



Unilever



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

Unilever Pakistan Limited

COMPANY INFORMATION

Board of Directors

Mr. Ehsan A. Malik	Chairman & Chief Executive
Mr. Imran Husain	Executive Director / CFO
Mr. M. Qaysar Alam	Executive Director
Mr. Noeman Shirazi	Executive Director
Ms. Shazia Syed	Executive Director
Mr. Zaffar A. Khan	Non-Executive Director
Mr. Khalid Rafi	Non-Executive Director

Company Secretary

Mr. Amar Naseer

Audit Committee

Mr. Zaffar A. Khan	Chairman
Mr. Khalid Rafi	Member
Mr. M. Qaysar Alam	Member
Mr. Qanit Khalil	Head of Internal Audit & Secretary

Auditors

Messrs A.F. Ferguson & Co.
State Life Building No. 1-C
I.I. Chundrigar Road
Karachi.

Registered Office

Avari Plaza
Fatima Jinnah Road
Karachi.

Share Registration Office

C/o Famco Associates (Pvt.) Ltd.
[Formerly Ferguson Associates (Pvt.) Ltd.]
State Life Building No. 2-A
I.I Chundrigar Road,
Karachi.

Directors' Review

In the first half of 2008 Unilever Pakistan sales grew by 28%, half from price increases taken to offset unprecedented input cost inflation and devaluation of the Rupee. Gross Margin percentage declined nevertheless. Optimised investment behind brands, continuing innovation and tight control over costs helped the Company sustain market position and improve net profit margin and EPS.

	<u>1st half ended June 30</u>	
	<u>2008</u>	<u>2007</u>
Net Sales (Rs in '000)	14,831,764	11,595,151
Profit before taxation (Rs in '000)	1,877,319	1,334,542
Profit after taxation (Rs in '000)	1,280,745	862,041
Earnings per share (Rs)	96.34	64.85

Home & Personal Care

Sales growth of 39% over corresponding half year was driven by robust performance of our leading brands. Surf Excel continues to grow based on its efficacy versus other powders available in the market. New variants and an effective media campaign led to the growth of Fair and Lovely.

Beverages

Beverages displayed a 13% sales growth, primarily due to sustained performance of Lipton and some reduction in smuggled tea. Lipton registered double digit volume growth during the half year with clear focus on Tea Bags.

Ice Cream

Ice Cream sales for the current half year grew by 31%. Strong volume growth has been achieved through increased penetration and powerful innovations in Cornetto, Paddle Pop and Moo range.

Spreads

Blue Band margarine grew by 20% mainly due to price increases taken to offset input cost inflation over the corresponding half year.

Dividend

The Board is pleased to announce an interim dividend of Rs. 66 per ordinary share (2007: Rs. 60 per ordinary share)

On behalf of the Board

Karachi
August 21, 2008

Ehsan A. Malik
Chairman & Chief Executive

**AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of Unilever Pakistan Limited as at June 30, 2008 and the related condensed interim profit and loss account, condensed interim cashflow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2008.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A. F. Ferguson & Co.
Chartered Accountants

Karachi
21 August, 2008

UNILEVER PAKISTAN LIMITED

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

	Note	Unaudited June 30, 2008	Audited December 31, 2007
		←	→
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,244,079	3,513,499
Intangibles		9,739	12,173
Long term investments		95,202	95,202
Long term loans		120,651	115,388
Long term deposits and prepayments	4	567,616	4,920
Retirement benefits - prepayments		204,203	250,878
		5,241,490	3,992,060
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		118	1,115
Trade deposits and short term prepayments	4	372,420	236,064
Other receivables		84,190	249,139
Tax refunds due from Government		188,412	148,496
Cash and bank balances		143,334	188,682
		6,038,068	4,092,116
Total assets		11,279,558	8,084,176

UNILEVER PAKISTAN LIMITED

	Note	Unaudited June 30, 2008	Audited December 31, 2007
		←	→
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,745,594	1,310,350
		<u>2,415,071</u>	<u>1,979,827</u>
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
		<u>626,981</u>	<u>502,439</u>
Current liabilities			
Trade and other payables		5,624,188	4,750,490
Provision - restructuring	5	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		42,527	21,633
Running finance under mark up arrangements		1,138,075	423,557
Short term loan - unsecured	6	1,026,000	-
		<u>8,223,563</u>	<u>5,587,649</u>
Total liabilities		8,850,544	6,090,088
Contingency and commitments	7		
Total equity and liabilities		<u>11,279,558</u>	<u>8,084,176</u>

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

**Condensed Interim 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	8	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		(313,953)	(255,281)	(531,633)	(493,420)
Other operating expenses		(94,856)	(60,490)	(170,066)	(124,541)
Other operating income		94,811	24,123	118,171	112,073
Profit from operations		1,036,384	681,377	1,934,902	1,415,391
Finance (costs) / income		6,065	(34,164)	(57,583)	(80,849)
Profit before taxation		1,042,449	647,213	1,877,319	1,334,542
Taxation		(280,631)	(230,292)	(596,574)	(472,501)
Profit after taxation		761,818	416,921	1,280,745	862,041
Earnings per share - basic and diluted (Rupees)		57.31	31.36	96.34	64.85

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

**Condensed Interim 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		(12,842,043)	(9,051,915)
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		(41,402)	(73,610)
Income tax paid		(475,942)	(309,425)
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		(59,377)	1,288,911
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		1,739	13,785
Dividend received		12	12
Net cash used in investing activities		(878,207)	(1,197,089)
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		(759,866)	(678,698)
Cash and cash equivalents at the beginning of the period		(234,875)	585,660
Cash and cash equivalents at the end of the period	9	(994,741)	(93,038)

The annexed notes 1 to 13 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

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

UNILEVER PAKISTAN LIMITED

	Share Capital	Reserves			Revenue Unappropriated Profit	Sub total	Total
		Capital		Other			
		Difference of capital under schemes of arrangements for amalgamations	Contingency				
Balance as at January 1, 2007	669,477	70,929	321,471	16,615	751,670	1,160,685	1,830,162
Net profit for the half year ended June 30, 2007	-	-	-	-	862,041	862,041	862,041
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 7.1	-	-	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	-	-	-	-	(239)	(239)	(239)
	-	-	-	-	(757,750)	(757,750)	(757,750)
Balance as at June 30, 2007	669,477	70,929	344,901	24,855	832,614	1,273,299	1,942,776

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

UNILEVER PAKISTAN LIMITED

	Share Capital	Reserves			Revenue Unappropriated Profit	Sub total	Total
		Capital		Other			
		Difference of capital under schemes of arrangements for amalgamations	Contingency				
(Rupees in thousand)							
Balance as at January 1, 2008	669,477	70,929	363,106	33,895	842,420	1,310,350	1,979,827
Net profit for the half year ended June 30, 2008	-	-	-	-	1,280,745	1,280,745	1,280,745
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 7.1	-	-	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	1,254,129	1,745,594	2,415,071

The annexed notes 1 to 13 form an integral part of these condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director

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

1. Basis of preparation

This condensed interim 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.

2. Accounting policies

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

3. 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

3.1 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

4. Long Term Deposits And Prepayments

	Note	June 30, 2008	Audited December 31, 2007
		← (Rupees in thousand) →	
Security deposits		4,483	4,750
Prepaid rent	4.1	563,133	170
		<u>567,616</u>	<u>4,920</u>

- 4.1** During the period, Company 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 company is currently in the process of finalising the implementation of the restructuring plan and the amount is expected to be utilised during 2008.

6. 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.

7. Contingency and Commitments**7.1 Contingency**

The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual 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.

7.2 Commitments

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

8. Segment Analysis

UNILEVER PAKISTAN LIMITED

8.1 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)	(9,398)	(313,953)
Segment result	780,623	162,439	109,636	(16,269)	1,036,429
Other operating expenses					(94,856)
Other operating income					94,811
Profit from operations					1,036,384
Finance income					6,065
Profit before taxation					1,042,449
Taxation					(280,631)
Profit after taxation					761,818

8.2 For the quarter ended June 30, 2007

UNILEVER PAKISTAN LIMITED

	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)	(4,283)	(255,281)
Segment result	<u>473,730</u>	<u>90,468</u>	<u>140,449</u>	<u>13,097</u>	<u>717,744</u>
Other operating expenses					(60,490)
Other operating income					24,123
Profit from operations					681,377
Finance costs					(34,164)
Profit before taxation					647,213
Taxation					(230,292)
Profit after taxation					<u>416,921</u>

8.3 For the half year ended June 30, 2008

UNILEVER PAKISTAN LIMITED

	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)	(15,921)	(531,633)
Segment result	1,559,880	384,141	47,723	(4,947)	1,986,797
Other operating expenses					(170,066)
Other operating income					118,171
Profit from operations					1,934,902
Finance costs					(57,583)
Profit before taxation					1,877,319
Taxation					(596,574)
Profit after taxation					1,280,745

8.4 For the half year ended June 30, 2007

UNILEVER PAKISTAN LIMITED

	Home and Personal Care	Beverages	Ice Cream	Other	Total
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)
	(1,260,356)	(757,227)	(332,249)	-	(2,349,832)
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)
	5,453,509	4,258,481	1,591,716	291,445	11,595,151
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)	(8,282)	(493,420)
Segment result	917,700	300,166	177,076	32,917	1,427,859
Other operating expenses					(124,541)
Other operating income					112,073
Profit from operations					1,415,391
Finance costs					(80,849)
Profit before taxation					1,334,542
Taxation					(472,501)
Profit after taxation					862,041

UNILEVER PAKISTAN LIMITED

Half year ended

June 30, June 30,
2008 2007

(Rupees in thousand)

9. Cash and cash equivalents

Cash and bank balances	143,334	376,210
Short term borrowings	(1,138,075)	(469,248)
	<u>(994,741)</u>	<u>(93,038)</u>

10. Related Party Transactions

Relationship with the Company	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

11. Monopoly control authority order

There is no change in status as reported in the latest annual financial statements regarding the Monopoly Control Authority (MCA) Order terminating the non-competition agreement, requiring the Company 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.

12. 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 financial information does not reflect this dividend payable.

13. Date of issue

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