

ELAIS – UNILEVER
SOCIETE ANONYME–COMMERCIAL & INDUSTRIAL FOODS COMPANY

Financial Statements at 31st December 2006

INDEX

Note	Note
Balance Sheet	4. Critical accounting estimates and judgements
Income Statement	5. Segment information
Statement of Changes in Equity	6. Property, plant and equipment
Cash Flow Statement	7. Intangible assets
NOTES:	8. Inventories
1. General information	9. Trade and other receivables
2. Summary of significant accounting policies	10. Cash and cash equivalents
2.1 Basis of preparation	11. Share capital
2.2 Segment information	12. Reserves
2.3 Foreign currency translation	13. Trade and other payables
2.4 Property, plant and equipment	14. Deferred income tax assets
2.5 Government grants	15. Pensions and other similar long term obligations
2.6 Intangible assets	16. Provisions for liabilities and charges
2.7 Impairment of non financial assets	17. Finance lease liabilities
2.8 Inventories	18. Expenses by nature
2.9 Trade receivables	19. Employee benefit expense
2.10 Cash and cash equivalents	20. Finance income – net
2.11 Share capital	21. Income tax expense
2.12 Deferred income tax	22. Dividend
2.13 Employee benefits	23. Earnings per share
2.14 Provisions	24. Contingencies
2.15 Revenue recognition	25. Commitments
2.16 Leases	26. Share-based payments
2.17 Dividend distribution	27. Related party transactions
2.18 Financial Assets	Independent auditor’s report
3. Financial risk management	

Balance Sheet

(all amounts in € 000's)

	Note	31 December 2006	31 December 2005
ASSETS			
Non-current assets			
Property, plant and equipment	6	17.550	18.922
Intangible assets	7	651	427
Deferred income tax assets	14	3.556	3.025
		21.757	22.374
Current assets			
Inventories	8	19.466	21.399
Trade and other receivables	9	36.624	32.591
Cash and cash equivalents	10	63.414	58.410
		119.504	112.400
Total assets		141.261	134.774
EQUITY			
Share capital	11	23.941	23.941
Reserves	12	30.705	33.176
Retained earnings		24.515	15.789
Total equity		79.161	72.906
LIABILITIES			
Non-current liabilities			
Pensions & other similar long term obligations	15	5.837	8.875
Provisions for liabilities and charges	16	2.118	2.383
Finance lease liabilities	17	198	--
		8.153	11.258
Current liabilities			
Trade and other payables	13	45.615	42.833
Finance lease liabilities	17	61	--
Current income tax liabilities		8.271	7.777
		53.947	50.610
Total liabilities		62.100	61.868
Total equity and liabilities		141.261	134.774

The financial statements have been approved by the Board of Directors on 27th of March 2007 and are signed according to the law by:

Pireaus, 27th of March 2007

THE CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR SPYRIDON M. DESSYLAS	
THE MEMBER OF THE BOARD CHARALAMBOS I.GEORGANTAS	
THE FINANCIAL ACCOUNTANT NIKOLAOS MARKAKIS	
THE CHIEF ACCOUNTANT IOANNIS E.ADAM	

The notes of pages 7 to 34 consist an integral part of these financial statements

Income Statement

(all amounts in € 000's)

	Note	2006	2005
Sales	5	237.729	226.355
Cost of sales	18	(137.408)	(132.972)
Gross profit		100.321	93.383
Selling and marketing costs	18	(53.630)	(47.667)
Administrative expenses	18	(13.284)	(10.228)
Operating profit		33.407	35.488
Finance income – net	20	1.310	615
Profit before income tax		34.717	36.103
Income tax expense	21	(11.118)	(12.674)
Profit after income tax		23.599	23.429
Earnings per share (expressed in € per share) :			
Basic and diluted	23	1,74	1,73

The notes on pages 7 to 34 are an integral part of these financial statements

Statement of Changes in Equity

(all amounts in € 000's)

	Note	Share capital	Reserves	Retained earnings	Total equity
Balance at 1 January 2005		23.941	29.807	14.900	68.648
Actuarial losses		--	--	(1.959)	(1.959)
Deferred tax on actuarial losses	14	--	--	138	138
Net expense recognised directly in equity		--	--	(1.821)	(1.821)
Profit for the year		--	--	23.429	23.429
Total recognized income and expense for 2005		--	--	21.608	21.608
Employee share option scheme:					
– value of employee services		--	--	234	234
Transfer to reserves	12	--	3.369	(3.369)	--
Dividend relating to 2004		--	--	(17.584)	(17.584)
Balance at 31 December 2005		23.941	33.176	15.789	72.906
Actuarial gains		--	--	646	646
Deferred tax on actuarial gains	14	--	--	(24)	(24)
Net income recognised directly in equity		--	--	622	622
Profit for the year		--	--	23.599	23.599
Total recognized income and expense for 2006		--	--	24.221	24.221
Employee share option scheme:					
– value of employee services		--	--	294	294
Transfer to retained earnings		--	(2.471)	2.471	--
Dividend relating to 2005	22	--	--	(18.260)	(18.260)
Balance at 31 December 2006		23.941	30.705	24.515	79.161

The notes on pages 7 to 34 are an integral part of these financial statements

Cash Flow Statement

(all amounts in € 000's)

	Note	2006	2005
Cash flows from operating activities			
Profit Before Income Tax		34.717	36.103
Adjustments for:			
– depreciation	6	2.169	2.308
– amortisation	7	149	158
– loss on disposal of property, plant and equipment	6	113	33
– loss on disposal of intangibles	7	--	4
– increase / (decrease) in provisions for liabilities and charges	16	(265)	368
– benefits to employees for pensions and other similar long term benefits	15	1.056	1.194
– interest income on short term bank deposits	20	(1.326)	(892)
– other finance expense	20	--	14
– employee share option scheme		294	234
Changes in working capital:			
– (increase) / decrease in inventories	8	1.933	1.280
– (increase) / decrease in trade and other receivables	9	(4.033)	(1.336)
– increase / (decrease) in trade and other payables	13	2.774	2.195
		37.581	41.663
Interest paid		--	(14)
Income tax paid		(11.179)	(15.960)
Payments for pensions and other similar long term obligations	15	(3.448)	(3.637)
Net cash from operating activities		22.954	22.052
Cash flows from investing activities			
Purchases of property, plant and equipment (PPE)	6	(1.268)	(1.956)
Purchases of intangible assets	7	(373)	(4)
Interest received		1.326	962
Net cash from investing activities		(315)	(998)
Cash flows from financing activities			
Increase / (decrease) in finance lease liabilities	17	259	--
Government grants	6	358	--
Dividends paid to shareholders		(18.252)	(17.576)
Net cash from financing activities		(17.635)	(17.576)
Net increase in cash and cash equivalents		5.004	3.478
Cash and cash equivalents at beginning of year	10	58.410	54.932
Cash and cash equivalents at end of year	10	63.414	58.410

The notes of pages 7 to 34 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS – 31st DECEMBER 2006

1. General information

The name of the Company is “ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY” with the distinctive title “ELAIS - UNILEVER S.A.”. In the Extraordinary General Shareholders Meeting of the Company on February the 27th, 2007 a unanimous decision was taken to transfer the headquarters of the Company ELAIS-UNILEVER S.A., as of April 1, 2007, from the Municipality of Piraeus to the Municipality of Maroussi, as well as to the amendment of paragraph 1 of the Company's Statutes as follows:

Article 1 paragraph 1

A Societe Anonyme (S.A.) under the corporate name ELAIS-UNILEVER Societe Anonyme, Commercial and Industrial Foods and the distinctive title ELAIS-UNILEVER S.A., with headquarters in the Municipality of Maroussi Attikis, whose duration is set to seventy five (75) years from the publication of the Ministerial Act, which approves the establishment of this company.

Furthermore, following the same decision, the codification of the Company's Statutes was decided.

The purpose of the Company according to the article 2 of articles of association is:
for own or for 3rd party or in association with 3rd party physical or legal entities:

- a) The performance of any kind oleaginous business and transactions and the manufacture and selling of oleaginous and other food products, of similar raw and packing materials and same intermediate products.
- b) The import, export, agency and trading of any kind of industrial and agricultural products. The Company may establish or participate in all industrial and trading business as well as to insurance and services business sectors.
- c) The rendering of services to 3rd party physical or legal entities, specifically in the areas of accounting, finance and administrative services, marketing, selling and supply chain, and
- d) The provision of guarantees to related parties according to the meaning of paragraph 5 of the article 42e of Law 2190/20 or to 3rd parties with which the Company undertakes transactions to serve the Company's purposes.

The Company is listed on the Athens Exchange and belongs to the international group of UNILEVER which participates in the Company's share capital through the legal entity of Unilever Hellas AEBE.

On September 4, 2006 Unilever Hellas AEBE, who held the 21.35%, of the Company's share capital, submitted to the Capital Market Committee a voluntary public offer for the purchase of the remainder of the common shares of the Company it did not already own. The public offer period ended on October 25, 2006.

According to the announcement of Unilever Hellas AEBE on November 3, 2006 Unilever Hellas AEBE pursuant to its public offer acquired a) on 02/11/2006 through an over the counter transfer and b) during the period from 26/10/2001 to 2/11/2006 through AthEx, a total of 8.381.765 shares of the Company resulting in the holding percentage of 82,49% . The company LIPOMA B.V., in accordance with its letter addressed to the Capital Market Commission, announced that on 02/11/2006, pursuant to the public offer of Unilever Hellas AEBE, transferred over the counter to the latter, a total of 6.174.144 shares of ELAIS - UNILEVER S.A. and consequently the holding percentage in the Company's share capital came down from 45,65% to 0% .

Also, according to the announcement of Morgan Stanley and Orn on 18/10/06 and 24/10/06, during the public offer the holding percentage of 10,05% on the Company's share capital was acquired by Morgan Stanley. From the combined announcements of Morgan Stanley and Orn one can reach the conclusion that Morgan Stanley & Co International Limited is the shareholder, but ORN Event Fund LP has the right to exercise the voting rights over the relevant shares.

Now on 23/3/07 the holding percentage of Unilever Hellas AEBE amounts to 84,80%. The remaining percentage of 5,15% is spread amongst 3rd parties.

The Financial Statements have been approved for issue by the Board of Directors on the 27th of March 2007.

2. Summary of significant accounting policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and the IFRIC interpretations issued by IASB and adopted by the European Union. The financial statements have been prepared under the historical cost convention. The accounting principles presented in the following pages have been applied consistently in all periods covered by the financial statements.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. It also requires the exercise of judgement by management in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

New standards, amendments to standards and interpretations:

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for accounting periods beginning during the current reporting period and subsequent reporting periods.

Standards and interpretations effective in 2006

- IAS 19 (Amendment), Employee Benefits. It introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. The Company decided to retain its former accounting policy regarding the recognition of actuarial gains and losses in equity and does not participate in any multi-employer plans, and therefore the only impact is on the expanded disclosures that are required.
- IAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions. This amendment allows companies to designate highly probable forecast intragroup transactions as cash flow hedges as long as the transactions are denominated in a currency other than the functional currency of the company entering into the transaction and the transactions will affect profit or loss. This amendment is not relevant for the Company.
- IAS 39 (Amendment), The Fair Value Option. This amendment changes the definition of financial instruments classified at fair value through profit or loss and restricts the ability to designate financial instruments as part of this category. This amendment does not impact the Company.
- IAS 39 and IFRS 4 (Amendment), Financial Guarantee Contracts. This amendment requires the issued financial guarantees, other than those previously asserted by the entity as insurance contracts, to be initially recognised at their fair value and subsequently measured at the higher of: (a) the unamortised balance of the related fees received and deferred, and (b) the expenditure required to settle the commitment at the balance sheet date. Management considered this amendment to IAS 39 and concluded that it is not relevant to the Company.
- IAS 21 (Amendment), Net Investment in a Foreign Operation. This amendment allows the reclassification of exchange differences on monetary items to equity irrespective of whether or not the monetary item is denominated in the functional currency of either the reporting entity or the foreign operation. This amendment is not relevant to the Company.
- IFRS 6, Exploration for and Evaluation of Mineral Resources. This standard provides specific accounting guidance for use by companies undertaking extractive activities. This standard is not relevant to the Company.
- IFRIC 4, Determining whether an Arrangement contains a Lease. This interpretation clarifies under which conditions an arrangement contains a lease and must therefore be accounted for in terms of IAS 17 – Leases. IFRIC 4 is not applicable to the operations of the Company and has no impact on its financial statements.
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds. This interpretation sets out the accounting treatment where a company contributes to a fund with respect to decommissioning, restoration and environmental rehabilitation obligations that it has. This interpretation is not relevant to the operations of the Company.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment. This interpretation is not relevant to the operations of the Company.

Standards and interpretations effective after 1 January 2007

- IFRS 7, Financial Instruments: Disclosures and the complementary Amendment to IAS 1- Presentation of Financial Statements: Capital Disclosures. This standard and amendment introduces new disclosures relating to financial instruments. The Company assessed the impact of IFRS 7 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures. The Company will apply IFRS 7 and the amendment to IAS 1 from 1 January 2007 and it is not expected to have a significant impact to the Company.
- IFRS 8 - Operating Segments (not yet endorsed by the EU). This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Company will apply IFRS 8 from 1 January 2009 and it is not expected to have a significant impact to the Company .
- IFRIC 7 - Applying the Restatement Approach under IAS 29. This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As the Company does not operate in a hyperinflationary economy, this interpretation is not relevant to the Company.
- IFRIC 8 - Scope of IFRS 2. This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Company's financial statements.
- IFRIC 9 - Reassessment of Embedded Derivatives. This interpretation is effective for annual periods beginning on or after 1 June 2006 and requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation is not relevant to the Company.
- IFRIC 10 - Interim Financial Reporting and Impairment. This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is not expected to have any impact on the Company's financial statements.
- IFRIC 11 - IFRS 2: Group and Treasury share transactions (not yet endorsed by the EU). This interpretation clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Company's financial statements.
- IFRIC 12 - Service Concession Arrangements (not yet endorsed by the EU). This interpretation is applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Company's operations.

2.2 Segment information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Property, plant and equipment

The category of land and buildings comprises mainly factories and warehouses. All property plant & equipment (PPE) is presented at cost less subsequent depreciation and impairment, except for land which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Company and the cost of the item can be measured reliably. All other costs e.g. repairs & maintenance are charged to the income statement in the financial period in which they are incurred.

Depreciation on PPE (excluding land) is calculated using the straight-line method during the estimated useful life. The estimated useful life is analysed as follows:

- Buildings	40 years
- Plant & Machinery	14 years
- Equipment & motor vehicles	5-10 years

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

2.5 Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

Government grants relating to the purchase of property, plant and equipment are deducted from the cost of the qualifying assets in arriving at the carrying amount of the assets and are recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

2.6 Intangible assets

(a) Trademarks

Trademarks with a definite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (not exceeding five years).

Costs associated with developing or maintaining computer software program are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding five years)

2.7 Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the initial recognition of an asset or liability in a transaction other than a business combination affects neither accounting nor taxable profit nor loss, deferred income tax is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 Employee benefits

2.13.1. Post Employment Benefits

The Company, apart from the legal obligation of indemnity upon retirement according to Law 2112/1920, provides voluntarily to the employees a program for supplementary pension through payments to an insurance company. The level of payments is determined by periodic actuarial calculations.

A defined benefit plan is the pension or any other leaving indemnity plan which determines the amount of a specific pension or indemnity, usually dependent on one or more factors such as age, years of service and employee salary. The defined contribution plan is a pension plan under which a company pays fixed contributions to a separate entity (fund form) and has no legal or constructive obligation for further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service current or previous.

The liabilities concerning programs of pensions, including the non funded termination benefits are recognised as the present value of the obligation at the balance sheet date together with any changes due to non recognised actuarial gains and losses and the past service cost minus the fair value of plan assets (in case of funded plan). The level of obligation is determined by actuarial calculations performed by intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions and adjustments in the pension plan are recognised immediately in equity at the period of actuarial calculations by the independent actuaries.

Past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, the plan, past service cost is recognised immediately to the profit and loss account.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

As far as defined contribution programs are concerned, the Company pays contribution to the social security pension programs as obliged by legal regulations. The Company has no further payment obligations. The payments are recognised as periodic expenses at the year they are due and are included in staff costs.

2.13.2 Termination Benefits

These are non-contractual benefits given by the Company to encourage the voluntary retirement or employment termination before the normal retirement. The Company recognises termination obligations when it is demonstrably committed. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

2.13.3 Other benefits

Post retirement health care plan

The Company provides health care (i.e. medical insurance only) to those retirees who fulfil the conditions of this plan. The plan covers the employees who have been recruited until 31/12/2001. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised immediately in equity.

Long term benefits

Moreover, upon completion of a certain uninterrupted period of employment in the Company, employees are entitled to a monetary benefit. The expected costs of these benefits are accrued over the vesting period using a simplified discounted cash flow value approach. Actuarial gains and losses are recognised immediately to the profit and loss account.

Insurance plan

The Company provides to all employees, through a group insurance contract, life insurance, and medical cover. The benefits are recognised as expense on an accrual basis.

Share-based plan

All share based plans are introduced by the Parent company and aim to reward senior employees throughout the world for their contribution to the enhancement of the Group's longer-term growth.

As at December 31st 2006 the following equity-based compensation plans (equity-settled share based payment transactions) exist:

a) Share Matching Plan

This plan is based on the decision of eligible employees to invest part of their annual bonus in Unilever NV and Unilever PLC shares. In case they invest, the Company will match the same number of shares on the condition that they keep all shares for an agreed period of three years and they will be employed by Unilever on the vesting date.

b) Global Performance Share Plan

Introduced in May 2005 the GPSP provides for the conditional granting of Unilever NV and/or Unilever PLC shares. The level of award at the end of the three years' period is dependent on the performance of the Group over this period.

The NV Executive Option Plan has been closed in early 2006 and will be operating only for the previously granted options until the contractual period is completed.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

Elais-Unilever S.A. has adopted IFRS2 and has reflected the economic cost of awarding Unilever NV and Unilever PLC shares and share options to employees by recording a charge in the profit and loss account equivalent to the fair value of the benefit, with a corresponding credit to Equity. The charge is recognised in the profit and loss account over the vesting period of the award which is equal to three years for all existing schemes.

In the Executive Option Plan the fair value is determined with reference to option pricing models, principally adjusted Black-Scholes models, while in the Share Matching Plan the fair value is the market price at the grant date. The impact of revisions of original estimates, if any, is recognised in the profit and loss with a corresponding adjustment to equity. In the Global Performance Share Plan the fair value is estimated based on the market price on the grant date. At the end of the vesting period the eventual cost of the award is determined by the actual number of vested shares at the market price on the vesting date.

Monetary Benefit

Apart from salary benefit, the Company provides additional benefits which depend on the achievement of targets set by the Company. Benefits are recognised as expense when accrued.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessment of the time value of money and the increases specific to the liability.

2.15 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when the Company has delivered products to the customer; the customer has accepted the products; collectibility of the related receivables is reasonably assured.

(b) Sales of Services

Sales of Services are recognised in the accounting period in which the services are rendered for the proportion of the total services provided.

(c) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.16 Leases

The Company leases certain property, plant and equipment.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the lessee has substantially all the risks and rewards of ownership are classified as finance lease. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are shown under liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

The Company has both financial and operating leases.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.18 Financial assets

The financial assets of the Company are narrowed to the category "Loans and receivables" and represent trade and other receivables. The Company does not have any financial assets of the categories "Financial assets valued at fair value through profit and loss", "Assets available for sale" and "Investments held to maturity".

The receivables are non financial asset instruments with fixed or predefined payments not negotiable in an open market and are included in the assets.

3. Financial risk management

Financial risk factors

The Company is exposed to financial risks such as market risks (mainly for olive oil price changes), credit risk, liquidity risk and interest rate risk. Risk management is carried out by the treasury department of the Company under the policies approved by Management in order to minimise the potential negative effects.

The Company does not enter into hedging transactions or transactions which are not related with its operations and does not use financial instruments.

a) Market risk

i) Price risk.

The Company is exposed to price changes resulting from fluctuation in olive oil prices as these vary due to international market prices. The risk is mitigated as the Company aims to reflect changes in the raw material prices through changes in the selling prices.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

ii) Foreign exchange risk

The Company is not exposed to foreign exchange risks since the transactions to other currencies are limited.

b) Credit risk

The Company has a significant concentration of credit risk due to concentration of sales in big retail chains and due to the limited number of banks used for the deposits of cash and cash equivalents.

The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and that transactions and deposits are performed with banks of good credit standing.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding any potential shortfall in cash resources through an adequate amount of committed credit facilities. The Company manages liquidity risk by proper management of working capital and cash flows.

d) Interest risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company does not have any interest bearing assets apart from short term time deposits.

Exposure to interest rate risk is monitored on a proactive basis resulting in setting the timing of deposits in less than 30 days.

4. Critical accounting estimates and judgements

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities concern income taxes.

The Company is subject to income tax according to Greek fiscal laws. The income tax included in the financial statements is calculated based on current fiscal laws. The Company has been audited until (including) year 2000. The Company recognises possible liabilities from future tax audits based on experience of past audits. Differences from the final outcome of the tax audits, will affect the results of the period in which they will be completed.

5. Segment Information

a) Primary reporting format – business segments

The Company is operating in two major business segments:

- (1) Spreads & Cooking products which include Margarines, Oils, Cooking Fats and dairy products and
- (2) Savoury and Beverages which include mainly tomato products and beverages.

The category Others include mainly income from services.

The segment results for the period **1 January to 31 December 2006** are as follows:

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Total
Sales	188.297	40.514	8.918	237.729
Operating profit	27.600	5.001	806	33.407
Finance income – net				1.310
Profit before income tax				34.717
Income tax expense				(11.118)
Profit after income tax				23.599

The segment results for the period **1 January to 31 December 2005** are as follows:

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Total
Sales	179.701	37.994	8.660	226.355
Operating profit	31.042	3.667	779	35.488
Finance income – net				615
Profit before income tax				36.103
Income tax expense				(12.674)
Profit after income tax				23.429

Other segment items included in the income statement are as follows:

Period 1 January to 31 December 2006

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Total
Depreciation charge (note 6)	1.699	453	17	2.169
Amortisation charge (note 7)	116	25	8	149

Period 1 January to 31 December 2005

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Total
Depreciation charge (note 6)	1.810	482	16	2.308
Amortisation charge (note 7)	126	26	6	158

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

The segment assets and liabilities at **31 December 2006** are as follows:

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Unallocated	Total
Total Assets	98.397	28.592	10.716	3.556	141.261
Total Liabilities	39.758	8.161	5.910	8.271	62.100
Capital expenditure 1/1-31/12/2006	1.104	179			1.283

The segment assets and liabilities at **31 December 2005** are as follows:

(amounts in € 000's)	Spreads & Cooking products	Savoury and Beverages	Others	Unallocated	Total
Total Assets	92.444	29.005	10.300	3.025	134.774
Total Liabilities	37.552	7.495	9.044	7.777	61.868
Capital expenditure 1/1-31/12/2005	996	964	--	--	1.960

The segments' assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude deferred taxation. Segment liabilities comprise operating liabilities. They exclude taxation.

b) Secondary reporting format – geographical segments

The Company's assets and its main operations are located in Greece. The sales per geographical segment are as follows:

(amounts in € 000's)	2006	2005
Eurozone	230.409	219.228
America / Canada	5.404	4.887
Asia / Australia	990	1.377
Other countries	926	863
	237.729	226.355

Eurozone sales include the income from services amounting to 8.108 th. € (2005 7.675 th. €)

6. Property, plant and equipment

(amounts in € 000's)

	Land & buildings	Vehicles & machinery	Furniture, fittings & equipment	Total
Balance at 1 January 2005				
Cost	10.708	27.381	5.749	43.838
Accumulated depreciation	(2.353)	(17.952)	(4.226)	(24.531)
Net book amount	8.355	9.429	1.523	19.307
Period 1 January – 31 December 2005				
Additions	253	1.601	102	1.956
Disposals	(1)	(12)	(20)	(33)
Depreciation charge	(243)	(1.613)	(452)	(2.308)
Balance at 31 December 2005	8.364	9.405	1.153	18.922
Cost	10.946	28.773	5.015	44.734
Accumulated depreciation	(2.582)	(19.368)	(3.862)	(25.812)
Net book amount	8.364	9.405	1.153	18.922
Period 1 January – 31 December 2006				
Additions	129	509	630	1.268
Government grants	(5)	(352)	(1)	(358)
Disposals	(106)	--	(7)	(113)
Depreciation charge	(247)	(1.608)	(314)	(2.169)
Closing net book amount at 31 December 2006	8.135	7.954	1.461	17.550
Cost	10.924	28.930	5.637	45.491
Accumulated depreciation	(2.789)	(20.976)	(4.176)	(27.941)
Net book amount	8.135	7.954	1.461	17.550

The depreciation charge has been allocated in the income statement as follows:

(amounts in € 000's)	Cost of sales	Selling and marketing costs	Administrative expenses
1/1 – 31/12/2006	1.975	95	99
1/1 – 31/12/2005	2.044	120	144

Lease charges, concerning mainly the operating lease of machinery, equipment, offices and motor vehicles, amounting to 2.266 th. € (2005: € 2.261 th. €) are included in the income statement.

In cash flow statement the loss from disposal of property, plant and equipment is analysed as follows:

	2006	2005
Net book amount	113	33
Proceeds from disposal	--	--
Loss on disposal	(113)	(33)

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

The furniture, fittings & equipments include the following amounts where the Company is a lessee under a finance lease:

	2006	2005
Cost	260	--
Accumulated depreciation	(3)	--
Net book amount	<u>257</u>	<u>--</u>

7. Intangible assets

(amounts in € 000's)

	Software
Balance at 1 January 2005	2.270
Cost	
Accumulated amortisation	(1.685)
Net book amount	<u>585</u>
 Period 1 January – 31 December 2005	
Additions	4
Disposals	(4)
Amortisation charge	(158)
Balance at 31 December 2005	<u>427</u>
Cost	1.601
Accumulated amortisation	(1.174)
Net book amount	<u>427</u>
 Period 1 January – 31 December 2006	
Additions	373
Disposals	--
Amortisation charge	(149)
Closing net book amount at 31 December 2006	<u>651</u>
Cost	1.974
Accumulated amortisation	(1.323)
Net book amount	<u>651</u>

The amortisation charge has been allocated in the income statement as follows:

(amounts in € 000's)	Cost of sales	Selling and marketing costs	Administrative expenses
1/1 – 31/12/2006	82	28	39
1/1 – 31/12/2005	88	30	40

8. Inventories

(amounts in € 000's)

	31 December 2006	31 December 2005
Raw Materials and consumables	7.138	7.206
Work in Process	892	528
Finished Goods	11.436	13.665
	19.466	21.399

9. Trade and other receivables

(amounts in € 000's)

	31 December 2006	31 December 2005
Trade receivables	34.382	31.646
Less: provision for impairment of receivables	(1.033)	(662)
Trade receivables – net	33.349	30.984
Prepayments	782	198
Receivables from related parties (note 27)	2.493	1.409
	36.624	32.591

The carrying amount of receivables is approximately equal to their fair value.

In order to minimise the credit risk due to the concentration of sales into big retail chains, the Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The Company has recognised an impairment provision in trade receivables of 406 th. € (2005: 62 th. €) and has used provision of impairment of 35 th. € during 2006 (2005: 168 th. €). The creation and usage of provision of impaired trade receivables have been included in selling and marketing costs.

10. Cash and cash equivalents

(amounts in € 000's)

	31 December 2006	31 December 2005
Cash in hand	2.267	3.381
Cash at bank	29	2.261
Short term bank deposits	61.118	52.768
	63.414	58.410

The short term bank deposits include REPOS and time deposits. The average maturity of these deposits was 18 days.

The weighted average effective interest rate on the short term bank deposits was 2,81% annually (2005:2,07%).

The Company transacts with banks with good credit standing in order to minimize the credit risk due to the limited number of banks used.

11. Share Capital

	Number of common shares	Share capital (amounts in € 000's)
At 1st January 2005	13.526.100	23.941
At 31 st December 2005	13.526.100	23.941
At 31 st December 2006	13.526.100	23.941

The total authorized number of ordinary shares is 13.526.100 shares (December 2005: 13.526.100 shares) with a par value of € 1.77 per share (December 2005: €1.77 per share). All issued shares are fully paid.

12. Reserves

(amounts in € 000's)

	Legal Reserves	Special Reserves	Other Reserves	Total
At 1 st January 2005	7.982	3.100	18.725	29.807
Transfer from retained earnings	--	--	3.369	3.369
At 31 st December 2005	7.982	3.100	22.094	33.176
Transfer to retained earnings	--	--	(2.471)	(2.471)
At 31 st December 2006	7.982	3.100	19.623	30.705

The Company is obliged according to Law 2190/20 about Anonymous Companies to transfer a 5% of the annual net profit to the legal reserve until this is equal to the 1/3 of the paid up (ordinary) share capital. This reserve can not be distributed to the Company's shareholders except during a liquidation phase.

The Company has created untaxed reserves according to different Greek fiscal laws through the passage of many years resulting in either a) postponing the settlement of tax liabilities until the reserves are distributed to the Company shareholders or b) eliminating any tax payment by capitalizing the reserves (depending on the fiscal law on which the reserves were created). In case where the reserves are distributed as dividends to the Company's shareholders, they will be taxed with the tax rates prevailing at the time of decision for distribution. No provision for potential tax liabilities has been recognised in the event of a potential future distribution of these kinds of reserves as the liability for tax is recognised when the decision for dividend distribution is taken.

13. Trade and other payables

(amounts in € 000's)

	31 December 2006	31 December 2005
Trade Payables	22.818	21.171
Payables to related parties (note 27)	15.751	18.151
Social security and other taxes	1.518	1.279
Accrued expenses	5.528	2.232
	45.615	42.833

The fair value of trade and other payables closely approximate their carrying value.

14. Deferred income tax assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

(amounts in € 000's)

	31 December 2006	31 December 2005
Deferred tax assets:		
deferred tax asset to be recovered within 12 months	1.439	805
deferred tax asset to be recovered after more than 12 months	5.935	6.024
	<u>7.374</u>	<u>6.829</u>
Deferred tax liabilities:		
deferred tax liability to be recovered within 12 months	(186)	(366)
deferred tax liability to be recovered after more than 12 months	(3.632)	(3.438)
	<u>(3.818)</u>	<u>(3.804)</u>
Deferred tax assets net	<u>3.556</u>	<u>3.025</u>

The gross movement in the deferred income tax account is the following:

(amounts in € 000's)

1 January 2005	3.084
Income statement charge (note 21)	(197)
Directly charged to equity	138
	<u>3.025</u>
31 December 2005	3.025
Income statement charge (note 21)	555
Directly charged to equity	(24)
	<u>3.556</u>
31 December 2006	3.556

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances due to the same tax jurisdiction is as follows:

(amounts in € 000's)

Deferred tax liabilities	Accelerated tax depreciation	Provision for doubtful debtors	Total
1 January 2005	(4.039)	--	(4.039)
(Charged)/credited to income statement	366	(131)	235
	<u>(3.673)</u>	<u>(131)</u>	<u>(3.804)</u>
31 December 2005	(3.673)	(131)	(3.804)
(Charged)/credited to income statement	186	(200)	(14)
	<u>(3.487)</u>	<u>(331)</u>	<u>(3.818)</u>
31 December 2006	(3.487)	(331)	(3.818)

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

(amounts in € 000's)

Deferred tax assets	Difference in the cost of assets	Pensions and other similar long term obligations	Provisions and accruals	Others	Total
1 January 2005	4.577	1.040	1.055	451	7.123
(Charged)/credited to income statement	(290)	79	(90)	(131)	(432)
Directly charged to equity	--	138	--	--	138
31 December 2005	4.287	1.257	965	320	6.829
(Charged)/credited to income statement	(234)	45	832	(74)	569
Directly charged to equity	--	(24)	--	--	(24)
31 December 2006	4.053	1.278	1.797	246	7.374

15. Pensions and other similar long term obligations

(amounts in € 000's)

	31 December 2006	31 December 2005
Balance sheet obligations for:		
a. Supplementary Pension Plan	601	3.666
b. Leaving indemnity Under Greek labour law (N 2112/20)	4.733	4.684
c. Post Retirement Health Care plan	132	120
d. Other long term obligations	371	405
Total	5.837	8.875
Income statement charge for:		
	2006	2005
a. Supplementary Pension Plan	594	589
b. Leaving indemnity Under Greek labour law (N 2112/20)	422	408
c. Post Retirement Health Care plan	8	10
d. Other long term obligations	32	187
Total (note 19)	1.056	1.194

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

The principal annual actuarial assumption used was as follows:

	2006	2005
Discount rate	4,6%	4%
Expected return on plan assets	4,4%	3,7%
Future salary increases	3,65%	3,55%
Future pension increases	1,9%	1,8%
Long-term increase in health costs	2,9%	3,25%

a. Supplementary Pension Plan

The amounts recognised in the balance sheet are determined as follows:

	31 December 2006	31 December 2005
Present value of funded obligations	26.230	26.223
Fair value of plan assets	(25.629)	(22.557)
Net deficit	601	3.666
Liability recognised in the balance sheet	601	3.666

The amounts recognised in the income statement are as follows:

	2006	2005
Current service cost	622	283
Interest cost	1.039	1.237
Return on plan assets	(1.067)	(931)
Total included in staff costs	594	589

The movement in the liability recognised in the balance sheet is as follows:

	Present value of funded obligations	Fair value of plan assets
1 January 2005	24.310	(19.331)
Total expense charged in the income statement	1.520	--
Return on plan assets	--	(931)
Actuarial (gains)/ losses	1.407	--
Contributions paid	--	(3.309)
Benefits paid	(1.014)	1.014
31 December 2005	26.223	(22.557)
Total expense charged in the income statement	1.661	--
Return on plan assets	--	(1.067)
Actuarial (gains)/ losses	(549)	--
Contributions paid	--	(3.110)
Benefits paid	(1.105)	1.105
31 December 2006	26.230	(25.629)

Pension plan assets include Government bonds (98%) and Cash (2%).

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

b. Leaving indemnity Under Greek labour law (N 2112/20)

The amounts recognised in the balance sheet are determined as follows:

	31 December 2006	31 December 2005
Present value of obligations	4.733	4.684
Liability recognised in the balance sheet	4.733	4.684

The amounts recognised in the income statement are as follows:

	2006	2005
Current service cost	236	201
Interest cost	186	207
Total included in staff costs	422	408

The movement in the liability recognised in the balance sheet is as follows:

	Present value of obligation
1 January 2005	4.018
Total expense charged in the income statement	408
Actuarial (gains)/ losses	552
Benefits paid	(294)
31 December 2005	4.684
Total expense charged in the income statement	422
Actuarial (gains)/ losses	(90)
Benefits paid	(283)
31 December 2006	4.733

c. Post Retirement Health Care plan

The amounts recognised in the balance sheet are determined as follows:

	31 December 2006	31 December 2005
Present value of obligations	132	120
Liability in the balance sheet	132	120

The amounts recognised in the income statement are as follows:

	2006	2005
Current service cost	3	4
Interest cost	5	6
Total included in staff costs	8	10

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

The movement in the liability recognised in the balance sheet is as follows:

	Present value of obligations
1 January 2005	107
Total expense charged in the income statement	10
Benefits received	3
31 December 2005	120
Total expense charged in the income statement	8
Benefits received	4
31 December 2006	132

The total charge of pensions and other similar long term obligations of amount 1.056 th. € (2005: € 1.194) is charged in the income statement as follows:

	Cost of sales	Selling and marketing costs	Administrative expenses
1/1 – 31/12/2006	430	295	331
1/1 – 31/12/2005	558	302	334

16. Provisions for liabilities and charges

(amounts in € 000's)

	Claims (a)	Estimated liability from inclusion in city plan (b)	Total
At 1 January 2005	733	1.282	2.015
Used during the year	--	--	--
Additional provisions	148	--	148
Unused provisions	(43)	--	(43)
Unwinding of discount	16	247	263
At 31 December 2005	854	1.529	2.383
Additional provisions	124	--	124
Unused provisions	(404)	--	(404)
Unwinding of discount	21	(6)	15
At 31 December 2006	595	1.523	2.118

The amounts of provisions concern:

(a) claims from third parties that have been enacted or are probable to be enacted in court

(b) estimated liability due to the inclusion of a Company's asset in the city plan.

The settlement of these cases is not expected to exceed a period of ten years. The discount rate applied is 4.4%.

17. Finance lease liabilities

During the year, the Company entered into a finance lease agreement for certain furniture, fittings and equipment. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2006
Current finance lease liabilities	61
Non current finance lease liabilities	198
Total Finance lease liabilities	<u>259</u>
Gross finance lease liabilities – minimum lease payments :	
Not later than 1 year	71
Later than 1 year and no later than 5 years	211
	<u>282</u>
Future finance charges on finance leases	<u>(23)</u>
Present value of finance lease liabilities	259
The present value of finance lease liabilities is as follows:	
Not later than 1 year	61
Later than 1 year and no later than 5 years	198
	<u>259</u>

18. Expenses by nature

(amounts in € 000's)

	2006	2005
Depreciation, amortisation (note 6 & 7)	2.318	2.466
Employee benefit expense (note 19)	22.575	20.733
Changes in inventories of finished goods and work in progress	30.814	31.761
Raw materials and consumables used	83.886	77.732
Transportation and warehousing costs	9.286	8.993
Advertising & promotion costs	22.512	21.793
Royalties & administrative charges	18.314	14.711
Other expenses	14.617	12.678
	<u>204.322</u>	<u>190.867</u>
Classified as:		
– cost of sales	137.408	132.972
– selling and marketing costs	53.630	47.667
– administrative expenses	13.284	10.228
	<u>204.322</u>	<u>190.867</u>

19. Employee benefit expense

(amounts in € 000's)

	2006	2005
Wages, salaries and other benefits	17.863	15.969
Social security costs	3.358	3.310
Share-based payments (note 26)	298	260
Benefits to employees for pensions and other similar long term obligations (note 15)	1.056	1.194
	<u>22.575</u>	<u>20.733</u>

20. Finance income – net

(amounts in € 000's)

	2006	2005
Interest expense:		
– unwinding of discount on provisions (note 16)	(15)	(263)
– finance lease interest expense	(1)	--
– other	--	(14)
	<u>(16)</u>	<u>(277)</u>
Interest income:		
– short term bank deposits	1.326	892
Finance income – net	<u>1.310</u>	<u>615</u>

21. Income tax expense

(amounts in € 000's)

	2006	2005
Current tax	11.673	12.477
Deferred tax (note 14)	(555)	197
Total	<u>11.118</u>	<u>12.674</u>
Profit before tax	<u>34.717</u>	<u>36.103</u>
Tax calculated at tax rates for 2006 profit: 29% (2005:32%)	10.068	11.553
Discount on income tax	(169)	(231)
Expenses not deductible for tax purposes	1.086	1.191
Effect on deferred tax due to differences in tax rates	133	161
Tax	<u>11.118</u>	<u>12.674</u>

The Company has been audited until (including) year 2000. It is noted that a tax audit is currently in progress concerning the non audited years 2001-2005.

22. Dividend

The Annual General Shareholders Assembly of the 26th of May 2006 approved a dividend of 18.260 th. € (1,35 € per share) for the year 2005.

The Board of Directors intends to propose for approval to the Annual General Shareholders Assembly a dividend distribution of 0,61 € per share for the year 2006.

23. Earnings per share

The basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares during the period. The weighted average number of common shares equals to the number of common shares.

	2006	2005
Profit attributable to equity holders of the Company (amounts in € 000's)	23.599	23.429
Weighted average number of shares (thousands)	13.526	13.526
Basic and diluted earnings per share (€ per share)	1,74	1,73

24. Contingencies

The Company has given bank guaranties for the usual operating needs amount of € 421 th. (2005: € 468 th.) to 3rd Parties. It is not expected to result in significant charges.

25. Commitments

Capital commitments

There are no significant capital commitments contracted but not incurred at 31st December 2006.

Operating leases commitments - where company is the lessee

The Company leases mainly machinery, equipment, offices and vehicles under operating leases which may be cancelled according to the terms of contracts or of the law.

In one occasion, the Company has contracted a non cancellable lease of which the total lease payments are as follows:

(amounts in € 000's)

	31 December 2006	31 December 2005
No later than 1 year	118	118
Later than 1 year and no later than 5 years	89	207
	<u>207</u>	<u>325</u>

The operating lease expenditure charged to the income statement during the period is disclosed in Note 6.

26. Share-based payments

The parent company (Unilever NV) rewards senior employees throughout the world on a discretionary basis, for their contribution in the long term growth of the group.

Elais-Unilever S.A. is implementing IFRS2 in its local statutory accounts. It should be noted that on May 22, 2006 the parent companies (Unilever NV and PLC), in order to establish a one-to-one equivalence in the underlying economic values of their shares, effected a share split for the NV shares and a consolidation of the PLC shares: One NV ordinary share, after redenomination and rounding, was split into 3 new shares while 20

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

PLC ordinary shares were consolidated into 9 new shares, with a corresponding effect on the nominal price/share. The figures presented in the tables below reflect this change.

1) Executive Option Plan

A summary of the status of the Executive Option Plan at December 31st 2006 and December 31st 2005 and changes during the periods ended on these dates is presented below:

	<i>Number of options</i>	<i>2006 weighted average exercise price</i>	<i>Number of options</i>	<i>2005 weighted average exercise price</i>
Unilever NV shares of €0,17				
outstanding 1/1	155.730	€19,29	154.200	€19,32
granted	0	0	1.530	€16,90
Exercised	10.200	€18,44	0	0
outstanding at end of period	<u>145.530</u>	<u>€19,35</u>	<u>155.730</u>	<u>€19,29</u>
exercisable at end of period	113.016	€19,75	89.262	€20,13
Unilever PLC shares of £0,031				
outstanding 1/1	143.711	£11,9100	142.226	£12,0100
Granted	0	0	1.485	£11,2200
Exercised	22.276	£10,5678	0	0
outstanding at end of period	<u>121.435</u>	<u>£12,1523</u>	<u>143.711</u>	<u>£11,9100</u>
exercisable at end of period	89.878	£12,3724	79.201	£11,6000

At 31/12/2006 and 31/12/2005 the exchange rate (fixing) between Euro (€) and sterling (£) was €1= £0,6715 and €1=£0,6853 respectively (source: Central Bank of Greece).

The Executive Option Plan was closed early 2006 and therefore no new grants were issued.

At 31/12/2006, the weighted average remaining contractual life is 5 years and the range of exercise prices is €16,90 - €22,30 και £9,5278 - £12,9999 for the shares of Unilever NV and of Unilever PLC respectively.

The employee benefit cost is 109 th € for 2006 and for the respective period of 2005 is 182 th €.

2) The Share Matching Plan

A summary of the status of the Share Matching Plan at December 31st 2006 and December 31st 2005 and changes during the periods ended on these dates is presented below:

	2006 <i>Number of shares</i>	2005 <i>Number of shares</i>
Unilever NV shares of €0,17		
outstanding at the beginning of the period	918	603
Awarded	114	666
exercised	<u>(108)</u>	<u>(351)</u>
outstanding at the end of period	924	918
Unilever PLC shares of £0,031		
outstanding at the beginning of the period	952	642
Awarded	117	697
exercised	<u>(105)</u>	<u>(387)</u>
outstanding at the end of period	964	952

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

The fair value of the NV share award made in 2006 is €19,10 (€16,90 for 2005) and the fair value of the respective PLC award is €18,75 (€16,17 for 2005).

The employee benefit cost is 10 th € for 2006 and for the respective period of 2005 is 12 th. €.

3) The Global Performance Share Plan

A summary of the status of the Global Performance Share Plan at December 31st 2006 and December 31st 2005 and changes during the periods ended on these dates is presented below:

	2006 <i>Number of shares</i>	2005 <i>Number of shares</i>
Unilever NV shares of €0,17		
outstanding at the beginning of the period	15.000	0
Awarded	10.695	15.000
exercised	0	0
outstanding at the end of period	25.695	15.000
Unilever PLC shares of £0,031		
outstanding at the beginning of the period	4.309	0
Awarded	3.078	4.309
exercised	0	0
outstanding at the end of period	7.387	4.309

The fair value of the NV share award made in 2006 is €19, 10 (€ 17,67 for 2005) and the fair value of the respective PLC award is € 18,75 (€17,39 for 2005).

The employee benefit cost is 179 th € for 2006 and for the respective period of 2005 is 66 th€.

27. Related party transactions

The Company's transactions with other Unilever companies within and outside Greece are as follows:

a) Sales of goods and services (amounts in € 000's)

Name	2006		2005	
	Services	goods	services	goods
KNORR BESTFOODS HELLAS ABEE	7.085	2.057	6.605	2.012
UNILEVER NEDERLAND BV	0	1.120	0	384
UNILEVER HELLAS AEBE	2.018	23	1.216	19
UNILEVER N.V.	67	0	246	0
UNILEVER ITALIA S.R.L DIV.	0	1.288	0	0
AMORRA MAILLE SOCIETE INDUSTRIELLE SAS	0	708	0	36
Other companies of the group UNILEVER	14	89	47	13
Total	9.184	5.285	8.114	2.464

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

b) Purchases of goods and services (amounts in € 000's)

Name	2006		2005	
	Services	Goods	services	Goods
KNORR BESTFOODS HELLAS ABEE	2.729	85	2.924	135
UNILEVER HELLAS AEBE	580	2	39	37
UNILEVER ITALIA SRL	0	521	15	951
UNILEVER BESTFOODS NEDERLAND BV	0	0	27	6.874
UNILEVER NEDERLAND BV	5	2.637	0	0
UNILEVER FRANCE SA	0	1.009	0	0
UNILEVER BESTFOODS UK LTD	0	0	22	1.386
UNILEVER CR SPOL SRO	21	267	26	336
UNILEVER FOODS BELGIUM	0	646	0	1.317
UNILEVER FOODS ESPANA S.A.	0	299	0	384
UNILEVER GULF FREE ZONE ESTABLISHMENT	0	72	31	306
UNILEVER INSURANCES NV	267	0	263	0
UNILEVER N.V.	17.914	0	15.053	0
UNILEVER SUPPLY CHAIN COMPANY AG	103	19.033	116	9.984
NV FIDETRA UNILEVER RAW MATERIALS	0	639	0	0
Other companies of the group UNILEVER	183	927	99	750
Total	21.802	26.137	18.615	22.460

c) Benefits to key management
(amounts in € 000's)

1) Compensation

	2006	2005
Salaries and other short term benefits	2.147	2.036
Pensions and other similar long term benefits	329	320
Share-based payments	246	209
Total	2.722	2.565

2) Year-end balances

	31 December 2006	31 December 2005
Pensions & other similar long term obligations	1.076	1.779

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

d) Balances at period end resulting from sales and purchases of goods and services.

(amount in th. €) Name	31 December 2006		31 December 2005	
	Receivables	Payables	Receivables	Payables
KNORR BESTFOODS HELLAS ABEE	944	4.246	884	7.823
UNILEVER BESTFOODS NEDERLAND BV	--	--	126	2.020
UNILEVER FOODS BELGIUM	--	--	0	224
UNILEVER GULF FREE ZONE ESTABLISHMENT	--	--	0	110
UNILEVER HELLAS AEBE	1.203	632	269	70
UNILEVER N.V.	--	6.537	66	4.178
UNILEVER SUPPLY CHAIN COMPANY AG	--	3.313	0	3.339
UNILEVER FRANCE SA	12	315	4	120
NV FIDETRA UNILEVER RAW MATERIALS	--	413	--	--
Other companies of the group UNILEVER	334	295	60	267
Total	2.493	15.751	1.409	18.151

e) Loans to related parties.

No loans have been given or received to/from related parties.

f) Commitments and contingencies

There are no commitments or contingencies concerning related parties.

Independent auditor's report

To the Shareholders of ELAIS – UNILEVER SOCIETE ANONYME - COMMERCIAL & INDUSTRIAL FOODS COMPANY

Report on the Financial Statements

We have audited the accompanying financial statements of ELAIS – UNILEVER SOCIETE ANONYME - COMMERCIAL & INDUSTRIAL FOODS COMPANY (the "Company") which comprise the balance sheet as of 31 December 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek auditing standards which conform with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2006 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU.

ELAIS – UNILEVER SOCIETE ANONYME – COMMERCIAL & INDUSTRIAL FOODS COMPANY

Athens, 27 March 2007

The Certified Auditor – Accountant

Kyriacos Riris
SOEL Reg. No. 12111

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