

UNILEVER N V
Form 20-F
March 07, 2014
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

(Mark one)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE
SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number 001-04547

UNILEVER N.V.

(Exact name of Registrant as specified in its charter)

The Netherlands

(Jurisdiction of incorporation or organization)

Weena 455, 3013 AL, Rotterdam, The Netherlands

Edgar Filing: UNILEVER N V - Form 20-F

(Address of principal executive offices)

T.E. Lovell, Group Secretary

Tel: +44(0)2078225252, Fax: +44(0)2078225464

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

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

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

Title of each class	Name of each exchange on which registered
N.V. New York registry shares each representing one ordinary share of nominal amount of 0.16 each	New York Stock Exchange

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

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

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

The total number of outstanding shares of the issuer's capital stock at the close of the period covered by the annual report was:
1,714,727,700 ordinary shares

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

Yes No

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

Yes No

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

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large Accelerated filer Accelerated filer Non-accelerated filer

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

Edgar Filing: UNILEVER N V - Form 20-F

U.S. GAAP

International Financial Reporting Standards
as issued by the International Accounting
Standards Board

Other

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

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

Yes No

Table of Contents

CAUTIONARY STATEMENT

This document may contain forward-looking statements, including forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as will, aim, expects, anticipates, intends, looks, believes, vision, or the negative terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; Unilever's ability to innovate and remain competitive; Unilever's investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high and ethical standards; and managing regulatory, tax and legal matters. Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Group's Annual Report on Form 20-F for the year ended 31 December 2013 and the Annual Report and Accounts 2013. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Table of Contents

ANNUAL REPORT ON FORM 20-F 2013

UNILEVER N.V. AND UNILEVER PLC

MAKING SUSTAINABLE

LIVING COMMONPLACE

Table of Contents**CONTENTS**

Item 1	<u>Identity of Directors, Senior Management and Advisers</u>	1
Item 2	<u>Offer Statistics and Expected Timetable</u>	1
Item 3	<u>Key Information</u>	2
Item 4	<u>Information on the Company</u>	8
Item 4A	<u>Unresolved Staff Comments</u>	8
Item 5	<u>Operating and Financial Review and Prospects</u>	9
Item 6	<u>Directors, Senior Management and Employees</u>	13
Item 7	<u>Major Shareholders and Related Party Transactions</u>	14
Item 8	<u>Financial Information</u>	14
Item 9	<u>The Offer and Listing</u>	15
Item 10	<u>Additional Information</u>	16
Item 11	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	18
Item 12	<u>Description of Securities Other than Equity Securities</u>	18
Item 13	<u>Defaults, Dividend Arrearages and Delinquencies</u>	19
Item 14	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	20
Item 15	<u>Controls and Procedures</u>	20
Item 16	<u>Reserved</u>	20
Item 17	<u>Financial Statements</u>	21
Item 18	<u>Financial Statements</u>	22
Item 19	<u>Exhibits</u>	28

Table of Contents

References in this Report on Form 20-F are to certain references in the Group's Annual Report and Accounts 2013 that include pages incorporated therein, including any page references incorporated in the incorporated material, unless specifically noted otherwise.

The following pages and sections of the Group's Annual Report and Accounts 2013 and specified information referenced therein, regardless of their inclusion in any cross-reference below, are hereby specifically excluded and are not incorporated by reference into this report on

Form 20-F:

Operational highlights on page 2;
pages 4 to 7;

Five-year historical Total Shareholder Return (TSR) Performance on page 82;
pages 86 to 89;

pages 136 to 145; and

information on our website or any other website or social media site, including our Facebook, Twitter and LinkedIn pages.

This report on Form 20-F and the Group's Annual Report and Accounts 2013 (furnished separately on 7 March 2014 under Form 6-K) contain certain measures that are not defined by generally accepted accounting principles (GAAP) such as IFRS. We believe this information, along with comparable GAAP measurements, is useful to investors because it provides a basis for measuring our operating performance, ability to retire debt and invest in new business opportunities. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our operating performance and value creation. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. Non-GAAP financial measures as reported by us may not be comparable with similarly titled amounts reported by other companies. In addition, there are limitations on the usefulness of our reported non-GAAP financial measures.

We report on the following non-GAAP measures:

underlying sales growth;

underlying volume growth;

core operating profit and core operating margin (including acquisition and disposal related costs, gain/(loss) on disposal of group companies, impairments and other one-off costs (non-core items));

core earnings per share (core EPS);

free cash flow; and

net debt.

The information set forth under the heading Non-GAAP measures on pages 32 to 33 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference. Within these pages further information about the above measures can be found.

THE UNILEVER GROUP

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

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

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

ITEM 1. IDENTITY OF DIRECTORS,

SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND

EXPECTED TIMETABLE

Not applicable.

Table of Contents**ITEM 3. KEY INFORMATION****A. SELECTED FINANCIAL DATA**

The schedules below provide the Group's selected financial data for the five most recent financial years.

	million 2013	million 2012	million 2011	million 2010	million 2009
Consolidated income statement		(Restated) ^(a)	(Restated) ^(a)	(Restated) ^(a)	(Restated) ^(a)
Turnover	49,797	51,324	46,467	44,262	39,823
Operating profit	7,517	6,977	6,420	6,325	5,006
Net finance costs	(530)	(535)	(543)	(561)	(596)
Share of net profit/(loss) of joint ventures and associates and other income/(loss) from non-current investments	127	91	189	187	489
Profit before taxation	7,114	6,533	6,066	5,951	4,899
Taxation	(1,851)	(1,697)	(1,575)	(1,486)	(1,253)
Net profit	5,263	4,836	4,491	4,465	3,646
Attributable to:					
Non-controlling interests	421	468	371	354	289
Shareholders' equity	4,842	4,368	4,120	4,111	3,357
Combined earnings per share^(b)	2013	2012	2011	2010	2009
Basic earnings per share	1.71	1.54	1.46	1.46	1.20
Diluted earnings per share	1.66	1.50	1.42	1.42	1.16

^(a) For an explanation of the restatement see note 1 Accounting information and policies Recent accounting developments Adopted by the Group on page 95 of the

Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K and incorporated here by reference.

^(b) For the basis of the calculations of combined earnings per share see note 7 Combined earnings per share on page 108 of the Group's Annual Report and Accounts

2013 furnished separately on 7 March 2014 under Form 6-K and incorporated here by reference.

	million 2013	million 2012	million 2011	million 2010	million 2009
Consolidated balance sheet		(Restated)	(Restated)	(Restated)	(Restated)
Non-current assets	33,391	34,042	33,245	28,706	26,224
Current assets	12,122	12,147	14,291	12,484	10,811

Edgar Filing: UNILEVER N V - Form 20-F

Total assets	45,513	46,189	47,536	41,190	37,035
Current liabilities	17,382	15,815	17,929	13,606	11,599
Non-current liabilities	13,316	14,425	14,489	12,322	12,728
Total liabilities	30,698	30,240	32,418	25,928	24,327
Shareholders' equity	14,344	15,392	14,491	14,669	12,237
Non-controlling interests	471	557	628	593	471
Total equity	14,815	15,949	15,119	15,262	12,708
Total liabilities and equity	45,513	46,189	47,537	41,190	37,035
	million	million	million	million	million
Consolidated cash flow statement	2013	2012	2011	2010	2009
Net cash flow from operating activities	6,294	6,836	5,452	5,490	5,774
Net cash flow from/(used in) investing activities	(1,161)	(755)	(4,467)	(1,164)	(1,263)
Net cash flow from/(used in) financing activities	(5,390)	(6,622)	411	(4,609)	(4,301)
Net increase/(decrease) in cash and cash equivalents	(257)	(541)	1,396	(283)	210
Cash and cash equivalents at the beginning of the year	2,217	2,978	1,966	2,397	2,360
Effect of foreign exchange rates	84	(220)	(384)	(148)	(173)
Cash and cash equivalents at the end of the year	2,044	2,217	2,978	1,966	2,397
	2013	2012	2011	2010	2009
Key performance indicators	2013	(Restated)	(Restated)	(Restated)	(Restated)
Underlying sales growth (%) ^(c)	4.3	6.9	6.5	4.1	3.5
Underlying volume growth (%) ^(c)	2.5	3.4	1.6	5.8	2.3
Core operating margin (%) ^(c)	14.1	13.7	13.5	13.6	12.5
Free cash flow (million) ⁽⁹⁾	3,856	4,333	3,075	3,365	4,072

Table of Contents**ITEM 3. KEY INFORMATION CONTINUED**

	2013	2012	2011	2010	2009
		(Restated)	(Restated)	(Restated)	(Restated)
Ratios and other metrics					
Operating margin (%)	15.1	13.6	13.8	14.3	12.6
Net profit margin (%) ^(d)	9.7	8.5	8.9	9.3	8.4
Net debt (million\$)	8,456	7,355	8,781	6,668	6,357
Ratio of earnings to fixed charges (times)	11.8	10.2	9.8	10.4	8.8

^(c) Non GAAP measures are defined and described on pages 32 and 33 of the Group's Annual Reports and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K and incorporated here by reference. Reconciliations of non-GAAP measures to relevant GAAP measures are detailed below and should be read in conjunction with pages 32 and 33 of the Group's Annual Report and Accounts 2013.

^(d) Net profit margin is expressed as net profit attributable to shareholders' equity as a percentage of turnover.

	2013	2012	2011	2010	2009
	vs 2012	vs 2011	vs 2010	vs 2009	vs 2008
Underlying sales growth (%)					
Underlying sales growth (%)	4.3	6.9	6.5	4.1	3.5
Effect of acquisitions (%)		1.8	2.7	0.3	0.6
Effect of disposals (%)	(1.1)	(0.7)	(1.5)	(0.8)	(3.0)
Effect of exchange rates (%)	(5.9)	2.2	(2.5)	7.3	(2.7)
Turnover growth (%)	(3.0)	10.5	5.0	11.1	(1.7)

	2013	2012	2011	2010	2009
	vs 2012	vs 2011	vs 2010	vs 2009	vs 2008
Underlying volume growth (%)					
Underlying volume growth (%)	2.5	3.4	1.6	5.8	2.3
Effect of price changes (%)	1.8	3.3	4.8	(1.6)	1.2
Underlying sales growth (%)	4.3	6.9	6.5	4.1	3.5

	million	million	million	million	million
	2013	2012	2011	2010	2009
		(Restated)	(Restated)	(Restated)	(Restated)
Core operating margin and core operating profit					
Operating profit	7,517	6,977	6,420	6,325	5,006
Acquisition and disposal related cost	112	190	234	50	11
(Gain)/loss on disposal of group companies	(733)	(117)	(221)	(468)	(4)
Impairments and other one-off items	120		(157)	110	(25)
Core operating profit	7,016	7,050	6,276	6,017	4,988
Turnover	49,797	51,324	46,467	44,262	39,823
Operating margin (%)	15.1	13.6	13.8	14.3	12.6
Core operating margin (%)	14.1	13.7	13.5	13.6	12.5

	million	million	million	million	million
	2013	2012	2011	2010	2009
		(Restated)	(Restated)	(Restated)	(Restated)
Free cash flow (FCF) to net profit					
Net profit	5,263	4,836	4,491	4,465	3,646
Taxation	1,851	1,697	1,575	1,486	1,253

Share of net profit of joint ventures/associates and other income from non-current investments	(127)	(91)	(189)	(187)	(489)
Net finance costs	530	535	543	561	596
Depreciation, amortisation and impairment	1,151	1,199	1,029	993	1,032
Changes in working capital	200	822	(177)	169	1,701
Pensions and similar provisions less payments	(383)	(369)	(540)	(458)	(1,014)
Restructuring and other provisions less payments	126	(43)	9	72	(258)
Elimination of (profits)/losses on disposals	(725)	(236)	(215)	(476)	13
Non-cash charge for share-based compensation	228	153	105	144	195
Other adjustments	(15)	13	8	49	58
Cash flow from operating activities	8,099	8,516	6,639	6,818	6,733
Income tax paid	(1,805)	(1,680)	(1,187)	(1,328)	(959)
Net capital expenditure	(2,027)	(2,143)	(1,974)	(1,701)	(1,258)
Net interest and preference dividends paid	(411)	(360)	(403)	(424)	(444)
Free cash flow	3,856	4,333	3,075	3,365	4,072
Net cash flow (used in)/from investing activities	(1,161)	(755)	(4,467)	(1,164)	(1,263)
Net cash flow (used in)/from financing activities	(5,390)	(6,622)	411	(4,609)	(4,301)

Table of Contents**ITEM 3. KEY INFORMATION CONTINUED**

	million 2013	million 2012	million 2011	million 2010	million 2009
Net debt to total financial liabilities					
Total financial liabilities	(11,501)	(10,221)	(13,718)	(9,534)	(9,971)
Financial liabilities due within one year	(4,010)	(2,656)	(5,840)	(2,276)	(2,279)
Financial liabilities due after one year	(7,491)	(7,565)	(7,878)	(7,258)	(7,692)
Cash and cash equivalents as per balance sheet	2,285	2,465	3,484	2,316	2,642
Cash and cash equivalents as per cash flow statement	2,044	2,217	2,978	1,966	2,397
Add bank overdrafts deducted therein	241	248	506	350	245
Financial assets	760	401	1,453	550	972
Net debt	(8,456)	(7,355)	(8,781)	(6,668)	(6,357)

RATIO OF EARNINGS TO FIXED CHARGES (TIMES)

For a calculation of our ratio of earnings to fixed charges see Item 19: Exhibits-Calculation of Ratio of Earnings to Fixed Charges.

DIVIDEND RECORD

The following tables show the dividends declared and dividends paid by NV and PLC for the last five years, expressed in terms of the revised share denominations which became effective from 22 May 2006. Differences between the amounts ultimately received by US holders of NV and PLC shares are the result of changes in exchange rates between the equalisation of the dividends and the date of payment.

Following agreement at the 2009 AGMs and separate meetings of ordinary shareholders, the Equalisation Agreement was modified to facilitate the payment of quarterly dividends from 2010 onwards.

	2013	2012	2011	2010	2009
Dividends declared for the year					
NV dividends					
Dividend per 0.16	1.08	0.97	0.90	0.83	0.46
Dividend per 0.16 (US Registry)	US \$1.44	US \$1.25	US \$1.25	US \$1.13	US \$0.67
PLC dividends					
Dividend per 3 ¹ / ₉ p	£0.91	£0.79	£0.78	£0.71	£0.41
Dividend per 3 ¹ / ₉ p (US Registry)	US \$1.44	US \$1.25	US \$1.25	US \$1.13	US \$0.67

Dividends paid during the year**NV dividends**

Dividend per 0.16	1.05	0.95	0.88	0.82	0.78
Dividend per 0.16 (US Registry)	US \$1.40	US \$1.23	US \$1.24	US \$1.11	US \$1.09

PLC dividends

Dividend per 3 ¹ / ₉ p	£0.89	£0.77	£0.77	£0.71	£0.64
Dividend per 3 ¹ / ₉ p (US Registry)	US \$1.40	US \$1.23	US \$1.24	US \$1.11	US \$1.00

Table of Contents**ITEM 3. KEY INFORMATION CONTINUED****EXCHANGE RATES**

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

	2013	2012	2011	2010	2009
Year end					
1 = US \$	1.378	1.318	1.294	1.337	1.433
1 = £	0.833	0.816	0.839	0.862	0.888
Average					
1 = US \$	1.325	1.283	1.396	1.326	1.388
1 = £	0.849	0.811	0.869	0.858	0.891

On 3 March 2014 the exchange rates between euros and US dollars and between euros and sterling as published in the Financial Times in London were as follows: 1 = US \$1.377 and 1 = £0.824

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

	2013	2012	2011	2010	2009
Year end					
1 = US \$	1.378	1.319	1.297	1.327	1.433
Average					
1 = US \$	1.328	1.286	1.393	1.326	1.394
High					
1 = US \$	1.382	1.346	1.488	1.454	1.510
Low					
1 = US \$	1.277	1.206	1.293	1.196	1.255

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

	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014
High						
1 = US \$	1.354	1.381	1.361	1.382	1.368	1.381
Low						
1 = US \$	1.312	1.349	1.336	1.355	1.350	1.351

SHARE CAPITAL

The information set forth under the heading "Note 15A Share capital" on page 116 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

B. CAPITALISATION AND INDEBTEDNESS

Not applicable.

C. REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

D. RISK FACTORS

Our principal risks, as described on pages 34 to 39 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K are incorporated by reference. The information set forth under the heading "Note 16 Treasury risk management" on pages 120 to 125 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

RISK FACTORS

Our business is subject to risks and uncertainties. The risks that we regard as the most relevant to our business are set out below. There may be other risks which are unknown to Unilever or which are currently believed to be immaterial. We have undertaken certain mitigating actions that we believe help us to manage the risks identified below. However, we may not be successful in deploying some or all of these mitigating actions. If the circumstances in these risk factors occur or are not successfully mitigated, our cashflow, operating results, financial position, business and reputation could be materially adversely affected. In addition, risks and uncertainties could cause actual results to vary from those described in this document, or could impact on our ability to meet our targets or be detrimental to our profitability or reputation. This list is not intended to be exhaustive and there may be other risks and uncertainties that are not mentioned below that could impact our future performance or our ability to meet published targets. The risks and uncertainties discussed below should be read in conjunction with the Group's consolidated financial statements and related notes and the portions of the Strategic Report and Governance section that are incorporated by reference from the Group's Annual Report and Accounts 2013 (furnished separately on 7 March 2014 on Form 6-K) and other information included in or incorporated by reference in this Report on Form 20-F.

Table of Contents**ITEM 3. KEY INFORMATION CONTINUED**

PRINCIPAL RISK	DESCRIPTION OF RISK
<p data-bbox="108 575 427 606">BRAND PREFERENCE</p> <p data-bbox="108 680 470 957">As a branded goods business, Unilever's success depends on the value and relevance of our brands and products to consumers across the world and on our ability to innovate and remain competitive.</p>	<p data-bbox="523 611 1469 711">Consumer tastes, preferences and behaviours are constantly changing and Unilever's ability to anticipate and respond to these changes and to continue to differentiate our brands and products is vital to our business.</p> <p data-bbox="523 821 1434 921">We are dependent on creating innovative products that continue to meet the needs of our consumers. If we are unable to innovate effectively, Unilever's sales or margins could be materially adversely affected.</p>
<p data-bbox="108 1066 336 1129">PORTFOLIO MANAGEMENT</p> <p data-bbox="108 1205 462 1341">Unilever's strategic investment choices will affect the long-term growth and profits of our business.</p>	<p data-bbox="523 1136 1493 1272">Unilever's growth and profitability are determined by our portfolio of categories, geographies and channels and how these evolve over time. If Unilever does not make optimal strategic investment decisions then opportunities for growth and improved margin could be missed.</p>
<p data-bbox="108 1415 368 1446">SUSTAINABILITY</p> <p data-bbox="108 1520 459 1656">The success of our business depends on finding sustainable solutions to support long-term growth.</p>	<p data-bbox="523 1451 1474 1761">Unilever's vision to double the size of our business while reducing our environmental footprint and increasing our positive social impact will require more sustainable ways of doing business. This means reducing our environmental footprint while increasing the positive social benefits of Unilever's activities. We are dependent on the efforts of partners and various certification bodies to achieve our sustainability goals. There can be no assurance that sustainable business solutions will be developed and failure to do so could limit Unilever's growth and profit potential and damage our corporate reputation.</p>

CUSTOMER RELATIONSHIPS

Successful customer relationships are vital to our business and continued growth.

Maintaining strong relationships with our customers is necessary for our brands to be well presented to our consumers and available for purchase at all times.

The strength of our customer relationships also affects our ability to obtain pricing and secure favourable trade terms. Unilever may not be able to maintain strong relationships with customers and failure to do so could negatively impact the terms of business with the affected customers and reduce the availability of our products to consumers.

TALENT

A skilled workforce is essential for the continued success of our business.

Our ability to attract, develop and retain the right number of appropriately qualified people is critical if we are to compete and grow effectively.

This is especially true in our key emerging markets where there can be a high level of competition for a limited talent pool. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results.

SUPPLY CHAIN

Our business depends on purchasing materials, efficient manufacturing and the timely distribution of products to our customers.

Our supply chain network is exposed to potentially adverse events such as physical disruptions, environmental and industrial accidents or bankruptcy of a key supplier which could impact our ability to deliver orders to our customers.

The cost of our products can be significantly affected by the cost of the underlying commodities and materials from which they are made. Fluctuations in these costs cannot always be passed on to the consumer through pricing.

SAFE AND HIGH QUALITY PRODUCTS

The quality and safety of our products are of

The risk that raw materials are accidentally or maliciously contaminated throughout the supply chain or that other product defects occur due to human error, equipment failure or other factors cannot be excluded.

paramount importance for our brands and our reputation.

SYSTEMS AND INFORMATION

Unilever's operations are increasingly dependent on IT systems and the management of information.

We interact electronically with customers, suppliers and consumers in ways which place ever greater emphasis on the need for secure and reliable IT systems and infrastructure and careful management of the information that is in our possession.

Disruption of our IT systems could inhibit our business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results.

There is also a threat from unauthorised access and misuse of sensitive information. Unilever's information systems could be subject to unauthorised access or the mistaken disclosure of information which disrupts Unilever's business and/or leads to loss of assets.

Table of Contents

ITEM 3. KEY INFORMATION CONTINUED

PRINCIPAL RISK	DESCRIPTION OF RISK
<p data-bbox="113 575 405 638">BUSINESS TRANSFORMATION</p> <p data-bbox="113 716 469 953">Successful execution of business transformation projects is key to delivering their intended business benefits and avoiding disruption to other business activities.</p>	<p data-bbox="523 646 1474 743">Unilever is continually engaged in major change projects, including acquisitions and disposals and outsourcing, to drive continuous improvement in our business and to strengthen our portfolio and capabilities.</p> <p data-bbox="523 856 1474 995">Failure to execute such transactions or change projects successfully, or performance issues with third party outsourced providers on which we are dependent, could result in under-delivery of the expected benefits. Furthermore, disruption may be caused in other parts of the business.</p>
<p data-bbox="113 1136 459 1268">EXTERNAL ECONOMIC AND POLITICAL RISKS AND NATURAL DISASTERS</p> <p data-bbox="113 1346 475 1625">Unilever operates across the globe and is exposed to a range of external economic and political risks and natural disasters that may affect the execution of our strategy or the running of our operations.</p>	<p data-bbox="523 1276 1458 1373">Adverse economic conditions may result in reduced consumer demand for our products, and may affect one or more countries within a region, or may extend globally.</p> <p data-bbox="523 1486 1410 1562">Government actions such as fiscal stimulus, changes to taxation and price controls can impact on the growth and profitability of our local operations.</p> <p data-bbox="523 1661 1378 1730">Social and political upheavals and natural disasters can disrupt sales and operations.</p> <p data-bbox="523 1835 1442 1940">In 2013, more than half of Unilever's turnover came from emerging markets including Brazil, India, Indonesia, Turkey, South Africa, China, Mexico and Russia. These markets offer greater growth opportunities but also expose</p>

Unilever to economic, political and social volatility in these markets.

TREASURY AND PENSIONS

Unilever is exposed to a variety of external financial risks in relation to Treasury and Pensions.

Changes to the relative value of currencies can fluctuate widely and could have a significant impact on business results. Further, because Unilever consolidates its financial statements in euros it is subject to exchange risks associated with the translation of the underlying net assets and earnings of its foreign subsidiaries.

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

Currency rates, along with demand cycles, can also result in significant swings in the prices of the raw materials needed to produce our goods.

Unilever may face liquidity risk, i.e. difficulty in meeting its obligations, associated with its financial liabilities. A material and sustained shortfall in our cash flow could undermine Unilever's credit rating, impair investor confidence and also restrict Unilever's ability to raise funds.

We are exposed to market interest rate fluctuations on our floating rate debt. Increases in benchmark interest rates could increase the interest cost of our floating rate debt and increase the cost of future borrowings.

In times of financial market volatility, we are also potentially exposed to counter-party risks with banks, suppliers and customers.

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

ETHICAL

Acting in an ethical manner, consistent with the expectations of customers, consumers and other stakeholders, is essential for the protection of the reputation of Unilever and its brands.

Unilever's brands and reputation are valuable assets and the way in which we operate, contribute to society and engage with the world around us is always under scrutiny both internally and externally. Despite the commitment of Unilever to ethical business and the steps we take to adhere to this commitment, there remains a risk that activities or events cause us to fall short of our desired standard, resulting in damage to Unilever's corporate reputation and business results.

LEGAL AND REGULATORY

Compliance with laws and regulations is an essential part of Unilever's business operations.

Unilever is subject to local, regional and global laws and regulations in such diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

Failure to comply with laws and regulations could expose Unilever to civil and/or criminal actions leading to damages, fines and criminal sanctions against us and/or our employees with possible consequences for our corporate reputation.

Changes to laws and regulations could have a material impact on the cost of doing business. Tax, in particular, is a complex area where laws and their interpretation are changing regularly, leading to the risk of unexpected tax exposure.

Table of Contents

ITEM 4. INFORMATION ON THE COMPANY

A. HISTORY AND DEVELOPMENT OF THE COMPANY

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

About Unilever on page 42;
Financial Review 2013 on pages 26 to 33;
Requirements and compliance on pages 47 to 50;
Note 10 Property, Plant and Equipment on pages 111 and 112;
Note 21 Acquisitions and disposals on pages 131 and 132;
Share Capital on pages 51 and 52;
Analysis of shareholding on pages 51 and 52; and
Shareholder information on pages 146 and 147 (other than Website).

Please refer also to Financial Review 2012 within Item 5A of this report and The Unilever Group on page 1 of this report.

B. BUSINESS OVERVIEW

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 2 Segment information on pages 96 and 97;
Reaching more consumers on page 18;
Financial Review 2013 on pages 26 to 33; and
Legal and Regulatory on page 39.

Please refer also to Financial Review 2012 within Item 5A of this report.

Please also refer to The Unilever Group on page 1 of this report.

MARKETING CHANNELS

Unilever's products are generally sold through our own sales force as well as through independent brokers, agents and distributors to chain, wholesale, co-operative and independent grocery accounts, food service distributors and institutions. Products are physically distributed through a network of distribution centres, satellite warehouses, company-operated and public storage facilities, depots and other facilities.

RAW MATERIALS

Our products use a wide variety of raw and packaging materials which we source internationally, and which may be subject to price volatility. Although we have seen rather more stable conditions in key commodity markets in 2013 we remain watchful for further periods of volatility in 2014.

SEASONALITY

Certain of our businesses, such as ice cream, are subject to significant seasonal fluctuations in sales. However, Unilever operates globally in many different markets and product categories, and no individual element of seasonality

is likely to be material to the results of the Group as a whole.

INTELLECTUAL PROPERTY

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

COMPETITION

As a FMCG (fast moving consumer goods) company, we are competing with a diverse set of competitors. Some of these operate on an international scale like ourselves, while others have a more regional or local focus. Our business model centres on building brands which consumers know, trust, like and buy in conscious preference to competitors. Our brands command loyalty and affinity and deliver superior performance.

INFORMATION PRESENTED

Unless otherwise stated, share refers to value share. The market data and competitive set classifications are taken from independent industry sources in the markets in which Unilever operates.

IRAN-RELATED REQUIRED DISCLOSURE

Unilever operates in Iran through a non-US subsidiary. In 2013, sales in Iran were significantly less than one percent of Unilever's worldwide turnover. This non-US subsidiary had 2,426 in gross revenues and 679 in net profits attributable to the sale of home, personal care and food products to local pharmacies controlled by the Government of Iran or affiliated entities in 2013. This non-US subsidiary stopped making these sales in October 2013 and does not intend to resume that business. In addition, we advertised our products on television networks that are owned by the Government of Iran or affiliated entities. Income, payroll and other taxes, duties and fees (including for utilities) were payable to the Government of Iran and affiliated entities in connection with our operations. Our non-US subsidiary maintains bank accounts in Iran to facilitate our business in the country and make any required payments to the Government of Iran and affiliated entities. Our activities in Iran comply in all material respects with applicable laws and regulations, including US and other international trade sanctions, and except as described above, we plan to continue these activities.

C. ORGANISATIONAL STRUCTURE

The information set forth under the heading Note 26 Principal group companies and non-current investments on pages 134 and 135 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

Please also refer to The Unilever Group on page 1 of this report.

D. PROPERTY, PLANT AND EQUIPMENT

We have interests in properties in most of the countries where there are Unilever operations. However, none is material in the context of the Group as a whole. The properties are used predominantly to house production and distribution activities and as offices. There is a mixture of leased and owned property throughout the Group. We are not aware of any environmental issues affecting the properties which would have a material impact upon the Group, and there are no material encumbrances on our properties. Any difference between the market value of properties held by the Group and the amount at which they are included in the balance sheet is not significant. We believe our existing facilities are satisfactory for our current business and we currently have no plans to construct new facilities or

expand or improve our current facilities in a manner that is material to the Group.

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 10 Property, plant and equipment on pages 111 and 112; and

Note 26 Principal group companies and non-current investments on pages 134 and 135.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

Table of Contents**ITEM 5. OPERATING AND FINANCIAL****REVIEW AND PROSPECTS****A. OPERATING RESULTS**

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

- Our key performance indicators on page 3;
- Outlook on page 34;
- Financial review 2013 on pages 26 to 33;
- Currency risk on pages 122 to 123; and
- Legal and Regulatory on page 39.

FINANCIAL REVIEW 2012**BASIS OF REPORTING**

The information set forth under the heading Basis of reporting and critical accounting policies on page 31 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

GROUP RESULTS AND EARNINGS PER SHARE

The following discussion summarises the results of the Group during the years 2012 and 2011. The figures quoted are in euros, at current rates of exchange, being the average rates applying in each period as applicable, unless otherwise stated. Information about exchange rates between the euro, pound sterling and US dollar is given on page 5 of this report.

In 2012 and 2011, no disposals qualified to be disclosed as discontinued operations for purposes of reporting.

	2012 (Restated)	2011 (Restated)	% change
Turnover (million)	51,324	46,467	10.5%
Operating profit (million)	6,977	6,420	9%
Core operating profit (million)	7,050	6,276	12%
Profit before tax (million)	6,533	6,066	8%
Net profit (million)	4,836	4,491	8%
Diluted earnings per share ()	1.50	1.42	6%
Core earnings per share ()	1.53	1.37	12%

Turnover at 51.3 billion increased 10.5%, including a positive impact from foreign exchange of 2.2% and acquisitions net of disposals of 1.1%. Underlying sales growth increased to 6.9%, well balanced between volume growth of 3.4% and price contributions of 3.3%. As in the prior year, emerging markets grew strongly, with underlying sales up 11.4% and now representing 55% of total turnover.

Operating profit was 7.0 billion, compared with 6.4 billion in 2011, up 9%. The increase was driven by higher gross profit and improved cost discipline. Core operating profit was 7.1 billion, up 12% from 6.3 billion in 2011, reflecting the additional impact of lower one-off credits within non-core items.

The cost of financing net borrowings was 390 million, 58 million less than in 2011. The average level of net debt increased by 0.7 billion to 8.9 billion, reflecting the full-year impact of financing prior year acquisitions such as Alberto Culver. The average interest rate was 3.5% on debt and 2.9% on cash deposits. The pensions financing cost was a charge of 145 million, compared to 95 million in 2011.

The effective tax rate was 26.0% compared with 26.0% in 2011.

Net profit from joint ventures and associates, together with other income from non-current investments, contributed 91 million in 2012, compared to 189 million in the prior year. Assets related to businesses sold in previous years recorded positive adjustments to fair value in 2011, whilst similar but unrelated assets were impaired in 2012.

Fully diluted earnings per share were 1.50, up 6% from 1.42 in the prior year. Higher operating profit was the key driver with lower profits from business disposals and one-off items, partially offset by higher minority interests and pension costs and a lower contribution from non-current investments. Core earnings per share were 1.53, up 12% from 1.37 in 2011, reflecting the additional impact of lower one-off credits within non-core items.

EXPENSES WHICH MATERIALLY IMPACTED OPERATING PROFIT IN 2012

Absolute turnover grew by 4.9 billion which translated into a core operating profit increase of 774 million and an operating profit increase of 557 million due to cost increases in the following key areas.

Costs of raw and packaging materials and goods purchased for resale increased by 1.7 billion, driven primarily by increased business volume of 1.3 billion and input costs increase of 1.1 billion offset by other items including material cost savings of 0.7 billion during the year. Additionally, distribution costs increased by 184 million. Despite these increases, due to higher selling prices and benefit from customers buying products with higher margins, gross margin improved by 0.1% to 40.0% at constant exchange rates.

Staff costs increased by 0.9 billion due to salary inflation, particularly in emerging markets, higher pensions charge as a result of one-off credits taken in the prior year and higher bonuses.

Advertising and promotional expenses increased by 694 million as we continue to invest behind our brands.

The impact of input costs and investment in advertising and promotional expenses are discussed further in our segmental disclosures, which also provide additional details on the impact of brands, products and subcategories on driving top line growth.

Out of the increase of 774 million in core operating profit, the majority of it was contributed by Personal Care (365 million) and Refreshments (235 million).

IMPACT OF COMMODITY COSTS ON GROSS MARGIN

During 2012, the Unilever Group faced cost inflation of over 1.5 billion. The Unilever Group actively mitigates the impact of cost inflation through a combination of price increases and costs savings to protect its margin. Hence, despite cost increases, the Unilever Group was able to improve its gross margin by 0.1 percentage points during 2012. Specifically gross margin was protected in 3 out of the 4 categories. In our Foods category the impact of high

vegetable oil prices was not fully recovered as described below. Petrochemicals materially affect our Home Care category, where we have protected our margins. There are no other commodities that have a material impact.

Part of our commodity risk, principally vegetable oils and petrochemicals, is hedged using a combination of physical contracts as well as derivatives (futures and options).

Table of Contents**ITEM 5. OPERATING AND FINANCIAL
REVIEW AND PROSPECTS CONTINUED****PERSONAL CARE**

	million 2012 (Restated)	million 2011 (Restated)	% Change
Turnover	18,097	15,471	17.0
Operating profit	2,925	2,533	15.5
Core operating profit	3,085	2,720	13.4
Core operating margin (%)	17.0	17.6	(0.6)
Underlying sales growth (%)	10.0	8.2	
Underlying volume growth (%)	6.5	4.2	
Effect of price changes (%)	3.3	3.8	

KEY DEVELOPMENTS

Personal Care turned in yet another year of strong performance with turnover growth of 17%. Underlying sales growth of 10.0% was driven by both underlying volume growth of 6.5% and a positive price contribution of 3.3%. This was spurred by innovations like Dove Nutrium Moisture and the roll-out of our brands in new markets like TRESemmé in Brazil and complemented by a strong contribution of the recently acquired brands from the Kalina acquisition.

Core operating profit at 3.1 billion was higher by 365 million over the prior year. Out of the 365 million, turnover growth contributed 465 million which was offset by 100 million from a reduction in core operating margin by 0.6 percentage points primarily due to continued investments in building beauty capabilities and infrastructure, while gross margins remained stable.

REFRESHMENT

	million 2012 (Restated)	million 2011 (Restated)	% Change
Turnover	9,726	8,804	10.5
Operating profit	908	720	26.1
Core operating profit	908	673	34.9
Core operating margin (%)	9.3	7.7	1.6
Underlying sales growth (%)	6.3	4.9	
Underlying volume growth (%)	2.4	1.4	

Effect of price changes (%)	3.9	3.4
-----------------------------	-----	-----

KEY DEVELOPMENTS

Refreshment performance improved in growth momentum and profitability. Turnover grew by a strong 10.5% with underlying sales growth of 6.3% reflecting good contribution from underlying volume growth of 2.4% and underlying price growth of 3.9%. In ice cream, growth momentum was driven by powerful performance in Latin America, Asia, North America and Europe and benefited from innovation behind our global brands such as Magnum, which is now a brand with sales in excess of 1 billion. In tea, innovation improved growth momentum in particular in emerging markets, such as Russia, Arabia and India.

Core operating profit at 908 million improved by 235 million over the previous year. Out of the 235 million, turnover growth contributed 70 million while improvement in core operating margin by 1.6 percentage points contributed 165 million. Core operating margin improvement was driven primarily by higher gross margin arising from a strong savings programme and cost discipline.

FOODS

	million 2012 (Restated)	million 2011 (Restated)	% Change
Turnover	14,444	13,986	3.3
Operating profit	2,601	2,688	(3.2)
Core operating profit	2,528	2,444	3.4
Core operating margin (%)	17.5	17.5	
Underlying sales growth (%)	1.8	4.9	
Underlying volume growth (%)	(0.9)	(1.2)	
Effect of price changes (%)	2.7	6.2	

KEY DEVELOPMENTS

Foods turnover grew by 3.3% during the year. Underlying sales growth in Foods was 1.8%. Underlying volume growth was (0.9)%, continuing to reflect the impact of a contracting spreads market and the price rises we took in 2011 to counter significant increases in input prices. Growth was supported by the roll-out of innovations such as Knorr jelly bouillon and Knorr baking bags, as well as solid results delivered by our Food Solutions business.

Core operating profit at 2.5 billion increased by 84 million over previous year. This increase was entirely due to increase in turnover. Core operating margin was in line with previous year as the impact of higher commodity costs on gross margins was offset by improved cost discipline and savings delivery.

HOME CARE

	million 2012 (Restated)	million 2011 (Restated)	% Change
Turnover	9,057	8,206	10.4
Operating profit	543	479	13.4
Core operating profit	529	439	20.5
Core operating margin (%)	5.8	5.4	0.4
Underlying sales growth (%)	10.3	8.1	
Underlying volume growth (%)	6.2	2.2	
Effect of price changes (%)	3.9	5.8	

KEY DEVELOPMENTS

Home Care delivered a strong performance with turnover growth of 10.4% driven by underlying sales growth of 10.3%, balanced between volume growth of 6.2% and price changes contributing 3.9%. We improved our market position in highly competitive markets such as the UK, France, China and South Africa on the back of continued innovation and continuing success of our brands like Omo and Comfort. Household care growth was equally supported by the roll-out of new and improved products, driving strong growth momentum for our global brands Domestos, Cif and Sunlight.

Core operating profit at 529 million improved by 90 million over previous year. Out of the 90 million, turnover growth contributed 45 million, while improvement in core operating margin by 0.4 percentage points contributed 45 million primarily due to better gross margins benefiting from successful new business models.

Table of Contents**ITEM 5. OPERATING AND FINANCIAL****REVIEW AND PROSPECTS CONTINUED****NON-GAAP MEASURES**

The information set forth under the heading "Non-GAAP measures" on pages 32 and 33 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

UNDERLYING SALES GROWTH (USG)

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

TOTAL GROUP

	2012	2011
	vs 2011	vs 2010
Underlying sales growth (%)	6.9	6.5
Effect of acquisitions (%)	1.8	2.7
Effect of disposals (%)	(0.7)	(1.5)
Effect of exchange rates (%)	2.2	(2.5)
Turnover growth (%)	10.5	5.0

PERSONAL CARE

	2012	2011
	vs 2011	vs 2010
Underlying sales growth (%)	10.0	8.2
Effect of acquisitions (%)	4.4	7.3
Effect of disposals (%)	(0.5)	(0.2)
Effect of exchange rates (%)	2.3	(2.9)
Turnover growth (%)	17.0	12.4

FOODS

	2012	2011
	vs 2011	vs 2010
Underlying sales growth (%)	1.8	4.9
Effect of acquisitions (%)		0.2
Effect of disposals (%)	(1.5)	(4.3)
Effect of exchange rates (%)	3.0	(1.9)
Turnover growth (%)	3.3	(1.3)

REFRESHMENT

	2012	2011
--	------	------

	vs 2011	vs 2010
Underlying sales growth (%)	6.3	4.9
Effect of acquisitions (%)	0.8	0.3
Effect of disposals (%)	0.7	(0.3)
Effect of exchange rates (%)	2.4	(2.5)
Turnover growth (%)	10.5	2.3

HOME CARE

	2012	2011
	vs 2011	vs 2010
Underlying sales growth (%)	10.3	8.1
Effect of acquisitions (%)	0.6	1.3
Effect of disposals (%)	(1.1)	0.1
Effect of exchange rates (%)	0.6	(3.1)
Turnover growth (%)	10.4	6.2

UNDERLYING VOLUME GROWTH (UVG)

Underlying Volume Growth or UVG is part of USG and means, for the applicable period, the increase in turnover in such period calculated as the sum of (1) the increase in turnover attributable to the volume of products sold; and (2) the increase in turnover attributable to the composition of products sold during such period. UVG therefore excludes any impact to USG due to changes in prices. The relationship between the two measures is set out below:

	2012	2011
	vs 2011	vs 2010
Underlying volume growth (%)	3.4	1.6
Effect of price changes (%)	3.3	4.8
Underlying sales growth (%)	6.9	6.5

FREE CASH FLOW (FCF)

Within the Unilever Group, free cash flow (FCF) is defined as cash flow from operating activities, less income taxes paid, net capital expenditures and net interest payments and preference dividends paid. It does not represent residual cash flows entirely available for discretionary purposes; for example, the repayment of principal amounts borrowed is not deducted from FCF. Free cash flow reflects an additional way of viewing our liquidity that we believe is useful to investors because it represents cash flows that could be used for distribution of dividends, repayment of debt or to fund our strategic initiatives, including acquisitions, if any.

The reconciliation of FCF to net profit is as follows:

	million	million
	2012	2011
	(Restated)	(Restated)
Net profit	4,836	4,491

Taxation	1,697	1,575
Share of net profit of joint ventures/associates and other income from non-current investments	(91)	(189)
Net finance cost	535	543
Depreciation, amortisation and impairment	1,199	1,029
Changes in working capital	822	(177)
Pensions and similar obligations less payments	(369)	(540)
Provisions less payments	(43)	9
Elimination of (profits)/losses on disposals	(236)	(215)
Non-cash charge for share-based compensation	153	105
Other adjustments	13	8
Cash flow from operating activities	8,516	6,639
Income tax paid	(1,680)	(1,187)
Net capital expenditure	(2,143)	(1,974)
Net interest and preference dividends paid	(360)	(403)
Free cash flow	4,333	3,075
Net cash flow (used in)/from investing activities	(755)	(4,467)
Net cash flow (used in)/from financing activities	(6,622)	411
CORE OPERATING MARGIN AND CORE OPERATING PROFIT		

Core operating profit and core operating margin mean operating profit and operating margin, respectively, before the impact of business disposals, acquisition and disposal related costs, impairments and other one-off items, which we collectively term non-core items, on the grounds that the incidence of these items is uneven between reporting periods.

The reconciliation of core operating profit to operating profit is as follows:

	million	million
	2012	2011
	(Restated)	(Restated)
Operating profit	6,977	6,420
Acquisition and disposal related costs	190	234
(Gain)/loss on disposal of group companies	(117)	(221)
Impairments and other one-off items		(157)
Core operating profit	7,050	6,276
Turnover	51,324	46,467
Operating margin (%)	13.6	13.8
Core operating margin (%)	13.7	13.5

Table of Contents**ITEM 5. OPERATING AND FINANCIAL****REVIEW AND PROSPECTS CONTINUED****NET DEBT**

The reconciliation of net debt to the GAAP measure total financial liabilities is as follows:

	million 2012	million 2011
Total financial liabilities	(10,221)	(13,718)
Financial liabilities due within one year	(2,656)	(5,840)
Financial liabilities due after one year	(7,565)	(7,878)
Cash and cash equivalents as per balance sheet	2,465	3,484
Cash and cash equivalents as per cash flow statement	2,217	2,978
Bank overdrafts deducted therein	248	506
Financial assets	401	1,453
Net debt	(7,355)	(8,781)

ACQUISITIONS AND DISPOSALS 2011

On March 2011 the Group announced a binding agreement to sell the global Sanex business to Colgate-Palmolive for 672 million. The deal was completed on 20 June 2011.

On 10 May 2011 the Group completed the purchase of 100% of Alberto Culver at a consideration of 2,689 million in cash.

On 6 December 2011 the Group completed the acquisition of 82% of the outstanding shares of Concern Kalina, one of Russia's leading local personal care companies.

B. LIQUIDITY AND CAPITAL RESOURCES**(I) INFORMATION REGARDING THE GROUP'S LIQUIDITY**

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

- Finance and liquidity and Financial Instruments and Risk on pages 30 and 31;
- Management of market risk on pages 122 to 124;
- Management of liquidity risk on page 120 to 122;
- Capital and funding on pages 115 to 116;
- Going concern on page 85;

Cash flow on page 29;
Consolidated cash flow statement on page 93;
Financial liabilities on page 118 and 119;
Financial assets on page 126 and 127; and
Note 17 Investment and return on pages 125 to 126.

(II) INFORMATION REGARDING THE TYPE OF FINANCIAL INSTRUMENTS USED, THE MATURITY PROFILE OF DEBT, CURRENCY AND INTEREST RATE STRUCTURE

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 15 Capital and funding on pages 115 and 116;
Financial liabilities on pages 118 and 119;
Financial assets on pages 126 and 127;
Note 16 Treasury risk management on pages 120 to 125;
Note 17 Investment and return on pages 126 and 127;
Note 18 Financial instruments fair value risk on pages 127 to 129;
Financial instruments and risk on page 31; and
Our risk appetite and approach to risk management on page 34.

(III) INFORMATION REGARDING THE GROUP'S MATERIAL COMMITMENTS FOR CAPITAL EXPENDITURE

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 20 Commitments and contingent liabilities on pages 129 to 131; and
Note 10 Property, plant and equipment on pages 111 and 112.

C. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES, ETC.

The information set forth under the heading Fewer, Bigger Innovations on page 12 and Innovating Together on page 21 and Note 3 Gross profit and operating costs on page 98 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

D. TREND INFORMATION

Please refer also to Item 3D Risk factors on pages 5 to 7 of this report.

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Financial review 2013 on pages 26 to 33; and
Outlook on page 34.

Please refer also to Financial review 2012 within Item 5A of this report on pages 9 to 12.

E. OFF-BALANCE SHEET ARRANGEMENTS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 16 Treasury risk management on pages 120 to 125;
Note 18 Financial instruments fair value risk on pages 127 to 129; and

Note 20 Commitments and contingent liabilities on pages 129 to 131.

F. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The information set forth under the heading Contractual obligations at 31 December 2013 on page 31 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

G. SAFE HARBOUR

This document may contain forward-looking statements, including forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as will, aim, expects, anticipates, intends, looks, believes, vision, or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: Unilever's global brands not meeting consumer preferences; Unilever's ability to innovate and remain competitive; Unilever's investment choices in its portfolio management; inability to find sustainable solutions to support long-term growth; customer relationships; the recruitment and retention of talented employees; disruptions in our supply chain; the cost of raw materials and commodities; the production of safe and high quality products; secure and reliable IT infrastructure; successful execution of acquisitions, divestitures and business transformation projects; economic and political risks and natural disasters; financial risks; failure to meet high ethical standards; and managing regulatory, tax and legal matters.

Table of Contents

ITEM 5. OPERATING AND FINANCIAL

REVIEW AND PROSPECTS CONTINUED

Further details of potential risks and uncertainties affecting the Group are described in the Group's filings with the London Stock Exchange, Euronext Amsterdam and the US Securities and Exchange Commission, including in the Group's Annual Report on Form 20-F for the year ended 31 December 2013 and the Annual Report and Accounts 2013. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. DIRECTORS AND SENIOR MANAGEMENT

(I) NAME, EXPERIENCE AND FUNCTIONS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Unilever Leadership Executive (ULE) on page 41;
Board of Directors on page 40; and
The Boards on pages 42 to 45.

(II) ACTIVITIES OUTSIDE THE ISSUING COMPANY

The information set forth under the headings Board of Directors and Unilever Leadership Executive (ULE) on pages 40 and 41 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

(III) AGE

The information set forth under the headings Board of Directors and Unilever Leadership Executive (ULE) on pages 40 and 41 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

(IV) FAMILY RELATIONSHIP

The information set forth under the heading Independence and Conflicts (third paragraph) on page 45 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

(V) OTHER ARRANGEMENTS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Independence and Conflicts (second and third paragraphs) on page 45.

B. COMPENSATION

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Remuneration policy for new hires on page 69;
Remuneration policy description on pages 62 to 72;
Elements of remuneration on pages 79 and 80;
Single Figure of Remuneration and Implementation of the Remuneration Policy in 2013 for Executive Directors on pages 73 to 79;
Single Figure of Remuneration in 2013 for Non-Executive Directors (Audited) on page 81;
Note 4C Share-based compensation plans on pages 104 and 105;
Note 4A Staff and management costs Key management compensation on page 99; and
Note 4B Pensions and similar obligations on pages 99 to 104.

C. BOARD PRACTICES

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Board of Directors and Unilever Leadership Executive (ULE) on pages 40 and 41;
Appointment of Directors on page 43;
Executive Directors on page 42;
Non-Executive Directors on page 42;
Board Committees on page 45;
Report of the Audit Committee on pages 53 to 55; and
Directors Remuneration Report on pages 60 to 83.

D. EMPLOYEES

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 4A Staff and management costs Average number of employees during the year on page 99.
The average number of employees during 2013 included 8,744 seasonal and 25,764 plantation workers. We believe our relationship with our employees and any labour unions of which they may be part is satisfactory in all material respects.

E. SHARE OWNERSHIP

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Single Figure of Remuneration and Implementation of the Remuneration Policy in 2013 for Executive Directors on pages 73 to 79;
Elements of Remuneration on pages 79 and 80;
Single Figure of Remuneration in 2013 for Non-Executive Directors (Audited) on page 81; and
Note 4C Share-based compensation plans on pages 104 and 105.

Table of Contents

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. MAJOR SHAREHOLDERS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Margarine Union (1930) Limited: Conversion Rights and Foundation Unilever N.V. Trust office on pages 46 and 47; and

Analysis of shareholding on pages 51 and 52.

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

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

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

At 3 March 2014 there were 5,218 registered holders of NV New York Registry Shares and 1,010 registered holders of PLC American Depositary Receipts in the United States. We estimate that approximately 12% of NV's ordinary shares were held in the United States (approximately 13% in 2012), while most holders of PLC ordinary shares are registered in the United Kingdom approximately 98% in 2013 and in 2012.

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

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

The information set forth under the heading Equalisation Agreement on page 47 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

B. RELATED PARTY TRANSACTIONS

The information set forth under the heading Note 23 Related party transactions on page 133 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

Transactions with related parties are conducted in accordance with agreed transfer pricing policies and include sales to joint ventures and associates. Other than those disclosed in the Group's Annual Report and Accounts (and incorporated

herein as above), there were no related party transactions that were material to the Group or to the related parties concerned that are required to be reported in 2013 or the two preceding years.

C. INTEREST OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Please refer also to Item 18 Financial Statements on page 22 to 28 of this report.

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Financial statements on page 85 and pages 90 to 135;

Legal proceedings on page 131; and

Financial calendar on page 146.

Also see Dividend record on page 4 of this report.

B. SIGNIFICANT CHANGES

The information set forth in Note 25 Events after the balance sheet date on page 133 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

Table of Contents**ITEM 9. THE OFFER AND LISTING****A. OFFER AND LISTING DETAILS**

Please refer to information given on page 14 under Item 7A Major shareholders .

SHARE PRICES AT 31 DECEMBER 2013

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

NV per 0.16 ordinary share in Amsterdam	29.28
NV per 0.16 ordinary share in New York	US \$40.23
PLC per 3 ¹ / ₉ p ordinary share in London	£24.82
PLC per 3 ¹ / ₉ p ordinary share in New York	US \$41.20

MONTHLY HIGH AND LOW PRICES FOR THE MOST RECENT SIX MONTHS

		September 2013	October 2013	November 2013	December 2013	January 2014	February 2014
NV per 0.16 ordinary share in Amsterdam (in)	High	30.09	29.24	29.39	29.28	29.94	28.92
	Low	28.25	27.50	28.64	27.72	27.71	27.16
NV per 0.16 ordinary share in New York (in US \$)	High	40.49	40.28	39.65	40.25	40.55	39.57
	Low	37.28	37.27	38.38	38.26	37.34	36.72
PLC per 3 ¹ / ₉ p ordinary share in London (in £)	High	25.88	25.48	25.35	24.82	25.05	24.74
	Low	24.30	23.19	24.59	23.68	23.39	23.06
PLC per 3 ¹ / ₉ p ordinary share in New York (in US \$)	High	41.47	41.06	40.77	41.20	41.71	41.34
	Low	38.06	37.67	39.65	39.09	38.61	37.85

QUARTERLY HIGH AND LOW PRICES FOR 2013 AND 2012

		1st Quarter 2013	2nd Quarter 2013	3rd Quarter 2013	4th Quarter 2013
NV per 0.16 ordinary share in Amsterdam (in)	High	31.96	32.89	31.84	29.39
	Low	28.58	28.82	28.25	27.50
NV per 0.16 ordinary share in New York (in US \$)	High	41.19	42.78	41.58	40.28
	Low	37.95	37.94	37.28	37.27
PLC per 3 ¹ / ₉ p ordinary share in London (in £)	High	27.84	28.85	28.20	25.48

Edgar Filing: UNILEVER N V - Form 20-F

	Low	23.78	25.16	24.30	23.19
PLC per 3 ¹ / ₉ p ordinary share in New York (in US \$)	High	42.24	43.54	42.67	41.20
	Low	38.38	39.00	38.06	37.67
		1st	2nd	3rd	4th
		Quarter	Quarter	Quarter	Quarter
		2012	2012	2012	2012
NV per 0.16 ordinary share in Amsterdam (in)	High	27.11	26.39	28.79	29.50
	Low	24.78	24.56	26.42	27.53
NV per 0.16 ordinary share in New York (in US \$)	High	34.92	35.00	36.35	38.75
	Low	32.09	30.79	32.11	35.58
PLC per 3 ¹ / ₉ p ordinary share in London (in £)	High	21.89	21.44	23.34	24.29
	Low	19.94	20.05	21.27	22.62
PLC per 3 ¹ / ₉ p ordinary share in New York (in US \$)	High	34.02	34.74	37.29	39.37
	Low	31.50	31.04	32.88	36.11

ANNUAL HIGH AND LOW PRICES

		2013	2012	2011	2010	2009
NV per 0.16 ordinary share in Amsterdam (in)	High	32.89	29.50	26.58	24.11	22.88
	Low	27.50	24.56	21.00	20.68	13.59
NV per 0.16 ordinary share in New York (in US \$)	High	42.78	38.75	35.06	33.10	32.80
	Low	37.27	30.79	29.07	26.02	17.04
PLC per 3 ¹ / ₉ p ordinary share in London (in £)	High	28.85	24.29	21.73	20.09	20.15
	Low	23.19	19.94	17.93	16.62	12.30
PLC per 3 ¹ / ₉ p ordinary share in New York (in US \$)	High	43.54	39.37	34.30	32.41	32.19
	Low	37.67	31.04	28.65	25.74	17.04

Table of Contents

ITEM 9. THE OFFER AND LISTING CONTINUED

B. PLAN OF DISTRIBUTION

Not applicable.

C. MARKETS

This information is set forth under the heading The Unilever Group on page 1 of this report.

D. SELLING SHAREHOLDERS

Not applicable.

E. DILUTION

Not applicable.

F. EXPENSES OF THE ISSUE

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. SHARE CAPITAL

Not applicable.

B. ARTICLES OF ASSOCIATION

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

Corporate governance on pages 42 to 52; and

Note 15A Share Capital on page 116; and

Minimum shareholding requirement on page 69.

Please also refer to The Unilever Group on page 1 of this report.

C. MATERIAL CONTRACTS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Note 21 Acquisition and disposals on pages 131 and 132; and

Our Foundation Agreements on page 47.

D. EXCHANGE CONTROLS

Under the Dutch External Financial Relations Act of 25 March 1994 the Minister of Finance is authorised to issue regulations relating to financial transactions concerning the movement of capital to or from other countries with respect to direct investments, establishment, the performing of financial services, the admission of negotiable instruments or goods with respect to which regulations have been issued under the Import and Export Act in the interest of the international legal system or an arrangement relevant thereto. These regulations may contain a prohibition to perform any of the actions indicated in those regulations without a licence. To date no regulations of this type have been issued which are applicable to Unilever N.V.

Other than certain economic sanctions which may be in place from time to time, there are currently no UK laws, decrees or regulations restricting the import or export of capital or affecting the remittance of dividends or other payments to holders of the company's shares who are non-residents of the UK. Similarly, other than certain economic sanctions which may be in force from time to time, there are no limitations relating only to non-residents of the UK under English law or the company's Articles of Association on the right to be a holder of, and to vote in respect of, the company's shares.

E. TAXATION

TAXATION FOR US PERSONS HOLDING SHARES IN NV

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

TAXATION ON DIVIDENDS IN THE NETHERLANDS

As of 1 January 2007 dividends paid by companies in the Netherlands are in principle subject to dividend withholding tax of 15%. Where a shareholder is entitled to the benefits of the current Income Tax Convention (the Convention) concluded on 18 December 1992 between the United States and the Netherlands, when dividends are paid by NV to:

a corporation organised under the laws of the United States (or any territory of it) having no permanent establishment in the Netherlands of which such shares form a part of the business property; or
any other legal person subject to United States Federal income tax with respect to its worldwide income, having no permanent establishment in the Netherlands of which such shares form a part of the business property, these dividends qualify for a reduction of withholding tax on dividends in the Netherlands from 15% to 5% if the beneficial owner is a company which directly holds at least 10% of the voting power of NV shares.

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

The Convention provides, subject to certain conditions, for a complete exemption from, or refund of, Dutch dividend withholding tax if the beneficial owner is a qualified Exempt Pension Trust as defined in Article 35 of the Convention or a qualified Exempt Organisation as defined in Article 36 of the Convention. It is noted that, subject to certain conditions, foreign (non-Dutch) tax exempt entities may also be entitled to a full refund of any Dutch dividend withholding tax suffered based on specific provisions in the Dividend Tax Act in the Netherlands. This tax refund opportunity under Dutch domestic tax law already applied to European Union and European Economic Area entities as of 1 January 2007 and has been extended as of 1 January 2012 to all foreign tax exempt entities including, if appropriate, United States tax exempt entities.

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

Table of Contents

ITEM 10. ADDITIONAL INFORMATION

CONTINUED

Under the Convention, a United States trust, company or organisation that is operated exclusively for religious, charitable, scientific, educational or public purposes is subject to an initial 15% withholding tax rate. Such an exempt organisation may be entitled to reclaim from tax authorities in the Netherlands a refund of the Dutch dividend tax, if and to the extent that it is exempt from United States Federal Income Tax and it would be exempt from tax in the Netherlands if it were organised and carried on all its activities there.

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

UNITED STATES TAXATION ON DIVIDENDS

If you are a United States person, the dividend (including the withheld amount) up to the amount of NV earnings and profits for United States Federal Income Tax purposes will be ordinary dividend income. Dividends received by an individual will be taxed at a maximum rate of 15% or 20%, depending on the income level of the individual, provided the individual has held the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, that NV is a qualified foreign corporation and that certain other conditions are satisfied. NV is a qualified foreign corporation for this purpose. In addition, an additional tax of 3.8% will apply to dividends and other investment income received by individuals with incomes exceeding certain thresholds. The dividends are not eligible for the dividends received deduction allowed to corporations.

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

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

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

DISCLOSURE REQUIREMENTS FOR US INDIVIDUAL HOLDERS

US individuals that hold certain specified foreign financial assets, including stock in a foreign corporation, with values in excess of certain thresholds are required to file Form 8938 with their United States Federal Income Tax return. Such Form requires disclosure of information concerning such foreign assets, including the value of the assets. Failure

to file the form when required is subject to penalties. An exemption from reporting applies to foreign assets held through a US financial institution, generally including a non-US branch or subsidiary of a US institution and a US branch of a non-US institution. Investors are encouraged to consult with their own tax advisors regarding the possible application of this disclosure requirement to their investment in the shares.

TAXATION ON CAPITAL GAINS IN THE NETHERLANDS

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

SUCCESSION DUTY AND GIFT TAXES IN THE NETHERLANDS

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

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

TAXATION FOR US PERSONS HOLDING SHARES IN PLC

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

UNITED KINGDOM TAXATION ON DIVIDENDS

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

UNITED STATES TAXATION ON DIVIDENDS

If you are a US person, the dividend up to the amount of PLC's earnings and profits for United States Federal Income Tax purposes will be ordinary dividend income. Dividends received by an individual will be taxed at a maximum rate of 15% or 20%, depending on the income level of the individual, provided the individual has held the shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date, that PLC is a qualified foreign corporation and certain other conditions are satisfied. PLC is a qualified foreign corporation for this purpose. In addition, an additional tax of 3.8% will apply to dividends and other investment income received by individuals with incomes exceeding certain thresholds. The dividend is not eligible for the dividends received deduction allowable to corporations. The dividend is foreign source income for US foreign tax credit purposes.

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

DISCLOSURE REQUIREMENTS FOR US INDIVIDUAL HOLDERS

US individuals that hold certain specified foreign financial assets, including stock in a foreign corporation, with values in excess of certain thresholds are required to file Form 8938 with their United States Federal Income Tax return. Such Form requires disclosure of information concerning such foreign assets, including the value of the assets. Failure to file the form when required is subject to penalties. An exemption from reporting applies to foreign assets held through a US financial institution, generally including a non-US branch or subsidiary of a US institution and a US branch of a non-US institution. Investors are encouraged to consult with their own tax advisors regarding the possible application of this disclosure requirement to their investment in the shares.

Table of Contents

ITEM 10. ADDITIONAL INFORMATION

CONTINUED

UK TAXATION ON CAPITAL GAINS

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

an individual who is neither resident nor ordinarily resident in the United Kingdom; or
a company which is not resident in the United Kingdom
you will generally not be liable to United Kingdom tax on any capital gains made on disposal of your shares.

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

UK INHERITANCE TAX

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

domiciled for the purposes of the convention in the United States; and
is not for the purposes of the convention a national of the United Kingdom
will not be subject to United Kingdom inheritance tax:

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

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

F. DIVIDENDS AND PAYING AGENTS

Not applicable.

G. STATEMENT BY EXPERTS

Not applicable.

H. DOCUMENTS ON DISPLAY

The information set forth under the headings "Contact details" and "Publications" on pages 146 and 147 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

UNILEVER ANNUAL REPORT ON FORM 20-F 2013

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

DOCUMENTS ON DISPLAY IN THE UNITED STATES

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

I. SUBSIDIARY INFORMATION

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Outlook on page 34;

Note 4B Pensions and similar obligations on pages 99 to 104;

Note 13 Trade and other current receivables on pages 113 to 114;

Note 14 Trade payables and other liabilities on page 114;

Note 15 Capital and funding on pages 115 and 116;

Note 16 Treasury risk management on pages 120 to 125;

Note 17 Investment and return on pages 125 and 126; and

Note 18 Financial instruments fair value risk on pages 127 to 129.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

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

D.3 TRANSFER AGENT FEES AND CHARGES FOR UNILEVER N.V.

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

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

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

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

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

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

Expenses incurred for converting foreign currency into US dollars;

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

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

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

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

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

Table of Contents**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES CONTINUED****D.3 DEPOSITARY FEES AND CHARGES FOR UNILEVER PLC**

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

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

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

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

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

Expenses incurred for converting foreign currency into US dollars;

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

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

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

Fees incurred in connection with the distribution of dividends.

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

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

D.4 TRANSFER AGENT PAYMENTS FISCAL YEAR 2013 FOR UNILEVER N.V.

In 2013, we received the following payments from Citibank, N.A., the Transfer Agent and Registrar for our New York Registered Share program:

	US \$
Reimbursement of listing fees (NYSE/NASDAQ)	251,964.00
Reimbursement of settlement infrastructure fees (including DTC feeds)	118,091.17
Reimbursement of proxy process expenses (printing, postage and distribution)	283,396.23
Tax reclaim services	33,474.47
Program-related expenses (that include expenses incurred from the requirements of the Sarbanes-Oxley Act of 2002)	663,074.13

INDIRECT PAYMENTS

As part of its service to Unilever N.V., Citibank, N.A. has agreed to waive fees for the standard costs associated with the administration of the ADR Program, associated operating expenses and investor relations advice estimated to total US \$150,000.00.

D.4 DEPOSITARY PAYMENTS FISCAL YEAR 2013 FOR UNILEVER PLC

In 2013, we received the following payments from Citibank, N.A., the Depositary Bank for our American Depositary Receipt Program:

	US \$
Reimbursement of listing fees (NYSE/NASDAQ)	180,486.00
Reimbursement of settlement infrastructure fees (including DTC feeds)	74,279.46
Reimbursement of proxy process expenses (printing, postage and distribution)	286,519.78
Program-related expenses (that include expenses incurred from the requirements of the Sarbanes-Oxley Act of 2002)	808,714.76

INDIRECT PAYMENTS

As part of its service to Unilever PLC, Citibank, N.A. has agreed to waive fees for the standard costs associated with the administration of the ADR Program, associated operating expenses and investor relations advice estimated to total US \$150,000.00.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**A.DEFAULTS**

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

B. DIVIDEND ARREARAGES AND DELINQUENCIES

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

Table of Contents

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

The information set forth under the headings **Report of Independent Registered Public Accounting Firm** in Item 18 on page 22 of this report, and **Our Risk Appetite and Approach to Risk Management** on page 34, **Requirements The United States** on page 50 and **Risk management and internal control arrangements** on page 54 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Unilever's management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework (1992) to evaluate the effectiveness of our internal control over financial reporting. Management believes that the COSO framework (1992) is a suitable framework for its evaluation of our internal control over financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of internal controls, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of internal controls are not omitted and is relevant to an evaluation of internal control over financial reporting;

Management has assessed the effectiveness of internal control over financial reporting as of 31 December 2013, and has concluded that such internal control over financial reporting is effective; and

PricewaterhouseCoopers LLP and PricewaterhouseCoopers Accountants N.V., who have audited the consolidated financial statements of the Group for the year ended 31 December 2013, have also audited the effectiveness of internal control over financial reporting as at 31 December 2013 and have issued an attestation report on internal control over financial reporting. For the Auditors' report please refer to Item 18 on page 22 of this report.

ITEM 16. RESERVED

A. AUDIT COMMITTEE FINANCIAL EXPERT

The information set forth under the heading **Report of the Audit Committee** on pages 53 to 55 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

B. CODE OF ETHICS

The information set forth under the following headings of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference:

Foundation and principles on pages 34 and 35; and

Requirements The United States on page 50.

C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Edgar Filing: UNILEVER N V - Form 20-F

The information set forth under the heading "Report of the Audit Committee" on pages 53 to 55 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

	million	million	million
	2013	2012	2011
Audit fees ^(a)	16	18	18
Audit-related fees ^(b)	3	2	2
Tax fees	1	1	1
All other fees	1		1

^(a) Excludes 1 million fees paid in respect of services supplied for associated pension schemes. (2012: 1 million; 2011: 1 million).

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

D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Table of Contents**ITEM 16. RESERVED CONTINUED****E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS****SHARE PURCHASES DURING 2013**

	Total number of shares purchased	Average price paid per share ()	Of which, numbers of Maximum value that shares purchased yet be purchased	
			as part of publicly announced plans	as part of publicly announced plans
January				
February ^(a)	160,400	30.21		
March ^(a)	203,677	30.70		
April				
May				
June				
July				
August				
September				
October				
November				
December				
Total	364,077	30.48		

^(a) Shares were purchased to satisfy commitments to deliver shares under our share-based plans as described in note 4C Share-Based Compensation Plans on pages 104 and 105 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K and incorporated by reference.

Between 26 February and 3 March 2014 Unilever N.V. purchased 527,958 shares with an average price of Euro 28.91 per share to facilitate grants in connection with its employee compensation programs.

F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

In 2013 we conducted a tender process for the Unilever Group's statutory audit contract. The change in auditors is being made in order to remain at the forefront of good governance and in recognition of regulatory changes in Europe and elsewhere. Accordingly the engagement of PricewaterhouseCoopers LLP and PricewaterhouseCoopers Accountants N.V. (together, PricewaterhouseCoopers), Unilever's current auditor, will not be renewed in 2014. As a

result of the audit tender process we announced on 2 December 2013 that following completion of the audit of the Unilever Group financial statements for the year ended 31 December 2013 and the audit of the effectiveness of internal control over financial reporting as of 31 December 2013, KPMG LLP and KPMG Accountants N.V. (together, KPMG) will become Unilever's statutory auditor, subject to approval by shareholders at the 2014 Annual General Meeting of Unilever PLC and Unilever N.V. The approval for this was delegated by the Board to a Board Committee comprising the Chairman, the Chief Financial Officer, the Chairman of the Audit Committee and the Vice-Chairman/Senior Independent Director.

During the two years prior to 31 December 2013, (1) PricewaterhouseCoopers has not issued any reports on the financial statements of the Unilever Group or on the effectiveness of internal control over financial reporting that contained an adverse opinion or a disclaimer of opinion, nor were the auditors' reports of PricewaterhouseCoopers qualified or modified as to uncertainty, audit scope, or accounting principles, (2) there has not been any disagreement over any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to PricewaterhouseCooper's satisfaction would have caused it to make reference to the subject matter of the disagreement in connection with its auditors' reports, or any reportable event as described in Item 16F(a)(1)(v) of Form 20-F.

Further in the two years prior to 31 December 2013 we have not consulted with KPMG regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered with respect to the consolidated financial statements of the Unilever Group; or (ii) any matter that was the subject of a disagreement as that term is used in Item 16F(a)(1)(iv) of Form 20-F or a reportable event as described in Item 16F(a)(1)(v) of Form 20-F.

G. CORPORATE GOVERNANCE

The information set forth under the heading Corporate governance on pages 42 to 52 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

ITEM 17. FINANCIAL STATEMENTS

Unilever has responded to Item 18 in lieu of this item.

Table of Contents

ITEM 18. FINANCIAL STATEMENTS

The information set forth under the heading "Financial statements" on page 85 and pages 90 to 135 of the Group's Annual Report and Accounts 2013 furnished separately on 7 March 2014 under Form 6-K is incorporated by reference.

To the Directors and shareholders

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

In our opinion, the consolidated income statements and the related consolidated balance sheets, consolidated cash flow statements, consolidated statements of comprehensive income and consolidated statements of changes in equity set forth under the heading "Financial Statements" on pages 90 to 135 (excluding Note 24 on page 133) of Unilever Group's Annual Report and Accounts 2013 and the Guarantor financial information included in Item 18 of this Form 20-F present fairly, in all material respects, the financial position of the Unilever Group at 31 December 2013 and 31 December 2012 and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2013, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in conformity with IFRS as adopted by the European Union. Also in our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of 31 December 2013, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (1992). The Group's Directors and management are responsible for these consolidated financial statements.

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

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

Edgar Filing: UNILEVER N V - Form 20-F

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

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

/s/ PricewaterhouseCoopers LLP
London, United Kingdom
As auditors of Unilever PLC

4 March 2014

Amsterdam, The Netherlands, 4 March 2014
PricewaterhouseCoopers Accountants N.V.
As auditors of Unilever N.V.

Original has been signed by P J van Mierlo RA

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED****GUARANTOR STATEMENTS (AUDITED)**

On 1 November 2011, NV and Unilever Capital Corporation (UCC) filed a US Shelf registration, which is unconditionally and fully guaranteed, jointly and severally, by NV, PLC and Unilever United States, Inc. (UNUS). This superseded the previous NV and UCC US Shelf registration filed on 18 November 2008, which is unconditionally and fully guaranteed, jointly and severally, by NV, PLC and UNUS. UCC and UNUS are each indirectly 100% owned by the Unilever parent entities (as defined below). Of the US Shelf registration, US \$5.8 billion of Notes were outstanding at 31 December 2013 (2012: US \$5.0 billion; 2011: US \$4.0 billion) with coupons ranging from 0.45% to 5.9%. These Notes are repayable between 15 February 2014 and 15 November 2032.

Provided below are the income statements, cash flow statements and balance sheets of each of the companies discussed above, together with the income statement, cash flow statement and balance sheet of non-guarantor subsidiaries. These have been prepared under the historical cost convention and, aside from the basis of accounting for investments at net asset value (equity accounting), comply in all material respects with International Financial Reporting Standards. The financial information in respect of NV, PLC and UNUS has been prepared with all subsidiaries accounted for on an equity basis. Information on NV and PLC is shown collectively as Unilever parent entities. The financial information in respect of the non-guarantor subsidiaries has been prepared on a consolidated basis.

	million Unilever Capital Corporation subsidiary issuer	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever United States Inc.
Year ended 31 December 2013				49,797		
Operating profit		296	4	7,217		
Operating income				103		
Operating costs	(150)	(111)		(239)		
Depreciation and similar obligations		(4)	(29)	(100)		
Company finance income/(costs)	150	32	(190)	8		
Goodwill		2,945		(2,945)		
Share of net profit/(loss) of joint ventures and associates				113		
Income from non-current investments				14		
Profit before taxation		3,158	(215)	4,171		
Income tax		(13)	(419)	(1,419)		
Operating profit		3,145	(634)	2,752		
Operating earnings of subsidiaries		2,118	1,395		(3,513)	
Operating profit		5,263	761	2,752	(3,513)	
Available to:						

Controlling interests			421	
Shareholders' equity	5,263	761	2,331	(3,513)
Comprehensive income	(15)	3,234	(209)	2,057

(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED**

	million Unilever Capital Corporation subsidiary issuer	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor (Restated)	million Non- guarantor subsidiaries (Restated)	million Eliminations	million Unilever Group (Restated)
Income statement for the year ended 31 December 2012						
Turnover				51,324		51,324
Operating profit		334	7	6,636		6,977
Finance income				136		136
Finance costs	(153)	(169)		(204)		(526)
Pensions and similar obligations		(5)	(32)	(108)		(145)
Inter-company finance income/(costs)	153	(6)	(110)	(37)		
Dividends		2,851	676	(3,527)		
Share of net profit/(loss) of joint ventures and associates				105		105
Other income from non-current investments				(14)		(14)
Profit before taxation		3,005	541	2,987		6,533
Taxation		(29)	(192)	(1,476)		(1,697)
Net profit		2,976	349	1,511		4,836
Equity earnings of subsidiaries		1,860	728		(2,588)	
Net profit		4,836	1,077	1,511	(2,588)	4,836
Attributable to:						
Non-controlling interests				468		468
Shareholders equity		4,836	1,077	1,043	(2,588)	4,368
Total comprehensive income	(9)	2,824	438	645		3,898
	million Unilever Capital Corporation subsidiary issuer	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor (Restated)	million Non- guarantor subsidiaries (Restated)	million Eliminations	million Unilever Group (Restated)
Income statement for the year ended 31 December 2011						
Turnover				46,467		46,467

Operating profit		155	(12)	6,277		6,420
Finance income				92		92
Finance costs	(127)	(203)		(210)		(540)
Pensions and similar obligations		(5)	(26)	(64)		(95)
Inter-company finance income/(costs)	128	61	(11)	(178)		
Dividends		2,631		(2,631)		
Share of net profit/(loss) of joint ventures and associates				113		113
Other income from non-current investments				76		76
Profit before taxation	1	2,639	(49)	3,475		6,066
Taxation		50	(233)	(1,392)		(1,575)
Net profit	1	2,689	(282)	2,083		4,491
Equity earnings of subsidiaries		1,802	898		(2,700)	
Net profit	1	4,491	616	2,083	(2,700)	4,491
Attributable to:						
Non-controlling interests				371		371
Shareholders' equity	1	4,491	616	1,712	(2,700)	4,120
Total comprehensive income	9	2,542	(290)	262		2,523

(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED**

	million Unilever Capital Corporation subsidiary issuer	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Gross
Balance sheet at 31 December 2013						
Assets						
Non-current assets						
Goodwill and intangible assets		1,726		19,178		20,904
Property, plant and equipment				9,344		9,344
Provision asset for funded schemes in surplus		1		990		991
Deferred tax assets		163	38	883		1,084
Financial assets				505		505
Other non-current assets			1	562		563
Accounts due from group companies	7,896			30	(7,926)	
Assets of subsidiaries (equity accounted)		41,740	17,841	(20,528)	(39,053)	
	7,896	43,630	17,880	10,964	(46,979)	33,381
Current assets						
Inventory				3,937		3,937
Accounts due from group companies		5,112	2,103	(7,215)		
Trade and other current receivables		91	13	4,727		4,911
Deferred tax assets		18		199		217
Bank and cash equivalents		3		2,282		2,285
Other financial assets				760		760
Non-current assets held for sale				92		92
		5,224	2,116	4,782		12,124
Total assets	7,896	48,854	19,996	15,746	(46,979)	45,513
Liabilities						
Current liabilities						
Financial liabilities	885	2,132	3	990		4,010
Accounts due to group companies	3,101	29,747		(32,848)		
Trade payables and other current liabilities	45	170	31	11,489		11,735
Deferred tax liabilities		(17)	155	1,116		1,254
Provisions		11		368		379
Liabilities associated with assets held for sale				4		4
	4,031	32,043	189	(18,881)		17,382
Non-current liabilities						
Financial liabilities	3,600	2,326		1,565		7,491
Accounts due to group companies			7,937	(11)	(7,926)	

visions and post-retirement healthcare liabilities						
ded schemes in deficit			12	1,393		1,4
unded schemes	102	480		981		1,5
visions	5	2		885		8
ferred tax liabilities	18			1,506		1,5
er non-current liabilities	16			425		4
	3,600	2,467	8,431	6,744	(7,926)	13,3
al liabilities	7,631	34,510	8,620	(12,137)	(7,926)	30,6
ity						
reholders equity						
ed up share capital		484				4
re premium account		138	942	(942)		1
er reserves	(10)	(6,746)	(381)	(2,680)	3,071	(6,7
ined profit	275	20,468	10,815	31,034	(42,124)	20,4
	265	14,344	11,376	27,412	(39,053)	14,3
-controlling interests				471		4
al equity	265	14,344	11,376	27,883	(39,053)	14,8
al liabilities and equity	7,896	48,854	19,996	15,746	(46,979)	45,5

(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED**

	million Unilever Corporation subsidiary issuer	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor (Restated)	million Non- guarantor subsidiaries (Restated)	million Eliminations	million Unilever Group (Restated)
Balance sheet at 31 December 2012						
Assets						
Non-current assets						
Goodwill and intangible assets		1,330		20,388		21,718
Property, plant and equipment				9,445		9,445
Pension asset for funded schemes in surplus				758		758
Deferred tax assets		103	251	696		1,050
Financial assets			1	534		535
Other non-current assets			7	529		536
Amounts due from group companies	6,642			(26)	(6,616)	
Net assets of subsidiaries (equity accounted)		40,627	15,710	(17,981)	(38,356)	
	6,642	42,060	15,969	14,343	(44,972)	34,042
Current assets						
Inventories				4,436		4,436
Amounts due from group companies		5,050	2,087	(7,137)		
Trade and other current receivables		80	12	4,344		4,436
Current tax assets		287	98	(168)		217
Cash and cash equivalents		3		2,462		2,465
Other financial assets				401		401
Non-current assets held for sale				192		192
		5,420	2,197	4,530		12,147
Total assets	6,642	47,480	18,166	18,873	(44,972)	46,189
Liabilities						
Current liabilities						
Financial liabilities	691	1,250	3	712		2,656
Amounts due to group companies	1,859	28,132		(29,991)		
Trade payables and other current liabilities	46	181	33	11,408		11,668
Current tax liabilities		304		825		1,129
Provisions		34		327		361
Liabilities associated with assets held for sale				1		1

Edgar Filing: UNILEVER N V - Form 20-F

	2,596	29,901	36	(16,718)		15,815
Non-current liabilities						
Financial liabilities	3,766	2,058		1,741		7,565
Amounts due to group companies			6,701	(85)	(6,616)	
Pensions and post-retirement healthcare liabilities						
Funded schemes in deficit		2	174	1,884		2,060
Unfunded schemes		110	580	1,350		2,040
Provisions		12	1	833		846
Deferred tax liabilities				1,414		1,414
Other non-current liabilities		5	81	414		500
	3,766	2,187	7,537	7,551	(6,616)	14,425
Total liabilities	6,362	32,088	7,573	(9,167)	(6,616)	30,240
Equity						
Shareholders equity						
Called up share capital		484				484
Share premium account		140	942	(942)		140
Other reserves	5	(6,196)	(612)	(1,695)	2,302	(6,196)
Retained profit	275	20,964	10,263	30,120	(40,658)	20,964
	280	15,392	10,593	27,483	(38,356)	15,392
Non-controlling interests				557		557
Total equity	280	15,392	10,593	28,040	(38,356)	15,949
Total liabilities and equity	6,642	47,480	18,166	18,873	(44,972)	46,189

(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED**

	million Unilever Capital Corporation subsidiary	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Gr
For the year ended 31 December 2013						
Cash flow from operating activities	1	512	56	7,530		8,115
Income tax		(110)	(223)	(1,472)		(1,805)
Cash flow from operating activities	1	402	(167)	6,058		6,310
Interest received				100		100
Capital expenditure		(464)		(1,563)		(2,027)
Acquisitions and disposals		21		932		953
Other investing activities	(1,465)	(1,042)	(107)	1,004	1,465	(1,147)
Cash flow from/(used in) investing activities	(1,465)	(1,527)	(107)	473	1,465	(1,161)
Dividends paid on ordinary share capital		(41)	(1,092)	(1,860)		(2,993)
Dividend and preference dividends paid	(152)	(128)		(231)		(511)
Acquisition of non-controlling interest		(2,515)		(386)		(2,901)
Increase in financial liabilities	275	1,192		(203)		1,264
Decrease in treasury stocks		163	(32)	(107)		24
Other finance activities	1,337	2,402	1,398	(3,945)	(1,465)	1,727
Cash flow from/(used in) financing activities	1,460	1,073	274	(6,732)	(1,465)	(5,380)
Increase/(decrease) in cash and cash equivalents	(4)	(52)		(201)		(257)
Cash and cash equivalents at the beginning of the year		3	(3)	2,217		2,217
Effect of foreign exchange rate changes	4	52		28		84
Cash and cash equivalents at the end of the year		3	(3)	2,044		2,044

	million Unilever Capital Corporation subsidiary	million Unilever ^(a) parent entities	million Unilever United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Gr
For the year ended 31 December 2012						
Cash flow from operating activities		478	3	8,035		8,516
Income tax		(89)	(135)	(1,456)		(1,680)

Cash flow from operating activities		389	(132)	6,579		6,826
Net cash received				146		146
Capital expenditure		(1,176)		(967)		(2,143)
Acquisitions and disposals				113		113
Other investing activities	(1,181)	5,838	(98)	(4,575)	1,145	1,145
Cash flow from/(used in) investing activities	(1,181)	4,662	(98)	(5,283)	1,145	(652)
Dividends paid on ordinary share capital		(1,368)	(917)	(414)		(2,700)
Dividend and preference dividends paid	(147)	(177)		(182)		(406)
Change in borrowing and finance leases	(93)	(1,866)		(1,050)		(3,009)
Other movement in treasury stocks		187	(64)	(75)		48
Other finance activities	1,421	(1,814)	1,210	(128)	(1,145)	(366)
Cash flow from/(used in) financing activities	1,181	(5,038)	229	(1,849)	(1,145)	(6,622)
Increase/(decrease) in cash and cash equivalents		13	(1)	(553)		(541)
Cash and cash equivalents at the beginning of the year						2,980
Effect of foreign exchange rate changes		(11)	1	(210)		(220)
Cash and cash equivalents at the end of the year		3	(3)	2,217		2,217

(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

Table of Contents**ITEM 18. FINANCIAL STATEMENTS CONTINUED**

	million Unilever Capital Corporation subsidiary	million Unilever ^(a) parent entities issuer	million United States Inc. subsidiary guarantor	million Non- guarantor subsidiaries	million Eliminations	million Unilever Group
Cash flow statement						
for the year ended 31 December 2011						
Cash flow from operating activities	(1)	61	(56)	6,635		6,639
Income tax		(71)	(84)	(1,032)		(1,187)
Net cash flow from operating activities	(1)	(10)	(140)	5,603		5,452
Interest received	128	56	108	(77)	(122)	93
Net capital expenditure		(27)		(1,947)		(1,974)
Acquisitions and disposals		(37)		(1,683)		(1,720)
Other investing activities	(2,362)	(1,134)	(927)	726	2,831	(866)
Net cash flow from/(used in) investing activities	(2,234)	(1,142)	(819)	(2,981)	2,709	(4,467)
Dividends paid on ordinary share capital		137		(2,622)		(2,485)
Interest and preference dividends paid	(112)	(217)	(119)	(170)	122	(496)
Change in borrowing and finance leases	2,345	648	281	764	(281)	3,757
Other movement in treasury stocks		151	(37)	(84)		30
Other finance activities		475	836	844	(2,550)	(395)
Net cash flow from/(used in) financing activities	2,233	1,194	961	(1,268)	(2,709)	411
Net increase/(decrease) in cash and cash equivalents	(2)	42	2	1,354		1,396
Cash and cash equivalents at the beginning of the year			(3)	1,969		1,966
Effect of foreign exchange rate changes	2	(41)	(2)	(343)		(384)
Cash and cash equivalents at the end of the year		1	(3)	2,980		2,978

^(a) The term "Unilever parent entities" includes Unilever N.V. and Unilever PLC. Though Unilever N.V. and Unilever PLC are separate legal entities, with different shareholder constituencies and separate stock exchange listings, they operate as nearly as practicable as a single economic entity. Debt securities issued by entities in the Unilever Group are fully and unconditionally guaranteed by both Unilever N.V. and Unilever PLC.

ITEM 19. EXHIBITS

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

Table of Contents

Designed and produced by Addison Group at www.addison-group.net.

Printed at Pureprint Group, ISO 14001. FSC® certified and CarbonNeutral®.

This document forms part of the Unilever Annual Report and Accounts 2013 suite of documents and is printed on Amadeus 100% Recycled Silk and Offset. These papers have been exclusively supplied by Denmaur Independent Papers which has offset the carbon produced by the production and delivery of them to the printer.

These papers are 100% recycled and manufactured using de-inked post-consumer waste. All of the pulp is bleached using an elemental chlorine free process (ECF). Printed in the UK by Pureprint using its **alcofree**® and **pureprint**® environmental printing technology. Vegetable inks were used throughout. Pureprint is a CarbonNeutral® company. Both the manufacturing mill and the printer are registered to the Environmental Management System ISO 14001 and are Forest Stewardship Council® (FSC) chain-of-custody certified.

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

Table of Contents

FOR FURTHER INFORMATION ON OUR
SOCIAL, ECONOMIC AND ENVIRONMENTAL
PERFORMANCE, PLEASE VISIT OUR WEBSITE:

WWW.UNILEVER.COM

Table of Contents

SIGNATURES

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

Unilever N.V.
(Registrant)

/s/ T. E. Lovell
T. E. LOVELL,

Group Secretary
Date: 7 March, 2014

Table of Contents

UNILEVER NV 20-F EXHIBIT LIST

Exhibit Number	Description of Exhibit
1.1	Articles of Association of Unilever NV 1
2.1	Indenture dated as of August 1, 2000, among Unilever Capital Corporation, Unilever N.V., Unilever PLC, Unilever United States, Inc. and The Bank of New York, as Trustee, relating to Guaranteed Debt Securities 2
2.2	Trust Deed dated as of July 22, 1994, among Unilever N.V., Unilever PLC, Unilever Capital Corporation, Unilever United States, Inc. and The Law Debenture Trust Corporation p.l.c., relating to Guaranteed Debt Securities 3
4.1	Equalisation Agreement between Unilever N.V. and Unilever PLC 4
4.2	Service Contracts of the Executive Directors of Unilever NV 5
4.3	<u>Letters regarding compensation of Executive Directors of Unilever NV</u>
4.4	Unilever North America 2002 Omnibus Equity Compensation Plan 6
4.5	The Unilever NV International 1997 Executive Share Option Scheme 7
4.6	The Unilever Long Term Incentive Plan 8
4.7	Global Share Incentive Plan 2007 9
4.8	The Management Co-Investment Plan 10
7.1	<u>Calculation of Ratio of Earnings to Fixed Charges</u>
8.1	List of Subsidiaries 11
12.1	<u>Certifications of the Chief Executive Officer and Financial Director/Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
13.1	<u>Certifications of the Chief Executive Officer and Financial Director/Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
15.1	<u>Annual Report and Accounts sections incorporated by reference</u>
15.2	<u>Consent of PricewaterhouseCoopers Accountants N.V. and PricewaterhouseCoopers LLP</u>
15.3	<u>Letter dated 7 March, 2014 of PricewaterhouseCoopers LLP and PricewaterhouseCoopers Accountants N.V.</u>

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

1 Incorporated by reference to Exhibit 1.1 of Form 20-F filed with the SEC on March 8, 2013.

Edgar Filing: UNILEVER N V - Form 20-F

- 2 Incorporated by reference to Exhibit 2.2 of Form 20-F filed with the SEC on March 28,2002
- 3 Incorporated by reference to Exhibit 99.1 of Form S-8 filed with the SEC on February 27, 2003.
- 4 Incorporated by reference to Exhibit 4.1 of Form 20-F filed with the SEC on March 5, 2010.

Table of Contents

- 5 Incorporated by reference to Exhibit 4.2 of Form 20-F filed with the SEC on March 4, 2011.

- 6 Incorporated by reference to Exhibit 99.1 of Form S-8 filed with the SEC on February 27, 2003.

- 7 Incorporated by reference to Exhibit 4.5 of Form 20-F filed with the SEC on March 28, 2002.

- 8 Incorporated by reference to Exhibit 4.6 of Form 20-F filed with the SEC on March 28, 2002.

- 9 Incorporated by reference to Exhibit 4.7 of Form 20-F filed with the SEC on March 26, 2008.

- 10 Incorporated by reference to Exhibit 4.8 of Form 20-F filed with the SEC on March 4, 2011.

- 11 The required information is set forth on pages 134 and 135 of the 2013 Annual Report and Accounts.