



May 14, 2009

To Unilever Employees and Business Partners

This document intends to clarify Unilever Philippines' position regarding the continuity of our Paco manufacturing operations, given the content of different articles citing our company in the newspapers today.

Proposed City Amendatory Ordinance 7177

Background

In December 2001, a Manila City Ordinance 8027 reclassified the Oil Depot area in Pandacan from Industrial to Commercial Zone effectively prohibiting the continuous existence and operation of Oil companies in that area. Recently, the Supreme Court affirmed the Ordinance.

In June 16, 2006, a 2nd Ordinance (# 8119) known as "Comprehensive Land Use Plan and Zoning Regulations" was enacted. This ordinance ordered companies classified as Medium and Heavy Industries to cease operation in Manila within seven (7) years. Unilever Paco operation is affected by this ordinance.

Current Situation:

In order to protect jobs and revenues for the city of Manila, the City Council filed an amendatory ordinance which seeks to maintain the operations of existing Companies and Industries in Manila.

If approved, this would ensure continuity of our Paco operations beyond 2013.

If rejected, it would force Unilever to relocate Paco manufacturing operations within or outside the country.

The resolution or would be Ordinance has already been approved on the second reading. Approval in a final 3rd reading is a must step before final signing or veto of the City Mayor. If vetoed, the ordinance can be only passed with the votes of 2/3 of the council.

Several stakeholders like Punta Santa Ana community and its Bishop, have requested the City Council to be involved in the discussions and assess the ecological implication of the amendment.

Unilever Philippines position

After 82 years of uninterrupted operations in Paco, Unilever wishes to ensure its continuity in its current site.

Unilever has been an exemplary business and social partner to the city of Manila, with the strictest compliance of world class standards in manufacturing, safety, health and environment. Our operation is low-risk and non-pollutive, having received multiple environmental awards on water and solid waste management.

Being one of the major employers directly and indirectly in the city of Manila, one of its major sources of tax revenues, and with an extensive network of social development projects such as Pasig River rehabilitation, conservation of Laguna de Bay, La Mesa Watershed reforestation and Supplementary Feeding Programs, we firmly believe that Unilever holds a very positive role to play now and in the future in the City of Manila.

We are open for further dialogue with all relevant stakeholders to remove any potential issues or concerns, and ensure a productive co-existence between communities and positive industries.

Fernando Fernandez
Chairman and CEO
Unilever Philippines