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The Secretary General
Committee of European Securities Regulators
11-13 Avenue de Friedland
75008 Paris
FRANCE

11 July 2005

Dear Sir

CESR Recommendations on Alternative Performance Measures

Unilever is an International group that reports under IFRS and reconciles to US GAAP in our 20-F filing with the SEC. We prepare one Annual Report for our shareholders that incorporates all of the information required in the UK and the Netherlands for our primary listings alongside the Form 20-F information required for our US listings.

I am pleased to offer our comments on the your recent Consultation Paper regarding alternative performance measures relating to the definition and presentation of alternative financial measures and auditor involvement.

Background to the proposals

We believe that the increased use of fair value accounting under IFRS, and the consequential increased volatility in reported numbers will, and indeed should, result in increased use of alternative financial measures in press and other documents in order to communicate the underlying performance of a business. With this greater requirement for publishing alternative financial measures, we support your recommendation that guidance in this area should be provided.

Definition of alternative financial measures

We believe that the set of defined measures mentioned in paragraph 7, revenue, profit or loss and earnings per share is too narrow. As mentioned in paragraph 3, alternate cash flow measures and balance sheet ratios, to mention but two, are commonplace in providing investors valuable additional information.

We believe that further defined measures should be allowed both within and outside the categories of the currently proposed defined measures. The risk of increased diversity of measures and subsequent lack of transparency of the financial markets can be mitigated by considering 'GAAP measures' as the definition for defined financial performance measures.

GAAP measures, as the performance measures that we present in our financial statements, have to fairly report our financial position, financial performance and cash flows otherwise the auditors comment to the contrary. We believe that this approach would be more aligned to that adopted in the US by the Securities and Exchange Commission.

Presentation of alternative performance measures

We agree, in part, with your proposal on the presentation of performance measures with some notable exceptions.

Paragraph 18 – We agree that alternative performance measures should be defined and that explanations be given as to why they are used. However we would challenge whether an ongoing reconciliation between the defined measures and the alternative performance measures is required in all cases (i.e. where the components making up the differences can be clearly identified elsewhere in the document).

Paragraph 20 – We do not believe that there should be greater prominence of defined performance measures over alternative performance measures. Where a company has concluded that an alternative performance measure should be presented as it is more relevant or is used internally, and if this fact has been explained, we believe that giving defined measures a greater prominence is misleading. We believe that equal prominence of alternative performance measures would be more appropriate.

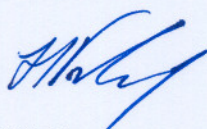
Paragraph 19 – We agree in general that comparative information of alternative performance measures should be given when presenting current measures. However, further thought should be given to the presentation of historic trend financial information (for example 10-year charts issued on the company website) that has been available to investors for many years. We do not consider it appropriate to re-present historic trend financial information in order to show defined measures with greater prominence, nor to present reconciliations between the two measures.

Auditor involvement

As mentioned earlier, auditors already have a role and responsibility regarding financial measures reported within the financial statements. We believe further codification of this role will only serve to drive up the costs of a service that is already carried out.

Thank you for the opportunity to comment and if you wish to discuss any aspect please do not hesitate to contact me.

Yours faithfully,



H Varley

Director - Group Accounting Development
Unilever