

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

Note: A description of the exchange rate conventions used is given on page 13.

Third Quarter			£ Millions – constant rates	Nine Months		
2003	2002	% Incr./		2003	2002	% Incr./
Restated	Restated	(Decr.)		Restated	Restated	(Decr.)
7,718	7,717	0%	TURNOVER	22,467	22,851	(2)%
(44)	(72)		Less: Share of turnover of joint ventures	(136)	(238)	
<u>7,674</u>	<u>7,645</u>	0%	Group turnover	<u>22,331</u>	<u>22,613</u>	(1)%
1,050	950	10%	Group operating profit	2,771	2,703	2%
9	14		Add: Share of operating profit of joint ventures	27	38	
<u>1,059</u>	<u>964</u>	10%	OPERATING PROFIT	<u>2,798</u>	<u>2,741</u>	2%
1,311	1,235	6%	Operating profit beia *	3,466	3,411	2%
(49)	(69)		Exceptional items	(63)	(69)	
<u>(203)</u>	<u>(202)</u>		Amortisation of goodwill and intangibles	<u>(605)</u>	<u>(601)</u>	
6	8		Share of operating profit of associates	9	16	
-	(1)		Other income from fixed investments	(7)	(8)	
(147)	(182)		Interest (excluding pension related amounts)	(482)	(553)	
(29)	17		Net interest (cost)/return on pension scheme assets and liabilities	<u>(89)</u>	<u>51</u>	
889	806	10%	PROFIT BEFORE TAXATION	2,229	2,247	(1)%
(298)	(291)		Taxation	<u>(763)</u>	<u>(938)</u>	
591	515	15%	PROFIT AFTER TAXATION	1,466	1,309	12%
(46)	(40)		Minority interests	<u>(127)</u>	<u>(138)</u>	
<u>545</u>	<u>475</u>	15%	NET PROFIT	<u>1,339</u>	<u>1,171</u>	14%
<u>784</u>	<u>707</u>	11%	Net profit beia *	<u>1,961</u>	<u>1,858</u>	6%
COMBINED EARNINGS PER SHARE						
(Constant rates)						
8.40	7.18	17%	- per 1.4p ordinary PLC share (pence)	20.50	17.60	16%
12.12	10.75	13%	- per 1.4p ordinary PLC share – beia * (pence)	30.14	28.14	7%
8.15	6.97	17%	- per 1.4p ordinary PLC share – diluted (pence)	19.90	17.08	17%

* Before exceptional items and amortisation of goodwill and intangibles

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 14).

NET PROFIT AND EARNINGS PER SHARE – CURRENT EXCHANGE RATES (unaudited)

Net profit and earnings per share given below are stated at current exchange rates i.e. the results in both years have been translated at the exchange rates prevailing during the appropriate period.

For further details of the results at current exchange rates and impact of exchange rate movements see notes on page 13.

<u>Third Quarter</u>			£ Millions – current rates	<u>Nine Months</u>		
<u>2003</u>	<u>2002</u> <u>Restated</u>	<u>% Incr./</u> <u>(Decr.)</u>		<u>2003</u>	<u>2002</u> <u>Restated</u>	<u>% Incr./</u> <u>(Decr.)</u>
578	478	21%	NET PROFIT	1,401	1,180	19%
805	700	15%	Net profit beia *	2,002	1,875	7%
COMBINED EARNINGS PER SHARE (Current rates)						
8.92	7.22	23%	- per 1.4p ordinary PLC share (pence)	21.44	17.73	21%
12.44	10.64	17%	- per 1.4p ordinary PLC share – beia * (pence)	30.74	28.39	8%
8.67	7.01	24%	- per 1.4p ordinary PLC share – diluted (pence)	20.82	17.20	21%

* Before exceptional items and amortisation of goodwill and intangibles

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

£ Millions – current rates

	<u>Nine Months</u>	
	<u>2003</u>	<u>2002</u> <u>Restated</u>
Net profit	1,401	1,180
Pension gains / (losses) net of tax	42	(1,156)
Currency retranslation	430	(898)
Total recognised gains/(losses) for the period	1,873	(874)
Adjustment related to prior year restatement	(805)	-
Total recognised gains / (losses) since last annual accounts	1,068	(874)

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 14).

MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)

£ Millions – current rates

	<u>Nine Months</u>	
	<u>2003</u>	<u>2002</u> <u>Restated</u>
Shareholders' equity as at 1 January ⁽¹⁾	3,011	5,154
Net profit	1,401	1,180
Dividends	(398)	(355)
Goodwill written back on disposals	98	268
Currency retranslation	463	(865)
Change in number of shares or certificates of shares held in connection with share options	(256)	(374)
Pension gains / (losses) net of tax	42	(1,156)
Adjustment to cost of share options	63	44
Shareholders' equity as at the end of the period	<u>4,424</u>	<u>3,896</u>

SUMMARY BALANCE SHEET (unaudited)

£ Millions – current rates

	<u>As at 27th</u> <u>September</u> <u>2003</u>	<u>As at 31st</u> <u>December</u> <u>2002</u> <u>Restated</u>	<u>As at 28th</u> <u>September</u> <u>2002</u> <u>Restated</u>
Goodwill and intangibles	13,202	13,188	13,470
Other fixed assets	4,985	5,279	5,479
Stocks	3,170	2,927	3,125
Debtors	5,156	4,522	5,071
Cash and current investments	2,093	2,263	2,814
Trade and other creditors	(7,693)	(7,632)	(7,353)
	<u>20,913</u>	<u>20,547</u>	<u>22,606</u>
Borrowings	12,022	13,299	14,665
Provisions for liabilities and charges	4,179	3,834	3,617
Minority interests	288	403	428
Capital and reserves	4,424	3,011	3,896
	<u>20,913</u>	<u>20,547</u>	<u>22,606</u>

Restatements relate to the implementation of United Kingdom Financial Reporting Standard 17 'Retirement Benefits' and changes in our accounting policy for share option costs (see notes on page 14).

£ Millions – current rates

	<u>As at 1st</u> <u>January</u> <u>2003</u>	<u>As at 1st</u> <u>January</u> <u>2002</u>
⁽¹⁾ Shareholders' equity as previously reported	3,816	4,272
Change in accounting policy – pensions	(805)	882
Shareholders' equity as restated	<u>3,011</u>	<u>5,154</u>

CASH FLOW STATEMENT (unaudited)

£ Millions – current rates

	<u>Nine Months</u>	
	<u>2003</u>	<u>2002</u>
Cash flow from group operating activities	3,229	3,551
Dividends from joint ventures	18	19
Returns on investments and servicing of finance	(570)	(652)
Taxation	(682)	(893)
Capital expenditure and financial investment	(487)	(823)
Acquisitions and disposals	158	929
Dividends paid on ordinary share capital	(736)	(642)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	930	1,489
Management of liquid resources	8	(737)
Financing	(1,350)	(463)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(412)	289

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT (unaudited)

£ Millions – current rates

	<u>Nine Months</u>	
	<u>2003</u>	<u>2002</u>
NET DEBT AT 1 JANUARY	(11,036)	(14,173)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(412)	289
Cash flow from (increase)/decrease in borrowings	1,353	466
Cash flow from increase/(decrease) in liquid resources	(8)	737
Change in net debt resulting from cash flows	933	1,492
Borrowings within group companies acquired	(18)	(48)
Borrowings within group companies sold	3	18
Liquid resources within group companies acquired	-	-
Liquid resources within group companies sold	(2)	(1)
Non cash movements	172	635
Currency retranslation	19	226
MOVEMENT IN NET DEBT IN THE PERIOD	1,107	2,322
NET DEBT AT PERIOD END	(9,929)	(11,851)

GEOGRAPHICAL ANALYSIS (at constant rates – unaudited)

<u>Third Quarter</u>			£ Millions – constant rates	<u>Nine Months</u>		
<u>2003</u>	<u>2002</u>	<u>% Incr./</u>		<u>2003</u>	<u>2002</u>	<u>% Incr./</u>
<u>Restated</u>	<u>Restated</u>	<u>(Decr.)</u>		<u>Restated</u>	<u>Restated</u>	<u>(Decr.)</u>
7,718	7,717	0%	TURNOVER	22,467	22,851	(2)%
3,082	3,159	(2)%	Europe	8,963	9,315	(4)%
1,902	1,976	(4)%	North America	5,540	5,967	(7)%
550	539	2%	Africa, Middle East and Turkey	1,581	1,490	6%
1,289	1,213	6%	Asia and Pacific	3,768	3,631	4%
895	830	8%	Latin America	2,615	2,448	7%
1,311	1,235	6%	OPERATING PROFIT – beia *	3,466	3,411	2%
579	540	7%	Europe	1,540	1,370	12%
332	338	(2)%	North America	822	973	(16)%
88	65	35%	Africa, Middle East and Turkey	208	180	15%
173	173	0%	Asia and Pacific	539	532	1%
139	119	16%	Latin America	357	356	0%
17.0%	16.0%		OPERATING MARGIN – beia *	15.4%	14.9%	
18.8%	17.1%		Europe	17.2%	14.7%	
17.5%	17.1%		North America	14.8%	16.3%	
16.0%	12.1%		Africa, Middle East and Turkey	13.1%	12.1%	
13.4%	14.3%		Asia and Pacific	14.3%	14.6%	
15.5%	14.3%		Latin America	13.6%	14.5%	

* Before exceptional items and amortisation of goodwill and intangibles

OPERATIONAL ANALYSIS (at constant rates – unaudited)

Third Quarter			£ Millions – constant rates	Nine Months		
2003	2002 Restated	% Incr./ (Decr.)		2003	2002 Restated	% Incr./ (Decr.)
7,718	7,717	0%	TURNOVER	22,467	22,851	(2)%
4,307	4,400	(2)%	Foods	12,597	12,917	(2)%
1,445	1,451	0%	Savoury and dressings	4,328	4,305	1%
830	926	(10)%	Spreads and cooking products	2,483	2,840	(13)%
657	677	(3)%	Health & wellness and beverages	1,933	1,990	(3)%
1,375	1,346	2%	Ice cream and frozen foods	3,853	3,782	2%
1,267	1,261	1%	Home care and professional cleaning	3,768	4,101	(8)%
2,079	1,971	5%	Personal care	5,934	5,608	6%
65	85	(24)%	Other operations	168	225	(25)%
1,311	1,235	6%	OPERATING PROFIT – beia *	3,466	3,411	2%
783	715	9%	Foods	1,981	1,843	7%
239	222	7%	Savoury and dressings	680	607	12%
158	140	13%	Spreads and cooking products	394	424	(7)%
100	107	(7)%	Health & wellness and beverages	264	268	(1)%
286	246	16%	Ice cream and frozen foods	643	544	18%
157	146	8%	Home care and professional cleaning	473	481	(2)%
374	380	(1)%	Personal care	1,015	1,075	(6)%
(3)	(6)	(51)%	Other operations	(3)	12	(123)%
17.0%	16.0%		OPERATING MARGIN – beia *	15.4%	14.9%	
18.2%	16.3%		Foods	15.7%	14.3%	
16.6%	15.4%		Savoury and dressings	15.7%	14.1%	
19.0%	15.1%		Spreads and cooking products	15.9%	14.9%	
15.1%	15.7%		Health & wellness and beverages	13.6%	13.4%	
20.8%	18.3%		Ice cream and frozen foods	16.7%	14.4%	
12.4%	11.6%		Home care and professional cleaning	12.5%	11.7%	
18.0%	19.3%		Personal care	17.1%	19.2%	
(4.7)%	(7.3)%		Other operations	(1.6)%	5.4%	

* Before exceptional items and amortisation of goodwill and intangibles

Earnings per share in Sterling for the nine months

	<u>Constant rates</u>		<u>Current rates</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
		<u>Restated</u>		<u>Restated</u>
	Thousands of units			
Average number of combined share units of 1.4p	6,464,865	6,521,267	6,464,865	6,521,267
<u>COMBINED EPS</u>	£ Millions			
Net profit	1,339	1,171	1,401	1,180
Less: Preference dividends	(13)	(24)	(15)	(24)
Net profit attributable to ordinary capital	<u>1,326</u>	<u>1,147</u>	<u>1,386</u>	<u>1,156</u>
Combined EPS per 1.4p	<u>20.50</u>	<u>17.60</u>	<u>21.44</u>	<u>17.73</u>
<u>COMBINED EPS – beia *</u>	£ Millions			
Net profit	1,339	1,171	1,401	1,180
Add back exceptional items net of tax	44	109	36	109
Add back amortisation of goodwill / intangibles net of tax	578	578	565	586
Net profit beia *	<u>1,961</u>	<u>1,858</u>	<u>2,002</u>	<u>1,875</u>
Less: Preference dividends	(13)	(24)	(15)	(24)
Net profit attributable to ordinary capital – beia *	<u>1,948</u>	<u>1,834</u>	<u>1,987</u>	<u>1,851</u>
Combined EPS – beia * per 1.4p	<u>30.14</u>	<u>28.14</u>	<u>30.74</u>	<u>28.39</u>
<u>COMBINED EPS – Diluted</u>	Thousands of units			
Adjusted average combined share units of 1.4p	6,659,387	6,721,676	6,659,387	6,721,676
	£ Millions			
Net profit attributable to ordinary capital	<u>1,326</u>	<u>1,147</u>	<u>1,386</u>	<u>1,156</u>
Combined diluted EPS per 1.4p	<u>19.90</u>	<u>17.08</u>	<u>20.82</u>	<u>17.20</u>

* Before exceptional items and amortisation of goodwill and intangibles