

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(unaudited)

£ million

	Full Year	
	2005	2004
Fair value gains/(losses) on financial instruments and cash flow hedges net of tax	238	n/a
Actuarial gains/(losses) on pension schemes net of tax	(34)	(325)
Currency retranslation gains/(losses) net of tax	22	64
Net income/(expense) recognised directly in equity	226	(261)
Net profit for the year	2 718	1 994
Total recognised income and expense for the year	2 944	1 733
Attributable to:		
Minority interests	165	112
Shareholders' equity	2 779	1 621

BALANCE SHEET

(unaudited)

£ million

	As at	As at
	31 December	31 December
	2005	2004
Non-current assets		
Goodwill and intangible assets	12 393	12 022
Property, plant and equipment	4 456	4 369
Pension asset for funded schemes in surplus	711	442
Deferred tax assets	1 169	1 054
Other non-current assets	735	752
Total non-current assets	19 464	18 639
Assets held for sale	149	n/a
Current assets		
Inventories	2 819	2 655
Trade and other receivables due within one year	3 315	2 920
Financial assets	230	716
Cash and cash equivalents	1 050	1 124
Total current assets	7 414	7 415
Current liabilities		
Borrowings due within one year	(4 079)	(3 644)
Trade payables and other current liabilities	(5 942)	(5 819)
Restructuring and other provisions	(442)	(565)
Total current liabilities	(10 463)	(10 028)
Net current assets/(liabilities)	(3 049)	(2 613)
Total assets less current liabilities	16 564	16 026
Non-current liabilities		
Borrowings due after one year	4 432	4 873
Pension liability for funded schemes in deficit	1 620	1 620
Pension liability for unfunded schemes	2 922	2 677
Restructuring and other provisions	502	399
Deferred tax liabilities	641	557
Other non-current liabilities	413	507
Total non-current liabilities	10 530	10 633
Liabilities held for sale	18	n/a
Equity		
Shareholders' equity	5 739	5 135
Minority interests	277	258
Total equity	6 016	5 393
Total capital employed	16 564	16 026

MOVEMENTS IN EQUITY

(unaudited)

£ million

	Full Year	
	2005	2004
Equity at 31 December 2004	5 393	n/a
IFRS transition adjustment for financial instruments (including preference shares)	(1 106)	n/a
Equity at 1 January	4 287	5 079
Total recognised income and expense for the period	2 944	1 733
Dividends	(1 276)	(1 185)
Conversion of preference shares	944	–
(Purchase)/sale of treasury stock	(862)	(220)
Share option credit	127	151
Dividends paid to minority shareholders	(149)	(137)
Currency retranslation gains/(losses) net of tax	(7)	(7)
Other movements in equity	8	(21)
Equity at 31 December	6 016	5 393

CASH FLOW STATEMENT

(unaudited)

£ million

	Full Year	
	2005	2004
<u>Operating activities</u>		
Cash flow from operating activities	4 051	4 696
Income tax paid	(1 074)	(934)
Net cash flow from operating activities	2 977	3 762
<u>Investing activities</u>		
Interest received	89	114
Net capital expenditure	(556)	(589)
Acquisitions and disposals	536	214
Other investing activities	283	179
Net cash flow from/(used in) investing activities	352	(82)
<u>Financing activities</u>		
Dividends paid on ordinary share capital	(1 233)	(1 166)
Interest and preference dividends paid	(440)	(534)
Change in borrowings and finance leases	(602)	(1 959)
Purchase of own shares	(873)	(225)
Other financing activities	(149)	(142)
Net cash flow from/(used in) financing activities	(3 297)	(4 026)
Net increase/(decrease) in cash and cash equivalents	32	(346)
Cash and cash equivalents at the beginning of the year	994	1 011
Effect of foreign exchange rate changes	(158)	329
Cash and cash equivalents at the end of the year	868	994

ANALYSIS OF NET DEBT

(unaudited)

£ million

	As at 31 December 2005	As at 1 January 2005
Cash and cash equivalents as per cash flow statement	868	994
Add: bank overdrafts deducted therein	183	129
Less: cash and cash equivalents in assets/liabilities held for disposal	(1)	(6)
Cash and cash equivalents as per balance sheet	1050	1 117
Financial assets	230	378
Borrowings due within one year	(4 079)	(4 558)
Borrowings due after one year	(4 432)	(5 105)
Derivatives and finance leases included in other receivables and other liabilities	23	261
Net debt	(7 209)	(7 907)

GEOGRAPHICAL ANALYSIS

(unaudited)

Continuing operations – Fourth Quarter

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2004	2 859	2 185	1 703	6 747
2005	2 682	2 396	1 782	6 860
Change	(6.2)%	9.7%	4.6%	1.7%
Impact of:				
Exchange rates	(0.9)%	9.5%	0.6%	2.9%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.0)%	(0.1)%	(1.3)%	(1.2)%
Underlying sales growth	(3.6)%	0.3%	5.4%	(0.1)%
Price	(0.8)%	0.0%	2.4%	0.3%
Volume	(2.9)%	0.3%	2.9%	(0.4)%

Operating profit/(loss)

2004	138	(372)	60	(174)
2005	141	400	182	723
Change current rates	2.6%			
Change constant rates	9.3%			

Operating margin

2004	4.8%	(17.0)%	3.5%	(2.6)%
2005	5.3%	16.7%	10.2%	10.5%

Continuing operations – Full Year

£ million	Europe	Americas	Asia Africa	Total
Turnover				
2004	11 290	8 337	6 524	26 151
2005	11 084	9 010	7 030	27 124
Change	(1.8)%	8.1%	7.8%	3.7%
Impact of:				
Exchange rates	1.1%	4.6%	0.8%	2.1%
Acquisitions	0.2%	0.0%	0.0%	0.1%
Disposals	(2.3)%	(0.7)%	(1.6)%	(1.6)%
Underlying sales growth	(0.8)%	4.1%	8.7%	3.1%
Price	(1.0)%	0.2%	1.5%	0.0%
Volume	0.2%	3.9%	7.1%	3.1%

Operating profit/(loss)

2004	1 563	607	706	2 876
2005	1 575	1 175	883	3 633
Change current rates	0.8%	93.5%	25.1%	26.4%
Change constant rates	(0.2)%	83.6%	24.7%	23.6%

Operating margin

2004	13.8%	7.3%	10.8%	11.0%
2005	14.2%	13.0%	12.6%	13.4%

Includes restructuring, business disposals and impairments

2004	(2.3)%	(9.2)%	(2.9)%	(4.6)%
2005	(0.8)%	(3.4)%	(0.0)%	(1.4)%

Operating profit/(loss) of discontinued operations – Fourth Quarter

£ million	Europe	Americas	Asia Africa	Total
2004	13	6	2	21
2005	–	–	–	–

Operating profit/(loss) of discontinued operations – Full Year

£ million	Europe	Americas	Asia Africa	Total
2004	15	32	3	50
2005	1	14	–	15

CATEGORY ANALYSIS

(unaudited)

Continuing operations – Fourth Quarter

£ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover									
2004	1 555	855	528	850	3 788	1 769	1 190	2 959	6 747
2005	1 570	811	544	829	3 754	1 873	1 233	3 106	6 860
Change	0.9%	(5.2)%	3.1%	(2.4)%	(0.9)%	5.9%	3.6%	5.0%	1.7%
Impact of:									
Exchange rates	2.9%	1.1%	4.0%	1.2%	2.4%	4.2%	3.0%	3.8%	2.9%
Acquisitions	0.0%	0.0%	0.0%	0.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Disposals	(1.6)%	(2.9)%	(0.7)%	(1.6)%	(1.8)%	(0.4)%	(0.7)%	(0.5)%	(1.2)%
Underlying sales growth	(0.3)%	(3.4)%	(0.1)%	(2.6)%	(1.5)%	2.0%	1.3%	1.7%	(0.1)%
Operating profit/(loss)									
2004	156	95	(544)	(38)	(331)	156	1	157	(174)
2005	189	113	63	(21)	344	305	74	379	723
Change current rates	20.4%	18.7%		(45.8)%		95.7%		142.1%	
Change constant rates	19.0%	17.9%		(46.1)%		85.4%		128.1%	
Operating margin									
2004	10.1%	11.1%	(103.1)%	(4.6)%	(8.7)%	8.8%	0.1%	5.3%	(2.6)%
2005	12.0%	13.9%	11.5%	(2.5)%	9.1%	16.3%	6.1%	12.2%	10.5%

Continuing operations – Full Year

£ million	Savoury and dressings	Spreads and cooking products	Beverages	Ice cream and frozen foods	Foods	Personal care	Home care and other	Home and Personal Care	Total
Turnover									
2004	5 541	3 047	2 043	4 263	14 894	6 631	4 626	11 257	26 151
2005	5 722	2 984	2 088	4 357	15 151	7 169	4 804	11 973	27 124
Change	3.2%	(2.1)%	2.2%	2.2%	1.7%	8.1%	3.8%	6.4%	3.7%
Impact of:									
Exchange rates	2.4%	1.9%	2.1%	1.5%	2.1%	2.2%	2.6%	2.4%	2.1%
Acquisitions	0.0%	0.0%	0.1%	0.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Disposals	(2.1)%	(4.6)%	(1.1)%	(1.4)%	(2.3)%	(0.5)%	(1.2)%	(0.8)%	(1.6)%
Underlying sales growth	2.9%	0.7%	1.1%	1.7%	1.9%	6.3%	2.4%	4.7%	3.1%
Operating profit/(loss)									
2004	831	462	(344)	481	1 430	1 023	423	1 446	2 876
2005	879	517	33	525	1 954	1 231	448	1 679	3 633
Change current rates	5.8%	11.9%		9.2%	36.7%	20.4%	6.1%	16.2%	26.4%
Change constant rates	3.8%	10.7%		7.5%	34.2%	17.7%	2.1%	13.1%	23.6%
Operating margin									
2004	15.0%	15.2%	(16.9)%	11.3%	9.6%	15.4%	9.1%	12.8%	11.0%
2005	15.4%	17.3%	1.6%	12.0%	12.9%	17.2%	9.3%	14.0%	13.4%

Discontinued operations

Operating profit/(loss) of discontinued operations for the fourth quarter of 2005 was £– million (2004: £21 million), and operating profit/(loss) for the full year was £15 million (2004: £50 million). These amounts relate wholly to the Personal Care category.

EARNINGS PER SHARE FOR TOTAL OPERATIONS IN STERLING FOR THE FULL YEAR

	<u>2005</u>	<u>2004</u>
Combined EPS	Thousands of units	
Average number of combined share units of 1.4p	6 473 266	6 422 715
	£ million	
Net profit attributable to shareholders' equity	2 575	1 868
Less preference dividends	n/a	(19)
Net profit attributable to shareholders' equity for basic earnings per share calculation	2 575	1 849
Combined EPS per 1.4p (pence)	39.77	28.79
Combined EPS – Diluted	Thousands of units	
Adjusted average number of combined share units of 1.4p	6 682 023	6 739 234
	£ million	
Adjusted net profit attributable to shareholders' equity	2 577	1 863
Combined diluted EPS per 1.4p (pence)	38.56	27.65