exchange rates on net assets is taken to Profits retained.

For the purpose of the combined figures, the ordinary capital of **Limited** has been converted, as in past years, at the Equalisation Agreement rate of £1 = Fl. 12 but the realigned parity of £1 = Fl. 8.455 has been adopted for the conversion of the remaining **Limited** figures. The adjustment is reflected in Profits retained and other reserves.

## Consolidated companies

Companies included in the consolidated accounts are those in which **N.V.** or **Limited** holds directly or indirectly more than 50% of the equity and preference capital, or being directly or indirectly a shareholder controls the composition of a majority of the Board of Directors.

Recognising the seasonal nature of their operations, some companies having substantial interests in Africa close their financial year on 30th September. Their accounts at this date are included in the consolidation.

## Goodwill

In accordance with the practice established in 1953, the excess of the price paid for new interests over net

tangible assets acquired has been eliminated by deduction from Profits retained.

## Depreciation

Depreciation is based in the main on fixed percentages of cost at rates considered appropriate to each country. As it is considered that the depreciation provision is inadequate to meet the increased cost of replacement, a fixed asset replacement reserve has been set aside as part of the Profits retained.

## Trade investments

These are all the investments in companies with which **N.V.** or **Limited** has a long-term trading relationship and which are not consolidated.

There are some 200 such investments in businesses throughout the world.

Neither the results nor the net assets attributable to the investment in those companies are significant in relation to the consolidated results or capital employed.

The dividends from all trade investments are accounted for when received. A statement summarising the interest in the results and net assets of all trade investments is given on page 40.

In **N.V.** trade investments are stated principally at cost and in **Limited** are shown at net book value at 31st December, 1947, with additions at cost or valuation less Fl. 10,146,000 written off.

## Net current assets

Stocks are consistently stated on the basis of the lower of cost—mainly averaged cost—and net realisable value, less provisions for obsolescence.

Debtors are stated after deducting adequate provisions for doubtful debts.

Marketable securities represent liquid funds temporarily invested and are shown at their realisable value from 1971 instead of at book value as in previous years.

That portion of Loan capital which is repayable within one year is no longer included in Creditors but is shown as Loan capital.

## Ordinary shareholders' funds

Ordinary shares numbered 1 to 2,400 (inclusive) in **N.V.** and the Deferred stock of **Limited** are held as to one

half of each class by **N.V. Elma**—a subsidiary of **N.V.**—and one half by **United Holdings Limited**—a subsidiary of **Limited**. This capital is eliminated in consolidation. It carries the right to nominate persons for election as directors of **N.V.** and **Limited** at general meetings of shareholders.

The directors of **N.V. Elma** are **N.V.** and **Limited** who, with Mr. G. D. A. Klijnstra and Dr. E. G. Woodroffe, are also directors of **United Holdings Limited**. **N.V. Elma** and **United Holdings Limited** have waived their rights to dividends on their ordinary shares in **N.V.** A nominal dividend of 1/4% was paid on the deferred stock of **Limited**.

## Deferred liabilities

Taxation not due before 1st January, 1973 includes United Kingdom corporation tax on the profits of 1971 and certain foreign taxes which are not due before that date.

Deferred taxation arises mainly from the charge made to profits in respect of the tax postponed through fixed assets being written off in some countries more rapidly for tax than for commercial purposes less the estimated future taxation relief on the provisions for unfunded retirement benefits.

The provision for deferred taxation at 31st December, 1970 has been adjusted to take account of changes in rates of tax, the difference being included in Taxation adjustments relating to previous years.

Unfunded retirement benefits represent the estimated present value of the future liability for retirement and death benefits to past and present employees other than benefits provided through pension and provident funds.

## Contingent liabilities

are not expected to give rise to any material loss and include guarantees, security issued and bills discounted as set out on page 39.

A dispute with the German tax authorities gives rise to a contingent liability of Fl. 168 million. This consists of a claim by the authorities for repayment of Fl. 93 million representing dividend tax refunded to 1966 and for the companies' claim for refund of tax amounting to Fl. 75 million paid or payable in respect of the years 1967 to 1971.

The payment of the contested part of the tax on dividends distributed after August 1971, amounting to Fl. 31 million, has been postponed with the authorities' approval.

After renewed study of the facts and further consultation with other equally eminent German tax experts, the companies' adviser remains of the opinion that the authorities' case cannot be upheld and that the risk of an unfavourable outcome is slight.

#### **General notes**

Expenditure on research and the development of new products is charged against profits of the year in which it is incurred.

Long-term commitments in respect of leaseholds, rental agreements, hire purchase and other contracts are not material.

The close company provisions of the United Kingdom Income and Corporation Taxes Act 1970 do not apply to **Limited**.

Taxation adjustments relating to previous years have been taken to Profits retained.

The Trustees of the Leverhulme Trust have waived their right to that proportion of the 1970 and 1971 dividends on the Trustees holding of ordinary shares of **Limited** which flows back to the company. The proportion was increased in 1971 from 62  $\frac{1}{2}$  % to 73 % by the acquisition of a further interest in the income of the Trust.

A list of the principal subsidiaries included in the consolidated accounts is given on pages 47, 48 and 49, taking account of Article 14 (3) (a) of the Netherlands Act on Annual Accounts. The principal investments are also shown on page 49. It is considered that these companies have principally affected the results or assets in terms of the United Kingdom Companies Act 1967.

# Notes to the consolidated profit and loss accounts

Figures in italics represent deductions  
Fl. 000's

Limited	N.V.	1970 Combined		1971 Combined	N.V.	Limited
<b>Costs include:</b>						
45,768	56,530	102,298	Hire of plant and machinery	114,031	64,003	50,028
264,793	401,307	666,100	Depreciation	666,598	398,634	267,964
1,829,736	2,677,931	4,507,667	Remuneration of employees including social security contributions	4,692,892	2,840,714	1,852,178
4,031	2,827	6,858	Emoluments of Directors as managers including contributions to pension funds for superannuation	7,003	2,877	4,126
1,738	651	2,389	Superannuation of former Directors	4,471	2,256	2,215
3,440	3,530	6,970	Auditors' remuneration	8,357	4,620	3,737
<b>17,437</b>	<b>23,677</b>	<b>41,114</b>	<b>Income from trade investments</b>	<b>30,992</b>	<b>13,042</b>	<b>17,950</b>
3,649	2,900	6,549	Quoted shares	5,339	2,422	2,917
11,911	13,515	25,426	Unquoted shares	22,722	8,653	14,069
912	589	1,501	Interest on loans	1,550	569	981
965	6,673	7,638	Profit/loss on disposal	1,381	1,398	17
<b>Interest on loan capital includes:</b>						
4,422	5,289	9,711	Interest on loans, the final repayment of which will be made within 5 years	19,551	15,036	4,515
3,727	24,535	20,808	<b>Other interest</b>	<b>13,608</b>	<b>199</b>	<b>13,807</b>
25,604	80,875	106,479	Interest paid on bank advances	95,907	65,723	30,184
26,768	56,340	83,108	Interest received	96,598	62,660	33,938
2,563	—	2,563	Profit/loss on marketable securities	12,917	2,864	10,053
<b>287,999</b>			<b>Taxation on profit of the year for Limited is made up of:</b>			<b>325,408</b>
165,550			U.K. corporation tax			239,987
77,340			less: Foreign tax relief			120,906
199,789			plus: Foreign taxes			206,327
26,464	41,652	15,188	<b>Exceptional items not applicable to current trading</b>	<b>22,142</b>	<b>30,538</b>	<b>8,396</b>
21,364	4,893	26,257	Taxation adjustments previous years	4,838	17,909	13,071
886	4,743	5,629	Nationalisation of interests, war damage, disposal and closing of units	29,968	17,970	11,998
2,563	41,802	44,365	Adjustment to provision for unfunded retirement benefits	8,305	6,201	2,104
8,549	—	8,549	Other profits	39,288	16,164	23,124
—	—	—	Other losses	18,319	4,622	13,697

# Notes to the consolidated balance sheets

Figures in italics represent deductions

	1970	1971
<b>Authorised</b>		
Fl. 000's		
75,000	75,000	
200,000	200,000	
75,000	75,000	
<b>350,000</b>	<b>350,000</b>	
£000's		
172	172	
3,503	3,503	
1,218	1,218	
250	250	
<b>5,143</b>	<b>5,143</b>	

	1970	1971
Fl. 000's		
1,002,400	1,002,400	
£000's		
136,176	136,176	
100	100	

	1970	
	Limited	N.V. Combined
Fl. 000's		
2,767,883	2,869,178	5,637,061
76,706	52,166	128,872
<b>151,580</b>	—	<b>151,580</b>
2,842,757	2,817,012	5,659,769
23,353	—	23,353
147,696	136,000	283,696

## Share capital

### Preferential capital (Fl. 000's)

<b>N.V.</b>	
7% Cumulative Preference	} Ranking } pari } passu
6% Cumulative Preference	
4% Cumulative Preference	
<b>Limited</b>	
5% First Cumulative Preference	
7% First Cumulative Preference	
8% Second Cumulative Preference	
20% Third Cumulative Preferred Ordinary	

Guilder equivalent (000's)

### Ordinary capital (Fl. 000's)

<b>N.V.</b>	
Ordinary	
Internal holdings eliminated in consolidation	
<b>Limited</b>	
Ordinary (in 25p shares)	
Guilder equivalent (000's)	
Deferred	

The 4% cumulative preference capital of N.V. is redeemable at par at the Company's option either wholly or in part.

### Profits retained and other reserves

at 31st December	
Premiums on capital issued	
Adjustment on conversion of Limited's ordinary capital at £1 = Fl. 12	
Profits retained	
Premiums on capital issued include the amount arising in 1970 on acquisition of a subsidiary by Limited.	
Profits retained include cumulative fixed assets replacement reserve	

	1970	1971
<b>Issued and fully paid</b>		
	<b>309,743</b>	<b>308,544</b>
Fl. 000's		
29,000	29,000	
161,060	161,060	
75,000	75,000	
<b>265,060</b>	<b>265,060</b>	
£000's		
172	172	
3,503	3,503	
1,218	1,218	
250	250	
<b>5,143</b>	<b>5,143</b>	
<b>Fl. 44,683</b>	<b>Fl. 43,484</b>	

	1970	1971
<b>1,189,369</b>		
<b>1,189,369</b>		
Fl. 000's		
642,565	642,565	
2,400	2,400	
<b>640,165</b>	<b>640,165</b>	
£000's		
45,767	45,767	
<b>Fl. 549,204</b>	<b>Fl. 549,204</b>	
100	100	

	1971	
	Combined	N.V. Limited
Fl. 000's		
5,792,900	3,037,822	2,755,078
126,815	52,166	74,649
<b>162,244</b>	—	<b>162,244</b>
5,828,329	2,985,656	2,842,673
—	—	—
338,409	171,000	167,409

# Notes to the consolidated balance sheets

Figures in italics represent deductions

1970

1,633,344

Fl. 000's
300,000
75,000
<hr/>
375,000
115,368
40,278
22,095
72,400
108,517
<hr/>
733,658
£000's
7,183
10,101
11,713
2,188
54,735
<hr/>
85,920
3,336
2,800
11,499
<hr/>
103,555
<hr/>
Fl. 899,686

Loan capital (Fl. 000's)

N.V.

6% Notes 1972/91  
8% Notes 1975  
6 3/4% Loan 1976

Subsidiaries

Netherlands: 4 1/2% Loans 1986/87  
Belgium: Revolving credit 1973 at variable rates (Average 5.6% 1971)  
Germany: 3%/4 1/2% Mortgages on factory ships repayable period to 1985  
U.S.A. 4 5/8% 20 year Notes 1973/82  
Others

Limited

3 3/4% Debenture stock 1955/75 } Ranking  
4% Debenture stock 1960/80 } pari passu  
6 3/4% Debenture stock 1985/88 }  
5 1/2% Unsecured loan stock } Ranking  
1991/2006 } pari passu  
7 3/4% Unsecured loan stock }  
1991/2006 }

Subsidiaries

Canada: 6% Debenture Series A 1985  
Australia: 7 3/4% Debentures 1982/87  
Others

Guilder equivalent (000's)

1971

1,659,607

Fl. 000's
300,000
120,331
50,778
<hr/>
471,109
115,368
40,278
22,555
64,800
78,064
<hr/>
792,174
£000's
7,053
10,101
11,713
2,188
54,735
<hr/>
85,790
3,155
2,800
10,849
<hr/>
102,594
<hr/>
Fl. 867,433

The three issues of debenture stock of Limited are secured by a floating charge on the assets of the Company.

During the year £130,000 of the 3 3/4% stock was purchased by Limited.

Fl. 000's

Limited	N.V.	1970 Combined
—	—	—
94,638	287,218	381,856
138,070	180,300	318,370
155,672	243,726	399,398
511,306	22,414	533,720
<hr/>	<hr/>	<hr/>
812,198	590,162	1,402,360

The repayments fall due as follows:

Within 1 year  
After 1 year but within 5 years  
After 5 years but within 10 years  
After 10 years but within 20 years  
After 20 years

of which:

Loans on which the final repayment will be made after 5 years amount to:

1971 Combined	N.V.	Limited
42,233	33,938	8,295
374,717	282,261	92,456
329,958	209,618	120,340
412,223	259,137	153,086
500,476	7,220	493,256
<hr/>	<hr/>	<hr/>
1,436,717	651,958	784,759

# Notes to the consolidated balance sheets

Figures in italics represent deductions

Fl. 000's

1970			1971		
Limited	N.V.	Combined	Combined	N.V.	Limited
447,089	441,506	888,595	979,009	485,465	493,544
122,622	93,907	216,529	302,708	148,861	153,847
140,290	905	141,195	127,077	5,066	132,143
184,177	346,694	530,871	549,224	341,670	207,554

### Deferred liabilities

Taxation not due before 1st January, 1973  
Deferred taxation  
Unfunded retirement benefits

**Inter-Group** consists of several accounts between **N.V.** and **Limited** and includes loans of £2,300,000 by **Limited** to **N.V.** secured on shares of subsidiaries of **N.V.**

### Contingent liabilities

The Parent companies have given guarantees in respect of subsidiary companies' liabilities included in the consolidated accounts.

Other guarantees amount to:

64,361	48,239	112,600	132,810	65,297	67,513
--------	--------	---------	---------	--------	--------

391,351	149,417	540,768	489,492	136,809	352,683
338,059	81,227	419,286	398,628	83,096	315,532
51,772	44,418	96,190	71,737	36,404	35,333
1,520	23,772	25,292	19,127	17,309	1,818

**Security** has been issued in respect of:

Loan capital  
Bank advances  
Creditors

**Bills discounted** at 31st December amount to:

19,157	94,047	113,204	114,164	98,040	16,124
--------	--------	---------	---------	--------	--------

### Land, buildings and plant

Land and buildings—freehold  
—leasehold—long-term  
(50 years or over)  
—leasehold—short-term  
Plant and equipment  
Ships and motor vehicles

1970	1971	Limited
5,370,619	2,920,580	2,450,039
2,080,759	1,211,272	869,487
274,661	23,066	251,595
110,157	25,675	84,482
2,571,544	1,507,220	1,064,324
333,498	153,347	180,151

# Notes to the consolidated balance sheets

Figures in italics represent deductions  
Fl. 000's

At 31st December, 1971 capital expenditure authorised by the Boards and still not spent was—N.V. Fl. 460,561,000 (1970: Fl. 499,792,000), Limited Fl. 243,901,000 (1970: Fl. 307,755,000). Of these amounts commitments had been entered into for N.V. Fl. 200,844,000 (1970: Fl. 237,880,000), Limited Fl. 95,017,000 (1970: Fl. 108,852,000).

In Limited investment grants receivable in the United Kingdom estimated at Fl. 6,815,000 (1970: Fl. 40,851,000) have been deducted in stating the expenditure for the year.

## Land, buildings and plant (continued)

### Cost—31st December, 1971

1st January, 1971  
Guilder/Sterling realignment  
Expenditure  
Proceeds of disposals  
New subsidiaries  
Disposals, revaluations and other adjustments

### Depreciation—31st December, 1971

1st January, 1971  
Guilder/Sterling realignment  
New subsidiaries  
Disposals, revaluations and other adjustments  
Charged to profit and loss accounts

Combined N.V. Limited

10,502,340 5,959,672 4,542,668

10,336,844 5,698,634 4,638,210

*124,390* — *124,390*

850,174 538,751 311,423

*101,136* *44,843* *56,293*

64,955 51,410 13,545

*524,107* *284,280* *239,827*

5,131,721 3,039,092 2,092,629

4,898,351 2,849,260 2,049,091

*54,954* — *54,954*

23,740 14,761 8,979

*402,014* *223,563* *178,451*

666,598 398,634 267,964

Limited N.V. **1970**  
**Combined**

104,647 94,416 199,063

24,891 45,161 70,052

51,537 40,132 91,669

28,219 9,123 37,342

7,063 1,888 8,951

*9,114* *15,216* *24,330*

83,431 37,391 120,822

104,074 62,891 166,965

189,225 139,821 329,046

22,076 16,963 39,039

### Trade investments

Quoted shares  
Unquoted shares  
Loans

**1971**  
**Combined** N.V. Limited

**207,772** 94,221 113,551

63,777 41,481 22,296

113,669 44,363 69,306

30,326 8,377 21,949

### Movements during the year:

Additions  
Disposals and other adjustments

37,205 9,016 28,189

*28,496* *9,211* *19,285*

Market value quoted shares

132,845 38,597 94,248

Directors' valuation of unquoted shares—  
on the basis of the book value of underlying net  
assets

195,782 78,553 117,229

### Attributable share of:

Net assets  
Net profits after tax

333,830 154,778 179,052

38,356 13,118 25,238

# Notes to the consolidated balance sheets

Figures in italics represent deductions  
Fl. 000's

Limited	N.V.	1970 Combined		1971 Combined	N.V.	Limited
<b>Long-term debtors</b> are debtors not due for repayment within one year						
<b>2,127,292</b>	<b>2,208,306</b>	<b>4,335,598</b>	<b>Stocks</b>	<b>4,341,577</b>	<b>2,318,870</b>	<b>2,022,707</b>
899,234	1,241,660	2,140,894	Raw materials and stocks in process	2,132,234	1,344,329	787,905
486,311	885,668	1,371,979	Finished products	1,381,067	891,015	490,052
741,747	80,978	822,725	Merchandise and other stocks	828,276	83,526	744,750
1,144,401	965,079	2,109,480	<b>Debtors</b> include:	2,008,893	948,171	1,060,722
Trade debtors						
807,028	739,404	1,546,432	<b>Creditors</b> include:	1,571,855	762,661	809,194
11,755	47,149	58,904	Debts to suppliers	—	—	—
19,765	14,644	34,409	Short-term portion of loan capital	—	—	—
Short-term portion of unfunded retirement benefits						
43,014 21,978 21,036						
<b>133,804</b>	<b>264,173</b>	<b>397,977</b>	<b>Marketable securities</b>	<b>253,631</b>	<b>146,718</b>	<b>106,913</b>
87,810	87,904	175,714	Quoted	147,050	61,587	85,463
45,994	176,269	222,263	Unquoted	106,581	85,131	21,450
86,559	90,916	177,475	Market value of quoted	147,050	61,587	85,463

# Unilever N.V. balance sheet

as at 31st December

*Figures in italics represent deductions*

Fl. 000's

1970			1971
		<b>Capital employed</b>	
265,060		<b>Preferential capital</b>	265,060
		<b>Ordinary capital and reserves</b>	
	642,565	Ordinary capital	642,565
	52,166	Premiums on capital issued	52,166
	<u>561,873</u>	Profits retained	<u>688,554</u>
1,256,604			1,383,285
375,000		<b>Loan capital</b>	471,109
		<b>Deferred liabilities</b>	22,724
20,937		Inter-Group—Limited	<u>6,295</u>
<u>1,597</u>			<u>2,135,883</u>
<u>1,916,004</u>			
		<b>Employment of capital</b>	
		<b>Interests in subsidiaries</b>	
	260,375	Shares	304,486
	1,765,425	Advances	1,653,049
	<u>177,933</u>	Deposits	<u>28,414</u>
1,847,867			1,929,121
18,890		<b>Long-term debtors</b>	2,227
		<b>Net current assets</b>	
	26,329	Debtors	27,306
	<u>54,966</u>	Creditors	<u>86,490</u>
	52,059	Provision for taxation	64,614
	<u>102,160</u>	Dividends due or proposed	<u>127,900</u>
	88,923	Marketable securities	10,002
	<u>143,180</u>	Cash and deposits	<u>446,231</u>
49,247			204,535
<u>1,916,004</u>			<u>2,135,883</u>

The Board of Directors.

# Notes to Unilever N.V. Balance sheet

Figures in italics represent deductions  
Fl. 000's

1970		1971
	<b>Profits retained</b>	
511,712	1st January	561,873
—	Revaluation of advances to subsidiaries	4,991
50,161	Profit of the year retained	121,690
15,000	of which: fixed assets replacement reserve (on behalf of subsidiaries)	35,000
561,873	31st December	688,554
	of which:	
136,000	Fixed assets replacement reserve (on behalf of subsidiaries)	171,000
	<b>Loan capital</b> includes an amount of Fl. 15 million which has to be repaid in 1972.	
	<b>Deferred liabilities</b> represent provision for deferred taxation which was shown as Provision for taxation in 1970.	
	<b>Interests in subsidiaries</b> Shares in subsidiaries are stated at cost. Profits retained and the profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated balance sheet and profit and loss account, mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.	
	<b>Long-term debtors</b> include:	
15,000	Deposit with an institution not due for repayment within one year	—
358	Advances covered by mortgages	—
	<b>Debtors</b> include:	
624	Payments in advance	3,039
504	Trade debtors	51
870	Advances covered by mortgages	—
	<b>Creditors</b> include:	
2,378	Debts to suppliers	2,268
	<b>Marketable securities</b> include:	
9,361	Quoted stocks	10,002
79,562	Unquoted—short-term investments now classified as Cash and deposits	—
	<b>Proposed profit appropriation</b> in accordance with art. 41 of the Articles of Association	
238,660	Profit of the year	334,835
14,694	Preference dividends	14,694
223,966	Profit at disposal of the annual general meeting of shareholders	320,141
173,805	Ordinary dividends	198,451
50,161	Profit of the year retained	121,690

# Unilever Limited balance sheet

as at 31st December

*Figures in italics represent deductions*  
£000's

1970			1971
		<b>Capital employed</b>	
5,143		<b>Preferential capital</b>	5,143
		<b>Ordinary and deferred capital and reserves</b>	
	45,767	Ordinary capital	45,767
	100	Deferred capital	100
	8,829	Premiums on capital issued	8,829
	<u>171,561</u>	Profits retained and other reserves	<u>175,012</u>
226,257			229,708
85,920		<b>Loan capital</b>	85,790
		<b>Deferred liabilities</b>	8,431
7,122		Inter-Group—N.V.	3,096
3,171			<u>332,168</u>
<u>327,613</u>			
		<b>Employment of capital</b>	
12,204		<b>Land, buildings and plant</b>	12,962
2,534		<b>Trade investments</b>	2,384
		<b>Interests in subsidiaries</b>	
	179,960	Shares	174,416
	183,450	Advances	178,693
	<u>63,188</u>	Deposits	<u>89,678</u>
300,222			263,431
		<b>Net current assets</b>	
	5,532	Debtors	3,015
	<u>9,263</u>	Creditors	<u>8,651</u>
	1,723	Provision for taxation	1,704
	<u>8,363</u>	Dividends due or proposed	<u>10,769</u>
		Marketable securities	9,462
	8,610	Cash and deposits	62,765
	17,860	Short-term borrowings	<u>727</u>
	<u>12,653</u>		<u>53,391</u>
<u>327,613</u>			<u>332,168</u>

E. G. WOODROOFE, Chairman  
G. D. A. KLIJNSTRA, Vice-Chairman



# Notes to Unilever Limited Balance sheet

Figures in italics represent deductions  
£000's

1970		1971
	<b>Trade investments:</b> at net book value at 31st December, 1947 with additions at cost or valuation less £776,000 written off.	
662	Quoted shares	662
1,263	Unquoted shares	1,111
609	Loans	611
<u>2,534</u>		<u>2,384</u>
4,683	Market value of quoted shares	5,581
	Directors' valuation of unquoted shares— on the basis of the book value of underlying net assets	<u>3,003</u>
<u>2,376</u>		

Shares in subsidiaries are stated at Directors' valuation made on the re-arrangement of the Unilever groups in 1937, with bonus shares at par and other additions at cost or valuation less amounts written off.

8,609
<u>8,490</u>
1
<u>8,610</u>
17

## Interests in subsidiaries

Profits retained and the profit of the year shown in this balance sheet and the notes thereto are less than the amounts shown under these headings in the consolidated

balance sheet and profit and loss account, mainly because only part of the profits of the subsidiaries is distributed in the form of dividend.

## Marketable securities

8,609	Quoted	9,461
<u>8,490</u>	Market value	<u>9,461</u>
1	Unquoted	1
<u>8,610</u>		<u>9,462</u>
17	Profit of the year is after charging Auditors' remuneration	<u>21</u>

## Emoluments of Directors and senior employees

Excluding the Chairman the following numbers of Directors received remuneration as follows:

1970	1971
3 Up to £2,500	—
3 £2,501–£5,000	4
1 £7,501–£10,000	3
5 £10,001–£12,500	3
— £12,501–£15,000	1
2 £15,001–£17,500	2
1 £17,501–£20,000	4
5 £20,001–£22,500	3
3 £22,501–£25,000	2
— £25,001–£27,500	1
1 £27,501–£30,000	1
1 £30,001–£32,500	1
25	25

During 1971 there were six Directors who served for only part of the year (1970: eight).

The Chairman received remuneration of £40,000. (In 1970 Dr. E. G. Woodroffe received £40,000, including £26,667 as chairman, and Lord Cole received £3,333 as chairman.)

All contracts of service of Directors with the Company or any of its subsidiaries are determinable by the employing company without payment of compensation at less than one year's notice.

The undernoted number of employees employed wholly or mainly in the United Kingdom, receiving remuneration in excess of £10,000 includes chairmen and directors of wholly owned subsidiary companies.

1970	1971
51 £10,000–£12,500	79
21 £12,501–£15,000	27
10 £15,001–£17,500	12
4 £17,501–£20,000	7
1 £20,001–£22,500	3
1 £22,501–£25,000	1
— £25,001–£27,500	1
88	130

# Principal Subsidiaries

N.V.'s principal subsidiaries are held through subsidiaries with the exception of Van den Bergh's en Jurgens' Fabrieken, Lipoma, Marga, Mavibel, Noorda, Saponia, Unilever Grondstoffen Mij. and Wemado, in the Netherlands.

Limited's principal subsidiaries are held

	% of equity held
<b>Europe</b>	
<b>Belgium—N.V. group</b>	
Hartog's Levensmiddelen N.V., Brussels	99
Iglo-Ola N.V., Brussels	99
Lever N.V., Brussels	99
Union N.V., Merksem-Antwerp	99
N.V. Zwabenberg's Levensmiddelenbedrijf 'Zwan', Schoten	99
<b>Denmark—N.V. group</b>	
Sol Is A/S, Gentofte	
Uni-Dan A/S, Copenhagen	
<b>Germany—N.V. group</b>	
Deutsche Lebensmittelwerke G.m.b.H., Hamburg	
'Deutsche See' Fischgrosshandels- G.m.b.H., Bremerhaven	68
Deutsche Unilever G.m.b.H., Hamburg	
Schiffahrts- und Speditionskontor 'Elbe' G.m.b.H., Hamburg	
Elida-Gibbs G.m.b.H., Hamburg	
Folienfabrik Forchheim G.m.b.H., Forchheim	100
Preference capital held	100
Frowein & Nolden G.m.b.H., Düsseldorf	92
Preference capital held	100
Papierfabrik Günzach G.m.b.H., Günzach	
Langnese-Iglo G.m.b.H., Hamburg	75
Lever Sunlicht G.m.b.H., Hamburg	
Margarine-Union G.m.b.H., Hamburg	
Meistermarken-Werke G.m.b.H. Spezialfabrik für Back- und Grossküchenbedarf, Bremen	
Heinrich Nicolaus G.m.b.H., Kempten	
Heinrich Nicolaus, Pergamentpapierfabrik, G.m.b.H., Ronsberg	
'Nordsee' Deutsche Hochseefischerei G.m.b.H., Bremerhaven	68
Preference capital held	68
R. Rube & Co. G.m.b.H., Göttingen	
Scado G.m.b.H., Emslage	
'Seeadler' Deutsche Fischindustrie G.m.b.H., Cuxhaven	68
Papierfabrik Seltmans G.m.b.H., Seltmans	
'Unichema' Chemie-Gesellschaft m.b.H., Hamburg	

directly with the exception of Commercial Plastics, Mattessons Meats, Synthetic Resins and Vinyl Products in the United Kingdom, Monarch Fine Foods in Canada and the interests in Africa [except Pamol (Cameroons), and Lever Brothers Zambia], Australasia, Ceylon, France and Malaysia [excluding Pamol (Sabah)].

	% of equity held
<b>Spain—N.V. group</b>	
Agra S.A., Lamiacó	
Lever Ibérica S.A., Madrid	
<b>France—Limited group</b>	
Compagnie du Niger Français S.A., Paris	81
Fragep S.A., Paris	85
<b>—N.V. group</b>	
Astra-Calvé S.A., Courbevoie	97
Bertrand Frères S.A., Grasse	98
Compagnie Française de Nutrition Animale S.A., Tours	98
Emballages Publicitaires de France S.A., Allonne	99
La Roche aux Fées S.A., Nantes	85
Etablissements Rousset S.A., Vénissieux	92
Société Autonome de Transports et de Magasinage S.A., Paris	99
Savonneries Lever S.A., Paris	99
Sheby S.A., Bezons	80
Thibaud Gibbs et Cie S.A., Paris	99
Unilever Export France S.A., Puteaux	99
<b>Greece—N.V. group</b>	
Industrie Hellénique de Détergents S.A. (E.V.A.), Athens	79
Lever Hellas A.E., Athens	79
<b>Republic of Ireland—Limited group</b>	
Lever Brothers (Ireland) Ltd., Dublin	
W. & C. McDonnell Ltd., Dublin	
Paul and Vincent Ltd., Dublin	
<b>Italy—N.V. group</b>	
Algel-Findus S.p.A., Cisterna	75
Sages S.p.A., Rome	75
Unil-It S.p.A., Milan	
<b>Netherlands—N.V. group</b>	
N.V. Afrikaansche en Oostersche Handel Maatschappij (Holland), Rotterdam	
Van den Bergh's en Jurgens' Fabrieken N.V., Rotterdam	
Preference capital held	99
Koninklijke Maatschappij De Betuwe N.V., Tiel	
Van Breugel's Fabrieken N.V., Barneveld	
Calvé-De Betuwe N.V., Delft	
Maatschappij tot Exploitatie der Oliefabrieken Calvé-Delft N.V., Delft	

Where holdings are less than 100% of the equity capital percentages are stated after rounding off. Where applicable the percentage of preference capital held is also stated.

	% of equity held
Croklaan N.V., Wormerveer	
Drukkerij Reclame N.V., Rotterdam	
N.V. H. Hartog's Fabrieken, Oss	
Preference capital held	100
Iglo N.V., Utrecht	
Lever's Zeep-Maatschappij N.V., Rotterdam	
'Lipoma' Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V., Rotterdam	
Lucas Aardenburg N.V., Hoogeveen	
'Marga', Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V., Rotterdam	
N.V. Handelmaatschappij 'Marko', Rotterdam	
Mavibel (Maatschappij voor Internationale Beleggingen) N.V., Rotterdam	
N.V. Mengvoeder U.T.-Delfia, Maarssen	
Handelmaatschappij Noorda N.V., Amsterdam	
* Pensioenverzekeringmaatschappij 'Progress' N.V., Rotterdam	
N.V. Bakhuis' Vleeschwaren- en Conservenfabrieken 'Olba', Olst	
Safial N.V., Rotterdam	75
'Saponia', Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V., Rotterdam	
Scado N.V., Zwolle	
Preference capital held	100
Sheby-Kemi N.V., Wormerveer	64
U. Twijnstra's Oliefabrieken N.V., Akkrum	
Preference capital held	100
N.V. Exportslachterij Udema, Gieten	
Unilever-Emery N.V., Gouda	50
Preference capital held	50
Unilever Export N.V., Rotterdam	
Unilever Grondstoffen Maatschappij N.V., Rotterdam	
Unox N.V., Oss	
Verenigde Oliefabrieken Zwiindrecht N.V., Zwiindrecht	
N.V. Vereenigde Zeepfabrieken, Rotterdam	
Viruly N.V., Maarssen	

\* Pensioenverzekeringmaatschappij 'Progress' N.V. is not consolidated. It publishes separate accounts.

	% of equity held		% of equity held		% of equity held
'Wemado', Maatschappij tot Beheer van Aandeelen in Industrieële Ondernemingen N.V., Rotterdam Zwanenberg's Fabrieken N.V., Oss		Commercial Plastics Industries Ltd., Wallsend		<b>Brazil—N.V. group</b> Industrias Gessy Lever S.A., Sao Paulo	99
<b>Austria—N.V. group</b> Allpack Verpackungen Gesellschaft m.b.H., Vienna		C.W.A. Holdings Ltd., London		<b>Colombia—N.V. group</b> Compañia Colombiana de Grasas 'Cogra' S.A., Bogotá	
'Apollo' Seifen und Waschmittel G.m.b.H., Vienna		Joseph Crosfield & Sons Ltd., Warrington		<b>Trinidad—Limited group</b> Lever Brothers West Indies Ltd., Port of Spain	75
Elida Gesellschaft m.b.H., Vienna		Elida Gibbs Ltd., London		<b>Venezuela—N.V. group</b> Lever S.A., Caracas	
Eskimo-Iglo G.m.b.H., Vienna	75	Food Industries Ltd., Liverpool		<b>Africa</b>	
'Kunero' Nahrungsmittel G.m.b.H., Vienna		Robert Lawson & Sons (Dyce) Ltd., Aberdeen		<b>Cameroons—Limited group</b> Pamol (Cameroons) Ltd., London	
Österreichische Unilever G.m.b.H., Vienna		Lever Brothers Ltd., London		Plantations Pamol du Cameroun Ltd., Victoria	
<b>Portugal—N.V. group</b> Iglo Indústrias de Gelados, Lda., Lisbon	74	Leverton Group Ltd., London		<b>Republic of the Congo (Brazzaville)</b> —Limited group Société Commerciale du Kouilou Niari-Congo S.A., Brazzaville	96
Indústrias Lever Portuguesa, Lda., Sacavem	60	Mac Fisheries Ltd., Bracknell		<b>Republic of Zaire—Limited group</b> Sedec S.A.R.L., Kinshasa	99
<b>Switzerland—N.V. group</b> 'Astra', Fett- und Oelwerke A.G., Steffisburg	84	Mattessons Meats Ltd., London		—N.V. group Plantations Lever au Zaire S.A.R.L., Kinshasa	98
Elida Cosmetic A.G., Zürich		Midland Poultry Holdings Ltd., Craven Arms		Compagnie des Margarines, Savons et Cosmétiques au Zaire S.A.R.L., Kinshasa	99
Oel- und Fettwerke 'Sais' A.G., Zürich	99	Palm Line Ltd., London		<b>Gabon—Limited group</b> Hatton et Cookson Ltd., Libreville	
Sunlight A.G., Olten		Price's Chemicals Ltd., Bromborough		<b>Ghana—Limited group</b> African Timber & Plywood (Ghana) Ltd., Accra	
<b>Finland—N.V. group</b> Gibbs Oy, Turku		Proprietary Perfumes Ltd., Ashford		Ghana Consolidated Machinery and Trading Company Ltd., Accra	
Lumivalko Oy, Turku		Reichhold Chemicals Ltd., Liverpool		Kingsway Stores of Ghana Ltd., Accra	89
S.W. Paasivaara-Yhtymä Oy, Helsinki		Richmond Sausage Company Ltd., Liverpool		Lever Brothers Ghana Ltd., Accra	51
Turun Saippua Oy, Åbo		S.P.D. Ltd., Watford		G. B. Ollivant (Ghana) Ltd., Accra	
<b>Sweden—N.V. group</b> AB Agra Margarinfabrik, Stockholm		Synthetic Resins Ltd., Liverpool		The United Africa Company of Ghana Ltd., Accra	
AB Bjäre Industrier, Arboga		Thames Board Mills Ltd., Purfleet		<b>Ivory Coast—Limited group</b> Compagnie Française de la Côte d'Ivoire S.A., Abidjan	99
Blå Band Produkter AB, Halmstad		Thames Case Ltd., Purfleet		<b>Kenya—Limited group</b> East Africa Industries Ltd., Nairobi	54
AB Centrava, Stockholm		U.K. Compound Feeds Ltd., London		Gailey & Roberts Ltd., Nairobi	
Fastighets AB Agra, Stockholm		Unilever Export Ltd., London		<b>Malawi—Limited group</b> Lever Brothers (Malawi) Ltd., Limbe	
AB Liva Fabriker, Kalmar		Unilever (Commonwealth Holdings) Ltd., London			
Novia Livsmedelsindustrier AB, Stockholm		UML Ltd., Port Sunlight			
Scado AB, Landskrona		The United Africa Company Ltd., London			
AB Sunlight, Stockholm		U.A.C. Holdings Ltd., London			
Margarin AB Svea, Kalmar		Van den Berghs and Jurgens Ltd., London			
Trollhätteglass AB, Nacka		Vinyl Products Ltd., Carshalton			
AB Vandenberghs Margarin, Stockholm		T. Wall & Sons Ltd., London			
<b>Turkey—N.V. group</b> Unilever-Is Ticaret ve Sanayi Türk Limited Sirketi, Istanbul	80	John West Foods Ltd., Liverpool			
<b>United Kingdom—Limited group</b> Associated Feed Manufacturers Ltd., Belfast		<b>North and South America</b>			
Austin Packaging Ltd., Bromborough		<b>Canada—Limited group</b> Lever Brothers Ltd., Toronto			
Batchelors Foods Ltd., Sheffield		Monarch Fine Foods Co. Ltd., Toronto			
Birds Eye Foods Ltd., Walton-on-Thames		—N.V. group Thomas J. Lipton Ltd., Toronto	99		
BOCM Silcock Ltd., Basingstoke		<b>Netherlands Antilles—N.V. group</b> N.V. Becumij, Willemstad	99		
Chemical and Industrial Investment Company Ltd., Wallsend		Mavibel International N.V., Willemstad			
Clynol Ltd., London		<b>Mexico—N.V. group</b> Lever de Mexico S.A. de C.V., Mexico			
		<b>United States of America—N.V. group</b> Lever Brothers Company, Portland	99		
		Thomas J. Lipton Inc., Dover	100		
		Preference capital held			
		<b>Argentina—N.V. group</b> Lever y Asociados Sociedad Anonima Comercial Industrial y Financiera, Buenos Aires	99		

	% of equity held		% of equity held		% of equity held		
<b>Nigeria—Limited group</b>							
African Timber & Plywood (Nigeria) Ltd., Lagos		<b>Tanzania—Limited group</b>					
Bordpak Ltd., Lagos		The United Africa Company of Tanzania Ltd., Dar-es-Salaam					
G. Gottschalck and Company (West Africa) Ltd., Lagos		<b>Uganda—Limited group</b>					
Kingsway Stores of Nigeria Ltd., Lagos		Gailey & Roberts (Uganda) Ltd., Kampala					
Lever Brothers (Nigeria) Ltd., Apapa		<b>Zambia—Limited group</b>					
Niger Motors Ltd., Lagos		Lever Brothers Zambia Ltd., Ndola					
Norspin Ltd., Lagos	63	K. B. Davies & Co. (Zambia) Ltd., Chingola					
G. B. Ollivant (Nigeria) Ltd., Lagos		<b>Rest of World</b>					
Pamol (Nigeria) Ltd., Lagos		<b>Ceylon—Limited group</b>					
The United Africa Company of Nigeria Ltd., Lagos		Lever Brothers (Ceylon) Ltd., Colombo					
U.A.C. (Technical) Ltd., Lagos		<b>India—Limited group</b>					
<b>Rhodesia—Limited group</b>							
Lever Brothers (Private) Ltd., Salisbury							
<b>Sierra Leone—Limited group</b>							
The United Africa Company of Sierra Leone Ltd., Freetown							
<b>South Africa—Limited group</b>							
Hudson & Knight (Pty.) Ltd., Durban							
Lever Brothers (Pty.) Ltd., Durban							
Lever's Stock Feeds (Pty.) Ltd., Durban							
Unilever South Africa (Pty.) Ltd., Durban							
Van den Berghs and Jurgens (Pty.) Ltd., Durban							
T. Wall & Sons (Pty.) Ltd., Durban							
<b>Indonesia—N.V. group</b>							
Van den Bergh's Fabrieken Indonesia N.V., Djakarta							
Maatschappij ter Exploitatie der Colibri-Fabrieken N.V., Djakarta							
Lever's Zeepfabrieken Indonesia N.V., Djakarta							
<b>Japan—N.V. group</b>							
Hohnen-Lever Company Ltd., Tokyo 70							
<b>Malaysia—Limited group</b>							
Lever Brothers (Malaysia) Sdn. Bhd., Kuala Lumpur							
Pamol (Malaya) Sdn. Bhd., Kuala Lumpur							
Pamol (Sabah) Ltd., London							
<b>Pakistan—Limited group</b>							
Lever Brothers Pakistan Ltd., Karachi 70							
<b>Philippines—N.V. group</b>							
Philippine Refining Company Inc., Manila							
<b>Thailand—N.V. group</b>							
Lever Brothers (Thailand) Ltd., Bangkok							
<b>Australia—Limited group</b>							
Rosella Foods Pty. Ltd., Richmond							
Streets Ice Cream Pty. Ltd., Sydney							
Unilever Australia Pty. Ltd., Sydney							
<b>New Zealand—Limited group</b>							
Lever Brothers (New Zealand) Ltd., Petone							
Unilever New Zealand Ltd., Petone							

## Unilever principal investments

	% of equity held		% of equity held		% of equity held		
<b>Germany—N.V. group</b>							
Fritz Homann G.m.b.H.	50	<b>United Kingdom—Limited group</b>					
* Allied Suppliers Ltd. stock units 9% } 12							
shares 100% }							
<b>Netherlands—N.V. group</b>							
Hatéma-Texoprint N.V.	43	<b>Nigeria—Limited group</b>					
Guinness (Nigeria) Ltd. 29							
Nigerian Breweries Ltd. 33							

\* Early in 1972 the investment in Allied Suppliers Limited was sold. In addition to its retailing interests, Allied Suppliers has a world-wide tea business and, outside the United States and Canada where the Lipton companies are Unilever subsidiaries, world-wide rights to the Lipton name. The investment was sold on terms whereby

Unilever will in due course become entitled and bound to acquire the Allied Suppliers tea business and its rights to the Lipton name at a fair price to be determined by an independent accountant. Allied Suppliers will retain the right to use the name for its retail stores in the United Kingdom and Republic of Ireland.

# Combined earnings per share and dividend

1971 above 1970	Dutch Guilders	Sterling pence	Austrian Schillings	Belgian Francs	French Francs	German Marks	Swiss Francs	U.S. Dollars
Earnings <sup>1)</sup>								
Per Fl. 12 or £1 of ordinary capital	<b>9.05</b> 6.92	<b>107.06</b> 79.66	<b>65.03</b> 49.72	<b>125.03</b> 95.59	<b>14.27</b> 10.62	<b>8.99</b> 7.00	<b>10.70</b> 8.36	<b>2.79</b> 1.91
Per Fl. 20 of ordinary capital	<b>15.09</b> 11.53	<b>178.43</b> 132.77	<b>108.38</b> 82.86	<b>208.38</b> 159.32	<b>23.78</b> 17.70	<b>14.98</b> 11.66	<b>17.83</b> 13.93	<b>4.66</b> 3.19
Dividend								
Per Fl. 20 of ordinary capital	<b>6.20</b> 5.43	<b>74.67</b> 62.77	<b>44.54</b> 39.01	<b>85.64</b> 75.00	<b>9.77</b> 8.33	<b>6.16</b> 5.49	<b>7.33</b> 6.56	<b>1.91</b> 1.50

<sup>1)</sup> The figure of earnings per share should not be considered as more than a guide for comparing the combined profits from year to year, and should not be taken as the amount that would be paid to the ordinary

shareholders, if all the profits for the year were distributed as dividend. Reference is made to the booklet, Equalisation Agreement and Earnings per Share, reprinted in 1967, which is available on request.

In calculating the earnings per share 73% (1970: 62 1/2%) of the 33,775,596 **Limited** ordinary shares held by the Leverhulme Trust has been excluded from the profit participation.

# Salient figures in other currencies

All figures relate to **N.V.** and **Limited** groups combined.

The Salient figures given on page 6 are shown below in the currencies indicated.

Million—1971 above 1970	Sterling £	Austrian Schillings	Belgian Francs	French Francs	German Marks	Swiss Francs	U.S. Dollars
Sales to third parties	<b>3,069</b> 2,868	<b>183,317</b> 178,992	<b>365,760</b> 344,161	<b>40,909</b> 38,231	<b>26,657</b> 25,193	<b>30,224</b> 30,085	<b>7,526</b> 6,883
Operating profit	<b>203</b> 165	<b>12,327</b> 10,295	<b>23,710</b> 19,795	<b>2,707</b> 2,199	<b>1,705</b> 1,449	<b>2,028</b> 1,730	<b>529</b> 396
Interest on loan capital	<b>13</b> 12	<b>776</b> 720	<b>1,492</b> 1,385	<b>170</b> 154	<b>107</b> 101	<b>128</b> 121	<b>33</b> 28
Profit of the year before taxation	<b>196</b> 156	<b>11,871</b> 9,721	<b>22,834</b> 18,690	<b>2,607</b> 2,076	<b>1,642</b> 1,368	<b>1,953</b> 1,634	<b>510</b> 374
Taxation on profit of the year	<b>91</b> 76	<b>5,503</b> 4,734	<b>10,584</b> 9,102	<b>1,208</b> 1,011	<b>761</b> 666	<b>906</b> 796	<b>236</b> 182
Consolidated profit of the year	<b>102</b> 77	<b>6,171</b> 4,796	<b>11,870</b> 9,221	<b>1,355</b> 1,024	<b>854</b> 675	<b>1,015</b> 806	<b>265</b> 184
Profit of the year accruing to ordinary capital	<b>99</b> 75	<b>6,041</b> 4,665	<b>11,620</b> 8,970	<b>1,326</b> 996	<b>836</b> 657	<b>994</b> 784	<b>259</b> 180
Ordinary dividends	<b>41</b> 35	<b>2,502</b> 2,203	<b>4,813</b> 4,236	<b>549</b> 470	<b>346</b> 310	<b>412</b> 370	<b>107</b> 85
Profit of the year retained	<b>58</b> 40	<b>3,539</b> 2,462	<b>6,807</b> 4,734	<b>777</b> 526	<b>490</b> 347	<b>582</b> 414	<b>152</b> 95
Capital employed	<b>1,199</b> 1,140	<b>72,811</b> 71,177	<b>140,046</b> 136,857	<b>15,987</b> 15,203	<b>10,071</b> 10,018	<b>11,981</b> 11,964	<b>3,125</b> 2,737
Net liquid funds	<b>124</b> 53	<b>7,551</b> 3,307	<b>14,524</b> 6,359	<b>1,658</b> 706	<b>1,044</b> 466	<b>1,243</b> 556	<b>324</b> 127
Capital expenditure	<b>101</b> 114	<b>6,105</b> 7,132	<b>11,742</b> 13,714	<b>1,340</b> 1,523	<b>844</b> 1,004	<b>1,005</b> 1,199	<b>262</b> 274
Depreciation	<b>79</b> 77	<b>4,786</b> 4,785	<b>9,206</b> 9,200	<b>1,051</b> 1,022	<b>662</b> 673	<b>788</b> 804	<b>205</b> 184

The figures shown above for both years have been converted at the appropriate rates for the country concerned, except that those in sterling are the same as in **Limited's** Report and Accounts.

# Dates for Unilever N.V. shareholders to note

## Dividends

Ordinary	Interim	Announced mid-November. Payable mid-December (New York shares: second half of December).
	Final	Proposed end of February. Payable mid-May (New York shares: about end of May).
7% and 6% Cumulative Preference	First half	Payable 1st July.
	Second half	Payable 2nd January.
4% Cumulative Preference	First half	Payable 1st October.
	Second half	Payable 1st April.

## Interim announcement of results

First quarter results	Mid-May.
First half-year results	Mid-August.
Nine months results	Mid-November.
Provisional results for the year	End of February.