$73.50 per share **unless such stockholder has dissented in accordance with applicable Delaware law.** See "The Proposed Merger—Appraisal Rights of Dissenting Stockholders", below.

The exchange by Holding of shares of Company Common Stock tendered pursuant to the Exchange Offer for shares of Holding Preferred Stock will take place at the Filing Time. Consequently, holders of Company Common Stock whose shares are exchanged will not be holders of such shares at the Effective Time and will not receive any payment for such shares as a result of the Merger **nor will they have any appraisal rights with respect to such shares.**

Exchange of Company Common Stock Certificates for Cash

Each stockholder (other than Holding) as of the Effective Time will be entitled to receive $73.50 for each share then held by him which has not been exchanged for Holding Preferred Stock in the Exchange Offer, against delivery of the certificates representing such shares. As a condition to the effectiveness of the Merger, Holding will, out of the Unilever U.S. Payment, cause Subsidiary to deliver to Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, New York (the "Disbursing Agent"), an amount equal to $73.50 times the number of shares of Company Common Stock then outstanding which have not been exchanged for Holding Preferred Stock in the Exchange Offer. Such amount shall be delivered in cash except than an amount equal to up to 15% of the Unilever U.S. Payment may be represented by the irrevocable letter of credit referred to under "The Proposed Merger—Terms of the Merger". After the

Effective Time, Unilever U.S. may contribute additional cash to the Disbursing Agent to be used in lieu of the letter of credit.

Promptly after the Effective Time, the surviving corporation will mail to each stockholder of record as of the Effective Time (other than Holding) a letter of transmittal to be used by such stockholder in surrendering certificates which, prior to the Merger, represented shares of Company Common Stock. Letters of transmittal will also be available beginning on the banking day immediately following the Effective Time at the office of the Disbursing Agent, Corporate Trust Department, 15 Broad Street—13th Floor, New York, New York. Payments in respect of certificates duly surrendered prior to 10:30 A.M. on any banking day will normally be made on the same day and payments in respect of certificates duly surrendered after 10:30 A.M. will normally be made on the following banking day. After the Effective Time there shall be no registration of transfers on the stock transfer books of the Company with respect to Company Common Stock.

The amount so deposited with the Disbursing Agent remaining unclaimed after six months (except the portion thereof attributable to shares held by dissenting stockholders) will be transferred to the surviving corporation. Thereafter the Disbursing Agent will have no liability to any holder of unsurrendered certificates representing Company Common Stock (other than dissenting stockholders), but the surviving corporation will be obligated, upon surrender to it of any such unsurrendered certificates, to pay to the holder thereof $73.50 per share in cash. All interest accruing with respect to any cash held by the Disbursing Agent

for the making of such payment to the holders of certificates representing Company Common Stock shall be for the account of the surviving corporation, and no interest will be accrued or payable to any holder of any such certificates.

Conditions to the Merger

In addition to the approval of the Company's stockholders required by the Merger Agreement, the consummation of the Merger is subject to certain other conditions. **Under the Merger Agreement, such conditions may be waived, amended or modified as provided therein (see "The Proposed Merger—Amendment or Termination of the Merger Agreement or Waiver of Conditions" below).**

The obligations of Unilever U.S., Holding and Subsidiary are subject, at their option, to the conditions, among other things, that at the Filing Time:

(a) this Proxy Statement (other than with respect to the descriptions of Unilever U.S., Holding and Subsidiary and the Exchange Offer) shall not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading to the stockholders of the Company or to Unilever U.S., Holding or Subsidiary.

(b) since the date of this Proxy Statement, there shall have been no material adverse change in the condition, financial or otherwise, or the results of operations of the Company and its subsidiaries taken as a whole;

(c) there shall be no pending or threatened action or proceeding by or before any court or other governmental body to restrain or invalidate the Merger or the Exchange Offer or the formation of Holding and there shall be no governmental or judicial action, law or regulation making any thereof illegal or prohibiting or making unlawful the payment of cash or the exchange of shares of Holding Preferred Stock for the Company's Common Stock as contemplated by the Merger Agreement;

(d) the employment agreements and agreements with respect to cancellation of stock options and stock incentive award units discussed under "The Proposed Merger—Arrangements with Employees of the Company", below, shall be in effect;

(e) the Merger shall have been approved by all necessary corporate proceedings of the Company;

(f) the Filing Time shall have occurred prior to October 31, 1978;

(g) the representations and warranties by the Company contained in the Merger Agreement shall be true, and the obligations and covenants of the Company contained therein shall have been performed and complied with in all material respects;

(h) the agreement with certain principal stockholders attached as Annex III to this Proxy Statement shall have been performed and complied with by such stockholders; and

(i) there shall have been received opinions of counsel as to various aspects of the transactions contemplated by the Merger Agreement and a letter from the Company's accountants with respect to certain financial information contained in this Proxy Statement and the Exchange Offer prospectus.

The obligations of the Company under the Merger Agreement are subject, at its option, to the conditions referred to in clause (c), (e) and (f) in the description of the conditions above, and to the further conditions, among other things, that at the Filing Time:

(a) the representations and warranties made by Unilever U.S., Holding and Subsidiary contained in the Merger Agreement shall be true, and their obligations and covenants contained in the Merger Agreement shall have been performed and complied with in all material aspects;

(b) the Merger and the Merger Agreement shall have been approved by all necessary corporate proceedings of Holding and Subsidiary and the Exchange Offer shall have been approved by all necessary corporate proceedings of Holding;

(c) the Registration Statement with respect to the Exchange Offer shall be effective and the Holding Preferred Stock shall be qualified for offering and sale under the securities or "blue sky" laws of all jurisdictions in which there were holders of record of an aggregate of at least 1,000 shares of Company Common Stock on the record date for the Special Meeting; the Exchange Offer shall have been consummated on the terms set forth and as otherwise described in the Exchange Offer

prospectus attached hereto; and such Exchange Offer prospectus (except with respect to the description of the Company included therein) shall not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to the Company and the stockholders of the Company;

(d) no default shall exist under the terms of the Holding Preferred Stock being offered in the Exchange Offer;

(e) the shareholder's equity in Unilever U.S., without giving effect to the consummation of the Exchange Offer and the Merger, shall be not less than $350 million;

(f) the Agreement, dated as of March 16, 1978, between Unilever U.S. and Holding with respect to the disposition by Unilever U.S. of shares of common stock of Holding, the voting and redemption of shares of Holding Preferred Stock held by Unilever U.S. and the payment by Unilever U.S. of all taxes to which Holding is subject, shall be in full force and effect (see the description of such Agreement in the Exchange Offer prospectus-"Description of Holding Preferred Stock-Covenants");

(g) the various tax rulings described in "The Proposed Merger-Federal Income Tax Consequences", below, and in the Exchange Offer prospectus under "The Exchange Offer-Federal Income Tax Consequences", shall not have been withdrawn; and

(h) opinions of counsel as to various aspects of the transaction contemplated by the Merger Agreement shall have been received.

Amendment or Termination of the Merger Agreement or Waiver of Conditions

The Merger Agreement may be terminated and the proposed Merger abandoned at any time prior to the Filing Time, whether or not theretofore approved by the stockholders of any of the parties to the Merger Agreement, under any of the following circumstances:

(1) by the mutual consent of the Boards of Directors of the Company, Unilever U.S., Holding and Subsidiary; or

(2) by the Board of Directors of the Company if the conditions precedent to the Company's obligations under the Merger Agreement have not been fulfilled prior to October 31, 1978 and have not been waived by the Company; or

(3) by the respective Boards of Directors of Unilever U.S., Holding and Subsidiary if the conditions precedent to their obligations under the Merger Agreement have not been fulfilled prior to October 31, 1978 and have not been waived by them.

No such termination of the Merger Agreement will give rise to any liability on the part of any party thereto to any other party except with respect to provisions relating to confidentiality of information.

In addition, the Merger Agreement permits the parties thereto to waive compliance with the conditions to their respective obligations under the Merger

Agreement or to waive any inaccuracies in the representations and warranties contained therein. The Merger Agreement also provides that by mutual consent of their respective Boards of Directors (or the responsible officers authorized by such Boards), the parties to the Merger Agreement may amend or modify and supplement the Merger Agreement in writing, except that after the vote on the Merger by the stockholders of the Company, no such amendment, modification or supplement shall affect the rights of such stockholders in a manner which in the judgment of the Board of Directors of the Company is materially adverse to such stockholders.

Required Corporate Approvals

At a meeting held on March 16, 1978, the Board of Directors of the Company approved the Merger Agreement and, at a meeting held on July 10, 1978, the Company's Board of Directors directed that the Merger Agreement be submitted to the stockholders of the Company for a vote on its adoption.

On March 16, 1978, the respective Boards of Directors of Unilever U.S., Holding and Subsidiary approved the Merger Agreement. On July 7, 1978, Holding, as the sole stockholder of Subsidiary, approved the Merger Agreement by written consent.

Consummation of the Merger is subject to the affirmative vote of the holders of two-thirds of the Company's Common Stock outstanding at the record date. See "The Proposed Merger—Agreement with the Principal Stockholders", below.

Management of the Company After the Merger

The Company has been informed by Unilever U.S. and Holding that their present intention is to continue the management, operations and development of the Company, including its subsidiaries and joint ventures, as heretofore. Accordingly, the present officers of the Company will continue as officers of the surviving corporation and certain officers of the Company have entered into employment contracts which are effective upon consummation of the Merger. See "The Proposed Merger—Arrangements with Employees of the Company", below. Unilever U.S. and Holding will also ask the directors of the Company as of the date hereof who are nominees for election at the Special Meeting to continue as directors following the consummation of the Merger if reelected.

After the Merger, Holding, as the owner of all the issued and outstanding capital stock of the Company, will be able to make such changes in the composition of the officers and directors of the Company and its subsidiaries as Holding deems necessary or desirable from time to time. However, it is Holding's present intention that it will cause no change in the executive management of the Company or its subsidiaries unless such change is approved by their respective Boards of Directors.

Investment Banking Opinion

The Company's Board of Directors has retained the investment banking firm of Morgan Stanley & Co. Incorporated ("Morgan Stanley") to advise it regarding the terms of the proposed Merger and related Exchange Offer from a financial point of view. Morgan Stanley has advised the Company's Board of Directors

that in its opinion the terms of the Merger and related Exchange Offer taken as a whole are fair and equitable to the holders of the Company's Common Stock from a financial point of view. A copy of that opinion, which sets forth the factors considered and assumptions made, is attached as Annex IV.

Morgan Stanley has acted as financial adviser to the Company in connection with the Merger and Exchange Offer and assisted in the negotiation of the transactions on behalf of the Company. The Company has agreed to pay Morgan Stanley fees for its services as follows, depending on the outcome of the Merger proposals: (a) whether or not the Merger is consummated, $500,000 plus out-of-pocket expenses including reasonable counsel fees, and (b) in the event the Merger is consummated, in addition to the amount set forth in clause (a), $1,700,000. The Company has agreed to indemnify Morgan Stanley against certain liabilities in connection with the transactions contemplated by the Merger Agreement. Morgan Stanley has not previously acted as financial adviser or consultant to the Company and has advised the Company that, except for its fee, it has no interest in the Merger and Exchange Offer.

Reasons for the Merger

In early October 1977 a representative of Unilever U.S. met, at his request, with the Chairman of the Board and the Chairman of the Executive Committee of the Company to inquire as to possible interest in an acquisition of the Company. Discussions continued until a Letter of Intent was signed on December 11, 1977 by the Company and Unilever U.S. embodying the basic terms of the Merger and the Exchange Offer.

On March 16, 1978 the definitive Merger Agreement was signed.

The terms of the Merger and the Exchange Offer are the result of arm's-length negotiations between representatives of the Company and Unilever U.S. Among the various factors considered were the operations, properties, earnings and personnel of the Company and the market value of the Company's Common Stock, as well as judgments with regard to the prospects and future values of the Company. The Company's Board of Directors believes the transactions are advantageous to the Company's stockholders and has recommended adoption of the Merger Agreement and acceptance of the transactions contemplated thereby.

Arrangements with Employees of the Company

At the request of Unilever U.S. and pursuant to the terms of the Merger Agreement, the Company has entered into three year employment agreements (two years in the case of Messrs. Pascal and Thune) with the following officers of the Company: D.D. Pascal, C.G. Caldwell, S.F. Thune, S.A. Segal, H.R. Sampson, A.G. Battaglia, W.K. Grubman, N.G. Marotta, R.B. Albert, H.J. Baumgarten, R.A. Bintz, R.A. DeWolfe, F.L. Murphy and W.H. Stone. The contracts, which are effective upon consummation of the Merger, provide that each of the above employees will be paid a salary in such amount as shall from time to time be determined by or pursuant to authority granted by the Board of Directors of the Company, which amount shall not be at a rate less than such employee's current compensation. The contracts also provide that each employee will have the opportunity to earn cash

bonuses and receive other benefits on a basis consistent with the past practices of the Company.

Certain employees of the Company presently hold options to purchase shares of Company Common Stock and/or, in some cases, award units payable at a future time in Company Common Stock. The Company has entered into agreements with such employees providing for the cancellation of the options and award units outstanding at the Effective Time, effective upon consummation of the Merger. Under the agreements, each such employee will be paid on January 15, 1979, in consideration of such cancellation, an amount equal to the excess of $73.50 over the option exercise price per share multiplied by the number of shares covered by such employee's options (if any) outstanding at the Effective Time (whether or not such options are then exercisable), plus an amount equal to the excess of $73.50 over the base price of stock appreciation award units multiplied by the number of such employee's award units (if any) outstanding at the Effective Time. In addition, some of such employees and certain other employees hold shares of Company Common Stock ("Restricted Shares") previously granted which are restricted as to transfer and are subject to forfeiture for varying periods (see Note 9 to the Consolidated Financial Statements). The Company has waived the restrictions on transfer and provisions for forfeiture of Restricted Shares effective immediately prior to consummation of the Merger so that employees will receive $73.50 per share of Restricted Shares in the Merger. In addition, employees holding shares of Company Common Stock purchased in October or November, 1975, upon the exercise of qualified stock options will receive compensation for the loss of tax

benefits resulting from the disposition of such shares in the Merger.

The amounts so payable to employees will depend on the number of options and/or award units outstanding at the Effective Time (which in turn will depend on whether, prior to such Time, an employee exercises options or the number of options and award units is reduced by operation of their terms) and on whether employees dispose of shares for which they otherwise would have received amounts to compensate for loss of tax benefits. Based on present holdings, the amounts payable under the agreements (which do not include the $73.50 per share to be received by the holders of Restricted Shares) would be $850,057 in the case of the Company's officers and directors as a group (including $31,826 to Dr. Caldwell, $13,294 to Mr. Thune, $25,918 to Mr. Segal and $47,429 to Mr. Sampson), and $1,038,307 in the case of other employees.

Appraisal Rights of Dissenting Stockholders

Any holder of record of Company Common Stock has the right under Section 262 of the Delaware General Corporation Law to dissent from the Merger, to have his shares of Company Common Stock appraised by the Delaware Court of Chancery, and to receive the appraised value from the surviving corporation. Reference is made to Section 262, a copy of which is attached as Annex II to this Proxy Statement, for a complete statement of the appraisal rights of dissenting stockholders. The following information is qualified in its entirety by reference to Section 262.

In order for a holder of Company Common Stock to exercise his appraisal rights, he must satisfy all of the following conditions:

(1) Before the holders of Company Common Stock vote on the proposal to approve and adopt the Merger, the stockholder of record must deliver to the Company at 10 Finderne Avenue, Bridgewater, New Jersey 08807, *Attention*: Secretary, a written demand for the appraisal of his shares of the Company Common Stock. **This demand must:**

(a) Be made by the stockholder of record (or the duly authorized representative of the stockholder of record) and not by someone who is merely a beneficial owner of the shares (i.e., cannot be made by the beneficial owner if he does not own the shares of record);

(b) Identify the stockholder;

(c) State that the stockholder thereby demands the appraisal of his shares of Company Common Stock; and

(d) Be separate from and in addition to any proxy or vote against the merger.

Merely voting, or delivering a proxy directing a vote, against approval of the Merger will not satisfy this condition; a written demand for appraisal is essential. The written demand must be signed by the stockholder of record (or his duly authorized representative) exactly as his name appears on the form of proxy accompanying this Proxy Statement. A demand for appraisal of shares owned jointly by more than one person

must identify and be signed by all such holders. Any person signing a demand for appraisal on behalf of a partnership or corporation or in any other representative capacity (such as attorney-in-fact, executor,-administrator, trustee or guardian) must indicate his title and, if the Company so requests, must furnish proof of his capacity and his authority to sign the demand. Demands for appraisal should be sent to the Company (preferably by certified or registered mail, return receipt requested) at 10 Finderne Avenue, Bridgewater, New Jersey 08807, to the attention of the Secretary.

(2) The Stockholder must not vote in favor of the approval of the Merger, whether in person, by proxy or by written consent. A failure to vote will satisfy this condition, but a vote in favor of the approval of the Merger will constitute a waiver of the stockholder's right of appraisal and will, in effect, cancel his demand for appraisal. If a stockholder returns his proxy and does not vote against the Merger, and thereafter does not revoke his proxy, it will be voted FOR the Merger and the stockholder will be deemed to have waived his rights as a dissenting stockholder.

(3) Within 120 days after the effectiveness of the Merger, a stockholder of record must file a petition in the Delaware Court of Chancery demanding a determination of the value of the Company Common Stock held by all Company stockholders who have satisfied conditions (1) and (2) above, unless the surviving corporation or another stockholder will have filed such a petition within that period of time; provided that during

the first 60 days after the effectiveness of the Merger, a stockholder who has demanded appraisal has the right to withdraw such demand and accept payment of cash in the amount of $73.50 per share under the Merger Agreement. Within 10 days after the effectiveness of the Merger, the surviving corporation will notify each stockholder who has satisfied conditions (1) and (2) above of the date on which the Merger became effective. If neither the surviving corporation nor any stockholder of the Company files a petition for appraisal within 120 days after that date, the appraisal rights of Company Common Stock holders will cease, and they will only be entitled to receive cash in the amount of $73.50 per share in exchange for their respective shares of Company Common Stock. **At the present time, the Company's management expects that the surviving corporation will not file such a petition in the event a demand for appraisal is made. A final decision on that matter will be made if and when the occasion arises and will be based on the circumstances then existing.**

(4) If the Delaware Court of Chancery so requires, the stockholders of record must submit their Company Common Stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings. If the Court invokes such a requirement and a stockholder fails to comply with it, the Court may dismiss the appraisal proceedings as to that stockholder, and he will lose his appraisal rights.

Since only holders of Company Common Stock of record may exercise appraisal rights, persons who beneficially own shares which are held of record by brokers, fiduciaries, nominees or others and who wish to exercise their appraisal rights must instruct the record holders of their shares to satisfy the conditions outlined above. If a stockholder of record does not satisfy within the time limits allowed all of the conditions outlined above, the appraisal rights for the shares of Company Common Stock held by him will be lost, and each of such shares will be converted into the right to receive cash in the amount of $73.50 per share on the effectiveness of the Merger, as provided in the Merger Agreement.

If the surviving corporation or any holder of Company Common Stock files a petition in accordance with condition (3) above, the Delaware Court of Chancery will hold a hearing on the petition, will determine the stockholders entitled to an appraisal and the fair value of the shares of Company Common Stock owned by such stockholders, exclusive of any element of value arising from the accomplishment or expectation of the Merger (such fair value could be determined to be more or less than the $73.50 per share payable in the Merger). The Court will then direct the surviving corporation to pay the appraised value of those shares, together with interest (if any), to the stockholders entitled thereto upon their surrender to the surviving corporation of the certificates representing such shares.

Upon the application of any party in interest, the Court will determine the amount of interest, if any, to be paid on the value of the Company Common Stock owned by the dissenting stockholders. In making its

determination with respect to interest, the Court may consider all relevant factors, including the rate of interest which the surviving corporation has paid for money it has borrowed, if any, during the pendency of the appraisal proceeding.

The costs of the appraisal proceeding may be determined by the Court and taxed to the parties in such manner as the Court deems equitable under the circumstances. Upon application of a dissenting stockholder, the Court may order all or a portion of the expenses incurred by any dissenting stockholder in connection with the appraisal proceeding (including, without limitation, reasonable attorneys' fees and the fees and expenses of experts) to be charged pro rata against the value of all shares of Company Common Stock entitled to an appraisal.

Any holder of Company Common Stock who demands his appraisal rights in accordance with condition (1) above will thereafter not be entitled to vote his Company Common Stock for any purpose after the vote on the Merger nor be entitled to receive any dividends or other distributions on such stock (except the special dividend described under "Dividend Record" below and any other dividends or distributions payable to stockholders of record as of a time prior to the effectiveness of the Merger) as long as his appraisal rights continue in existence. However, if such stockholder delivers to the surviving corporation an acceptance of the Merger and a written withdrawal of his appraisal demand within 60 days after the effectiveness of the Merger (or thereafter with the written approval of the surviving corporation), then such stockholder's right to an appraisal of his Company Common Stock will cease, and he will be entitled to

receive cash in the amount of $73.50 per share as a result of the Merger. No appraisal proceeding in the Court of Chancery, however, may be dismissed as to any Company stockholder without the approval of the Court, and the Court may condition any such approval on such terms as it deems just.

Expenses

The Merger Agreement provides that, whether or not the Merger and the Exchange Offer are consummated, the Company will pay its own expenses in connection therewith, and that Unilever U.S. will pay the expenses of Unilever U.S., Holding and Subsidiary in connection therewith. The Company estimates its portion of such expenses, assuming such transactions are consummated, to be approximately $2,800,000, including the fees and expenses of Morgan Stanley referred to under "The Proposed Merger—Investment Banking Opinion", above. Since the Exchange Offer prospectus is attached to this Proxy Statement, pursuant to the provisions of the Merger Agreement relating to expenses, Unilever U.S. will pay, or will reimburse the Company for, the portion of the mailing and other expenses of distributing the combined document (including any amount paid to brokers, dealers, banks and their nominees to reimburse them for expenses incurred in furnishing the combined document to their clients) which are attributable to the Exchange Offer prospectus.

Federal Income Taxes Consequences

The Company has received from the Internal Revenue Service a ruling (the "Ruling") dated June 28, 1978 to the following effect:

1. The Company, Subsidiary and Holding will recognize no gain or loss on the Merger.

2. Gain or loss will be realized and recognized by non-dissenting stockholders of the Company who do not accept the Exchange Offer upon the receipt by them from the Company in the Merger of cash in exchange for their Company Common Stock. The gain or loss of each such stockholder will be measured by the difference between the cash received by such stockholder in the Merger, and such stockholder's adjusted basis for the Company Common Stock surrendered in the Merger. Such gain or loss will be a capital gain or loss subject to the provisions and limitations of Subchapter P of Chapter 1 of the Internal Revenue Code of 1954, as amended (the "Code"), provided Section 341 of the Code (relating to collapsible corporations) is not applicable and the stock surrendered in the Merger qualifies as a capital asset in the hands of such stockholder.

3. If any stockholder of the Company dissents from the Merger and has his shares of Company Common Stock appraised under Delaware law, the cash received in payment of the appraised value

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*Special rules may apply in the case of shares acquired pursuant to the exercise of qualified stock options less than three years and one day prior to the Effective Time of the Merger or acquired pursuant to stock incentive awards and subject to restrictions on transfer which lapse immediately prior to the Merger.

of his shares will be treated as having been received as a distribution in redemption of his shares, subject to the provisions and limitations of Section 302 of the Code.

Based upon the Ruling, the Company is advised by its counsel, Messrs. Debevoise, Plimpton, Lyons & Gates, that the surrender by a stockholder of all of such stockholder's shares* of Company Common Stock for $73.50 per share in cash pursuant to the Merger Agreement will be treated as a taxable exchange with gain or loss being recognized, measured by the difference between the $73.50 per share received and the stockholder's cost or other tax basis in his Company Common Stock. Assuming that the Company Common Stock is a capital asset in the hands of a stockholder, the gain or loss recognized will be capital gain or loss, and if the stockholder has held such stock, or is deemed to have held such stock, for more than one year as of the Effective Time of the Merger, such gain or loss will constitute long-term capital gain or loss. The recognition of long-term capital gain by a stockholder may subject the stockholder to the 15% minimum tax imposed on tax preference items by the Code. In this regard, one-half of the net capital gain of an individual taxpayer is included as a tax preference item and a 15% minimum tax is imposed on such taxpayer's total tax preference items in any year to the extent such items exceed the greater of $10,000 ($5,000 in the case of married persons filing separately) or one-half of the regular income tax for the year (as defined). Such item of tax preference will also reduce the amount of the stockholder's income eligible for the 50% maximum rate of tax on personal service income provided by Section 1348 of the Code.

Messrs. Debevoise, Plimpton, Lyons & Gates have also advised that, based upon the Ruling, the receipt by dissenting stockholders of cash pursuant to appraisal proceedings under Delaware law will, in general, have the same tax consequences as described above for stockholders participating in the Merger except that the gain or loss being recognized, if any, will be measured by the difference between the appraised value received and the stockholder's cost or other tax basis in his Company Common Stock.

The above description of the Federal income tax consequences relates solely to receipt of $73.50 for each share of Company Common Stock, or the appraised value thereof, by a Company stockholder. Acceptance of the Exchange Offer by a stockholder with respect to such stockholder's shares of Company Common Stock will have the tax consequences described in the attached Exchange Offer prospectus under the heading "The Exchange Offer—Federal Income Tax Consequences".

It should be noted that various legislative proposals have been made which, if adopted, could affect the above description of Federal income tax consequences, including possible changes in the rate of tax imposed on capital gains and/or elimination of capital gains as an item of tax preference. Most of these proposals, as they are presently being considered, would not take effect until taxable years after 1978. The Company cannot predict the form, if any, legislation might take or the ultimate effective date of any such legislation.

It is recommended that stockholders consult their own tax advisors as to the extent of their Federal income tax liability as a result of the proposed trans-

actions and as to the tax consequences under any applicable local, state or foreign tax laws.

Agreement with the Principal Stockholders

Concurrently with the signing of the Merger Agreement, Anna A. and Frank K. Greenwall entered into an agreement with the Holding, dated as of March 16, 1978 (the "Letter Agreement"), a copy of which is attached hereto as Annex III, which provides that they will not, prior to the effectiveness of the Merger, permit shares of Company Common Stock beneficially owned by them to be sold, pledged or otherwise transferred or encumbered (other than by operation of law, upon death, by testamentary disposition or by exchange in the Exchange Offer), and will cause all such shares to be voted for and against the Merger at the Special Meeting of Stockholders in the same proportion as the vote of shares of all other stockholders voting upon the Merger. Mr. and Mrs. Greenwall beneficially own 944,436 shares of the Company Common Stock (approximately 14.4% of the outstanding shares). See "Principal Stockholders", below. Mr. and Mrs. Greenwall have advised the Company that it is their present intention to exchange all such shares for Holding Preferred Stock in the Exchange Offer, although a final decision on whether to accept the Exchange Offer will not be made until shortly before the expiration of the Exchange Offer and will be based on circumstances at that time.

Interest of Unilever Companies in Securities of the Company

Holding, Subsidiary, Unilever U.S., Unilever N.V. ("N.V."), Unilever Limited ("Limited") (see the Ex-

change Offer prospectus under "Unilever Group of Companies") and their majority-owned subsidiaries do not own, and will not acquire prior to the consummation of the Exchange Offer, any shares of Company Common Stock. To the best knowledge of Unilever U.S., no (i) executive officer or director of Holding, Subsidiary, Unilever U.S., N.V. or Limited or (ii) associate of Holding, Subsidiary, Unilever U.S., N.V., Limited or any executive officer or director thereof owns any shares of Company Common Stock. Neither Holding, Subsidiary, Unilever U.S., N.V., Limited nor any of their majority-owned subsidiaries has a right to acquire, directly or indirectly, any securities of the Company, except pursuant to the Merger Agreement and the Exchange Offer. To the best knowledge of Unilever U.S., no (i) executive officer or director of Holding, Subsidiary, Unilever U.S., N.V. or Limited or (ii) associate of Holding, Subsidiary, Unilever U.S., N.V., Limited or any executive officer or director thereof has a right to acquire, directly or indirectly, any securities of the Company.

Since May 1, 1978 neither Holding, Subsidiary, Unilever U.S., N.V., Limited nor any of their subsidiaries has effected any transaction in the Company Common Stock except pursuant to the Merger Agreement and the Exchange Offer. Since such date, to the best knowledge of Unilever U.S., no executive officer or director of Holding, Subsidiary, Unilever U.S., N.V., Limited or any associate of Holding, Subsidiary, Unilever U.S., N.V., Limited or any executive officer or director thereof or any executive officer or director of any subsidiary thereof has effected any transaction in Company Common Stock.

EXCHANGE OFFER

Attached to this Proxy Statement is an Exchange Offer prospectus by Holding. Under the Exchange Offer, all stockholders of the Company are being offered the alternative of exchanging their shares, at the Filing Time, for shares of a newly-issued non-voting preferred stock of Holding with a par value of $73.50 per share and a cumulative annual dividend of $3.31 per share (4.5% per annum). Each stockholder should carefully review the attached Exchange Offer prospectus for the terms of the Exchange Offer and related information, including the discussion of Federal income taxes and the desirability of consulting a tax advisor.

THE COMPANY AND ITS SUBSIDIARIES

National Starch and Chemical Corporation was incorporated in 1928 in Delaware under the name National Adhesives Corporation. The Company and its subsidiaries are engaged in the production of (i) adhesives and related products, (ii) starches and related products and (iii) specialty chemical products. Over the years the Company has placed continuing emphasis on research and development of products specifically designed for improved performance in particular applications, and on technical service to customers, most of which are industrial users.

CAPITALIZATION

The consolidated capitalization of the Company at March 31, 1978 is as follows:

	(Thousands of dollars)
Short-term debt (Note 1)	
Notes payable to U.S. and Canadian banks	$ 6,671
Notes payable—other	374
Long-term debt due within one year	2,427
Total short-term debt	9,472
Long-term debt (Note 2)	
Bank loan, on revolving credit basis at prime rates (8% at March 31, 1978), due March 1, 1980	12,000
Insurance company loan, 9⅞%, due 1980-1989	10,000
Other	2,695
Total long-term debt maturing after one year	24,695
Total debt	34,167

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[1] See Note 6 of the notes to consolidated financial statements for information pertaining to short-term borrowings of the Company at December 31, 1977. Substantially all short-term borrowings are at interest rates of 8¾% at March 31, 1978.

[2] See Note 7 of the notes to consolidated financial statements for information pertaining to long-term debt at December 31, 1977. On May 23, 1978, the Company issued $18,000,000 aggregate principal amount of its 8.40% Notes due 1983-1993 to two insurance companies. A portion of the proceeds of such Notes ($12,500,000) were used to repay the then outstanding principal amount of the Company's bank loan due March 1, 1980, and the balance was used for general corporate purposes.

Shareholders' equity	
Preferred stock, no par; authorized 250,000 shares; none issued	
Common stock, $.50 par value; authorized 8,000,000 shares; 6,630,198 shares issued (Note 3)	3,315
Paid-in capital	45,508
Retained earnings	127,225
	176,048
Less common stock held in treasury— 66,268 shares	1,805
Total shareholders' equity	174,243
Total capitalization	$208,410

[3] Book value per share at March 31, 1978 was $26.55.

[4] See Note 9 of the notes to consolidated financial statements for information pertaining to employee stock option, stock incentive and stock purchase plans at December 31, 1977.

At March 31, 1978 there were 303,953 shares reserved for issuance under stock option, stock incentive and stock purchase plans.

[Exhibit 25-Y]

MORGAN STANLEY & CO.
INCORPORATED
1251 Avenue of the Americas
New York, N.Y. 10020

August 23, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08870

INVOICE

For financial advice rendered in connection with the acquisition of National Starch and Chemical Corporation by Unilever N.V.	$2,200,000.00
Out-of-pocket expenses	7,586.23
Fee and disbursements of counsel	18,000.00
Total	$2,225,586.23

CLIENT COPY

August 22, 1978

MORGAN STANLEY & CO. INCORPORATED

To: DAVIS POLK & WARDWELL
COUNSELLORS AT LAW
1 CHASE MANHATTAN PLAZA
NEW YORK, N.Y. 10005

For professional services to and incidental disbursements for Morgan Stanley & Co. Incorporated ("MS&Co.") as financial advisor to National Starch and Chemical Corporation (the "Company") in connection with the merger of the Company with a subsidiary of National Starch and Chemical Holding Corporation ("Holding"), a newly incorporated, indirectly wholly-owned subsidiary of Unilever N.V., and the related exchange offer to stockholders of the Company by Holding, including the following: advice as to the effect of the Federal margin securities regulations on the activities of MS&Co.; advice regarding the scope of and review of the investigation of the Company and the proposed transactions conducted by MS&Co.; review of minutes and various other corporate documents of the Company; review of and advice regarding opinion to be rendered by MS&Co. and form of supplemental opinion;

advice as to certain tax matters and alternative methods of structuring the transaction; review of and advice as to form of consent of MS&Co. to be included in the Registration Statement of Holding; and various conferences, telephone conferences, correspondence and legal research in connection with the foregoing $18,000.00

[Exhibit 26-Z]

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

March 8, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

To: Debevoise, Plimpton, Lyons & Gates, Dr.

FOR PROFESSIONAL SERVICES AND ADVICE rendered from October 1, 1977 through December 31, 1977, in connection with the proposed acquisition of your Company by Unilever United States, Inc.	$100,000.00
Received on account	15,000.00
	$ 85,000.00

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

April 6, 1978

Herbert J. Baumgarten, Esq.
Vice President and Counsel
National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

Dear Herb:

Enclosed is our statement for fees for all matters other than Unilever, and for disbursements including Unilever, for the fourth quarter of 1977. As you may recall, our earlier statement for the Unilever work included a credit for the retainer.

I should also note that the lion share of the disbursements (over $3,000) is attributable to the Unilever work.

Please call if you have any questions.

Sincerely,

Edward A. Perell

Enclosure

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

April 6, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

To: Debevoise, Plimpton, Lyons & Gates, Dr.

FOR PROFESSIONAL SERVICES AND ADVICE rendered from October 1, 1977 through December 31, 1977		$18,000.00
DISBURSEMENTS:		
Overtime stenography and expenses incident to night and weekend work	$1,606.75	
Xerox and offset printing ...	1,023.25	
Telephone toll calls and telegraphic expenses	251.65	
Excess postage	30.57	
Lawyers' travel	338.05	
Messenger service and expense	273.60	3,523.87
		$21,523.87

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

May 10, 1978

Herbert J. Baumgarten, Esq.
Vice President and Counsel
National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

Dear Herb:

Enclosed is our statement for fees and disbursements for the first quarter of 1978. As you can see, the Unilever portion is quite high, reflecting an extraordinary amount of work throughout the entire period.

Please call if you have any questions.

Sincerely,

Edward A. Perell

Enclosure

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

May 9, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

To: Debevoise, Plimpton, Lyons & Gates, Dr.

FOR PROFESSIONAL SERVICES AND ADVICE rendered from January 1, 1978 to March 31, 1978		$197,000.00
Received on account		15,000.00
		$182,000.00
DISBURSEMENTS:		
Overtime stenography and expenses incident to night work	$4,145.15	
Xerox and offset reproduction	3,622.95	
Telephone toll calls and telegraph expenses	504.66	
Excess postage	9.36	
Messenger service and expense	414.10	
Lawyers' travel	516.52	
Miscellaneous	39.24	9,251.98
		$191,251.98

May 9, 1978

NATIONAL STARCH AND CHEMICAL CORPORATION

Approximate Allocation of Fees
Among Items of Professional Service
January 1, 1978 through March 31, 1978

1.	General matters (review of agendas and minutes of meetings of Board of Directors and Consents of Executive Committee; advice with respect to various aspects of proposed acquisition; review of and advice with respect to Annual Report on Form 10-K; review of and advice with respect to Annual Report to Stockholders; preparation of letter to independent public accountants in connection with audit of financial statements; advice with respect to Annual Meeting of Stockholders and By-Law amendment; review of Registration Statement on Form S-8 — Stock Option and Stock Incentive Plans . . .	$ 3,700.00
2.	Proposed acquisition by Unilever United States, Inc.	185,000.00
3.	Berkeley Heights property	5,500.00
4.	Private placement of 8.40% Notes . .	2,800.00
		$197,000.00

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

September 22, 1978

Herbert J. Baumgarten, Esq.
Vice President and Counsel
National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

Dear Herb:

Enclosed is our statement for fees and disbursements for the second quarter of 1978. If you have any questions about the statement, please give me a call.

Sincerely,

Edward A. Perell

Enclosure

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

September 12, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

To: Debevoise, Plimpton, Lyons & Gates, Dr.

FOR PROFESSIONAL SERVICES AND ADVICE rendered from April 1, 1978 to June 31, 1978		$124,000.00
Received on account		15,000.00
		$109,000.00
DISBURSEMENTS:		
Overtime stenography and expenses incidental to night work	$1,058.03	
Xerox and offset reproduction	1,898.45	
Telephone toll calls and telegraph expenses	493.63	
Excess postage	33.34	
Messenger service and expense	427.40	
Lawyers' travel	82.00	3,992.85
		$112,992.85

September 12, 1978

NATIONAL STARCH AND CHEMICAL CORPORATION

Approximate Allocation of Fees
Among Items of Professional Service
April 1, 1978 through June 30, 1978

1.	General matters (including review of agendas and minutes of meetings of Board of Directors and Consents of Executive Committee; advice with respect to various aspects of proposed acquisition; preparation of and advice with respect to Part II of Annual Report on Form 10-K; review of and advice concerning quarterly report on Form 10-Q; advice with respect to Iranian investment; advice with respect to U.S. laws and regulations relating to Arab boycott; advice from time to time to the Company's officers concerning the foregoing and related matters	$ 5,000.00
2.	Acquisition by Unilever United States, Inc.	105,000.00
3.	Registration Statement on Form S-8 — Stock Option and Stock Incentive Plans	4,500.00
4.	Berkeley Heights property	1,000.00
5.	Private placement of 8.40% Notes ..	8,500.00
		$124,000.00

DEBEVOISE, PLIMPTON, LYONS & GATES
299 PARK AVENUE NEW YORK, N.Y. 10017

October 19, 1978

National Starch and Chemical Corporation
10 Finderne Avenue
Bridgewater, New Jersey 08807

To: Debevoise, Plimpton, Lyons & Gates, Dr.

FOR PROFESSIONAL SERVICES AND ADVICE rendered from July 1, 1978 to September 30, 1978		$118,000.00
Received on account		15,000.00
		$103,000.00
DISBURSEMENTS:		
Overtime stenography and expenses incidental to night and weekend work	$1,075.65	
Xerox and offset reproduction	857.60	
Telephone toll calls and telegraph expenses	465.46	
Excess postage and Air Freight	90.42	
Messenger service and expense	253.20	
Lawyers' travel	550.23	
Mescellaneous: United States Corporation Company for good standing certificates from various States	731.70	4,024.26
		$107,024.26

October 19, 1978

NATIONAL STARCH AND CHEMICAL CORPORATION

Approximate Allocation of Fees
Among Items of Professional Service
July 1, 1978 through September 30, 1978

1.	General matters (review of agendas and minutes of meetings of Board of Directors and stockholders and consents of Executive Committee; review of and advice concerning quarterly report on Form 10-Q; advice with respect to disposition of Berkeley Heights property; advice with respect to exemption from regular reporting requirements of Securities and Exchange Act of 1934; advice with respect to possible licensing arrangements with another company; review of litigation papers involving Permabond International Corporation; and advice from time to time to the Company's officers concerning the foregoing and related matters)	$ 4,000.00
2.	Acquisition by Unilever United States, Inc.	100,000.00
3.	Advice with respect to and preparation of new executive incentive plan ..	8,500.00
4.	Advice with respect to proposed acquisition ("Dynamite")	5,500.00
		$118,000.00

[Exhibit M]

December 22, 1977

Ms. Mary H. Weiss
Division of Enforcement
Securities and Exchange Commission
500 North Capitol Street
Washington, D.C. 20549

National Starch and Chemical Corporation

Dear Ms. Weiss:

At your request, enclosed is a Chronology of Events (through December 2, 1977) relating to the proposed acquisition of National Starch and Chemical Corporation by Unilever United States, Inc. The Chronology is based on the recollections of Messrs. Greenwall and Pascal at National Starch and Messrs. Ruebhausen, Perell and myself at Debevoise. If you have any questions about the Chronology, please feel free to call either Mr. Perell or me.

Very truly yours,

/s/ KLW

Kenneth L. Wallach

Enclosure

KLW:mra
NSC-Unilever 01302-600

CONFIDENTIAL
FOR USE OF PERSONNEL OF
NEW YORK STOCK EXCHANGE
AND SECURITIES AND EXCHANGE
COMMISSION ONLY

NATIONAL STARCH AND CHEMICAL CORPORATION

Chronology of Events through 12/2/77

Date	***Event***
10/7/77	Felix Rohatyn, a partner of Lazard Freres & Co. ("LF"), met, at Mr. Rohatyn's request, with Frank K. Greenwall, Chairman of the Executive Committee of National Starch and Chemical Corporation ("NSC"), and Donald D. Pascal, Chairman of the Board of NSC, and indicated that Unilever N.V. was looking at a number of U.S. companies, including NSC, with the possibility of acquisition in mind. This was the first time that either Mr. Greenwall or Mr. Pascal were aware of such an interest. Mr. Rohatyn asked whether Mr. Greenwall would be willing to discuss the possibility of a cash sale of NSC shares by Mr. Greenwall and his wife Anna A. Greenwall, to Unilever, as part of an acquisition of all NSC shares by Unilever. Mr. Rohatyn indicated that Unilever was not thinking of an "unfriendly"

tender situation and would proceed with discussions only if the Greenwalls were willing to sell their shares, and in that event, then only if the Company favored the acquisition. Mr. Greenwall told Mr. Rohatyn that he would give the question some thought.

10/11/77 — Mr. Greenwall met with Oscar M. Ruebhausen, a partner of Debevoise, Plimpton, Lyons & Gates ("DPL&G"), counsel to Mr. and Mrs. Greenwall and NSC, and informed Mr. Ruebhausen of Mr. Rohatyn's inquiry.

After the meeting, Mr. Ruebhausen informed Edward A. Perell, a DPL&G partner responsible for NSC matters, of the meetings.

10/13/77 — Mr. Pascal informed Carlyle Caldwell, President of NSC, of Mr. Rohatyn's discussion with Mr. Greenwall and himself.

10/17/77 — Messrs. Ruebhausen, Perell, Greenwall and Pascal met to discuss various legal questions.

10/18/77 — Messrs. Perell and Ruebhausen discussed the tax and estate planning considerations with Philip S. Winterer, another partner in DPL&G. Additional DPL&G lawyers were consulted on various legal

questions without disclosure of the names of the persons involved.

Mr. Greenwall called Mr. Rohatyn and informed him that an all cash transaction would not be attractive to Mr. Greenwall because of his estate planning considerations, but that he was speaking only as an individual in response to a question put to him.

10/19/77 — Messrs. Rohatyn, Greenwall and Ruebhausen met to discuss the legal and other problems involved in structuring a transaction so that, among other things, an opportunity for a tax-free exchange would be available to all shareholders.

10/20/77 — Messrs. Greenwall, Pascal, Ruebhausen, Perell and Rohatyn met for further discussion of the structural issues and the importance of having them clarified prior to any substantive discussions. The priority that should be given to structural analysis was accepted by all and Mr. Rohatyn suggested that the next step might profitably be a meeting of Unilever's counsel with NSC's counsel. It was understood that a decision by Mr. Greenwall as to whether or not he wished to sell his shares would be deferred pending the outcome of the discussions among lawyers as to a workable

	structure. A meeting was then scheduled for the next day between DPL&G and Unilever's counsel, Cravath, Swaine & Moore ("CS&M").
	A DPL&G associate, Kenneth L. Wallach, was advised of the identity of the persons involved and the status of the discussions.
10/21/77	A meeting took place between DPL&G (Messrs. Ruebhausen, Perell, Winterer, Wallach, Meredith Brown* and Craig Friedrich) and CS&M (Messrs. George Tyler, James Edwards and Miles Fischer), at which Donald J. Lunghino, counsel for Unilever United States, was present, and at which CS&M described possible alternative structures.
	An additional DPL&G associate, Paula Harbison, was advised of the parties involved in the discussions.
10/26/77	A meeting took place between DPL&G (Messrs. Perell, Brown,

*Mr. Brown, a DPL&G partner, had been informed of the persons involved and the status of the discussions earlier on 10/21/77.

	Wallach and Friedrich**), CS&M (Messrs. Tyler, Edwards and Fischer) and Mr. Lunghino, at which problems in arriving at structure were discussed.
10/27/77	Mr. Greenwall and Mr. Perell each telephoned John Muldowney, Mr. and Mrs. Greenwall's personal accountant, and requested that he prepare figures showing tax consequences of cash and tax free transactions.
	Mr. Greenwall spoke to Mr. Rohatyn about uncertainties of structure and was advised by Mr. Rohatyn that Unilever did not intend to force the acquisition if Mr. Greenwall or NSC did not wish to enter into discussions.
10/28/77	A conference was held to further discuss possible structure. Present were Messrs. Greenwall and Pascal, Messrs. Rohatyn and Peter Jaquith (partner of LF), Messrs. Perell and Winterer (DPL&G), Mr. Edwards (CS&M) and Mr. Lunghino.
11/3/77	A conference was held in Washington at IRS to explore possible tax structure, without disclosure to IRS of names of parties. In addition to IRS

**Mr. Friedrich, a DPL&G associate, did not become aware of the persons involved until the meeting on 10/26/77.

personnel, present were Winterer, Friedrich and Henry DeKosmian (partner of CS&M).

11/7/77 — After the regular meeting of the NSC Board of Directors, at which all directors were present other than Mr. Ruebhausen, the NSC directors were informed of the inquiry on behalf of Unilever and the structural investigations and discussions under way. The Board was advised that no further steps on a decision as to whether discussions on a possible acquisition would take place unless a structure could be worked out. It was decided that if it appeared that a structure was possible, there would be no negotiations or decision on terms without advice from an independent investment banking firm. Mr. Perell was the only nondirector present.

11/9/77 — Messrs. Friedrich and Winterer spoke with IRS personnel concerning the 11/3/77 conference and advised Mr. DeKosmian of this conversation.

11/10/77 — A conference was held among Messrs. Perell, Wallach, Lunghino, Edwards and Jaquith, at which the parties were advised by Mr. Perell that NSC intended to engage an investment banking firm to review the situation and to advise NSC as to

	whether NSC should enter into discussions with Unilever.
11/11/77	After a meeting with Messrs. Pascal, Ruebhausen and Perell, Mr. Greenwall called Mr. Robert Baldwin, President of Morgan Stanley & Co., Inc. ("MS"), requesting a conference on 11/14/77. The purpose of the conference was not discussed.
11/14/77	Messrs. Greenwall, Pascal, Ruebhausen and Perell met with Mr. Baldwin, informed him of the inquiry from Mr. Rohatyn and of the discussions with Unilever's counsel and engaged MS to advise NSC as to appropriate courses of action for NSC.
11/15/77	A conference took place among Messrs. Perell, Brown and Wallach (DPL&G) and Robert Greenhill, R. Bradford Evans and Dennis R. Haydon (MS), at which the details of discussions with Unilever's counsel and LF were described.
11/17/77-12/2/77	A number of conferences were held among DPL&G and MS personnel to discuss NSC's operations and possible structures for a Unilever transaction. Also discussed were general thoughts about other companies as possible merger partners. In addition, representatives of MS met with Messrs. Caldwell and S. A. Segal

	(Senior Vice President and a Director of NSC) on 11/19/77 to discuss NSC's operations. It is believed that MS had several conferences with LF to explore further possible alternative structures which might form the basis for negotiations.
11/28/77	An additional DPL&G partner, Andrew C. Hartzell, and an additional DPL&G associate, Roger Podesta, were advised of the discussions. Mr. Hartzell spoke to Richard Wertheimer, a partner of Arnold & Porter, antitrust counsel to Unilever, about the discussions and scheduled a meeting for the afternoon of 11/30/77.
Early in week of 11/28/77	A dinner meeting was scheduled for Friday evening, 12/2/77, at which principal officers of NSC and of Unilever would meet for the first time to discuss the operations of the two companies and general philosophy of how NSC would be run if a combination took place; no negotiations were to take place.
11/30/77	A conference took place at DPL&G among Messrs. Hartzell, Podesta and Wertheimer to discuss antitrust aspects of a possible combination of companies.
12/1/77	Mr. Perell, on behalf of NSC, asked NSC's listing representative at the

New York Stock Exchange to halt trading of NSC stock at approximately 11:00 A.M. A press release was issued shortly thereafter.