

CONSOLIDATED PROFIT AND LOSS ACCOUNT – CONSTANT EXCHANGE RATES (unaudited)

Note: A description of the exchange rate conventions used is given on page 13.

£ Millions – constant rates

	First Quarter		
	2004	2003	% Incr./ (Decr.)
TURNOVER	6,766	6,915	(2)%
Less: Share of turnover of joint ventures	(31)	(50)	
Group turnover	<u>6,735</u>	<u>6,865</u>	(2)%
Group operating profit	757	873	(13)%
Add: Share of operating profit of joint ventures	<u>7</u>	<u>8</u>	
OPERATING PROFIT	764	881	(13)%
Operating profit beia *	1,006	1,013	(1)%
Exceptional items	(47)	46	
Amortisation of goodwill and intangible assets	(195)	(178)	
Share of operating profit of associates	7	(8)	
Other income from fixed investments	1	2	
Interest	(114)	(146)	
Other finance income/(cost) - pensions and similar obligations	<u>(15)</u>	<u>(29)</u>	
PROFIT BEFORE TAXATION	643	700	(8)%
Taxation	<u>(240)</u>	<u>(221)</u>	
PROFIT AFTER TAXATION	403	479	(16)%
Minority interests	<u>(37)</u>	<u>(46)</u>	
NET PROFIT	<u>366</u>	<u>433</u>	(15)%
Net profit beia *	588	551	7%
COMBINED EARNINGS PER SHARE			
(Constant rates)			
- per 1.4p ordinary PLC share (pence)	5.61	6.59	(15)%
- per 1.4p ordinary PLC share – beia * (pence)	9.05	8.41	8%
- per 1.4p ordinary PLC share – diluted (pence)	5.44	6.40	(15)%

* Before exceptional items and amortisation of goodwill and intangible assets

NET PROFIT AND EARNINGS PER SHARE – CURRENT EXCHANGE RATES (unaudited)

Net profit and earnings per share given below are stated at current exchange rates i.e. the results in both years have been translated at the exchange rates prevailing during the appropriate period.

For further details of the results at current exchange rates and impact of exchange rate movements see notes on page 13.

£ Millions – current rates

	First Quarter		
	2004	2003	% Incr./ (Decr.)
NET PROFIT	352	426	(18)%
Net profit beia *	560	545	3%
COMBINED EARNINGS PER SHARE			
(Current rates)			
- per 1.4p ordinary PLC share (pence)	5.38	6.49	(17)%
- per 1.4p ordinary PLC share – beia * (pence)	8.63	8.32	4%
- per 1.4p ordinary PLC share – diluted (pence)	5.22	6.30	(17)%

* Before exceptional items and amortisation of goodwill and intangible assets

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (unaudited)

£ Millions – current rates

	First Quarter	
	2004	2003
Net profit	352	426
Pension – actuarial gains / (losses) net of tax	27	(147)
Currency retranslation	(215)	251
Total recognised gains since last annual accounts	164	530

MOVEMENTS IN SHAREHOLDERS' EQUITY (unaudited)

£ Millions – current rates

	First Quarter	
	2004	2003
Shareholders' equity as at 1 January	4,190	3,058
Net profit	352	426
Dividends	(4)	(4)
Goodwill written back on disposals	-	7
Change in number of shares or certificates of shares held in connection with share options	(95)	(3)
Actuarial gains / (losses) on pension schemes net of tax	27	(177)
Share option credit	38	20
Currency retranslation	(220)	266
Shareholders' equity as at the end of the period	<u>4,288</u>	<u>3,593</u>

SUMMARY BALANCE SHEET (unaudited)

£ Millions – current rates

	As at 27 March 2004	As at 31 December 2003	As at 29 March 2003 Restated
Goodwill and intangible assets	11,946	12,535	13,928
Other fixed assets	4,663	4,850	5,287
Stocks	3,018	2,955	3,311
Debtors	4,325	4,162	4,981
Cash and current investments	2,396	2,367	2,014
Trade and other creditors	(7,321)	(7,292)	(8,186)
	<u>19,027</u>	<u>19,577</u>	<u>21,335</u>
Borrowings	10,815	11,252	13,202
Provisions for liabilities and charges (excluding pensions and similar obligations)	1,035	1,164	1,309
Net pension asset for funded schemes in surplus	(385)	(347)	(247)
Net pension liability for funded schemes in deficit	1,145	1,153	1,784
Net pension liability for unfunded schemes	1,807	1,854	1,248
Minority interests	322	311	446
Capital and reserves	4,288	4,190	3,593
	<u>19,027</u>	<u>19,577</u>	<u>21,335</u>

Amounts for March 2003 have been restated following a number of reclassifications, principally the presentation for securities held as collateral in connection with derivative financial instruments as disclosed in our 2003 Annual Report & Accounts and Form 20-F.

CASH FLOW STATEMENT (unaudited)

£ Millions – current rates

	First Quarter	
	2004	2003
		Restated
Cash flow from group operating activities	661	551
Dividends from joint ventures	-	2
Returns on investments and servicing of finance	(75)	(66)
Taxation	(165)	(171)
Capital expenditure and financial investment	(198)	(107)
Acquisitions and disposals	(61)	(10)
CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	162	199
Management of liquid resources	(425)	150
Financing	159	(289)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(104)	60

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT (unaudited)

£ Millions – current rates

	First Quarter	
	2004	2003
		Restated
NET DEBT AT 1 JANUARY	(8,885)	(11,036)
INCREASE / (DECREASE) IN CASH IN THE PERIOD	(104)	60
Cash flow from (increase)/decrease in borrowings	(61)	289
Cash flow from increase/(decrease) in liquid resources	425	(150)
Change in net debt resulting from cash flows	260	199
Borrowings within group companies acquired	-	(18)
Liquid resources within group companies sold	-	(2)
Non cash movements	(223)	(82)
Currency retranslation	429	(249)
MOVEMENT IN NET DEBT IN THE PERIOD	466	(152)
NET DEBT AT PERIOD END	(8,419)	(11,188)

GEOGRAPHICAL ANALYSIS (at constant rates – unaudited)

£ Millions – constant rates

	First Quarter		
	2004	2003	% Incr./ (Decr.)
TURNOVER	6,766	6,915	(2)%
Europe	2,768	2,906	(5)%
North America	1,570	1,637	(4)%
Africa, Middle East and Turkey	502	519	(3)%
Asia and Pacific	1,160	1,148	1%
Latin America	766	705	9%
OPERATING PROFIT – beia *	1,006	1,013	(1)%
Europe	431	468	(8)%
North America	204	214	(5)%
Africa, Middle East and Turkey	61	57	7%
Asia and Pacific	167	178	(6)%
Latin America	143	96	49%
OPERATING MARGIN – beia *	14.9%	14.6%	
Europe	15.6%	16.1%	
North America	13.0%	13.1%	
Africa, Middle East and Turkey	12.1%	10.9%	
Asia and Pacific	14.4%	15.5%	
Latin America	18.6%	13.6%	

* Before exceptional items and amortisation of goodwill and intangible assets

OPERATIONAL ANALYSIS (at constant rates – unaudited)

£ Millions – constant rates

	First Quarter		
	2004	2003	% Incr./ (Decr.)
TURNOVER	6,766	6,915	(2)%
Foods	3,701	3,827	(3)%
Savoury and dressings	1,400	1,382	1%
Spreads and cooking products	765	834	(8)%
Health & wellness and beverages	568	593	(4)%
Ice cream and frozen foods	968	1,018	(5)%
Home care	1,211	1,234	(2)%
Personal care	1,800	1,797	0%
Other operations	54	57	(5)%
OPERATING PROFIT – beia *	1,006	1,013	(1)%
Foods	531	510	4%
Savoury and dressings	245	240	2%
Spreads and cooking products	129	127	1%
Health & wellness and beverages	80	83	(3)%
Ice cream and frozen foods	77	60	27%
Home care	169	159	6%
Personal care	308	348	(11)%
Other operations	(2)	(4)	53%
OPERATING MARGIN – beia *	14.9%	14.6%	
Foods	14.3%	13.3%	
Savoury and dressings	17.5%	17.3%	
Spreads and cooking products	16.8%	15.2%	
Health & wellness and beverages	14.1%	14.0%	
Ice cream and frozen foods	7.9%	5.9%	
Home care	14.0%	12.9%	
Personal care	17.1%	19.4%	
Other operations	(4.1)%	(8.1)%	

* Before exceptional items and amortisation of goodwill and intangible assets

Earnings per share in Sterling for the quarter

	Constant rates		Current rates	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Thousands of units			
Average number of combined share units of 1.4p	6,441,217	6,488,927	6,441,217	6,488,927
	£ Millions			
<u>COMBINED EPS</u>				
Net profit	366	433	352	426
Less: Preference dividends	(5)	(6)	(5)	(5)
Net profit attributable to ordinary capital	<u>361</u>	<u>427</u>	<u>347</u>	<u>421</u>
Combined EPS per 1.4p	<u>5.61p</u>	<u>6.59p</u>	<u>5.38p</u>	<u>6.49p</u>
	£ Millions			
<u>COMBINED EPS – beia *</u>				
Net profit	366	433	352	426
Add back exceptional items net of tax	37	(50)	35	(50)
Add back amortisation of goodwill / intangible assets net of tax	185	168	173	169
Net profit beia *	<u>588</u>	<u>551</u>	<u>560</u>	<u>545</u>
Less: Preference dividends	(5)	(6)	(5)	(5)
Net profit attributable to ordinary capital – beia *	<u>583</u>	<u>545</u>	<u>555</u>	<u>540</u>
Combined EPS – beia * per 1.4p	<u>9.05p</u>	<u>8.41p</u>	<u>8.63p</u>	<u>8.32p</u>
	Thousands of units			
<u>COMBINED EPS – Diluted</u>				
Adjusted average combined share units of 1.4p	6,642,158	6,680,920	6,642,158	6,680,920
	£ Millions			
Net profit attributable to ordinary capital	<u>361</u>	<u>427</u>	<u>347</u>	<u>421</u>
Combined diluted EPS per 1.4p	<u>5.44p</u>	<u>6.40p</u>	<u>5.22p</u>	<u>6.30p</u>

* Before exceptional items and amortisation of goodwill and intangible assets