

**UNILEVER AUSTRALIA INVESTMENTS LIMITED**

**REPORT AND ACCOUNTS 2005**

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**Unilever Australia Investments Limited****Directors' Report for the Year ended 31 December 2005**

The Directors of the Company during the year were as follows:-

Mr G B St L Anderson	
Mr J C Bird	(resigned 13 May 2005)
Mrs B S Macaulay	(appointed 18 February 2005)
Mr R M Tomlinson	(resigned 18 February 2005)
Mr T J Voak	
Mr J C Watts	(appointed 13 May 2005)

Mr T J Voak resigned as a director on 25 July 2006; Mr B Chapman was appointed on the same day.

**Review of Activities**

There was no significant change in the principal activity of the company, which is to act as a holding company.

The Directors consider that in the conditions prevailing during the year, the development of the Company's business and its financial position at the end of the year were satisfactory. The Directors do not expect any development in the Company's business in the coming year which is significantly different from its present activities.

Following the purchase of the investment in Unilever Australia Group Partnership, the Company's earnings stream is primarily Australian dollars. The Company's principal functional currency is now the Australian dollar. The Company has also adopted the Australian dollar as its reporting currency with effect from 19 June 2003.

**Results and Dividend**

The profit for the year is A\$20,036,000 (2004 - A\$12,804,000 loss). The Directors consider that the accumulated profit disclosed in the accounts arises from the effect of currency retranslation on Sterling balances (see note 9) and without taking account of the total liabilities of the company in respect of the Unilever Australia Group Partnership (refer accounting policy Joint Arrangements) and therefore the Directors do not recommend the payment of a dividend (2004 - nil).

## Unilever Australia Investments Limited

### Directors' Interests

According to the Register of Directors' Interests, the notifiable interests of the Directors in office at 31 December 2005, in the share capital of the Company's ultimate holding company, Unilever PLC, were as follows:-

	<u>Unilever PLC</u>	<u>At 1.1.2005</u> (1.4p shares)	<u>At 31.12.2005</u> (1.4p shares)
Mr G B St L Anderson	Ordinary shares	6,947	9,329
Mrs B S Macaulay	Ordinary shares (on appointment)	401	2,260
Mr T J Voak	Ordinary shares	4,882	5,504
Mr J C Watts	Ordinary shares (on appointment)	4,504	4,662

Options to acquire the number of Unilever PLC Ordinary shares listed below were granted, exercised and held as follows:

		<u>At 1.1.2005</u>	<u>Granted</u>	<u>Exercised/ Lapsed</u>	<u>At 31.12.2005</u>
Mr G B St L Anderson	(b)	3,479	1,832	2,382	2,929
Mrs B S Macaulay	(b) (on appointment)	3,326	610	1,588	2,348
Mr T J Voak	(a)	24,750	5,500	Nil	30,250
	(b)	2,744	Nil	Nil	2,744
Mr J C Watts	(a) (On appointment)	33,000	Nil	Nil	33,000
	(b) (On appointment)	Nil	3,054	Nil	3,054

(a) under the Unilever 1985 and 1997 Executive Share Option Schemes and subject to the Rules of those Schemes.

(b) under the Unilever PLC 1985 Sharesave Scheme and subject to the Rules of that Scheme.

The Directors, in common with all employees of Unilever PLC and its UK subsidiaries, have a beneficial interest in the undermentioned Unilever PLC ordinary shares acquired by the Unilever Employee Share Trust (Jersey) for the purpose of satisfying share options granted to employees.

## Unilever Australia Investments Limited

### Director's Interest (continued)

	<u>At 01.01.2005</u>	<u>At 31.12.2005</u>
Mrs B S Macaulay	48,763,265 (on appointment)	43,232,118
Mr J C Watts	47,960,790 (on appointment)	43,232,118
The other Directors	48,888,961	43,232,118

### Directors' Conditional Share Awards under Total Shareholder Return – Long-Term Incentive Plan

Conditional Share Awards under Total Shareholder Return – Long-Term Incentive Plan of ordinary shares in Unilever PLC were outstanding, granted or vested in 2005 as shown in the table below:

	<u>At 01.01.2005</u>	<u>Granted <sup>(1)</sup></u>	<u>Lapsed</u>	<u>At 31.12.2005</u>
Mr J C Watts	13,882	Nil	Nil	13,882

- 1) The end date of the final performance period in respect of the conditional award made in 2005 is 31 December 2007.

### Global Performance Share Plan

The following conditional shares were outstanding, awarded or vested during 2005 under the Global Performance Share Plan:


	<u>At 01.01.2005</u>	<u>Granted <sup>(1)</sup></u>	<u>At 31.12.2005</u>
Mr T J Voak	Nil	3,670	3,670
Mr J C Watts	Nil	4,700	4,700

- (1) Each award of performance shares is conditional and vests subject to certain conditions (free cash flow performance and top-line growth performance) three years after the date of the award. The 2005 awards are subject to the performance period 1 January 2005 to 31 December 2007.

**Unilever Australia Investments Limited****Auditors**

PricewaterhouseCoopers LLP will remain in office as auditors of the Company in accordance with the provisions of Section 386 of the Companies Act 1985.

By Order of the Board



G B St L Anderson  
Secretary

Date: 27 November 2006

**Unilever Australia Investments Limited****Statement of Directors' Responsibilities for preparing the accounts**

The Directors are required by UK company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss and total recognised gains or losses of the Company for that year.

The Directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2005. The Directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Unilever Australia Investments Limited**

### **Independent Auditors' Report to the Shareholders of Unilever Australia Investments Limited**

We have audited the financial statements of Unilever Australia Investments Limited for the year ended 31 December 2005 which comprise the profit and loss account, balance sheet, principal accounting policies and related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the financial statements. This other information comprises only the Directors' Report and the Statement of the Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Unilever Australia Investments Limited****Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

Date: 27 November 2006



**Unilever Australia Investments Limited**
**Profit and Loss Account – Year ended 31 December 2005**

	<u>Notes</u>	<b>2005</b> A\$000	<b>2004</b> A\$000
Interest and similar income	(1)	36,709	-
Interest payable and similar charges	(1)	<u>(18,022)</u>	<u>(18,287)</u>
Profit/(loss) on ordinary activities before taxation		18,687	(18,287)
Taxation on profit/(loss) on ordinary activities	(2)	<u>1,349</u>	<u>5,483</u>
Profit/(loss) for the financial year	(9)	20,036	(12,804)
Currency retranslation		(231)	-
Accumulated losses 1 January		<u>(12,866)</u>	<u>(62)</u>
Profit retained/accumulated losses 31 December	(9)	<u>6,939</u>	<u>(12,866)</u>

All operations in the year and in the comparative year were continuing.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The profit/(loss) for each financial year represents the total recognised gains and losses of that year and therefore no separate statement of total recognised gains and losses has been presented.

## Unilever Australia Investments Limited

## Balance Sheet - 31 December 2005

	<u>Notes</u>	<b>2005</b> A\$000	<b>2004</b> A\$000
<b>Fixed assets</b>			
Investments	(4)	547,250	547,250
<b>Current assets</b>			
Debtors	(5)	24,841	25,603
Cash at bank and in hand		3	3
		<u>24,844</u>	<u>25,606</u>
<b>Creditors: amounts falling due within one year</b>	(6)	<u>(365,930)</u>	<u>(381,938)</u>
<b>Net current liabilities</b>		<u>(341,086)</u>	<u>(356,332)</u>
<b>Total assets less current liabilities</b>		206,164	190,918
Provision for liabilities and charges	(7)	<u>-</u>	<u>(4,118)</u>
<b>Net assets</b>		<u>206,164</u>	<u>186,800</u>
<b>Capital and reserves</b>			
Called up share capital	(8)	199,225	199,666
Profit and loss account		6,939	(12,866)
<b>Equity shareholders' funds</b>	(9)	<u>206,164</u>	<u>186,800</u>

The financial statements on pages 8 to 15 were approved by the Board of Directors on 27.11.2006 and were signed on its behalf by:

  
G B St L Anderson  
Director

**Unilever Australia Investments Limited****Principal Accounting Policies**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom.

The Company is a wholly owned subsidiary of Unilever PLC and its cash flows are included in the consolidated cash flow statement of Unilever PLC. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

Following the purchase of the investment in Unilever Australia Group Partnership, the Company's earnings stream is primarily Australian dollars. The Company's functional currency is now the Australian dollar. The Company has also adopted the Australian dollar as its reporting currency with effect from 19 June 2003.

**Foreign Currencies:** The Company's functional currency is now the Australian dollar. The reporting currency of the Company is also the Australian dollar. The ordinary share capital of £3,500,000 is translated at the rate of exchange, which is 2.350 for 2005 and 2.476 for 2004. Both exchange rates are the Unilever closing rates for these years.

**Joint Arrangement:** The Company has a contractual agreement with other participants to engage in joint activities that do not create an entity carrying on a trade or business of its own. The Company includes its share of assets and liabilities in the joint arrangement, measured in accordance with the terms of the agreement, which is pro-rata to the Company's interest in the joint arrangement.

**Dividends:** Final dividends are only recognised when in the profit and loss account when shareholders have approved such amounts and interim dividends are only recognised when paid. In cases where dividend remittances from participating interests are not expected with reasonable certainty within one year, dividends are accounted for on a cash received basis.

**Fixed Asset Investments:** Fixed Asset Investments are generally carried at cost. Where the value of an investment is considered to have been permanently impaired, a carrying value below cost is employed.

**Deferred Taxation:** Full provision is made for deferred taxation on all significant timing differences arising from the recognition of items for taxation purposes in different periods from those in which are included in the Company accounts. Full provision is made at the rates of tax prevailing at the year-end unless future rates have been enacted or substantively enacted. Deferred tax assets and liabilities have not been discounted.

**Change in Accounting Policy:** The Accounting Standards Board issued Financial Reporting Standard (FRS) 21 'Events after the balance sheet date' in May 2004. This standard replaces Statement of Standard Accounting Practice 17 'Accounting for post balance sheet events' and the main effect of this change is to prohibit the recording of a provision for a proposed dividend where the dividend is declared after the balance sheet date. FRS 21 is applicable for accounting periods beginning on or after 1st January 2005. Therefore final dividends are now only recognised in the profit and loss account when shareholders have approved such amount and interim dividends are only recognised when paid. The adoption of FRS 21 has had no impact on the previously issued financial statements of the Company.

**Unilever Australia Investments Limited****Notes to the Accounts – 31 December 2005****(1) Interest and Similar Income/(Charges)**

	2005 A\$000	2004 A\$000
Dividend from Unilever Australia (Holdings) Proprietary Ltd	36,709	-
Interest payable on loans from group undertakings	(18,022)	(18,287)
Total interest and similar income/(charges)	<u>18,687</u>	<u>(18,287)</u>

The auditors' remuneration is borne by the parent company's central services subsidiary.

**(2) Taxation on Profit (or loss) on Ordinary Activities**

The credit for taxation is made up as follows:

	2005 A\$000	2004 A\$000
On the profit/(loss) for the years		
Current tax:		
UK corporation tax	(14,380)	5,486
Less: Double tax relief	15,732	-
	<u>1,352</u>	<u>5,486</u>
Foreign taxation	(3)	(3)
Total taxation credit	<u>1,349</u>	<u>5,483</u>

**Unilever Australia Investments Limited****(2) Taxation on Profit (or loss) on Ordinary Activities (continued)**

The current tax for the year is lower (2004: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 A\$000	2004 A\$000
Profit/(loss) on ordinary activities before tax	18,687	(18,287)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2004: 30%)	(5,606)	5,486
Effects of:		
Gross up for underlying tax on overseas dividends	(4,720)	-
Permanent differences	(4,054)	-
Foreign tax on overseas earnings	(3)	(3)
Double tax relief	15,732	-
Current tax credit	1,349	5,483

**(3) Directors' Emoluments**

The Directors, including the Chairman, are employed as managers by Unilever UK Central Resources Limited and they are remunerated by that company in respect of their services to the group as a whole.

**(4) Fixed Assets - Investments**

	A\$000
<b>Cost</b>	
1 January and 31 December 2005	547,250

There are no investments in listed shares.

**Associated Companies and Other Investments**

Included in investments are the following investments which amount to 20% or more of the nominal value of the allotted shares of the companies concerned or where significant influence is exercised over the investment:

**Unilever Australia Investments Limited****(4) Fixed Assets – Investments (continued)**

<b>Name of company and Country of Incorporation/Registration</b>	<b>Description of Shares Held</b>	<b>Proportion of Nominal Value of Shares Held Direct</b>
<u>Australia</u> Unilever Australia (Holdings) Proprietary Limited	Ordinary	49.75%

The aggregate value of the capital and reserves and the profit in the company is as follows:

<b>Name of company and Country of Incorporation/Registration</b>	<b>Capital &amp; Reserves 31 Dec 2005</b>	<b>Profit for year Ended 31 Dec 2005</b>
<u>Australia</u> Unilever Australia (Holdings) Proprietary Limited	314,141	57,799

In the opinion of the Directors, the value of the investment in associated companies consisting of shares and amounts owing, is not less than the amount at which the investment is stated in the balance sheet.

**(5) Debtors**

	<b>2005 A\$000</b>	<b>2004 A\$000</b>
Amounts due within one year		
Amounts owed by group undertakings	13,849	666
Other receivables	10,992	24,937
Total debtors	<u>24,841</u>	<u>25,603</u>

**Unilever Australia Investments Limited****(6) Creditors**

	2005 A\$000	2004 A\$000
Amounts due within one year		
Interest payable to group companies	37,333	20,593
Withholding tax payable	247	568
Amounts owed to group undertakings	-	12,527
Indebtedness with Unilever NV	328,350	348,250
	<hr/>	<hr/>
Total creditors	365,930	381,938

**(7) Provisions for Liabilities and Charges**

	<b><u>Deferred Taxation</u></b> A\$000
At 1 January 2005	4,118
Group deferred tax	(4,118)
	<hr/>
At 31 December 2005	-

The company has a 49.75% holding in Unilever Australia Group Partnership, which is the head of the Unilever Australia tax consolidated group. Under Australian tax law the partnership is responsible for the total current tax (2004: current and deferred) of this group. The deferred tax shown above relates to the release of the company's share, which had been included on a basis proportional to its holding in the partnership.

**(8) Called Up Share Capital**

	2005 A\$000	2004 A\$000
<b>Authorised</b>		
3,500,000 ordinary shares of £1 each	8,225	8,666
80,000,000 ordinary shares of A\$ 10 each	800,000	800,000
	<hr/>	<hr/>
	808,225	808,666
<b>Allotted and fully paid</b>		
3,500,000 ordinary shares of £1 each	8,225	8,666
19,100,000 ordinary shares of A\$ 10 each	191,000	191,000
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	199,225	199,666

## Unilever Australia Investments Limited

### (9) Reconciliation of Movements in Shareholders' Funds

	2005 A\$000	2004 A\$000
Profit/(loss) for the financial year	20,036	(12,804)
Currency retranslation	(672)	364
Net addition/(reduction)	19,364	(12,440)
Opening shareholders' funds	186,800	199,240
Closing shareholders' funds	206,164	186,800

The currency retranslation above arises on the translation of the sterling balances of the company. The significant balances are issued share capital of £3.5m arising from 3.5m ordinary shares of £1 each and intercompany receivables of £5.9m.

### (10) Related Party Transactions and Ultimate Parent Company

The ultimate parent company is Unilever PLC and the immediate holding company is Brooke Bond Group Limited. The Company has not disclosed transactions with fellow subsidiaries in accordance with the exemption under the terms of Financial Reporting Standard No. 8. Copies of Unilever group accounts can be obtained from Unilever PLC, Corporate Relations Department, PO Box 68, Blackfriars, London EC4P 4BQ.