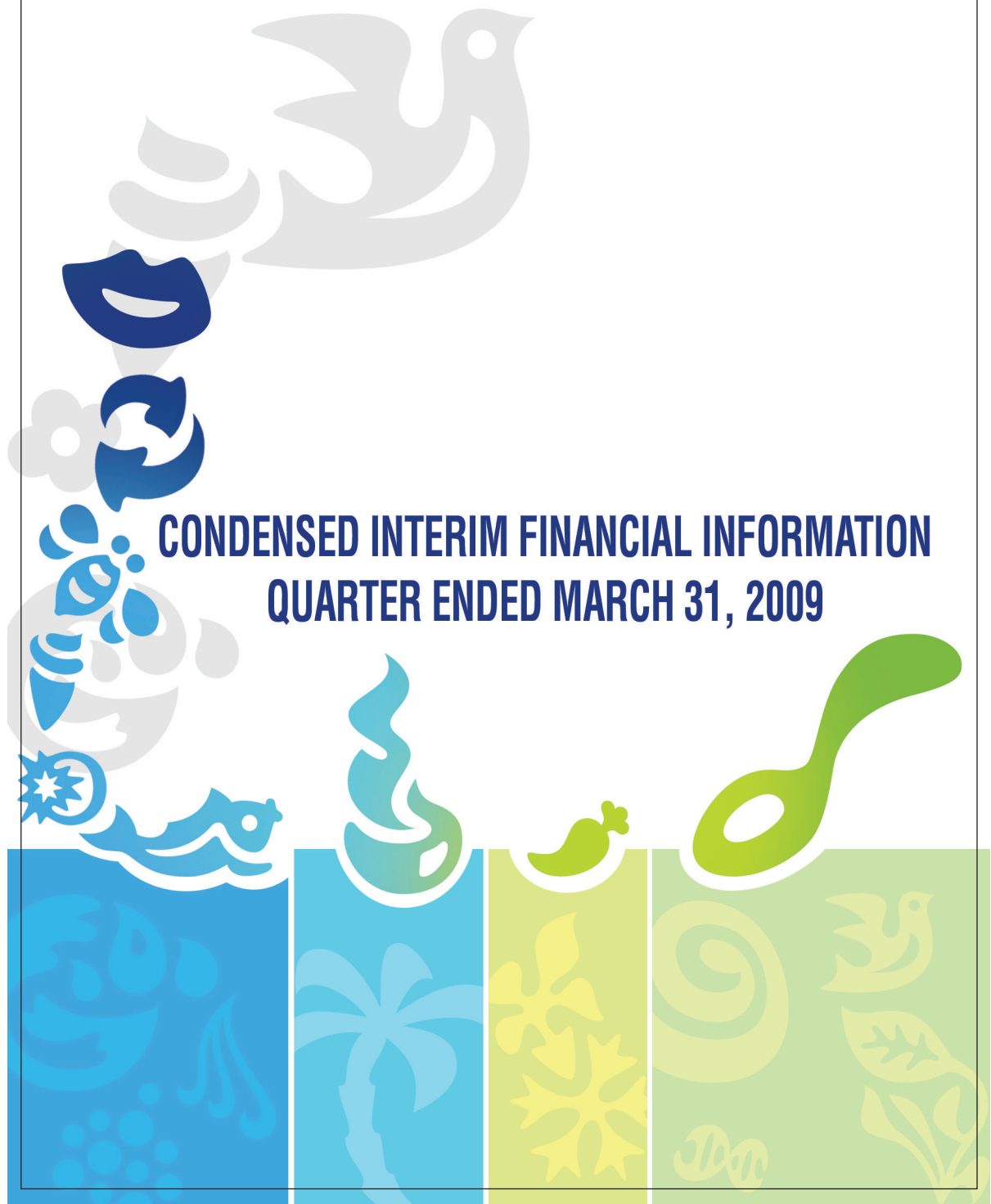




Unilever
Pakistan Limited



CONDENSED INTERIM FINANCIAL INFORMATION
QUARTER ENDED MARCH 31, 2009

UNILEVER PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Ehsan A. Malik
Mr. Imran Husain
Mr. M. Qaysar Alam
Mr. Noeman Shirazi
Ms. Shazia Syed
Mr. Zaffar A. Khan
Mr. Khalid Rafi

Chairman & Chief Executive
Director / CFO
Director
Director
Director
Director
Director

Company Secretary

Mr. Amar Naseer

Audit Committee

Mr. Zaffar A. Khan
Mr. Omer H. Karim
Mr. M. Qaysar Alam
Mr. Imtiaz Jaleel

Chairman
Member
Member
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.
State Life Building No. 2-A
I.I. Chundrigar Road
Karachi.

Directors Review

Despite challenging economic and security environment, the company recorded turnover growth of 32% in the first quarter of 2009. Devaluation of the rupee had a dampening effect on gross margins. Financing costs also increased significantly over the comparative quarter due to higher debt levels and interest rates. Despite these testing circumstances, earnings per share grew over the corresponding quarter of 2008 by 8%.

	Quarter ended March 31	
	2009	2008
Net Sales (Rs.000)	8,860,597	6,728,984
Profit before taxation (Rs.000)	824,306	834,870
Profit after taxation (Rs.000)	559,304	518,982
Earnings per share (Rs)	42.07	39.04

Home & Personal Care

Home and Personal Care continues to deliver strong broad-based double digit growth through exciting stream of innovation and communication and focused market activation. Exceptionally robust performance was delivered by Surf, Sunsil, Fair & Lovely and Lifebuoy. Rin a new detergent launched recently has been well received.

Beverages

Beverages growth is primarily price led. Unilever Pakistan's tea business continues to suffer because of the absence of a level playing field. Approximately 45% of total tea imported into Pakistan is smuggled through the Afghan Trade Transit.

New value-added launch of Lipton Green Tea Bags in four different flavours is progressing well.

Ice-cream

Ice-cream sales grew by 5.2%. Difficult economic conditions, adverse weather in the North and severe electricity outages impacted the business negatively. Paddle Pop and Walls-Selection ranges delivered growth through increased market penetration and brand innovation. In addition, the Out-of-Home channel also recorded good price and volume growth.

Spreads

An effective marketing campaign for Blue-band resulted in 27% growth from a combination of volume and price.

Future outlook

In uncertain economic conditions and on-going pressure on disposable incomes, we will continue to focus on enhancing consumer value, re-igniting demand through innovation and controlling costs.

On behalf of the Board

Ehsan A. Malik
Chairman & Chief Executive

UNILEVER PAKISTAN LIMITED
Condensed Interim Balance Sheet as at March 31, 2009

	Note	Unaudited March 31, 2009 (Rupees in thousand)	Audited December 31, 2008
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,626,472	4,428,278
Intangibles		6,087	7,303
Long term investments		95,202	95,202
Long term loans		113,394	120,545
Long term deposits and prepayments		498,432	540,027
Retirement benefits - prepayments		189,095	205,355
		<u>5,528,682</u>	<u>5,396,710</u>
Current assets			
Stores and spares		252,027	231,897
Stock in trade		3,796,364	4,261,770
Trade debts		360,652	228,763
Loans and advances		133,261	123,904
Trade deposits and short term prepayments		520,459	516,443
Other receivables		160,125	218,329
Tax refunds due from Government		385,801	301,813
Cash and bank balances		109,882	106,789
		<u>5,718,571</u>	<u>5,989,708</u>
Total assets		<u>11,247,253</u>	<u>11,386,418</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	4	669,477	669,477
Reserves		2,105,690	1,546,281
		<u>2,775,167</u>	<u>2,215,758</u>
Surplus on revaluation of fixed assets		13,452	13,613
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		75,877	77,327
Deferred taxation		411,602	369,653
Retirement benefits obligations		262,465	239,794
		<u>749,944</u>	<u>686,774</u>
Current liabilities			
Trade and other payables		5,092,333	4,547,794
Provisions	5	379,789	593,559
Current maturity of liabilities against assets subject to finance leases		29,369	32,322
Accrued interest / mark up		68,447	64,075
Running finance under mark up arrangements		2,138,752	3,232,523
		<u>7,708,690</u>	<u>8,470,273</u>
Total liabilities		<u>8,458,634</u>	<u>9,157,047</u>
Contingency and commitments	6		
Total equity and liabilities		<u>11,247,253</u>	<u>11,386,418</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

UNILEVER PAKISTAN LIMITED

**Condensed Interim Profit and Loss Account
for the quarter ended March 31, 2009 (unaudited)**

	Note	Quarter ended	
		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
Sales	7	8,860,597	6,728,984
Cost of sales		(5,904,795)	(4,358,667)
Gross profit		2,955,802	2,370,317
Distribution costs		(1,715,391)	(1,245,633)
Administrative expenses		(266,846)	(176,708)
Other operating expenses		(80,657)	(72,818)
Other operating income		39,918	23,360
Profit from operations		932,826	898,518
Finance costs		(108,520)	(63,648)
Profit before taxation		824,306	834,870
Taxation		(265,002)	(315,888)
Profit after taxation		559,304	518,982
Other comprehensive income			
Surplus on Revaluation of fixed assets incremental depreciation		161	157
Income tax relating to component of other comprehensive income		(56)	(55)
Other comprehensive income net of tax		105	102
Total comprehensive income for the year		559,409	519,084
Earnings per share - basic and diluted (Rupees)		42.07	39.04

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

UNILEVER PAKISTAN LIMITED

**Condensed Interim Statement of Cash Flows
for the quarter ended March 31, 2009 (unaudited)**

	Note	March 31, 2009 (Rupees in thousand)	March 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		10,671,586	8,053,768
Cash paid to suppliers, service providers and employees		(6,648,532)	(5,855,589)
Payment of indirect taxes and other statutory duties		(2,014,500)	(1,846,084)
Payment of royalty and technical services fee		(258,028)	(186,962)
Finance costs paid		(104,148)	(61,000)
Income tax paid		(255,723)	(255,007)
Retirement benefit obligations (net)		(7,584)	(643)
Long term loans (net)		7,151	4,213
Long term deposits and prepayments (net)		41,595	39
Net cash generated from / (used in) operating activities		1,431,817	(147,265)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(346,092)	(461,852)
Sale proceeds of property, plant and equipment on disposal		19,086	10,338
Return received on savings accounts, term deposits and balance receivable from provident fund		396	1,261
Dividend received		12	-
Net cash used in investing activities		(326,598)	(450,253)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance leases (net)		(8,355)	(6,124)
Dividends paid		-	-
Net cash used in financing activities		(8,355)	(6,124)
Net increase / (decrease) in cash and cash equivalents		1,096,864	(603,642)
Cash and cash equivalents at the beginning of the period		(3,125,734)	(234,875)
Cash and cash equivalents at the end of the period	8	(2,028,870)	(838,517)

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

UNILEVER PAKISTAN LIMITED

Condensed Interim Statement Of Changes In Equity for the quarter ended March 31, 2009 (unaudited)

	SHARE CAPITAL	R E S E R V E S				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Difference of capital under schemes of arrangements for amalgamations	Contingency	Other	Unappropriated profit		
				(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 quarter ended March 31, 2008	-	-	-	-	519,084	519,084	519,084
Transferred from unappropriated profit to contingency reserve - Note 6.1	-	-	16,036	-	(16,036)	-	-
Employee benefits cost under IFRS 2 - "Share-based Payment"	-	-	-	4,730	-	4,730	4,730
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 March 31, 2008	669,477	70,929	379,142	38,625	507,715	996,411	1,665,888
Balance as at January 1, 2009	669,477	70,929	321,471	-	1,153,881	1,546,281	2,215,758
Net profit for the quarter ended March 31, 2009	-	-	-	-	559,409	559,409	559,409
Balance as at March 31, 2009	669,477	70,929	321,471	-	1,713,290	2,105,690	2,775,167

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

UNILEVER PAKISTAN LIMITED

Notes Annexed To The Condensed Interim Financial Information for the quarter ended March 31, 2009 (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, 2008.

3. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2009	Audited December 31, 2008 (Rupees in thousand)
Operating assets - at net book value	3,868,891	3,988,216
Capital work in progress - at cost		
Civil works	592,421	25,600
Plant and machinery	165,160	414,462
	757,581	440,062
	<u>4,626,472</u>	<u>4,428,278</u>

3.1 Details of additions and disposals to operating assets during the three months ended March 31, 2009 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousand)			
Owned				
Leasehold land	-	-	181	-
Building on freehold land	-	30,016	-	-
Building on leasehold land	597	496	-	-
Plant and machinery	14,080	453,390	-	552
Electrical, mechanical and office equipment	13,896	10,422	37	4
Furniture and fittings	-	418	296	-
Motor vehicles	-	3,887	196	6,196
Assets held under finance leases				
Motor vehicles	3,952	13,727	670	343
	<u>32,525</u>	<u>512,356</u>	<u>1,380</u>	<u>7,095</u>

4. SHARE CAPITAL

At March 31, 2009 Unilever Overseas Holdings Limited, UK, a wholly owned subsidiary of Unilever PLC, UK holds 9,772,083 ordinary shares and 33,735 preference shares of Unilever Pakistan Limited (December 31, 2008: 9,711,293 ordinary shares and 33,735 preference shares).

5. PROVISIONS	March 31, 2009 (Rupees in thousand)	Audited December 31, 2008
Provision for cess less payments	132,282	108,341
Restructuring		
Opening balance as at January 1	485,218	371,027
Provision during the period	-	489,280
Utilised during the period	(237,711)	(375,089)
	247,507	485,218
Closing balance	379,789	593,559

The Company is currently in the process of finalising the implementation of the restructuring plan and the amount is expected to be utilised during 2009.

6. CONTINGENCY AND COMMITMENTS

6.1 CONTINGENCY

In September 2008, the High Court declared that Cess levied upto December 2006 is unlawful, while the Cess levied after December 2006 is valid. The Company as well as the Government of Sindh have filed appeals in the Supreme Court against the said order. A provision amounting to Rs 148.56 million concerning the levy with respect from December 28, 2006 has been recognised in this condensed interim financial information. Moreover, the Company has paid an amount of Rs 16.27 million under protest against the said order.

As a matter of prudence, a total of Rs 321.47 million as at March 31, 2009 (Rs 321.47 million as at December 31, 2008) out of the revenue reserves has been earmarked as contingency reserve for the levy upto December 2006.

6.2 COMMITMENTS

The commitments for capital expenditure as at March 31, 2009 amounted to Rs 87.57 million (December 31, 2008: Rs. 126.23 million).

7. SEGMENT ANALYSIS

7.1 FOR THE QUARTER ENDED MARCH 31, 2009

	HOME AND PERSONAL CARE	BEVERAGES	ICE CREAM	OTHER	TOTAL
(Rupees in thousand)					
Gross sales	6,500,371	3,814,270	1,086,834	240,979	11,642,454
Sales tax	(958,640)	(559,148)	(175,403)	-	(1,693,191)
Federal excise duty	(237,819)	(31,159)	(8,368)	-	(277,346)
	(1,196,459)	(590,307)	(183,771)	-	(1,970,537)
Sales excluding sales tax and federal excise duty	5,303,912	3,223,963	903,063	240,979	9,671,917
Rebates and allowances	(409,090)	(197,629)	(182,150)	(22,451)	(811,320)
	4,894,822	3,026,334	720,913	218,528	8,860,597
Cost of sales	(2,928,491)	(2,323,552)	(502,895)	(149,857)	(5,904,795)
Gross profit	1,966,331	702,782	218,018	68,671	2,955,802
Distribution costs	(1,121,809)	(329,682)	(199,988)	(63,912)	(1,715,391)
Administrative expenses	(143,565)	(90,179)	(21,798)	(6,272)	(261,814)
Segment result	700,957	282,921	(3,768)	(1,513)	978,597
Administrative expenses unallocated					(5,032)
Other operating expenses					(80,657)
Other operating income					39,918
Profit from operations					932,826
Finance costs					(108,520)
Profit before taxation					824,306
Taxation					(265,002)
Profit after taxation					559,304

7.2 FOR THE QUARTER ENDED MARCH 31, 2008

	HOME AND PERSONAL CARE	BEVERAGES	ICE CREAM	OTHER	TOTAL
(Rupees in thousand)					
Gross sales	4,462,172	3,130,276	926,567	179,550	8,698,565
Sales tax	(634,396)	(446,113)	(151,286)	-	(1,231,795)
Federal excise duty	(174,596)	(25,700)	(7,543)	-	(207,839)
	(808,992)	(471,813)	(158,829)	-	(1,439,634)
Sales excluding sales tax and federal excise duty	3,653,180	2,658,463	767,738	179,550	7,258,931
Rebates and allowances	(315,660)	(127,556)	(79,731)	(7,000)	(529,947)
	3,337,520	2,530,907	688,007	172,550	6,728,984
Cost of sales	(1,846,610)	(1,898,962)	(503,075)	(110,020)	(4,358,667)
Gross profit	1,490,910	631,945	184,932	62,530	2,370,317
Distribution costs	(627,903)	(349,365)	(222,372)	(45,993)	(1,245,633)
Administrative expenses	(83,750)	(60,878)	(24,473)	(5,215)	(174,316)
Segment result	779,257	221,702	(61,913)	11,322	950,368
Administrative expenses unallocated					(2,392)
Other operating expenses					(72,818)
Other operating income					23,360
Profit from operations					898,518
Finance costs					(63,648)
Profit before taxation					834,870
Taxation					(315,888)
Profit after taxation					518,982

		Quarter ended	
		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
8.	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	109,882	245,103
	Short term borrowings	(2,138,752)	(1,083,620)
		<u>(2,028,870)</u>	<u>(838,517)</u>

		Quarter ended	
		March 31, 2009	March 31, 2008
		(Rupees in thousand)	
9.	RELATED PARTY TRANSACTIONS		
Relationship with the Company	Nature of transactions		
i. Ultimate parent company:	Royalty and technical services fee	255,483	252,165
ii. Associated companies:	Purchase of goods	352,567	1,615,732
	Purchase of services	8,237	6,323
	Sale of goods	67	-
	Sale of services	19,749	12,513
iii. Third parties whose manufacturing processes are dependent on Unilever:	Toll manufacturing	151,212	129,211
	Dividend income	12	-
iv. Company in which close family members of a Director is holding directorship:	Purchase of goods	189,305	337,207
v. Key management personnel:	Salaries and other short term employee benefits	14,506	13,541
	Post employment benefits	1,797	1,370
vi. Others:	Donations	2,243	3,980

10. MONOPOLY CONTROL AUTHORITY ORDER

There is no change in status as reported in the latest annual financial statements regarding the Monopoly Control Authority 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.

11. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES

At the Board meeting on February 6, 2009, a final dividend of Rs 57 per share amounting to a total dividend of Rs 757.75 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on April 8, 2009. This condensed interim financial information does not reflect this dividend payable.

12. CORRESPONDING FIGURES

- 12.1** Prior year's figure has been reclassified for the purpose of better presentation and comparison. Changes made during the period are as follows:

Reclassification from component	Reclassification to component	Amount (Rupees in thousand)
Administrative Expenses	Cost of goods sold	43,364
Operating Expenses	Administrative Expenses	2,392

13. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on April 27, 2009 by the Board of Directors of the Company.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director