

CONSOLIDATED PROFIT AND LOSS ACCOUNT - CONSTANT EXCHANGE RATES (unaudited)

In the profit and loss account given below, the results in both years have been translated at constant exchange rates, being the annual average exchange rates for 2001. This reporting convention facilitates comparisons since the impact of exchange rate fluctuations is eliminated.

Second Quarter			£ Millions – constant	Half Year		
2002	2001	% Incr./ (Decr.)		2002	2001	% Incr./ (Decr.)
8,305	8,342	- %	TURNOVER	15,949	16,089	(1)%
(80)	(104)		Less: Share of turnover of joint ventures	(177)	(198)	
8,225	8,238	- %	GROUP TURNOVER	15,772	15,891	(1)%
1,039	1,163	(11)%	GROUP OPERATING PROFIT	1,827	1,789	2 %
1,231	1,077	14 %	Group operating profit beia *	2,351	2,020	16 %
19	297		Exceptional items	(104)	198	
(211)	(211)		Amortisation of goodwill and intangibles	(420)	(429)	
15	11		Add: Share of operating profit of joint ventures	25	22	
1,054	1,174	(10)%	OPERATING PROFIT	1,852	1,811	2 %
1,243	1,093	14 %	Operating profit beia *	2,378	2,053	16 %
24	297		Exceptional items	(99)	198	
(213)	(216)		Amortisation of goodwill and intangibles	(427)	(440)	
8	-		Share of operating profit of associates	8	-	
(8)	(1)		Other income from fixed investments	(9)	2	
(206)	(252)		Interest	(405)	(522)	
848	921	(8)%	PROFIT BEFORE TAXATION	1,446	1,291	12 %
(377)	(325)		Taxation	(646)	(515)	
471	596	(21)%	PROFIT AFTER TAXATION	800	776	3 %
(62)	(48)		Minority Interests	(103)	(79)	
409	548	(25)%	NET PROFIT AT CONSTANT 2001 EXCHANGE RATES	697	697	- %
670	513	31 %	Net profit before exceptional items & amortisation of goodwill and intangibles (Constant rates)	1,246	939	33 %
394	541	(27)%	NET PROFIT AT EXCHANGE RATES CURRENT IN EACH PERIOD	671	695	(3)%
647	510	27 %	Net profit before exceptional items & amortisation of goodwill and intangibles (Current rates)	1,202	942	28 %
5.91p	8.12p	(27)%	COMBINED EARNINGS PER SHARE (Current rates)	10.02p	10.34p	(3)%
5.73p	7.91p	(27)%	- per 1.4p ordinary share	9.72p	10.07p	(3)%
			- per 1.4p ordinary share – diluted			

* beia means before exceptional items and amortisation of goodwill and intangibles.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

£ Millions	Half Year	
	2002	2001
Net profit	671	Restated 695
Currency retranslation and other ⁽²⁾	(473)	(489)
Total recognised gains / (losses) since last annual accounts	198	206

MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)

£ Millions	First Half Year	
	2002	2001
Shareholders' equity as at 1 January ⁽¹⁾	4,272	Restated 4,973
Net profit	671	695
Dividends	(4)	(6)
Goodwill movements	251	82
Currency retranslation and other ⁽²⁾	(435)	(515)
Change in number of shares or certificates of shares held in connection with share options	(303)	(284)
Shareholders' equity as at end period	4,452	4,945

SUMMARY BALANCE SHEET (unaudited)

£ Millions	As at 29th June	As at 31st December	As at 30th June
	2002	2001	2001
Goodwill and intangibles	14,232	Restated 15,300	Restated 16,335
Acquired businesses held for resale	-	-	1,100
Other fixed assets	5,694	6,185	6,647
Stocks	3,188	3,264	3,651
Debtors	6,747	6,080	6,399
Cash and current investments	2,378	1,405	2,111
Trade and other creditors	(7,648)	(7,781)	(7,806)
	24,591	24,453	28,437
Borrowings	15,329	15,578	18,787
Provisions for liabilities and charges	4,360	4,197	4,309
Minority interests	450	406	396
Capital and reserves	4,452	4,272	4,945
	24,591	24,453	28,437

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 19 (see note on Page 13).

	As at 31st December	As at 31st December
	2001	2000
⁽¹⁾ Shareholders' equity as previously reported in 2001 Report & Accounts	4,396	5,095
Accounting policy change	(124)	(122)
Shareholders' equity as restated	4,272	4,973

⁽²⁾ Includes gain on sale of interest in subsidiary to related party.

CASH FLOW STATEMENT (unaudited)

£ Millions	<u>Half Year</u>	
	<u>2002</u>	<u>2001</u>
Cash flow from operating activities	2,178	2,010
Dividends from joint ventures and associates	8	9
Returns on investments and servicing of finance	(512)	(645)
Taxation	(533)	(397)
Capital expenditure and financial investment	(577)	(591)
Acquisitions and disposals	717	796
Dividends paid on ordinary share capital	(648)	(577)
CASH INFLOW / (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	633	605
Management of liquid resources	(159)	(276)
Financing	(247)	(366)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	227	(37)

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

NET FUNDS / (DEBT) AT 1 JANUARY	(14,173)	(16,507)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	227	(37)
Cash flow from (increase)/decrease in borrowings	246	360
Cash flow from increase/(decrease) in liquid resources	159	276
Change in net funds / (debt) resulting from cash flows	632	599
Borrowings within group companies acquired	(57)	-
Borrowings within group companies sold	12	1
Liquid resources within group companies acquired	-	-
Liquid resources within group companies sold	(1)	-
Non cash movements	697	(433)
Currency retranslation	(61)	(336)
MOVEMENT IN NET FUNDS / (DEBT) IN THE PERIOD	1,222	(169)
NET FUNDS / (DEBT) AT HALF YEAR	(12,951)	(16,676)

GEOGRAPHICAL ANALYSIS (CONSTANT)

<u>Second Quarter</u>		£ Millions		<u>Half Year</u>		
<u>2002</u>	<u>2001</u>	<u>% Incr./</u> <u>(Decr.)</u>		<u>2002</u>	<u>2001</u>	<u>% Incr./</u> <u>(Decr.)</u>
8,305	8,342	- %	TURNOVER	15,949	16,089	(1)%
3,198	3,297	(3)%	Europe	6,109	6,274	(3)%
2,144	2,235	(4)%	North America	4,153	4,317	(4)%
589	552	7 %	Africa, Middle East and Turkey	1,089	1,032	6 %
1,300	1,265	3 %	Asia and Pacific	2,508	2,470	2 %
1,074	993	8 %	Latin America	2,090	1,996	5 %
			OPERATING PROFIT - before exceptional items and			
1,243	1,093	14 %	amortisation of goodwill and intangibles	2,378	2,053	16 %
479	495	(3)%	Europe	905	872	4 %
342	289	19 %	North America	643	520	24 %
88	62	41 %	Africa, Middle East and Turkey	133	110	20 %
168	144	17 %	Asia and Pacific	368	307	20 %
166	103	61 %	Latin America	329	244	35 %
			OPERATING MARGIN - before exceptional items and			
15.0%	13.1%		amortisation of goodwill and intangibles	14.9 %	12.8 %	
15.0%	15.0%		Europe	14.8 %	13.9 %	
16.0%	12.9%		North America	15.5 %	12.0 %	
14.8%	11.3%		Africa, Middle East and Turkey	12.2 %	10.7 %	
13.0%	11.4%		Asia and Pacific	14.7 %	12.4 %	
15.5%	10.4%		Latin America	15.8 %	12.2 %	

OPERATIONAL ANALYSIS (CONSTANT)

<u>Second Quarter</u>			£ Millions	<u>Half Year</u>		
<u>2002</u>	<u>2001</u>	<u>% Incr./ (Decr.)</u>		<u>2002</u>	<u>2001</u>	<u>% Incr./ (Decr.)</u>
8,305	8,342	- %	TURNOVER	15,949	16,089	(1)%
4,694	4,699	- %	Foods	8,827	8,970	(2)%
1,527	1,514	1 %	Savoury and Dressings	3,004	3,061	(2)%
997	1,032	(3)%	Spreads and Cooking Products	1,974	2,048	(4)%
721	684	5 %	Health & Wellness and Beverages	1,376	1,325	4 %
1,449	1,469	(1)%	Ice Cream and Frozen Foods	2,473	2,536	(3)%
1,500	1,639	(8)%	Home Care and Professional Cleaning	3,076	3,246	(5)%
2,042	1,906	7 %	Personal Care	3,898	3,684	6 %
69	98	(29)%	Other Operations	148	189	(21)%
			OPERATING PROFIT – before exceptional items and amortisation of goodwill and intangibles			
1,243	1,093	14 %		2,378	2,053	16 %
674	684	(2)%	Foods	1,220	1,176	4 %
217	245	(11)%	Savoury and Dressings	432	463	(7)%
152	147	3 %	Spreads and Cooking Products	299	298	1 %
61	81	(26)%	Health & Wellness and Beverages	175	160	9 %
244	211	16 %	Ice Cream and Frozen Foods	314	255	23 %
192	112	72 %	Home Care and Professional Cleaning	377	260	45 %
367	285	29 %	Personal Care	763	599	27 %
10	12	(13)%	Other Operations	18	18	5 %
			OPERATING MARGIN – before exceptional items and amortisation of goodwill and intangibles			
15.0 %	13.1 %			14.9 %	12.8 %	
14.3 %	14.6 %		Foods	13.8 %	13.1 %	
14.3 %	16.2 %		Savoury and Dressings	14.4 %	15.2 %	
15.2 %	14.2 %		Spreads and Cooking Products	15.2 %	14.5 %	
8.4 %	11.9 %		Health & Wellness and Beverages	12.7 %	12.1 %	
16.8 %	14.4 %		Ice Cream and Frozen Foods	12.7 %	10.1 %	
12.8 %	6.8 %		Home Care and Professional Cleaning	12.3 %	8.0 %	
18.0 %	14.9 %		Personal Care	19.6 %	16.2 %	
14.7 %	12.0 %		Other Operations	12.4 %	9.3 %	

Earnings per share in Sterling

	<u>Constant rates</u>		<u>Current rates</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	Thousands of units			
Average number of combined share units of 1.4p	6,534,531	6,560,258	6,534,531	6,560,258

COMBINED EPS

Net profit	697	697	671	695
Less: Preference dividends	(16)	(16)	(16)	(16)
Net profit attributable to ordinary capital	681	681	655	679
Combined EPS per 1.4p	10.43p	10.37p	10.02p	10.34p

COMBINED EPS – BEIA

Net profit	697	697	671	695
Add back exceptional items net of tax	138	(181)	135	(180)
Add back amortisation of goodwill / intangibles net of tax	411	423	396	427
Net profit beia	1,246	939	1,202	942
Less: Preference dividends	(16)	(16)	(16)	(16)
Net profit attributable to ordinary capital – beia	1,230	923	1,186	926
Combined EPS beia per 1.4p	18.83p	14.07p	18.16p	14.12p

COMBINED EPS – Diluted

	Thousands of units			
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Adjusted average combined share units of 1.4p	6,736,691	6,741,465	6,736,691	6,741,465
Net profit attributable to ordinary capital	681	681	655	679
Combined diluted EPS per 1.4p	10.12p	10.09p	9.72p	10.07p