

(no depreciation on freehold land)	
Leasehold land and buildings	*33-40 years
Plant and equipment	3-20 years
Motor vehicles	3-6 years
* or life of lease if less than 33 years	

Current cost information is given in note 10 on page 65. Fixed assets are subject to review for impairment in accordance with United Kingdom Financial Reporting Standard 11 ‘Impairment of Fixed Assets and Goodwill’, and US SFAS 121. Any impairment in the value of such fixed assets is charged to the profit and loss account as it arises.

Fixed investments

Joint ventures are undertakings in which the Group has a long-term participating interest and which are jointly controlled by the Group and one or more other parties. Associated companies are undertakings in which the Group has a participating interest and is able to exercise significant influence.

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ACCOUNTING INFORMATION AND POLICIES

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Unilever Group

Interests in joint ventures and associated companies are stated in the consolidated balance sheet at the Group’s share of their assets and liabilities.

Other fixed investments are stated at cost less any amounts written off to reflect a permanent impairment.

Current assets

Stocks are valued at the lower of cost and estimated net realisable value. Cost is mainly average cost, and comprises direct costs and, where appropriate, a proportion of production overheads.

Debtors are stated after deducting adequate provision for doubtful debts.

Current investments are liquid funds temporarily invested and are stated at their realisable value. The difference between this and their original cost is taken to interest in the profit and loss account.

Retirement benefits

The expected costs of providing retirement pensions under defined benefit plans, as well as the costs of other post-retirement benefits, are charged to the profit and loss account over the periods benefiting from the employees’ services. Variations from expected cost are normally spread over the average remaining service lives of current employees.

Contributions to defined contribution pension plans are charged to the profit and loss account as incurred.

Liabilities arising under defined benefit plans are either externally funded or provided for in the consolidated balance sheet. Any difference between the charge to the profit and loss account in respect of funded plans and the contributions payable to each plan is recorded in the balance sheet as a prepayment or provision.

Deferred taxation

Full provision is made for deferred taxation, at the rates of tax prevailing at the year-end unless future rates have been enacted, on all significant timing differences arising from the recognition of items for taxation purposes in different periods from those in which they are included in the Group accounts.

Provision is made for taxation which will become payable if retained profits of group companies and joint ventures are distributed to the parent companies only to the extent that such distributions are planned.

Derivative financial instruments

The types of derivative financial instruments used by Unilever are described in note 15 on page 68 and in the Financial review on pages 30 to 32. All derivative financial instruments are used for hedging purposes. Hedge accounting, as described below, is applied.

Changes in the value of forward foreign exchange contracts are recognised in the results in the same period as changes in the values of the assets and liabilities they are intended to hedge. Interest payments and receipts arising from interest rate derivatives such as swaps and forward rate agreements are matched to those arising from underlying debt and investment positions.

Payments made or received in respect of the early termination of derivative financial instruments are spread over the original life of the instrument so long as the underlying exposure continues to exist.

Research, development and market support costs

Expenditure on research and development and on market support costs such as advertising is charged against the profit of the year in which it is incurred.

Turnover

Group turnover comprises sales of goods and services after deduction of discounts and sales taxes. It includes sales to joint ventures and associated companies but does not include sales by joint ventures and associated companies or sales between group companies. Total turnover includes the Group share of the turnover of joint ventures.

Turnover is recognised when the risks and rewards of the underlying products and services have been substantially transferred to the customer.

Transfer pricing

The preferred method for determining transfer prices for own manufactured goods is to take the market price. Where there is no market price, the companies concerned follow established transfer pricing guidelines, where available, or else engage in arm’s length negotiations.

Trademarks owned by the parent companies and used by operating companies are, where appropriate, licensed in return for royalties or a fee.

General services provided by central advisory departments, business groups, divisions and research laboratories are charged to operating companies on the basis of fees.

Leases

Lease payments, which are principally in respect of operating leases, are charged to the profit and loss account on a straight-line basis over the lease term, or over the period between rent reviews where these exist.

Shares held by employee share trusts

The assets and liabilities of certain PLC trusts, NV and group companies which purchase and hold NV and PLC shares to satisfy options granted are included in the Group accounts. The book value of shares held is deducted from capital and reserves, and trust borrowings are included in the Group’s borrowings. The costs of the trusts are included in the results of the Group. These shares are excluded from the basic earnings per share calculation.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

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For the year ended 31 December
Unilever Group

	€ million 2001	€ million 2000	€ million 1999
Total turnover 1	52 206	48 066	41 262
Less: Share of turnover of joint ventures 1	(692)	(484)	(285)
Group turnover 1	51 514	47 582	40 977
Operating costs 2	(46 340)	(44 280)	(36 674)
Group operating profit 1	5 174	3 302	4 303
Group operating profit BEIA 1	7 149	5 729	4 595
Exceptional items 4	(588)	(1 992)	(269)
Amortisation of goodwill and intangibles 1	(1 387)	(435)	(23)
Add: Share of operating profit of joint ventures 1	84	57	42
Total operating profit 1	5 258	3 359	4 345
Total operating profit BEIA 1	7 269	5 794	4 637
Exceptional items 4	(588)	(1 992)	(269)
Amortisation of goodwill and intangibles	(1 423)	(443)	(23)
Other income from fixed investments 11	12	(4)	10
Interest 5	(1 646)	(632)	(14)
Profit on ordinary activities before taxation	3 624	2 723	4 341
Taxation on profit on ordinary activities 6	(1 547)	(1 403)	(1 369)
Profit on ordinary activities after taxation	2 077	1 320	2 972
Minority interests	(239)	(215)	(201)
Net profit	1 838	1 105	2 771
Attributable to: NV 21	817	675	1 761
PLC 21	1 021	430	1 010
Dividends	(1 581)	(1 458)	(1 265)
Preference dividends	(51)	(44)	(20)
Dividends on ordinary capital 8	(1 530)	(1 414)	(1 245)
Result for the year retained	257	(353)	1 506
Combined earnings per share 7			
Euros per €0.51 of ordinary capital	1.82	1.07	2.63
Euro cents per 1.4p of ordinary capital	27.27	16.08	39.48
On a diluted basis the figures would be:			
Euros per €0.51 of ordinary capital	1.77	1.05	2.57
Euro cents per 1.4p of ordinary capital	26.54	15.69	38.50

See note 7 on page 64 for an explanation of the impact of the share consolidation in 1999 on earnings per share.

All amounts are related to continuing operations as defined by United Kingdom Financial Reporting Standard 3.

References relate to notes on pages 57 to 88, which form an integral part of the consolidated financial statements.
Accounting policies of the Unilever Group are set out on pages 51 to 53.
Variations from United States generally accepted accounting principles and Regulation S-X are outlined on pages 94 to 96.

In accordance with Article 402 of Book 2, Civil Code in the Netherlands, the profit and loss account of the entity NV on page 101 mentions only the income from fixed investments after taxation and other income and expenses as separate items.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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For the year ended 31 December
Unilever Group

	€ million 2001	€ million 2000	€ million 1999
Net profit	1 838	1 105	2 771
Currency retranslation	(1 058)	(237)	380
Total recognised gains since last annual accounts	780	868	3 151

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December
Unilever Group

	€ million 2001	€ million 2000	€ million 1999
Cash flow from operating activities 25	7 497	6 738	5 654
Dividends from joint ventures	82	38	28
Returns on investments and servicing of finance 26	(1 887)	(798)	(156)
Taxation	(2 205)	(1 734)	(1 443)
Capital expenditure and financial investment 26	(1 358)	(1 061)	(1 501)
Acquisitions and disposals 26	3 477	(27 373)	(362)
Dividends paid on ordinary share capital	(1 420)	(1 365)	(1 266)
Special dividend	-	-	(6 093)
Cash flow before management of liquid resources and financing	4 186	(25 555)	(5 139)
Management of liquid resources 26	1 106	2 464	5 675
Financing 26	(5 098)	22 902	(146)
Increase/(decrease) in cash in the period	194	(189)	390

Reconciliation of cash flow to movement in net funds/(debt)

	€ million 2001	€ million 2000	€ million 1999
Net funds/(debt) at 1 January 27	(26 468)	684	5 778
Increase/(decrease) in cash in the period	194	(189)	390
Cash flow from (increase)/decrease in borrowings	5 095	(22 920)	150
Cash flow from increase/(decrease) in liquid resources	(1 106)	(2 464)	(5 675)
Change in net funds resulting from cash flows	4 183	(25 573)	(5 135)
Borrowings within group companies acquired	(1)	(3 113)	(29)
Borrowings within group companies sold	3	2	4
Liquid resources within group companies acquired	-	13	3
Non-cash movements	(408)	455	(211)
Currency retranslation	(508)	1 064	274
Increase/(decrease) in net funds in the period	3 269	(27 152)	(5 094)
Net funds/(debt) at 31 December 27	(23 199)	(26 468)	684

References relate to notes on pages 57 to 88, which form an integral part of the consolidated financial statements. Accounting policies of the Unilever Group are set out on pages 51 to 53.

Variations from United States generally accepted accounting principles and Regulation S-X are outlined on pages 94 to 96.

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CONSOLIDATED BALANCE SHEET

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As at 31 December
Unilever Group

	€ million 2001	€ million 2000
Fixed assets	35 221	37 463
Goodwill and intangible assets 9	25 097	26 467
Tangible fixed assets 10	9 240	9 839

Fixed investments 11	884	1 157
Current assets		
Stocks 12	5 343	5 421
Debtors 13	10 094	9 817
Debtors due within one year 13	7 185	7 254
Debtors due after more than one year 13	2 909	2 563
Acquired businesses held for resale		1 666
Current investments 14	439	660
Cash at bank and in hand 14	1 862	2 613
Total current assets	17 738	20 177
Creditors due within one year	(23 212)	(28 364)
Borrowings 14	(11 279)	(16 675)
Trade and other creditors 16	(11 933)	(11 689)
Net current assets	(5 474)	(8 187)
Total assets less current liabilities	29 747	29 276
Creditors due after more than one year	15 026	14 085
Borrowings 14	14 221	13 066
Trade and other creditors 16	805	1 019
Provisions for liabilities and charges	6 862	6 404
Pensions and similar obligations 17	4 602	4 419
Deferred taxation, restructuring and other provisions 18	2 260	1 985
Minority interests	664	618
Capital and reserves 19	7 195	8 169
Attributable to: NV:		
Called up share capital 20	420	420
Share premium account	1 397	1 397
Other reserves 22	(1 077)	(553)
Profit retained 21	4 316	5 036
	5 056	6 300
PLC:		
Called up share capital 20	222	222
Share premium account	154	151
Other reserves 22	(540)	(614)
Profit retained 21	2 303	2 110
	2 139	1 869
Total capital employed	29 747	29 276

Capital and reserves include amounts relating to preference shares in NV which under United Kingdom Financial Reporting Standard 4 are classified as non-equity. Minority interests in group companies are substantially all equity interests.

References relate to notes on pages 57 to 88, which form an integral part of the consolidated financial statements. Commitments and contingent liabilities are shown in note 23 on page 75.

Accounting policies of the Unilever Group are set out on pages 51 to 53.
Variations from United States generally accepted accounting principles and Regulation S-X are outlined on pages 94 to 96.

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Unilever Group

1 Segmental information

Analysis by geographical area	€ million Europe	€ million North America	€ million Africa, Middle East & Turkey	€ million Asia & Pacific	€ million Latin America	€ million Total
2001						
Group turnover (a)	20 119	13 767	3 191	7 846	6 591	51 514
Share of turnover of joint ventures	101	113	264	200	14	692
Total turnover (a)	20 220	13 880	3 455	8 046	6 605	52 206

Group operating profit BEIA	2 946	1 941	346	1 045	871	7 149
Exceptional items	254	(285)	(139)	(157)	(261)	(588)
Amortisation of goodwill and intangibles	(511)	(564)	(4)	(26)	(282)	(1 387)
Group operating profit	2 689	1 092	203	862	328	5 174
Share of operating profit of joint ventures	21	32	12	18	1	84
Total operating profit	2 710	1 124	215	880	329	5 258
Total operating profit BEIA ^(b)	2 967	1 973	380	1 077	872	7 269
Net operating assets ^(c)	11 295	12 172	1 082	1 525	6 256	32 330

2000						
Group turnover ^(a)	18 967	11 631	3 296	8 038	5 650	47 582
Share of turnover of joint ventures	108	77	216	53	30	484
Total turnover ^(a)	19 075	11 708	3 512	8 091	5 680	48 066
Group operating profit BEIA	2 402	1 476	338	901	612	5 729
Exceptional items	(562)	(1 132)	(16)	(109)	(173)	(1 992)
Amortisation of goodwill and intangibles	(143)	(179)	(1)	(16)	(96)	(435)
Group operating profit	1 697	165	321	776	343	3 302
Share of operating profit of joint ventures	18	24	8	5	2	57
Total operating profit	1 715	189	329	781	345	3 359
Total operating profit BEIA ^(b)	2 420	1 500	351	909	614	5 794
Net operating assets ^(c)	12 174	11 891	1 075	1 487	7 526	34 153

1999						
Group turnover ^(a)	18 040	8 838	3 048	6 723	4 328	40 977
Share of turnover of joint ventures	91	64	98	2	30	285
Total turnover ^(a)	18 131	8 902	3 146	6 725	4 358	41 262
Group operating profit BEIA	2 234	974	287	669	431	4 595
Exceptional items	(96)	(126)	15	(18)	(44)	(269)
Amortisation of goodwill and intangibles	(7)	(1)	–	(9)	(6)	(23)
Group operating profit	2 131	847	302	642	381	4 303
Share of operating profit of joint ventures	16	22	3	(1)	2	42
Total operating profit	2 147	869	305	641	383	4 345
Total operating profit BEIA ^(b)	2 250	996	290	668	433	4 637

- (a) The analysis of turnover by geographical area is stated on the basis of origin. Turnover on a destination basis would not be materially different. Inter-segment sales between operational segments and between geographical areas are not material. For the United Kingdom and the Netherlands, the combined Group turnover was €5 705 million (2000: €5 377 million; 1999: €4 990 million) and the combined Group operating profit was €1 226 million (2000: €716 million, 1999: €721 million).
- (b) In 2001 the Group's share of amortisation of goodwill and intangibles in joint ventures was €(36) million (2000: €(8) million; 1999: nil), of which €(22) million (2000: €(5) million) arose in Africa, Middle East and Turkey and €(14) million (2000: €(3) million) arose in Asia and Pacific. These amounts, which all arise within the Culinary and Frozen Foods segment, are taken into account in the calculation of Total operating profit BEIA.
- (c) For definition see page 91.

NOTES TO THE CONSOLIDATED ACCOUNTS

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Unilever Group

1 Segmental information continued

	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Analysis by operation	Oil & dairy based foods and bakery	Ice cream & beverages	Culinary & frozen foods	Home care & professional cleaning	Personal care	Other operations	Total
2001							
Group turnover	8 585	7 695	11 875	10 432	12 307	620	51 514
Share of turnover of joint ventures	128	143	370	35	3	13	692

Total turnover	8 713	7 838	12 245	10 467	12 310	633	52 206
Group operating profit BEIA	1 314	829	1 879	885	2 217	25	7 149
Exceptional items	(292)	(364)	293	(201)	(49)	25	(588)
Amortisation of goodwill and intangibles	(132)	(42)	(1 182)	(18)	(11)	(2)	(1 387)
Group operating profit	890	423	990	666	2 157	48	5 174
Share of operating profit of joint ventures	20	41	21	1	2	(1)	84
Total operating profit	910	464	1 011	667	2 159	47	5 258
Total operating profit BEIA ^(b)	1 334	870	1 936	886	2 219	24	7 269
Net operating assets ^(c)	2 297	2 483	24 313	1 540	1 312	385	32 330

2000							
Group turnover	7 930	7 601	8 367	10 258	12 567	859	47 582
Share of turnover of joint ventures	110	222	87	26	22	17	484
Total turnover	8 040	7 823	8 454	10 284	12 589	876	48 066
Group operating profit BEIA	1 044	647	1 058	917	2 034	29	5 729
Exceptional items	(22)	(260)	(322)	(323)	(1 069)	4	(1 992)
Amortisation of goodwill and intangibles	(64)	(20)	(326)	(16)	(7)	(2)	(435)
Group operating profit	958	367	410	578	958	31	3 302
Share of operating profit of joint ventures	16	31	12	–	–	(2)	57
Total operating profit	974	398	422	578	958	29	3 359
Total operating profit BEIA ^(b)	1 060	678	1 078	917	2 034	27	5 794
Net operating assets ^(c)	3 313	2 518	24 587	1 983	1 582	170	34 153

1999							
Group turnover	7 278	6 637	6 424	9 106	10 675	857	40 977
Share of turnover of joint ventures	70	132	4	20	37	22	285
Total turnover	7 348	6 769	6 428	9 126	10 712	879	41 262
Group operating profit BEIA	783	601	663	858	1 582	108	4 595
Exceptional items	(75)	(50)	(120)	(34)	(37)	47	(269)
Amortisation of goodwill and intangibles	(5)	(8)	(1)	(5)	(3)	(1)	(23)
Group operating profit	703	543	542	819	1 542	154	4 303
Share of operating profit of joint ventures	10	31	–	(1)	1	1	42
Total operating profit	713	574	542	818	1 543	155	4 345
Total operating profit BEIA ^(b)	793	632	663	857	1 583	109	4 637

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Additional segmental information as required by SFAS 131

Unilever is organised as a matrix; accordingly, segmental information is provided in accordance with SFAS 131 on the basis of product categories. For management reporting purposes Unilever uses a number of measures of segment performance at constant average rates of exchange (that is, the same rates as in the preceding year). The internal management measure of profit which is most consistent with operating profit reported in the accounts is 'Trading Result'. This measure differs from operating profit, mainly because it excludes amortisation of goodwill and intangibles and includes depreciation on the basis of replacement cost. There are a number of additional adjustments, including the application of an inflation charge on working capital which is added back in order to arrive at operating profit, and certain other statistical items. Tangible fixed assets are measured at depreciated replacement cost for management reporting purposes.

Analysis by operation	€ million Oil & dairy based foods and bakery	€ million Ice cream & beverages	€ million Culinary & frozen foods	€ million Home care & professional cleaning	€ million Personal care	€ million Other operations	€ million Total
2001							
Group turnover							
At constant 2000 exchange rates	8 723	7 823	11 976	10 848	12 681	632	52 683
Exchange rate adjustments	(138)	(128)	(101)	(416)	(374)	(12)	(1 169)
At current 2001 exchange rates	8 585	7 695	11 875	10 432	12 307	620	51 514
Trading result							
At constant 2000 exchange rates	1 001	471	2 240	660	2 255	61	6 688
Exchange rate adjustments	1	4	(8)	(30)	(74)	(2)	(109)
At current 2001 exchange rates	1 002	475	2 232	630	2 181	59	6 579
Amortisation of goodwill and intangibles							(1 387)
Other adjustments							(18)
Group operating profit							5 174
2000							
Group turnover							
At constant 1999 exchange rates	7 420	7 002	7 832	9 439	11 321	779	43 793
Exchange rate adjustments	510	599	535	819	1 246	80	3 789
At current 2000 exchange rates	7 930	7 601	8 367	10 258	12 567	859	47 582
Trading result							
At constant 1999 exchange rates	965	414	691	519	909	27	3 525
Exchange rate adjustments	47	34	70	34	44	(1)	228
At current 2000 exchange rates	1 012	448	761	553	953	26	3 753
Amortisation of goodwill and intangibles							(435)
Other adjustments							(16)
Group operating profit							3 302
1999							
Group turnover							
At constant 1998 exchange rates	7 345	6 651	6 468	9 327	10 629	824	41 244
Exchange rate adjustments	(67)	(14)	(44)	(221)	46	33	(267)
At current 1999 exchange rates	7 278	6 637	6 424	9 106	10 675	857	40 977
Trading result							
At constant 1998 exchange rates	653	558	506	813	1 515	77	4 122
Exchange rate adjustments	(4)	6	9	(8)	1	1	5

At current 1999 exchange rates	649	564	515	805	1 516	78	4 127
Amortisation of goodwill and intangibles							(23)
Other adjustments							199
Group operating profit							4 303

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NOTES TO THE CONSOLIDATED ACCOUNTS

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Unilever Group

1 Segmental information continued

Analysis by operation	€ million Oil & dairy based foods and bakery	€ million Ice cream & beverages	€ million Culinary & frozen foods	€ million Home care & professional cleaning	€ million Personal care	€ million Other operations	€ million Total
Depreciation and amortisation 2001							
At constant 2000 exchange rates	390	433	1 556	391	292	86	3 148
Exchange rate adjustments	(3)	(12)	(23)	(11)	(5)	(1)	(55)
At current 2001 exchange rates	387	421	1 533	380	287	85	3 093
Other adjustments							(248)
Charged to profit and loss account							2 845
2000							
At constant 1999 exchange rates	314	335	541	433	364	75	2 062
Exchange rate adjustments	22	26	52	26	26	4	156
At current 2000 exchange rates	336	361	593	459	390	79	2 218
Other adjustments							(264)
Charged to profit and loss account							1 954
1999							
At constant 1998 exchange rates	264	349	200	282	245	66	1 406
Exchange rate adjustments	(2)	(1)	1	(1)	2	-	(1)
At current 1999 exchange rates	262	348	201	281	247	66	1 405
Other adjustments							(258)
Charged to profit and loss account							1 147
Capital expenditure 2001							
At constant 2000 exchange rates	203	308	312	374	327	28	1 552
Exchange rate adjustments	(1)	(7)	(5)	(14)	(9)	(3)	(39)
At current 2001 exchange rates	202	301	307	360	318	25	1 513
2000							
At constant 1999 exchange rates	169	294	195	345	220	30	1 253
Exchange rate adjustments	9	22	15	29	25	3	103

At current 2000 exchange rates	178	316	210	374	245	33	1 356
1999							
At constant 1998 exchange rates	185	368	163	311	270	36	1 333
Exchange rate adjustments	(1)	(17)	(8)	(2)	(2)	1	(29)
At current 1999 exchange rates	184	351	155	309	268	37	1 304

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Unilever Group

1 Segmental information continued

	€ million	€ million	€ million	€ million	€ million	€ million	€ million
	Oil & dairy based foods and bakery	Ice cream & beverages	Culinary & frozen foods	Home care & professional cleaning	Personal care	Other operations	Total
Analysis by operation							
Total assets							
2001							
Total assets by operation	5 351	4 799	28 887	4 716	5 469	1 918	51 140
Corporate							2 672
Other adjustments							(853)
							52 959
2000							
Total assets by operation	5 768	4 857	29 712	5 580	5 033	1 454	52 404
Corporate							5 963
Other adjustments							(727)
							57 640

	€million United Kingdom & Netherlands	€million United States	€ million Other	€ million Total
Additional geographic analysis				
Group turnover				
2001				
At constant 2000 exchange rates	5 794	12 278	34 611	52 683
Exchange rate adjustments	(89)	348	(1 428)	(1 169)
At current 2001 exchange rates	5 705	12 626	33 183	51 514
2000				
At constant 1999 exchange rates	5 077	9 153	29 563	43 793
Exchange rate adjustments	300	1 466	2 023	3 789
At current 2000 exchange rates	5 377	10 619	31 586	47 582
1999				
At constant 1998 exchange rates	4 930	7 672	28 642	41 244
Exchange rate adjustments	60	324	(651)	(267)
At current 1999 exchange rates	4 990	7 996	27 991	40 977

Tangible fixed assets				
2001	1 634	2 131	5 475	9 240
2000	1 675	2 226	5 938	9 839

NOTES TO THE CONSOLIDATED ACCOUNTS > 62

2 Operating costs

	€ million 2001	€million 2000	€million 1999
Cost of sales	(26 962)	(25 221)	(22 241)
Distribution and selling costs	(12 543)	(12 045)	(10 126)
Administrative expenses (a)	(6 835)	(7 014)	(4 307)
Total operating costs	(46 340)	(44 280)	(36 674)
Gross profit	24 552	22 361	18 736

(a) Includes amortisation of goodwill and intangibles.

	€ million 2001	€million 2000	€million 1999
Operating costs include:			
Staff costs 3	(7 131)	(6 905)	(5 828)
Raw materials and packaging	(19 924)	(18 085)	(17 531)
Amortisation of goodwill and intangibles (b)	(1 387)	(435)	(23)
Depreciation of tangible fixed assets (c)	(1 458)	(1 519)	(1 124)
Advertising and promotions	(6 648)	(6 545)	(5 345)
Research and development	(1 178)	(1 187)	(935)
Remuneration of auditors:			
Audit fees	(16)	(14)	(12)
Audit related services	(11)	(10)	(3)
Other payments to PricewaterhouseCoopers for non-audit services:			
Tax	(5)	(4)	(14)
General consulting	(60)	(42)	(18)
Lease rentals:			
Minimum lease payments	(548)	(563)	(479)
Contingent lease payments	(28)	(8)	(11)
Less: Sub-lease income	(576)	(571)	(490)
	10	12	10
	(566)	(559)	(480)
of which:			
Plant and machinery	(147)	(148)	(109)
Other	(419)	(411)	(371)

(b) Includes exceptional amount of €(8) million in 2001.

(c) Includes exceptional amount of €(263) million in 2001.

See also the information relating to auditors within the Corporate Governance section on pages 36 and 37.

3 Staff costs and employees

	€ million 2001	million 2000	million 1999
Staff costs:			
Remuneration of employees	(6 021)	(5 828)	(4 899)
Emoluments of directors as managers	(18)	(13)	(11)
Pension costs:			
Defined benefit schemes:			
Regular cost	(381)	(324)	(252)
Special termination benefits	(78)	(88)	(44)
Other	(110)	(117)	(111)
Amortisation of surpluses/deficits 17	370	309	243
Defined contribution schemes	(24)	(8)	(4)
Post-retirement health benefits	(103)	(77)	(59)
Social security costs	(766)	(759)	(691)
Total staff costs	(7 131)	(6 905)	(5 828)

Details of the remuneration of directors which form part of these accounts are given in the following sections of the Remuneration report: 'Directors' pensions' on pages 42 to 44; 'Directors' emoluments' on page 46; 'Share options' on pages 46 to 48 and 'Advisory Directors' on page 48.

The average number of employees during the year was:

'000

'000

'000

	2001	2000	1999
Europe	75	74	77
North America	30	27	22
Africa, Middle East and Turkey	49	48	54
Asia and Pacific	84	79	72
Latin America	41	33	30
Total	279	261	255

4 Exceptional items

	€ million 2001	€ million 2000	€million 1999
Included in operating profit			
Restructuring	(1 515)	(1 150)	(232)
Other, principally business disposals	927	(842)	(37)
Total	(588)	(1 992)	(269)

These amounts are mainly included in administrative expenses.

Exceptional items are those items within ordinary activities which, because of their size or nature, are disclosed to give a proper understanding of the underlying result for the period. These include restructuring charges in connection with reorganising businesses (comprising impairment of fixed assets, costs of severance, and other costs directly attributable to the restructuring), and profits and losses on disposal of businesses. Costs associated with restructuring, such as training and information technology development costs, are recognised as they arise and are not treated as exceptional.

The exceptional item charges in 2001 and 2000 principally relate to a series of linked initiatives (the ‘Path to Growth’), announced on 22 February 2000 to align the organisation behind plans for accelerating growth and expanding margins and to restructuring

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4 Exceptional items continued

arising from the integration of Bestfoods. The total net cost of these programmes is estimated to be €6.2 billion over five years, most of which is expected to be exceptional restructuring costs. Provisions for these costs and asset write downs are being recognised as necessary consultations are completed and plans finalised. In 2001 €1.8 billion has been charged to the accounts, of which net €1.4 billion is exceptional. To date the total incurred is €3.9 billion of which €3.4 billion is exceptional. Also in exceptional items in 2001 is the profit on the sale of €811 million in respect of the brands to secure regulatory approval for our acquisition of Bestfoods.

In 2000 these amounts included a profit of €143 million on the disposal of the European bakery businesses and a loss of €859 million on the agreed disposal of Elizabeth Arden.

5 Interest

	€ million 2001	€ million 2000	€ million 1999
Interest payable and similar charges:			
Bank loans and overdrafts	(451)	(221)	(159)
Bonds and other loans	(1 463)	(787)	(290)
Interest receivable and similar income	210	374	422
Exchange differences	(3)	12	13
	(1 707)	(622)	(14)
Less: interest capitalised on businesses held for resale	61	27	–
Add: exceptional interest	–	(37)	–
Total	(1 646)	(632)	(14)

Exceptional interest in 2000 principally comprised fees paid on the unused financing facility put in place prior to the acquisition of Bestfoods.

6 Taxation on profit on ordinary activities

	€ million 2001	€ million 2000	€ million 1999
Parent and group companies (a)(b)	(1 522)	(1 392)	(1 364)
Joint ventures	(25)	(11)	(5)
Total	(1 547)	(1 403)	(1 369)
Of which:			
Adjustments to previous years			
United Kingdom taxes	(3)	(5)	(18)