



UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2016



UNILEVER PAKISTAN FOODS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Kamran Y. Mirza

Independent Director

& Chairman of the Board

Ms. Shazia Syed

Executive Director & Chief Executive

Mr. Ali Tariq

Executive Director & CFO

Ms. Farheen Salman Amir

Executive Director

Mr. Zulfikar Monnoo

Non-Executive Director

Mian M. Adil Monnoo

Non-Executive Director

Mr. Kamal Monnoo

Non-Executive Director

Mr. Badaruddin F. Vellani

Non-Executive Director

Mr. Noman Amjad Lutfi

Non-Executive Director

Company Secretary

Mr. Amar Naseer

Audit Committee

Mr. Zulfikar Monnoo

Chairman & Member

Mian M. Adil Monnoo

Member

Mr. Badaruddin F. Vellani

Member

Mr. Kamran Y. Mirza

Member

Ms. Mehwish Iqbal

Secretary & Head of Internal Audit

Human Resource & Remuneration Committee

Mr. Zulfikar Monnoo

Chairman & Member

Mr. Kamal Monnoo

Member

Ms. Shazia Syed

Member

Mr. Amer Naseer

Company Secretary

Auditors

Messrs KPMG Taseer Hadi & Co.

Chartered Accountants

Sheikh Sultan Trust Building No. 2.

Beaumont Road. Karachi - 75530

Pakistan.

Registered Office

Avari Plaza

Fatima Jinnah Road

Karachi - 75530

Share Registration Office

Share Registrar Department.

Central Depository Company of Pakistan Limited,

CDC House. 99-B. Block "B" S.M.C.H.S.

Main Shahra-e-Faisal Karachi - 74400

Website Address

www.unilever.pk

UNILEVER PAKISTAN FOODS LIMITED

Directors' Review

The directors are pleased to present the financial information for the three months ended March 31, 2016.

Sales grew by 10.8% on the back of strong brand equity, successful innovations and sustained investment in advertisement and promotion. Gross Margin improved by 288 percentage points to 43.82%, due to better cost absorption and efficiencies. Earnings per share (EPS) increased by 18.5% versus the same period last year.

Financial Highlights

	Three Months ended March 31,		Increase %
	2016	2015	
	Rs '000		
Net Sales	2,366,734	2,136,441	10.8%
Profit before Taxation	477,617	424,516	12.5%
Profit after Taxation	351,499	296,711	18.5%
Earnings per Share (Rs.)	57.08	48.19	18.5%

Future Outlook

Despite a challenging operating environment & increasing competitive intensity, we are optimistic about the future outlook of the business. The company will continue to drive the agenda of improving consumer lives through relevant innovations and stronger brand equity.

On behalf of the Board

Kamran Y. Mirza
Chairman

Karachi
April 22, 2016

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

	Note	Unaudited March 31, 2016 (Rupees in thousand)	Audited December 31, 2015
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,021,596	2,040,339
Intangible assets		81,637	81,637
Long term loans		24,316	37,749
		2,127,549	2,159,725
Current assets			
Stores and spares		22,595	22,483
Stock in trade		914,029	959,276
Trade debts		345,350	209,064
Loans and advances		14,895	15,180
Trade deposits and short term prepayments		55,143	50,484
Other receivables		59,189	30,868
Taxation- net		283,100	376,961
Cash and bank balances		1,016,761	593,252
		2,711,062	2,257,568
Total assets		4,838,611	4,417,293
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		61,576	61,576
Reserves		1,377,386	1,617,018
		1,438,962	1,678,594
LIABILITIES			
Non-current liabilities			
Retirement benefits - obligation		6,518	5,691
Deferred taxation		226,050	214,953
		232,568	220,644
Current liabilities			
Trade and other payables		3,004,795	2,348,513
Provision	5	32,960	37,935
Accrued interest / mark-up		773	1,119
Short term borrowings		13,608	81,676
Sales tax payable		114,945	48,812
		3,167,081	2,518,055
Total liabilities		3,399,649	2,738,699
Total equity and liabilities		4,838,611	4,417,293
Contingencies and commitments			
	6		

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE THREE MONTHS ENDED MARCH 31, 2016 - UNAUDITED

	March 31, 2016	March 31, 2015
	(Rupees in thousand)	
Sales	2,366,734	2,136,441
Cost of sales	<u>(1,329,739)</u>	<u>(1,261,855)</u>
Gross profit	1,036,995	874,586
Distribution cost	(499,185)	(389,347)
Administrative expenses	(39,921)	(36,551)
Other operating expenses	(38,347)	(31,967)
Other income	25,222	17,219
Profit from operations	484,764	433,940
Finance cost	<u>(7,147)</u>	<u>(9,424)</u>
Profit before taxation	477,617	424,516
Taxation		
- current	<u>(115,021)</u>	<u>(128,260)</u>
- deferred	<u>(11,097)</u>	455
	<u>(126,118)</u>	<u>(127,805)</u>
Profit after taxation	351,499	296,711
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>351,499</u>	<u>296,711</u>
Basic and diluted earnings per share (Rupees)	<u>57.08</u>	<u>48.19</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Shazia Syed
Chief Executive

Ali Tariq
Director

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2016 - UNAUDITED

	Note	March 31, 2016	March 31, 2015
		(Rupees in thousand)	
Cash generated from operations		516,136	164,094
Mark-up paid on short term borrowings		(3,310)	(1,580)
Income tax paid		(21,160)	(172,441)
Decrease in long term loans		13,433	4,513
Net cash generated from / (used in) operating activities		<u>505,099</u>	<u>(5,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(19,310)</u>	<u>(70,900)</u>
Return received on savings and deposit accounts		<u>5,788</u>	<u>4,607</u>
Net cash used in investing activities		<u>(13,522)</u>	<u>(66,293)</u>
CASH FLOW FROM FINANCING ACTIVITY			
Dividend paid		<u>-</u>	<u>(125,891)</u>
Net cash (used in) / generated from financing activities		<u>-</u>	<u>(125,891)</u>
Net increase/(decrease) in cash and cash equivalents		<u>491,577</u>	<u>(197,598)</u>
Cash and cash equivalents at the beginning of the period		<u>511,576</u>	<u>108,074</u>
Cash and cash equivalents at the end of the period	7	<u><u>1,003,153</u></u>	<u><u>(89,524)</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2016 - UNAUDITED

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium	Special	General	Unappropriated Profit		
(Rupees in thousand)							
Balance as at January 1, 2016	61,576	24,630	628	138	1,591,622	1,617,018	1,678,594
Final dividend for the year ended December 31, 2015 @ Rs 96 per share	-	-	-	-	(591,131)	(591,131)	(591,131)
Total comprehensive income for the three months ended March 31, 2016	-	-	-	-	351,499	351,499	351,499
Balance as at March 31, 2016	61,576	24,630	628	138	1,351,990	1,377,386	1,438,962
Balance as at January 1, 2015	61,576	24,630	628	138	696,426	721,822	783,398
Total comprehensive income for the three months ended March 31, 2015	-	-	-	-	296,711	296,711	296,711
Balance as at March 31, 2015	61,576	24,630	628	138	993,137	1,018,533	1,080,109

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Shazia Syed
Chief Executive

Ali Tariq
Director

UNILEVER PAKISTAN FOODS LIMITED

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2016 - UNAUDITED

1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Foods Limited (the Company) for the three months ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard No. 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2015.

3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended December 31, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2015.

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2016	Audited December 31, 2015
	(Rupees in thousand)	
Operating assets - at net book value	1,982,852	1,946,209
Capital work in progress - at cost	38,744	94,130
	<u>2,021,596</u>	<u>2,040,339</u>

4.1 Additions of operating assets during the period are as follows:

	Additions (at cost)	
	Unaudited March 31, 2016	Unaudited March 31, 2015
	(Rupees in thousand)	
Buildings	11,074	95,640
Plant and machinery	63,541	-
Office equipment	80	-
Furnitures and fixtures	-	5,957
	Unaudited March 31, 2016	Audited December 31, 2015
	(Rupees in thousand)	

5. **PROVISIONS**

Sindh Infrastructure Cess - note 5.1	21,025	19,394
Restructuring	11,935	18,541
	32,960	37,935

5.1 The change represents charge during the period.

6. **CONTINGENCIES AND COMMITMENTS**

6.1 **Contingencies**

There has been no change in status of contingency reported in the financial statements for the year ended December 31, 2015.

6.2 **Commitments**

The commitments for capital expenditure outstanding as at March 31, 2016 amounted to Rs. 86.03 million (December 31, 2015: Rs. 28.54 million).

	Unaudited March 31, 2016	Unaudited March 31, 2015
		(Rupees in thousand)
7. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,016,761	137,995
Short term borrowings	(13,608)	(227,519)
	1,003,153	(89,524)

8. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the company	Nature of transactions	March 31, 2016	March 31, 2015
		(Rupees in thousand)	
i) Holding company	Royalty	42,084	36,597
ii) Other related parties	Technology fee	44,104	23,382
	Purchase of goods	448,016	462,499
	Sale of goods	50,289	55,719
	Fee for receiving of services from related parties	58,020	53,913
	Fee for providing of services to related parties	12,996	7,211
	Contribution to:		
	- Defined Contribution plan	3,246	3,930
	- Defined Benefit plans	3,513	4,326
	Settlement on behalf of:		
	- Defined Contribution plan	20,826	921
	- Defined Benefit plan	724	(1,689)
iii) Key management personnel	Salaries and other short-term employee benefits	1,633	1,633

9. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 22, 2016 by the Board of Directors of the Company.

Shazia Syed
Chief Executive

Ali Tariq
Director

یونی لیور پاکستان فوڈز لمیٹڈ

کاروباری جائزہ

ڈائریکٹرز کمپنی کی سہ ماہی رپورٹ اور مالیاتی گوشوارے برائے ۳۱ مارچ ۲۰۱۶ء پیش کر رہے ہیں۔

سیل میں 10.8% اضافہ ہوا جس کی وجوہات میں برانڈ کی مضبوط ساکھ، کامیاب جدت و اختراعات اور اشتہارات و پروموشنز میں مستقل سرمایہ کاری شامل ہیں۔ مجموعی منافع میں 2.88% کی بہتری آئی جو کہ اب 43.82% ہو گیا ہے۔ اس کی وجوہات قیمتوں پر بہتر توجہ اور بہترین کارکردگی ہیں۔ فی حصص آمدنی میں گذشتہ سال اسی دورائے کی نسبت 18.5% اضافہ دیکھنے میں آیا۔

مالیاتی کارکردگی کا خلاصہ

اضافہ %	سہ ماہی اختتام	
	2015	2016
	روپے '000	
10.80%	2,136,441	2,366,734
12.50%	424,516	477,617
18.50%	296,711	351,499
18.50%	48.19	57.08

فروخت
ٹیکس سے قبل منافع
ٹیکس کے بعد منافع
فی حصص آمدنی (روپے)

مستقبل پر نظر

مشکل اقتصادی حالات اور بڑھتی ہوئی مسابقتی فضا کے باوجود ہم اپنے کاروبار کے مستقبل کے لئے پرامید ہیں۔ ہماری کمپنی صارفین کی زندگیوں کو اپنی نئی مصنوعات سے بہتر بنانے اور برانڈ کی مضبوط ساکھ کے ایجنڈے کو جاری و ساری رکھے گی۔

منجانب بورڈ

کامران مرزا
چیئر مین

22 اپریل 2016

کراچی



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