

**Condensed Interim
Consolidated Financial Information
Half Year Ended June 30, 2008**

**Unilever Pakistan Limited and
its Subsidiary Companies**

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**Condensed Interim Consolidated Balance Sheet
as at June 30, 2008**

	Note	Unaudited June 30, 2008	Audited December 31, 2007
		←	→
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,244,079	3,513,499
Intangibles		9,739	12,173
Long term investments		200	200
Long term loans		120,651	115,388
Long term deposits and prepayments	5	567,616	4,920
Retirement benefits - prepayments		204,203	250,878
		5,146,488	3,897,058
Current assets			
Stores and spares		240,474	180,355
Stock in trade		4,367,033	2,726,064
Trade debts		490,289	239,313
Loans and advances		151,798	122,888
Accrued interest / mark up		8,264	3,510
Trade deposits and short term prepayments	5	372,420	236,064
Other receivables		83,095	249,139
Tax refunds due from Government		188,412	148,496
Cash and bank balances		258,370	305,002
		6,160,155	4,210,831
Total assets		11,306,643	8,107,889

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Note	Unaudited June 30, 2008	Audited December 31, 2007
← (Rupees in thousand) →			
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,770,324	1,331,642
		2,439,801	2,001,119
Surplus on revaluation of fixed assets		13,943	14,261
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		75,056	52,932
Deferred taxation		408,782	309,044
Retirement benefits obligations		143,143	140,463
		626,981	502,439
Current liabilities			
Trade and other payables		5,625,705	4,752,028
Provision - restructuring	6	333,737	371,027
Current maturity of liabilities against assets subject to finance leases		39,186	17,273
Accrued interest / mark up		19,850	3,669
Taxation - provision less payments		43,365	22,516
Running finance under mark up arrangements		1,138,075	423,557
Short term loan - unsecured	7	1,026,000	-
		8,225,918	5,590,070
Total liabilities		8,852,899	6,092,509
Contingency and commitments	8		
Total equity and liabilities		11,306,643	8,107,889

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**Condensed Interim Consolidated Profit and Loss Account
for the half year ended June 30, 2008 (unaudited)**

	Note	Quarter ended		Half year ended	
		June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
		←		→	
Sales	9	8,102,780	5,943,588	14,831,764	11,595,151
Cost of sales		(5,173,579)	(3,562,486)	(9,488,882)	(7,071,283)
Gross profit		2,929,201	2,381,102	5,342,882	4,523,868
Distribution costs		(1,578,819)	(1,408,077)	(2,824,452)	(2,602,589)
Administrative expenses		(314,411)	(255,685)	(532,091)	(493,824)
Other operating expenses		(94,826)	(60,505)	(170,086)	(124,571)
Other operating income		97,686	31,462	123,938	123,046
Profit from operations		1,038,831	688,297	1,940,191	1,425,930
Finance (costs) / income		6,065	(34,165)	(57,583)	(80,850)
Profit before taxation		1,044,896	654,132	1,882,608	1,345,080
Taxation		(281,488)	(231,315)	(598,425)	(474,791)
Profit after taxation		763,408	422,817	1,284,183	870,289
Earnings per share - basic and diluted (Rupees)		57.43	31.81	96.60	65.47

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**Condensed Interim Consolidated Cash Flow Statement
for the half year ended June 30, 2008 (unaudited)**

	Note	June 30, 2008	June 30, 2007
		←	→
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		17,672,457	13,946,592
Cash paid to suppliers, service providers and employees		(12,841,447)	(9,052,379)
Payment of indirect taxes and other statutory duties		(3,383,203)	(2,885,565)
Payment of royalty and technical services fee		(416,447)	(323,204)
Finance costs paid		(41,403)	(73,611)
Income tax paid		(477,838)	(310,615)
Retirement benefit obligations paid		(4,838)	(5,611)
Long term loans (net)		(5,263)	(18,736)
Long term deposits and prepayments (net)		(562,696)	10,385
Net cash (used in) / from operating activities		(60,678)	1,287,256
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(892,847)	(1,229,992)
Sale proceeds of property, plant and equipment on disposal		12,889	19,106
Return received on savings accounts, term deposits and balance receivable from provident fund		1,756	16,832
Dividend received		12	12
Net cash used in investing activities		(878,190)	(1,194,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance leases (net)		(10,359)	(16,469)
Dividends paid		(834,923)	(754,051)
Short term loan received from associated undertaking		1,023,000	-
Net cash from / (used in) financing activities		177,718	(770,520)
Net decrease in cash and cash equivalents		(761,150)	(677,306)
Cash and cash equivalents at the beginning of the period		(118,555)	692,070
Cash and cash equivalents at the end of the period	10	(879,705)	14,764

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

**Condensed Interim Consolidated Statement of Changes in Equity
for the half year ended June 30, 2008 (unaudited)**

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Share Capital	Reserves				Sub total	Total
		Capital		Other	Revenue		
		Difference of capital under schemes of arrangements for amalgamations	Contingency		Unappropriated Profit		
← (Rupees in thousand) →							
Balance as at January 1, 2007	669,477	70,929	321,471	16,615	761,801	1,170,816	1,840,293
Net profit for the half year ended June 30, 2007	-	-	-	-	870,289	870,289	870,289
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	-	322	322	322
Transferred from unappropriated profit to contingency reserve - Note 8.1	-	-	23,430	-	(23,430)	-	-
Employee benefits cost under IFRS 2 - "Share-based Payment"	-	-	-	8,240	-	8,240	8,240
Dividends For the year ended December 31, 2006 - on cumulative preference shares - final dividend on ordinary shares @ Rs. 57 per share	-	-	-	-	(757,750)	(757,750)	(757,750)
Balance as at June 30, 2007	669,477	70,929	344,901	24,855	850,993	1,291,678	1,961,155

**Condensed Interim Consolidated Statement of Changes in Equity - Continued
for the half year ended June 30, 2008 (unaudited)**

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Share Capital	Reserves				Sub total	Total
		Difference of capital under schemes of arrangements for amalgamations	Capital		Revenue		
			Contingency	Other	Unappropriated Profit		
(Rupees in thousand)							
Balance as at January 1, 2008	669,477	70,929	363,106	33,895	863,712	1,331,642	2,001,119
Net profit for the half year ended June 30, 2008	-	-	-	-	1,284,183	1,284,183	1,284,183
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	-	318	318	318
Transferred from unappropriated profit to contingency reserve - Note 8.1	-	-	31,601	-	(31,601)	-	-
Employee benefits cost under IFRS 2 - "Share-based Payment"							
- Charge for the period	-	-	-	8,797	-	8,797	8,797
- Settlement during the period	-	-	-	(16,863)	-	(16,863)	(16,863)
	-	-	-	(8,066)	-	(8,066)	(8,066)
Dividends							
For the year ended December 31, 2007							
- on cumulative preference shares	-	-	-	-	(239)	(239)	(239)
- final dividend on ordinary shares @ Rs. 63 per share	-	-	-	-	(837,514)	(837,514)	(837,514)
Balance as at June 30, 2008	669,477	70,929	394,707	25,829	1,278,859	1,770,324	2,439,801

The annexed notes 1 to 14 form an integral part of these condensed interim consolidated financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

**Notes annexed to the Condensed Interim Consolidated Financial Information
for the half year ended June 30, 2008 (unaudited)**

1. Basis of presentation

This condensed interim consolidated financial information includes the financial information of Unilever Pakistan Limited (the parent company), Lever Chemicals (Private) Limited, Levers Associated Pakistan Trust (Private) Limited and Sadiq (Private) Limited. The condensed interim financial information of the subsidiary companies has been consolidated on a line by line basis.

All inter company balances and transactions have been eliminated.

2. Basis of preparation

This condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard No. 34, "Interim Financial Reporting" and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges.

3. Accounting policies

The present accounting policies, adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual consolidated financial statements of the Group for the year ended December 31, 2007.

4. Property, plant and equipment

	June 30, 2008	Audited December 31, 2007
	← (Rupees in thousand) →	
Operating assets - at net book value	3,845,298	3,097,121
Capital work in progress - at cost		
Civil works	27,091	16,133
Plant and machinery	371,690	400,245
	398,781	416,378
	4,244,079	3,513,499

4.1 Details of additions and disposals to operating assets during the half year ended June 30, 2008 are:

	Additions (at cost)		Disposals (at net book value)	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	← (Rupees in thousand) →			
Owned				
Building on Freehold Land	36,749	18,026	-	-
Plant and Machinery	827,937	429,094	2,402	7,465
Electrical, Mechanical and Office Equipment	30,723	10,521	4	27
Furniture and Fittings	2,237	1,371	-	25
Motor Vehicles	12,659	16,466	6,860	2,956
Assets held under Finance Leases				
Motor Vehicles	54,396	44,530	342	2,449
	964,701	520,008	9,608	12,922

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

5. Long Term Deposits And Prepayments

	Note	June 30, 2008	Audited December 31, 2007
		← (Rupees in thousand) →	
Security deposits		4,483	4,750
Prepaid rent	5.1	563,133	170
		<u>567,616</u>	<u>4,920</u>

5.1 During the period, Group paid rent of head office building amounting to Rs. 691.75 million. As at the period end, Rs. 562.86 million has been classified as long term and Rs. 114.72 million has been classified as short term prepayments.

	June 30, 2008	Audited December 31, 2007
	← (Rupees in thousand) →	
Opening balance as at January 1	371,027	110,000
Provision during the period	-	372,234
Utilised during the period	(37,290)	(111,207)
Closing balance	<u>333,737</u>	<u>371,027</u>

The Group is currently in the process of finalising the implementation of the restructuring plan and the amount is expected to be utilised during 2008.

7. Short Term Loan - unsecured

This represents loan amounting to USD 15 million borrowed from Unilever Finance International B.V., Rotterdam, Netherlands, an associated undertaking on May 27, 2008, at an interest rate not exceeding six months LIBOR + 1% to meet working capital requirements. The loan was disbursed on May 27, 2008 with principal and interest thereon repayable in USD at the end of the loan term, which shall not exceed 6 months or 180 days, whichever is earlier. The loan can be rolled over for further periods by mutual consent subject to regulatory permissions. The company has entered into a forward contract for the principal repayment expiring on November 21, 2008.

8. Contingency and Commitments

8.1 Contingency

The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual consolidated financial statements has increased to Rs. 394.71 million as at June 30, 2008 (December 31, 2007: Rs. 363.11 million). There has been no change in its status from December 31, 2007.

8.2 Commitments

The commitments for capital expenditure as at June 30, 2008 amounted to Rs. 264.29 million (December 31, 2007: Rs. 607.60 million).

9. Segment Analysis

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

9.1 For the quarter ended June 30, 2008

	Home and Personal Care	Beverages	Ice Cream	Other	Total
Gross sales	5,387,036	2,773,057	1,794,305	181,599	10,135,997
Sales tax	(731,858)	(393,510)	(292,218)	-	(1,417,586)
Federal excise duty	(202,879)	(23,135)	(14,679)	-	(240,693)
	(934,737)	(416,645)	(306,897)	-	(1,658,279)
Sales excluding sales tax and federal excise duty	4,452,299	2,356,412	1,487,408	181,599	8,477,718
Rebates and allowances	(199,480)	(83,391)	(86,350)	(5,717)	(374,938)
	4,252,819	2,273,021	1,401,058	175,882	8,102,780
Cost of sales	(2,447,437)	(1,783,266)	(826,442)	(116,434)	(5,173,579)
Gross profit	1,805,382	489,755	574,616	59,448	2,929,201
Distribution costs	(873,963)	(249,463)	(389,074)	(66,319)	(1,578,819)
Administrative expenses	(150,796)	(77,853)	(75,906)	(9,856)	(314,411)
Segment result	780,623	162,439	109,636	(17,145)	1,035,971
Other operating expenses					(94,826)
Other operating income					97,686
Profit from operations					1,038,831
Finance income					6,065
Profit before taxation					1,044,896
Taxation					(281,488)
Profit after taxation					763,408

9.2 For the quarter ended June 30, 2007

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
Gross sales	3,943,488	2,268,521	1,192,723	161,761	7,566,493
Sales tax	(559,198)	(328,880)	(195,233)	-	(1,083,311)
Federal excise duty	(122,301)	-	-	-	(122,301)
	<u>(681,499)</u>	<u>(328,880)</u>	<u>(195,233)</u>	<u>-</u>	<u>(1,205,612)</u>
Sales excluding sales tax and federal excise duty	3,261,989	1,939,641	997,490	161,761	6,360,881
Rebates and allowances	(244,965)	(111,127)	(56,907)	(4,294)	(417,293)
	<u>3,017,024</u>	<u>1,828,514</u>	<u>940,583</u>	<u>157,467</u>	<u>5,943,588</u>
Cost of sales	(1,623,939)	(1,301,759)	(532,934)	(103,854)	(3,562,486)
Gross profit	1,393,085	526,755	407,649	53,613	2,381,102
Distribution costs	(811,503)	(348,129)	(212,212)	(36,233)	(1,408,077)
Administrative expenses	(107,852)	(88,158)	(54,988)	(4,687)	(255,685)
Segment result	<u>473,730</u>	<u>90,468</u>	<u>140,449</u>	<u>12,693</u>	<u>717,340</u>
Other operating expenses					(60,505)
Other operating income					31,462
Profit from operations					688,297
Finance costs					(34,165)
Profit before taxation					654,132
Taxation					(231,315)
Profit after taxation					<u>422,817</u>

9.3 For the half year ended June 30, 2008

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Home and Personal Care	Beverages	Ice Cream	Other	Total
Gross sales	9,849,208	5,903,333	2,720,872	361,149	18,834,562
Sales tax	(1,366,254)	(839,623)	(443,504)	-	(2,649,381)
Federal excise duty	(377,475)	(48,835)	(22,222)	-	(448,532)
	(1,743,729)	(888,458)	(465,726)	-	(3,097,913)
Sales excluding sales tax and federal excise duty	8,105,479	5,014,875	2,255,146	361,149	15,736,649
Rebates and allowances	(515,140)	(210,947)	(166,081)	(12,717)	(904,885)
	7,590,339	4,803,928	2,089,065	348,432	14,831,764
Cost of sales	(4,273,236)	(3,667,091)	(1,323,409)	(225,146)	(9,488,882)
Gross profit	3,317,103	1,136,837	765,656	123,286	5,342,882
Distribution costs	(1,501,866)	(598,828)	(611,446)	(112,312)	(2,824,452)
Administrative expenses	(255,357)	(153,868)	(106,487)	(16,379)	(532,091)
Segment result	1,559,880	384,141	47,723	(5,405)	1,986,339
Other operating expenses					(170,086)
Other operating income					123,938
Profit from operations					1,940,191
Finance costs					(57,583)
Profit before taxation					1,882,608
Taxation					(598,425)
Profit after taxation					1,284,183

9.4 For the half year ended June 30, 2007

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	(Rupees in thousand)				
Gross sales	7,177,263	5,248,306	2,027,401	298,822	14,751,792
Sales tax	(1,027,699)	(757,227)	(332,249)	-	(2,117,175)
Federal excise duty	(232,657)	-	-	-	(232,657)
	<u>(1,260,356)</u>	<u>(757,227)</u>	<u>(332,249)</u>	<u>-</u>	<u>(2,349,832)</u>
Sales excluding sales tax and federal excise duty	5,916,907	4,491,079	1,695,152	298,822	12,401,960
Rebates and allowances	(463,398)	(232,598)	(103,436)	(7,377)	(806,809)
	<u>5,453,509</u>	<u>4,258,481</u>	<u>1,591,716</u>	<u>291,445</u>	<u>11,595,151</u>
Cost of sales	(2,954,581)	(3,015,555)	(912,824)	(188,323)	(7,071,283)
Gross profit	2,498,928	1,242,926	678,892	103,122	4,523,868
Distribution costs	(1,384,370)	(749,790)	(406,506)	(61,923)	(2,602,589)
Administrative expenses	(196,858)	(192,970)	(95,310)	(8,686)	(493,824)
Segment result	<u>917,700</u>	<u>300,166</u>	<u>177,076</u>	<u>32,513</u>	<u>1,427,455</u>
Other operating expenses					(124,571)
Other operating income					123,046
Profit from operations					1,425,930
Finance costs					(80,850)
Profit before taxation					1,345,080
Taxation					(474,791)
Profit after taxation					<u>870,289</u>

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

	Half year ended	
	June 30, 2008	June 30, 2007
	(Rupees in thousand)	
10. Cash and cash equivalents		
Cash and bank balances	258,370	484,012
Short term borrowings	(1,138,075)	(469,248)
	(879,705)	14,764

11. Related Party Transactions

Relationship with the Group	Nature of transactions	Half year ended	
		June 30, 2008	June 30, 2007
		(Rupees in thousand)	
i Ultimate parent company:	Royalty and Technical Services Fee	527,336	374,745
ii Associated companies:	Purchase of goods	3,028,155	2,724,195
	Purchase of services	13,720	7,077
	Sale of services	34,193	16,196
	Purchase of operating assets	-	19,854
	Sale of operating assets	-	4,115
	Reciprocal arrangements for sharing of common costs	10,633	6,339
	Short term loan received	1,023,000	-
	Interest on short term loan	3,829	-
iii Third parties whose manufacturing processes are dependent on Unilever:	Toll manufacturing	392,525	176,707
	Purchase of operating assets	125,974	-
	Dividend income	12	12
iv Company in which close family members of a Director is holding directorship:	Purchase of goods	832,817	699,990
v Key management personnel:	Salaries and other short term employee benefits	29,846	32,160
	Post employment benefits	3,391	3,093
vi Others:	Donations	4,204	3,513

12. Monopoly control authority order

There is no change in status as reported in the latest annual consolidated financial statements regarding the Monopoly Control Authority (MCA) Order terminating the non-competition agreement, requiring the Group to refund the amount of Rs. 250 million to Dalda Foods (Private) Limited. The MCA order was stayed and the appeal is pending for hearing.

13. Declared dividend on ordinary shares

At the Board meeting on August 21, 2008, an interim dividend of Rs. 66 per share amounting to a total dividend of Rs. 877.40 million has been declared (2007: Rs. 60 per share amounting to a total dividend of Rs. 797.63 million). This condensed interim consolidated financial information does not reflect this dividend payable.

14. Date of issue

This condensed interim consolidated financial information has been authorised for issue on August 21, 2008 by the Board of Directors of the Group.