



Unilever Pakistan Limited
Avari Plaza,
Fatima Jinnah Road,
Karachi - 75530

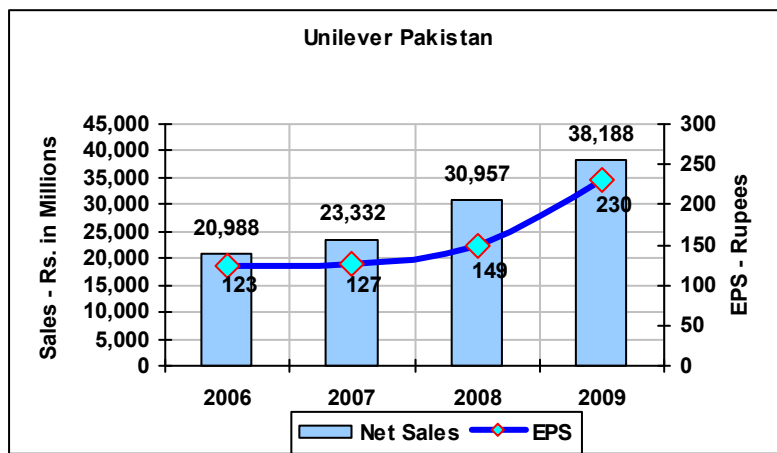
T: +92 - 21 - 35660062
F: +92 - 21 - 35674971
F: +92 - 21 - 35674968

02 March 2010

UNILEVER PAKISTAN LIMITED **Financial Results for the year ended 31 December 2009**

At its meeting held today, the 2nd March 2010 at 09:30 Hrs at Karachi, our Board of Directors has approved the Audited Financial Statements of the Company for the year 2009.

In addition to the generally difficult operating environment that impacted the business in 2009, rampant smuggling of tea affected the growth and profitability of beverages segment. Despite this the company delivered 54% higher profit after tax on the back of strong and competitive 23.4% growth in sales. Sharper focus on enhancing consumer value in inflationary times, more impactful advertising and innovation, deeper and wider reach through improved customer connectivity and a continuing quest to find new ways of doing business have resulted in near doubling of turnover and profit over the last three years. This demonstrates the resilience of the company's portfolio, the power of its brands, the effectiveness of its distribution, the validity of locally manufacturing over 95% of what we sell, and last but not the least, the quality of its people.



Pakistan faced multiple challenges during 2009. Low GDP growth, double digit inflation, deteriorating security environment, continuing devaluation of the



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Rupee and debilitating power cuts impacted business in general. Our Tea business which represents 30.6% of turnover suffered due to rampant misuse of the Afghanistan Transit Treaty. Smuggled tea now represents nearly half the 170,000 tons of tea consumed in Pakistan. Less than 100,000 tons are imported by legitimate operators. The Company has been lobbying for change in tariffs to reduce the incentive to smuggle. This will not only result in lower consumer price of what is the common man's beverage but also yield higher revenue for the national exchequer as smuggling is arrested. We estimate that the government loses Rs. 7 billion approx. due to smuggling. Failing change in tariffs, it is proposed that quantitative and qualitative limits be placed on tea imported under Afghan transit treaty in line with that country's population and consumption habit. Afghanis drink green tea, yet the vast majority of what is imported ostensibly for Afghanistan is black tea, the type consumed in (and smuggled into) Pakistan. Despite nearly half the national consumption now reliant on smuggled tea, our Beverages business registered a turnover growth of 21.9% on the back of higher prices but lower volume. Sharply higher raw tea costs also resulted in reduced margins.

Home & Personal Care continues to grow profitably and competitively. 27% growth in HPC was broad-based with each of the principal categories - laundry, hair care and skin recording impressive growth. New launches, product innovations and market activations continue to be the drivers behind growth. The Company is continuously exploring new avenues to make offerings more affordable for the common man.

Ice Cream turnover grew by 8.9% despite power cuts and an unfavourable economic and security environment, the latter impacting sales of impulse products.

Our brand portfolio stretches across the socio-economic pyramid and our aim is to improve the quality of life of all sections of society. Our price positioning enables us to cushion against consumer down trading. This together with a deep distribution reach and sustained brand investment enabled us to grow in these difficult times.

Overall operating profit increased by 45.8%, whereas profit after tax and earnings per share rose sharply by 54%. Higher volumes and a favourable change in mix resulted in a Gross Margin improvement of 23 basis points. Operational efficiencies improved the Operating Margin by a significant 200 bps.



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Summary of financial performance

	2009	2008
	(Rupees in million)	
Sales	38,188	30,957
Cost of sales	(24,853)	(20,219)
Gross profit	13,335	10,738
Distribution costs	(7,180)	(5,848)
Administrative expenses	(1,030)	(1,002)
Other operating expenses	(374)	(247)
Other operating income	192	240
	4,943	3,880
Restructuring cost	-	(489)
Profit from operations	4,943	3,391
Finance cost	(428)	(466)
Profit before taxation	4,516	2,925
Taxation	(1,460)	(940)
Profit after taxation	3,056	1,984
	23	149
Earnings per share (Rupees)	0	

Dividend

The Board of Directors has recommended final cash dividend of Rs.137 per share. With the interim dividend of Rs. 92 per share already paid during the year, the total dividend for the year 2009 amounts to Rs 229 (2008: Rs 123) per ordinary share of Rs 50 each. Total profit distributed by way of dividend amounts to 99.6% (2008 83%).

Closure of share transfer books

The Share Transfer Books of the Company will be closed from 13th April, 2010 to 19th April, 2010 (both days inclusive), and will re-open on 20th April, 2010. Transfers in good order, received at the Company's Share Registration Office c/o Famco Associates (Private) Limited, State Life Building No.1-A, I.I.



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Chundrigar Road, Karachi, by the close of business on 12th April, 2010 will be treated in time for the purpose of payment of Final Dividend to the transferees.

Annual General Meeting

The Board has approved the convening of the next Shareholders Annual General Meeting for 19th April, 2010 at 10:30 Hrs in Karachi.