



Unilever

THE 1991 REPORT TO EMPLOYEES

UNILEVER CANADA LIMITED



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La version française du Rapport 1991 aux employés sera fournie sur demande.

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Unilever Canada and its operating companies believe that, during the 90's, our businesses must be managed both effectively and in an environmentally responsible manner, which we believe are compatible business objectives.

A handwritten signature in dark ink, appearing to read 'Richard A. Goldstein'.

Richard A. Goldstein
Chairman & Chief
Executive Officer

Unilever Canada continued its pattern of growth in 1991 and achieved record sales and trading results before exceptional items. This represents the seventh consecutive year in which our targets have been met. This result is all the more outstanding as it was achieved in far more difficult business conditions than anticipated. Everyone is to be congratulated for this accomplishment.

The thrust to introduce new products continued. Successful introductions ranged from prestige perfumes such as Elizabeth Taylor's White Diamonds and Calvin Klein's Escape through Ragu's new line of sauces called Chicken Tonight to Unipath's kits for the detection of listeria and salmonella by the food industry. Many of our new entries also offered environmental benefits. These included Sunlight Unscented Superconcentrate laundry detergent (unscented, phosphate free and 50% more concentrated than competitive entries), non-aerosol variants for Chesebrough's deodorants and hair sprays, Lever Industrial's range of environmentally sensitive products Green Valley and LePage's new adhesive called Child's Play.

UNILEVER CANADA LIMITED

A new business unit, the Lipton/Monarch Professional Markets Group, was established at mid-year. They will focus on the growing non-retail markets for our food products.

As for 1992, the general business climate is uncertain. The economy shows little sign of recovering. The Ontario Government seems determined to undermine business confidence in the province through unnecessary and costly legislation. The country must also deal with its long-standing constitutional issues. We encourage all of you to be active in this debate.

To deal with this difficult external environment, we shall continue to focus on innovation and on becoming cost competitive in a North American context. Our business is well-positioned to continue its progress throughout the nineties as we not only have access to Unilever's know-how and financial resources, but most importantly we know that we can continue to rely upon the creativity and commitment of all of you.

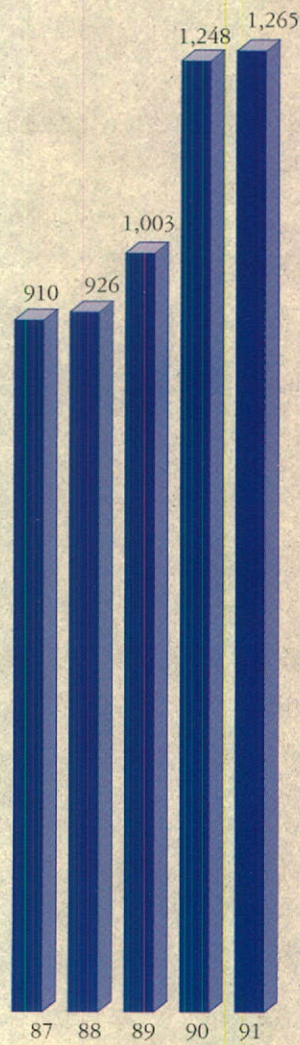


Unilever Canada's environmental programmes cover a broad spectrum, including packaging and factory waste reduction, using materials with recycled content, converting to and identifying our recyclable containers, financially supporting curbside collection of recyclables and energy reduction.

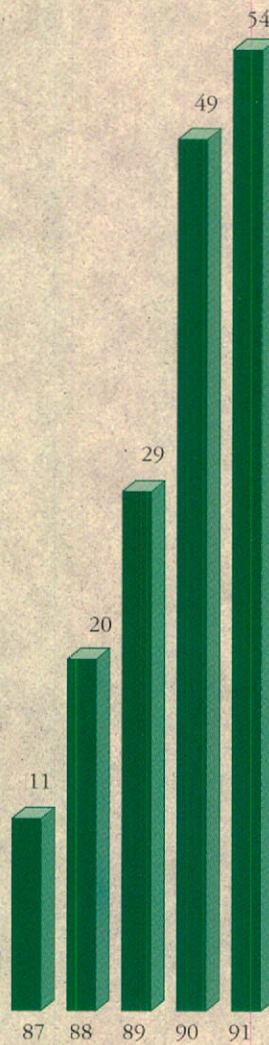
A handwritten signature in dark ink, reading "Lawrence Strong".

Lawrence F. Strong
President & Chief
Operating Officer

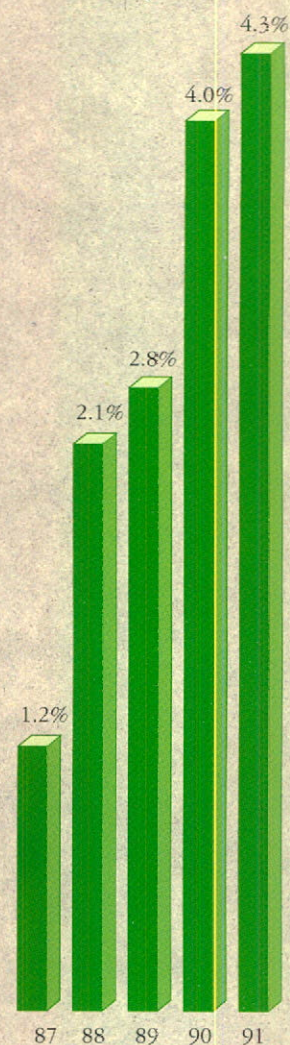
FINANCIAL HIGHLIGHTS



FIVE YEAR
SALES TREND
1987-1991
In millions of dollars

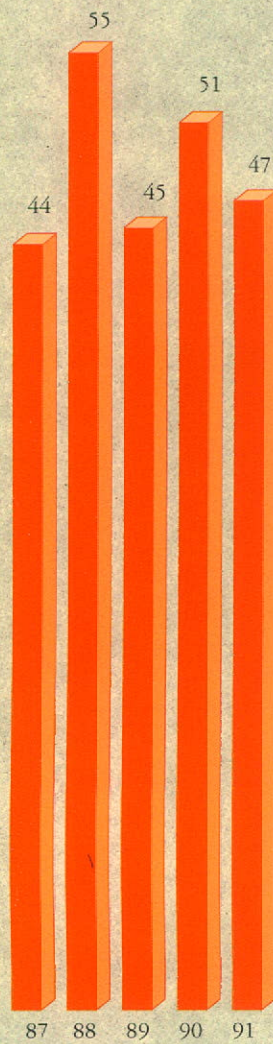


TRADING RESULTS
1987-1991
In millions of dollars

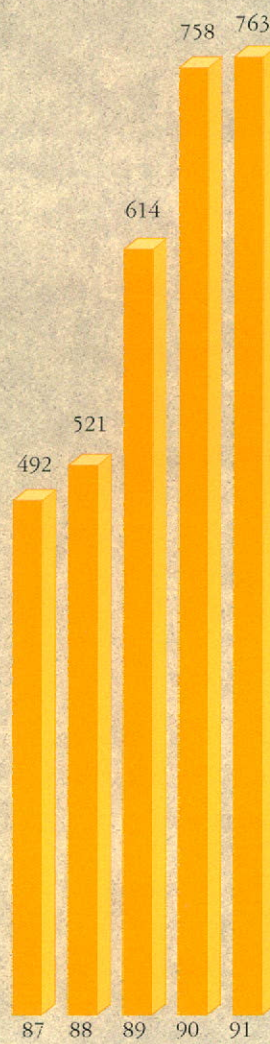


TRADING MARGINS
1987-1991

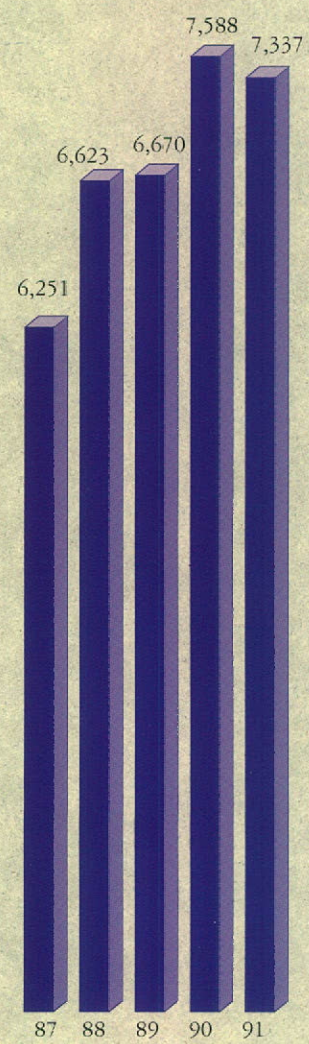
FINANCIAL HIGHLIGHTS



CAPITAL
EXPENDITURE
1987-1991
In millions of dollars

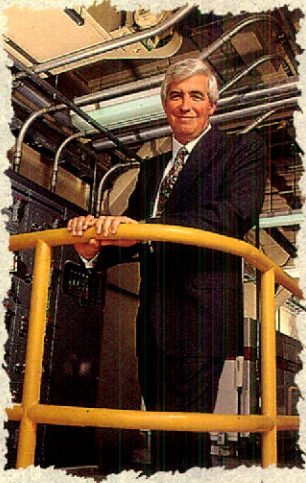


TOTAL ASSETS
1987-1991
In millions of dollars



NUMBER OF
EMPLOYEES
1987-1991

LEVER BROTHERS



Lever Brothers continued to demonstrate its commitment to environmental issues in 1991. This was illustrated by several packaging reduction projects and our involvement with many governmental and environmental group programmes.

George J. Franzen
President

Lever Brothers continued to successfully introduce new products in 1991. Developed in Canada, using creative adaptation of Unilever technology, they deliver top performance and reduced environmental impact. 50% reduced phosphate Sunlight machine dishwash powder, a 6x concentrate Snuggle refill pack and Sunlight Unscented Superconcentrate laundry detergent, fully 50% more concentrated than recent competitive entries, were launched between May and October.

Our commitment to globally competitive manufacturing and product standards continued to provide export opportunities in Italy, Australia and the United States.

Business system integration, through Business Resource Planning, completed its 'project' phase in 1991. The resulting availability of consistent data provides a sound foundation for 'continuous improvement' across all areas of the company.

The continuing dedication of Lever employees has allowed us to move our business forward through 1991; this, together with our commitment to employee development, will ensure ongoing success in the nineties.

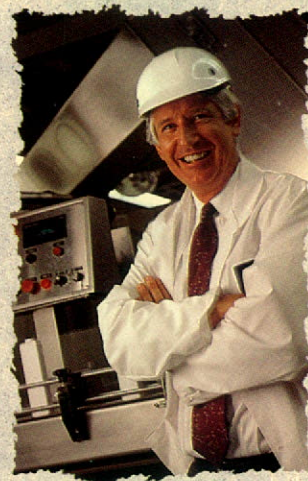


C H E S E B R O U G H - P O N D ' S

During 1991, Chesebrough-Pond's continued to grow in both sales and profit, despite extremely difficult business conditions.

New product innovation was again a key priority and major activities during the year included the expansion of conditioning shampoos (Timotei Plus, Pears Plus line extensions, and Brut Sport, as part of a major relaunch of this entire line of men's toiletries), new unscented variants for Vaseline Dermatological Formula and Vaseline Intensive Care Hand & Nail Formula Lotion, the introduction of non-aerosol pumps for Impulse and Aqua Net, the latter as part of a relaunch, and the use of re-usable packaging for our female fragrance Christmas sets.

The Total Quality Programme continued with particular focus on revising the company's overall business strategy, improving customer service through starting a project to upgrade our management of the entire supply chain, and making continuous improvements in the factory through the use of numerous special teams.



A state of the art facility for manufacturing shampoos and conditioners was commissioned during 1991. Tankage to allow the delivery of ingredients in bulk has reduced waste of both raw materials and packaging.

Lawrence F. Strong
President



ELIZABETH ARDEN



Environmental programmes include using recycled stock for envelopes and letterhead, expanding collection of office and warehouse waste for recycling and using recyclable boxes within our Gift with Purchase programmes.

M. Jon Turcotte

M. Jon Turcotte
President

Major new product launches were the key ingredient to a successful 1991 at Elizabeth Arden Canada. Ceramide Time Complex Capsules, a revolutionary single dose capsule skincare formula, emerged in Spring and now captures 13% of total Elizabeth Arden business. Ceramide Eyes Time Complex Capsules was launched in January 1992.

The introduction of Lip Spa, the first water-emulsion formula lipcolour, continued the success. Valuable moisturizing ingredients and a long-lasting colour formula have made Lip Spa an industry leader in makeup.

The Parfums Connaisseur Division launched two successful fragrances, Lagerfeld Photo for men and Elizabeth Taylor's White Diamonds. White Diamonds achieved a top ten sales rank in Canada.

The Erno Laszlo division expanded the Sea Mud line with Mineral Soak and Mask, and introduced a two part trial size skin care programme, Essentials and Enhancers.

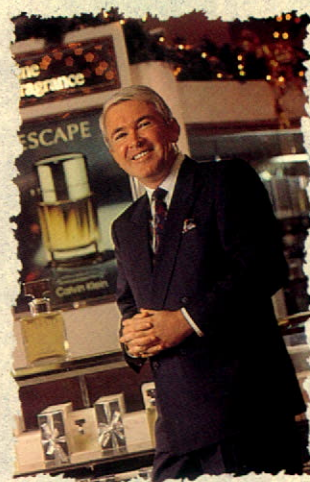
New product launches will continue to benefit Elizabeth Arden in 1992.



CALVIN KLEIN COSMETICS

1991 has been another successful year for Calvin Klein Cosmetics (Canada). Net proceeds of sales grew by over 30% while trading results were up even more. Within the context of a very sluggish retail environment, the Calvin Klein brands performed extremely well. While sales of the Obsession and Obsession for Men brands were flat, the Eternity brands grew substantially, buoyed by the extraordinary growth of Eternity for Men. The year was capped off by the Fall launch of Escape, a new fragrance for women, which proved to be an immediate hit. The continued success of the Calvin Klein fragrances at retail propelled the company to the number one fragrance vendor position in the Canadian department store trade for the year.

In 1992, we will continue to provide the highest quality fragrance products to the consumer and endeavour to maximize our business potential with our retail partners.



Calvin Klein Cosmetics is actively developing long range strategies to address a number of environmental issues. Our intent is to assure that packaging materials pose the least threat to the environment that is reasonably attainable given the functions the packaging serves.

Patrick J. Carroll
General Manager



MONARCH FINE FOODS



Monarch's environmental programme takes a major step forward. These dissolved air flotation units are part of a new waste treatment plant which will provide the best available technology economically achievable.

Chris Hindley

Christopher G.T. Hindley
President

In another successful year for trading results, Monarch faced unprecedented and direct competition necessitating an aggressive response in order to maintain market share. "I Can't Believe It's Not Butter" has proved very popular and is now available nationally. becel and Fleischmann's were re-formulated in order to yield better nutritional value to consumers.

The Marketing Group re-located to 100 Belfield, thus bringing all Toronto employees within the same vicinity. A total quality programme was initiated, under the slogan "Total Quality Matters". Six facilitators, all from within the Company, have embarked on a programme to train all employees. At the plant, further significant capital improvements helped maintain an edible oils manufacturing facility second to none.

These achievements are only possible through the dedication of individual employees at all levels and to them we record our gratitude.



A & W FOOD SERVICES

Despite the negative impact of the recession and GST, A&W achieved a number of milestones in 1991. Outperforming industry trends in sales by 11%, the Company surpassed Burger King in total sales and market share, and opened its 400th restaurant.

Innovation resulted in a cholesterol free, low fat french fry. Quest, another Unilever company, was an important partner in developing this key product. New television advertising with A&W's Great Root Bear as the star, set record levels for advertising awareness. In soft drinks, Squirt quadrupled its test market sales target.

A new restaurant strategy was developed in 1991 with a Mission "to exceed customers' expectations by caring about them and each other as friends". As the market place continues to change in the '90's, A&W's strategic, total quality, service commitment will result in continuous improvement of its competitive advantage.



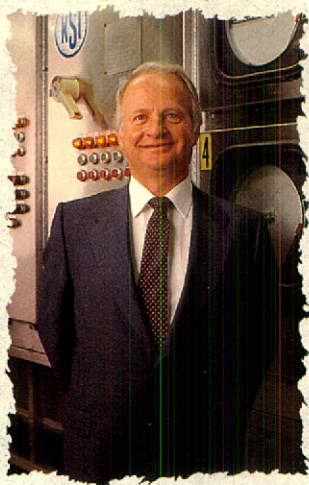
A&W is committed to reducing the flow of solid waste into landfill sites. In 1991 the weight of french fry containers was reduced by 25% and take-out bags were changed to brown kraft paper.

A handwritten signature in blue ink, reading "Jeff".

Jefferson J. Mooney
President



UNOX MEATS CANADA



Modern equipment at Unox contributes toward making products environmentally friendly. Air emissions of materials have been eliminated, liquid smoke is recycled, energy usage has been significantly reduced and a packaging weight reduction of 20% has been achieved.

Max Dingle

Maxwell H. Dingle
President

Unox Meats Canada made significant progress in 1991 which will greatly enhance future years. Several new products were successfully launched including a range of children's meat products branded 'Teenage Mutant Ninja Turtles', and "especially prepared for" branded wieners and European sausages. Preferred supplier status was achieved with major customers in the deli counter, and "Shopsy's front-of-house branding" was further expanded. A Snack Foods Division was established and, utilizing independent distributors, Shopsy's deli sticks are now in national distribution. A U.S. distribution system was established and will be further expanded in 1992. Financial results and cash flows exceeded datum and were better than any year in the past decade. This was accomplished in a highly competitive industry greatly affected by the prolonged recession. 1992 should show continued improvement as we build on these achievements.



THOMAS J. LIPTON

1991 was a year of recession in the Canadian economy which resulted in "belt tightening" by our customers, the major grocery chains. Nevertheless, the Retail business set a new record for profitability in 1991 and has established a solid base for future growth.

Highlights of the year included the launching of our Leadership Through Quality programme as well as significant new product activity. The MicroChef line was expanded with the launch of six soup varieties to complement the existing line of microwaveable meals.

A brand new product line, Ragu Chicken Tonight, was launched in English Canada with great success. Our Fruit Snacks line continued to grow with the addition of a hot new property "Tiny Toons", while we added timely range extensions to our Side Dish, Cup.a.Soup, MexiCasa, Oxo Bouillon and Lipton Specialty Tea brands.

We expect 1992 to show further growth, both with our strongly positioned existing brands and with several exciting new offerings currently being readied.



Our new Mexican Foods installation at Bramalea features environmental improvements which include a new system separating oil from waste water, and a new air handling and filtration system improving in-plant working conditions.

Johnson

James W. Benson
President



LODERS CROKLAAN



*All the decisions we make
are scrutinised for their
impact on the environment
with the aim of reducing
any negative effects from
our operations.*

Josipa Paska

Josipa M. Paska
General Manager

Loders Croklaan, a specialty fat manufacturer, is a principal ingredient supplier to the food industry which in 1991 experienced one of its worst years.

Despite the recessionary impact, historically low cocoa prices and the extremely high cost of raw materials, Loders Croklaan concluded the year only just short of its targets.

The volume of palm kernel based products has tripled over the last two years. The crowning achievement, however, comes from the domestic fat based products which have doubled since last year. Loders Croklaan is very proud to have designed the special fat in the fudge crackle for the President's Choice bestselling Ice Cream "The Decadent Chocolate Fudge Crackle".

The increasing success of some of our customers in export markets such as the U.S., Korea, Taiwan and Japan, has required Loders Croklaan to adjust its operations to meet new demands. This has been successfully accomplished.



LIPTON/MONARCH PROFESSIONAL MARKETS GROUP

On July 1, 1991 the Lipton Food Service business and the Monarch Bakery and Industrial business were combined to form the new Lipton/Monarch Professional Markets Group (PMG). The formation of this new business will enhance our focus in these dynamic yet complex and service sensitive markets.

1991 performance was very good in Bakery and Industrial with volumes well ahead of 1990 and improvements in customer service and profitability. Food Service experienced a decrease in sales, but performed better than the total Food Service market.

New products launched or test marketed in 1991, included new bakery mixes, iced cappuccino and Ragu sauces.

Lipton/Monarch PMG has an excellent team of professionals who will provide the expertise to drive our business in the future. Their contributions are greatly valued and represent our most important resource.



Lipton/Monarch PMG will strive to provide environmentally friendly products to its customers and will assist them in ensuring that the environment is not unfavourably impacted by their use of our products.

Murray J. Webb
President



Market share increased in all areas in 1991.

We established a stronger position with Oxoid traditional products, despite the drastic monetary reductions in the health care field implemented by all provincial governments contributing to a shrinking marketplace.

The Clearview products showed steady improvement, with the Rapid Strep A identification test leading the way.

This year we launched a range of products directed at the food industry. Particular emphasis was given to the detection of listeria and salmonella.

The year ahead promises to be challenging in continued adverse market conditions. Our professional Unipath team, together with an improved management information system, will allow us to better service this unique industry.



Unipath Canada is extremely sensitive to environmental concerns and issues. The Oxoid range of products are relied upon to monitor microbiological aspects in food, water, air and general hygiene areas.

Gerald A. Moore

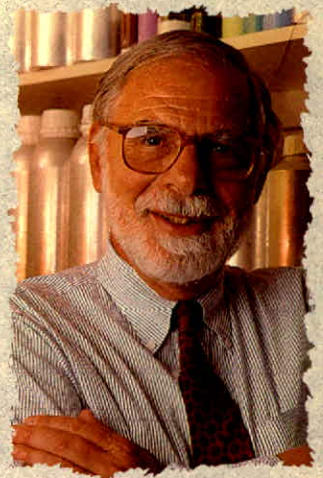
Gerald A. Moore
President



QUEST INTERNATIONAL

Quest International met its 1991 Canadian sales and profitability targets despite a more difficult business climate than foreseen. Our technical, manufacturing and sales groups have co-operated closely with their counterparts in Quest's European, Asia Pacific, and North American centres, enabling us to offer our Canadian customers many new, innovative ingredients customized for their individual needs.

1991 saw the administrative functions of our Canadian business moved to one central location. We also installed Quest's worldwide operational and financial computer systems in four Canadian sites. This, together with our ever growing line of products, including many from our large bio-technology group, positions Quest Canada for strong further growth in the years to come.



Environmental considerations are a primary factor in process design and development and new packaging designs meet desirable environmental goals. A "blue box" programme in our offices encourages ongoing employee awareness.

A handwritten signature of Thomas E.J. Kahn in blue ink.

Thomas E.J. Kahn
President



NACAN PRODUCTS



*Responsible Care:
A Total Commitment.*

*Nacan subscribes to
Responsible Care codes of
practice which span the
complete life-cycle of
chemicals from original
development through to
use and ultimate disposal
or destruction.*

John L. Burton
Chairman & President

In 1991, Nacan, LePage's, and Hart Chemical all achieved sales increases despite the poor performance of the chemical industry in general.

Significant highlights included the acquisition of the emulsion polymer business of Hoechst Canada Inc. by Nacan, the successful launches of a new sealant line and Child's Play environmentally friendly adhesive by LePage's, and strong growth in Hart's chemical sales for the deinking of recycled newsprint in North America.

The Total Quality Process was initiated, and all locations in Canada have established Quality Improvement Teams. Education is continuing at all levels, and the process will be in high gear in 1992.

Our corporate emphasis on employee safety continued with a further reduction in reportable incidents across Canada.

A special thanks to all employees whose commitment to Safety, Quality and Responsible Care will lead us into the 90s.



THE 1991 REPORT TO EMPLOYEES
UNILEVER CANADA LIMITED

LEVER INDUSTRIAL

1991 represented a fourth consecutive year of double digit sales growth in Canada. In just four years the business has doubled in size - a direct result of the dedication of all our employees.

Our U.S. operation has been restructured and is now focused towards building for the future.

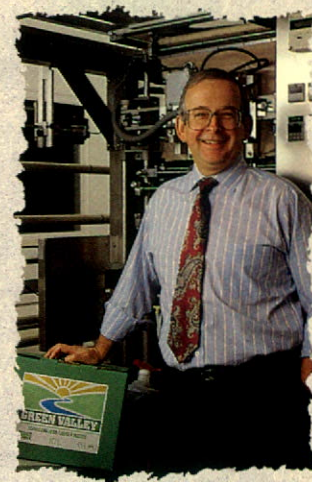
The new consolidated North American business offers an exciting opportunity to continue the growth trends of the past.

The North American introductions of

- Lever Pro, Lever Tech and Claratex laundry systems,
- Leverfresh hand cleaner dispensing system,
- SU Thioxgel, a patented product system for food plant cleaning, and
- Green Valley, performance formulated environmentally sensitive products,

are just a few of the new innovative products launched in 1991.

Future success will depend on maintaining the entrepreneurial spirit of our people, supported by the resources of Unilever.



Our efforts are always applied to safely delivering the best possible cleaning and hygiene results, using environmentally sensitive formulated products that minimize waste and energy consumption.

Terry E. Campbell
President



CORPORATE INFORMATION



Seated (left to right): George Franzen, Rod Bilodeau, Lawrence Strong, Richard Goldstein, Max Dingle, John Burton

Standing (left to right): André Saumier, Jefferson Mooney, Ron Bates, James Benson, Chris Hindley, Blaine Hess, Absent – Murray Webb

DIRECTORS

RICHARD A. GOLDSTEIN
Chairman and Chief Executive Officer
Unilever Canada

LAWRENCE F. STRONG
President & Chief Operating Officer
Unilever Canada and
President
Chesebrough-Pond's (Canada)

RONALD W. BATES
Retired Executive

JAMES W. BENSON
President
Thomas J. Lipton

RODRIGUE J. BILODEAU *

JOHN L. BURTON *
Chairman & President
Nacan Products

MAXWELL H. DINGLE
President
Unox Meats Canada

GEORGE J. FRANZEN
President
Lever Brothers

CHRISTOPHER G.T. HINDLEY
President
Monarch Fine Foods

BLAINE R. HESS
President and Chief Executive Officer
Thomas J. Lipton (U.S.A.)

JEFFERSON J. MOONEY
President
A&W Food Services of Canada

ANDRÉ SAUMIER
Vice Chairman
Alpha Capital

MURRAY J. WEBB
President
Lipton/Monarch Professional
Markets Group

COMMITTEE MEMBERS

Executive Committee

RICHARD A. GOLDSTEIN
Chairman

LAWRENCE F. STRONG

Audit Committee

RODRIGUE J. BILODEAU *

ANDRÉ SAUMIER

LAWRENCE F. STRONG

Compensation Committee

RICHARD A. GOLDSTEIN
Chairman

RODRIGUE J. BILODEAU *

ANDRÉ SAUMIER

Pension Investment Committee

ANDRÉ SAUMIER
Chairman

LAWRENCE F. STRONG

A. JEREMY HOLLOWES

NORMAN G. JOHNSTON

** Retired as at December 31, 1991*

CORPORATE INFORMATION

CORPORATE OFFICERS

RICHARD A. GOLDSTEIN
Chairman & Chief Executive Officer
Unilever Canada

LAWRENCE F. STRONG
President and Chief Operating Officer
Unilever Canada and
President
Chesebrough-Pond's (Canada)

WILLIAM J. FRAKES
Vice President Human Resources
Unilever Canada

A. JEREMY HOLLOWS
Vice President Finance & Chief Financial Officer
Unilever Canada

NORMAN G. JOHNSTON
Director of Finance and Treasurer
Unilever Canada

BRUCE I. MACTAGGART
General Counsel and Secretary
Unilever Canada

JAMES W. BENSON
President
Thomas J. Lipton

JOHN L. BURTON *
Chairman and President
Nacan Products

TERRY E. CAMPBELL
President
Lever Industrial

PATRICK J. CARROLL
General Manager
Calvin Klein Cosmetics (Canada)

ROGER M. CROSBIE
President
Newfoundland Margarine

MAXWELL H. DINGLE
President
Unox Meats Canada

GEORGE J. FRANZEN
President
Lever Brothers

CHRISTOPHER G.T. HINDLEY
President
Monarch Fine Foods

CHARLES R. HOMER
President
LePage's

THOMAS E.J. KAHN
President
Quest International Canada

DR. GRAHAM D. KNOWLES
President
Hart Chemical

JEFFERSON J. MOONEY
President
A&W Food Services of Canada

GERALD A. MOORE
President
Unipath

JOSIPA M. PASKA
General Manager
Loders Croklaan

M. JON TURCOTTE
President
Elizabeth Arden (Canada)

MURRAY J. WEBB
President
Lipton/Monarch Professional Markets Group

* Retired December 31, 1991 succeeded
by Mr. Brian Sayer as President

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