



Unilever

UNILEVER PAKISTAN LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED MARCH 31, 2010**



# **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
Ms. Shazia Syed	Executive Director
Mr. Amir R. Paracha	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. Imtiaz Jaleel	Head of Internal Audit & Secretary

### **AUDITORS**

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

### **REGISTERED OFFICE**

Avari Plaza  
Fatima Jinnah Road  
Karachi-75530

### **SHARE REGISTRATION OFFICE**

C/o Famco Associates (Pvt.) Limited  
State Life Building No. 1-A  
I.I. Chundrigar Road  
Karachi.

### **WEBSITE ADDRESS**

[www.unileverpakistan.com.pk](http://www.unileverpakistan.com.pk)

# UNILEVER PAKISTAN LIMITED

## DIRECTORS' REVIEW

Despite rampant smuggling of tea which affected the growth and profitability of the Beverages category, healthy volume growth in the rest of the business resulted in aggregate sales increase of 16%. Nearly half the tea consumed in Pakistan is now smuggled, mainly through misuse of the Afghanistan Transit Treaty (ATT). The government is losing nearly Rs. 8 Billion in taxes. Your company together with the Pakistan Tea Association and Pakistan Business Council is lobbying for removal of incentive to smuggle through tax revenue-neutral adjustment in duties and GST/VAT. Additionally it is seeking limits, based on Afghanistan's genuine need, on what can be imported under ATT

In Quarter One, our focus remained on enhancing consumer and customer value through superior products and by absorbing rising input costs. We also continued to invest behind brands. Increase in input costs, especially of raw tea resulted in lower gross margin. Efficient working capital management reduced financial charges significantly. Earning per share grew by 4%.

	Quarter ended March 31	
	2010	2009
Net Sales (Rs'000)	10,254,847	8,860,597
Profit before taxation (Rs'000)	896,280	824,306
Profit after taxation (Rs'000)	581,806	559,304
Earnings per share (Rs)	43.77	42.07

### Home and Personal Care

The HPC business strengthened its market position by sharpening consumer focus. Surf continues to consolidate its leadership. Lifebuoy and SunsilK were the other star performers, achieving double digit growth. The re-launch of SunsilK with the "Co-creations" campaign was well received by consumers.

### Beverages

The beverages segment continues to suffer from rampant smuggling through the Afghan Transit Trade. Increase in Kenyan tea prices combined with the devaluation of the Rupee negatively impacted the gross margin. Despite these factors, the category managed to deliver volume and sales growth on the back of strong brand equity through sharply differentiated portfolio.

### Ice Cream

Ice Cream segment delivered impressive volume led sales growth. Focus on innovations, including Cornetto Double Chocolate and Zapper continued to delight consumers. Portfolio rationalisation and re-deployment of freezer cabinets resulted in higher throughput and improvement in profitability.

### Spreads

The Spreads business achieved double digit growth through penetration into new towns. Effective placement of visi-coolers at retail outlets resulted in improved visibility. The launch of the "Healthy Lunch Box Challenge" campaign has been well received by consumers.

### Future Outlook

Growing inflationary pressure from rising commodity costs; smuggling of tea; volatility in raw tea cost; power short-fall; and the security environment pose challenges. Diversified portfolio of strong brands, continued focus on consumer value and deep reach will help overcome these.

On behalf of the Board

**Ehsan A. Malik**  
Chairman and Chief Executive.

April 26, 2010

# UNILEVER PAKISTAN LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010	Audited December 31, 2009
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,655,813	4,736,619
Intangibles		1,218	2,433
Long term investments		95,202	95,202
Long term loans		89,581	98,117
Long term deposits and prepayments		365,088	392,896
Retirement benefits - prepayments		175,365	188,054
		<u>5,382,267</u>	<u>5,513,321</u>
<b>Current assets</b>			
Stores and spares		301,047	265,420
Stock in trade		4,665,125	3,649,070
Trade debts		545,864	506,357
Loans and advances		139,571	131,852
Trade deposits and short term prepayments		723,348	682,949
Other receivables		129,451	82,141
Tax refunds due from Government		402,631	355,052
Cash and bank balances		527,120	239,553
		<u>7,434,157</u>	<u>5,912,394</u>
<b>Total assets</b>		<u><u>12,816,424</u></u>	<u><u>11,425,715</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		669,477	669,477
Reserves		3,203,611	2,621,643
		<u>3,873,088</u>	<u>3,291,120</u>
<b>Surplus on revaluation of fixed assets</b>		12,803	12,965
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities against assets subject to finance leases		46,590	56,762
Deferred taxation		619,643	636,130
Retirement benefits obligations		338,585	327,060
		<u>1,004,818</u>	<u>1,019,952</u>
<b>Current liabilities</b>			
Trade and other payables		6,827,908	5,785,776
Accrued interest / mark up		37,408	28,892
Short term borrowings		764,628	1,037,911
Current maturity of liabilities against assets subject to finance leases		30,586	28,419
Provisions		265,185	220,680
		<u>7,925,715</u>	<u>7,101,678</u>
<b>Total liabilities</b>		<u>8,930,533</u>	<u>8,121,630</u>
<b>Contingency and commitments</b>	4		
<b>Total equity and liabilities</b>		<u><u>12,816,424</u></u>	<u><u>11,425,715</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Ehsan A. Malik  
Chairman & Chief Executive

Imran Husain  
Director & Chief Financial Officer

# UNILEVER PAKISTAN LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	Quarter ended	
		March 31, 2010	March 31, 2009
		(Rupees in thousand)	
Sales	5	10,254,847	8,860,597
Cost of sales		(7,088,394)	(5,904,795)
Gross profit		3,166,453	2,955,802
Distribution costs		(1,945,351)	(1,715,391)
Administrative expenses		(257,852)	(266,846)
Other operating expenses		(71,132)	(80,657)
Other operating income		49,800	39,918
<b>Profit from operations</b>		<b>941,918</b>	932,826
Finance costs		(45,638)	(108,520)
<b>Profit before taxation</b>		<b>896,280</b>	824,306
Taxation		(314,474)	(265,002)
<b>Profit after taxation</b>		<b>581,806</b>	559,304
Earnings per share - basic and diluted (Rupees)		<b>43.77</b>	42.07

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31, 2010	March 31, 2009
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		966,331	1,750,526
Finance costs paid		(19,142)	(104,148)
Income tax paid		(359,352)	(255,723)
Retirement benefit obligations paid		(5,714)	(7,584)
Long term loans (net)		8,536	7,151
Long term deposits and prepayments (net)		27,808	41,595
Net cash from operating activities		<b>618,467</b>	1,431,817
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(51,876)	(346,092)
Sale proceeds of property, plant and equipment on disposal		2,028	19,086
Return received on savings accounts and term deposits		236	396
Dividend received		-	12
Net cash used in investing activities		<b>(49,612)</b>	(326,598)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Liabilities against assets subject to finance leases (net)		(8,005)	(8,355)
Net cash used in financing activities		<b>(8,005)</b>	(8,355)
Net increase in cash and cash equivalents		560,850	1,096,864
Cash and cash equivalents at the beginning of the period		(798,358)	(3,125,734)
Cash and cash equivalents at the end of the period	6	<b>(237,508)</b>	<b>(2,028,870)</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

# UNILEVER PAKISTAN LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Difference of capital under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
← (Rupees in thousand) →						
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	-	-	-	559,304	559,304	559,304
Trasferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	105	105	105
<b>Balance as at March 31, 2009</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>1,713,290</b>	<b>2,105,690</b>	<b>2,775,167</b>
<b>Balance as at January 1, 2010</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>2,229,243</b>	<b>2,621,643</b>	<b>3,291,120</b>
Net profit for the quarter ended March 31, 2010	-	-	-	581,806	581,806	581,806
Trasferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	162	162	162
<b>Balance as at March 31 , 2010</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>2,811,211</b>	<b>3,203,611</b>	<b>3,873,088</b>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2010 (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, 2009.

### 3. PROPERTY, PLANT AND EQUIPMENT

	<b>March 31, 2010</b>	Audited December 31, 2009
	(Rupees in thousand)	
Operating assets - at net book value	<b>4,494,857</b>	4,563,048
Capital work in progress - at cost		
Civil works	<b>9,982</b>	12,147
Plant and machinery	<b>150,974</b>	161,424
	<b>160,956</b>	173,571
	<b>4,655,813</b>	4,736,619

#### 3.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2010 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees in thousand)			
<b>Owned</b>				
Leasehold land	-	-	-	181
Building on leasehold land	1,646	597	-	-
Plant and machinery	43,444	14,080	1,830	-
Electrical, mechanical and office equipment	19,256	13,896	-	37
Furniture and fittings	146	-	-	296
Motor vehicles	-	-	-	196
<b>Assets held under finance leases</b>				
Motor vehicles	-	3,952	-	670
	<b>64,492</b>	<b>32,525</b>	<b>1,830</b>	<b>1,380</b>



#### 4. CONTINGENCY AND COMMITMENTS

##### 4.1 CONTINGENCY

The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual financial statements has remained constant to Rs. 321.47 million as at March 31, 2010. There has been no change in its status from December 31, 2009.

##### 4.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2010 amounted to Rs. 59.93 million (December 31, 2009: Rs. 36.66 million).

#### 5. SEGMENT ANALYSIS

##### 5.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
<b>For the quarter ended March 31, 2010</b>					
Turnover	<u>5,281,482</u>	<u>3,769,680</u>	<u>940,306</u>	<u>263,379</u>	<u>10,254,847</u>
Segment result	<u>804,878</u>	<u>155,668</u>	<u>(1,695)</u>	<u>4,399</u>	<u>963,250</u>
<b>For the quarter ended March 31, 2009</b>					
Turnover	<u>4,894,822</u>	<u>3,026,334</u>	<u>720,913</u>	<u>218,528</u>	<u>8,860,597</u>
Segment result	<u>700,957</u>	<u>282,921</u>	<u>(3,768)</u>	<u>(1,513)</u>	<u>978,597</u>

Reconciliation of segment results with profit after tax is as follows:

	<b>Quarter ended</b>	
	<b>March 31, 2010</b>	March 31, 2009
	(Rupees in thousand)	
Total profit for reportable segments	<b>963,250</b>	978,597
Administrative expenses unallocated	-	(5,032)
Other operating expenses	<b>(71,132)</b>	(80,657)
Other operating income	<b>49,800</b>	39,918
Finance (cost) / income	<b>(45,638)</b>	(108,520)
Taxation	<b>(314,474)</b>	(265,002)
Profit after tax	<u><b>581,806</b></u>	<u>559,304</u>

## 5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
<b>As at March 31, 2010</b>					
Total segment assets	<u>4,075,438</u>	<u>2,555,540</u>	<u>3,178,604</u>	<u>162,108</u>	<u>9,971,690</u>
<b>As at December 31, 2009 - Audited</b>					
Total segment assets	<u>3,840,917</u>	<u>2,136,525</u>	<u>3,017,197</u>	<u>127,856</u>	<u>9,122,495</u>

Segment assets consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and trade and other debts.

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	<b>March 31, 2010</b>	Audited December 31, 2009
	(Rupees in thousand)	
Total for reportable segments	<b>9,971,690</b>	9,122,495
Unallocated assets	<u>2,844,734</u>	<u>2,303,220</u>
Total as per balance sheet	<u><b>12,816,424</b></u>	<u>11,425,715</u>

## 6. CASH AND CASH EQUIVALENTS

	<b>March 31, 2010</b>	March 31, 2009
	(Rupees in thousand)	
Cash and bank balances	<b>527,120</b>	109,882
Short term borrowings	<u>(764,628)</u>	<u>(2,138,752)</u>
	<u><b>(237,508)</b></u>	<u>(2,028,870)</u>

## 7. RELATED PARTY TRANSACTIONS

		March 31, 2010	March 31, 2009
Significant related party transactions are:		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
i. Ultimate parent company:	Royalty and technical services fee	320,772	255,483
ii. Other related parties:	Purchase of goods	3,106,889	541,872
	Sale of goods	430	67
	Fee for receiving of services from related parties	10,044	8,237
	Fee for providing of services to related parties	30,143	19,749
iii. Key management personnel:	Salaries and other short term employee benefits	13,112	14,506
	Post employment benefits	1,967	1,797
iv. Others:	Donations	167	2,243

## 8. 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.

## 9. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES

- 9.1 At the Board meeting on March 2, 2010, a final dividend of Rs. 137 per share amounting to a total dividend of Rs. 1,821 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on April 19, 2010. This condensed interim financial information does not reflect this dividend payable.

## 10. DATE OF ISSUE

- 10.1 This condensed interim financial information has been authorised for issue on April 26, 2010 by the Board of Directors of the Company.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL INFORMATION  
FOR THE QUARTER ENDED MARCH 31, 2010**

Unilever Pakistan Limited  
and its Subsidiary Companies

# UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Note	Unaudited March 31, 2010	Audited December 31, 2009
(Rupees in thousand)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,655,813	4,736,619
Intangibles		1,218	2,433
Long term investments		200	200
Long term loans		89,581	98,117
Long term deposits and prepayments		365,088	392,896
Retirement benefits - prepayments		175,365	188,054
		<u>5,287,265</u>	<u>5,418,319</u>
<b>Current assets</b>			
Stores and spares		301,047	265,420
Stock in trade		4,665,125	3,649,070
Trade debts		545,864	506,357
Loans and advances		139,571	131,852
Accrued interest / mark up		5,328	97
Trade deposits and short term prepayments		723,348	682,949
Other receivables		129,451	82,143
Tax refunds due from Government		402,631	355,052
Investments held to maturity		102,189	102,189
Cash and bank balances		564,525	278,644
		<u>7,579,079</u>	<u>6,053,773</u>
<b>Total assets</b>		<u><b>12,866,344</b></u>	<u><b>11,472,092</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		669,477	669,477
Reserves		3,246,538	2,662,229
		<u>3,916,015</u>	<u>3,331,706</u>
<b>Surplus on revaluation of fixed assets</b>		12,803	12,965
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities against assets subject to finance leases		46,590	56,762
Deferred taxation		619,643	636,130
Retirement benefits obligations		338,585	327,060
		<u>1,004,818</u>	<u>1,019,952</u>
<b>Current liabilities</b>			
Trade and other payables		6,829,496	5,787,366
Taxation - Provision less Payments		5,405	4,201
Accrued interest / mark up		37,408	28,892
Short term borrowings		764,628	1,037,911
Current maturity of liabilities against assets subject to finance leases		30,586	28,419
Provisions		265,185	220,680
		<u>7,932,708</u>	<u>7,107,469</u>
<b>Total liabilities</b>		<u><b>8,937,526</b></u>	<u><b>8,127,421</b></u>
<b>Contingency and commitments</b>	5		
<b>Total equity and liabilities</b>		<u><b>12,866,344</b></u>	<u><b>11,472,092</b></u>

The annexed notes 1 to 11 form an integral part of this condensed interim consolidated financial information.

Ehsan A. Malik  
Chairman & Chief Executive

Imran Husain  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Note	<u>Quarter ended</u>	
		<b>March 31, 2010</b>	March 31, 2009
		(Rupees in thousand)	
Sales	6	<b>10,254,847</b>	8,860,597
Cost of sales		<b>(7,088,394)</b>	(5,904,795)
Gross profit		<b>3,166,453</b>	2,955,802
Distribution costs		<b>(1,945,351)</b>	(1,715,391)
Administrative expenses		<b>(257,862)</b>	(266,856)
Other operating expenses		<b>(71,132)</b>	(80,657)
Other operating income		<b>53,411</b>	43,590
<b>Profit from operations</b>		<b>945,519</b>	936,488
Finance costs		<b>(45,638)</b>	(108,520)
<b>Profit before taxation</b>		<b>899,881</b>	827,968
Taxation		<b>(315,734)</b>	(266,284)
<b>Profit after taxation</b>		<b>584,147</b>	561,684
Earnings per share - basic and diluted (Rupees)		<b>43.94</b>	42.25

The annexed notes 1 to 11 form an integral part of this condensed interim consolidated financial information.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)**

	Note	March 31, 2010	March 31, 2009
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		<b>864,142</b>	1,750,352
Finance costs paid		<b>(19,142)</b>	(104,148)
Income tax paid		<b>(359,399)</b>	(256,157)
Retirement benefit obligations paid		<b>(5,714)</b>	(7,584)
Long term loans (net)		<b>8,536</b>	7,151
Long term deposits and prepayments (net)		<b>27,808</b>	41,595
Net cash from operating activities		<b>516,231</b>	1,431,209
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(51,876)</b>	(346,092)
Sale proceeds of property, plant and equipment on disposal		<b>2,028</b>	19,086
Return received on savings accounts and term deposits		<b>701</b>	4,743
Dividend received		<b>-</b>	12
Net cash used in investing activities		<b>(49,147)</b>	(322,251)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Liabilities against assets subject to finance leases (net)		<b>(8,005)</b>	(8,355)
Net cash used in financing activities		<b>(8,005)</b>	(8,355)
Net increase in cash and cash equivalents		<b>459,079</b>	1,100,603
Cash and cash equivalents at the beginning of the period		<b>(659,182)</b>	(3,002,514)
Cash and cash equivalents at the end of the period	7	<b><u>(200,103)</u></b>	<b><u>(1,901,911)</u></b>

The annexed notes 1 to 11 form an integral part of this condensed interim consolidated financial information.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Difference of capital under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
← (Rupees in thousand) →						
Balance as at January 1, 2009	669,477	70,929	321,471	1,183,243	1,575,643	2,245,120
Net profit for the quarter ended March 31, 2009	-	-	-	561,684	561,684	561,684
Trasferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	105	105	105
<b>Balance as at March 31, 2009</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>1,745,032</b>	<b>2,137,432</b>	<b>2,806,909</b>
<b>Balance as at January 1, 2010</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>2,269,829</b>	<b>2,662,229</b>	<b>3,331,706</b>
Net profit for the quarter ended March 31, 2010	-	-	-	584,147	584,147	584,147
Trasferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	162	162	162
<b>Balance as at March 31, 2010</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>2,854,138</b>	<b>3,246,538</b>	<b>3,916,015</b>

The annexed notes 1 to 11 form an integral part of this condensed interim consolidated financial information.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer



# UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2010 (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, 2009.

### 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - at net book value

Capital work in progress - at cost

Civil works

Plant and machinery

Audited  
March 31, December 31,  
2010 2009  
(Rupees in thousand)

4,494,857 4,563,048

**9,982** 12,147

**150,974** 161,424

**160,956** 173,571

**4,655,813** 4,736,619

#### 4.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2010 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	← (Rupees in thousand) →			
<b>Owned</b>				
Leasehold land	-	-	-	181
Building on leasehold land	1,646	597	-	-
Plant and machinery	43,444	14,080	1,830	-
Electrical, mechanical and office	19,256	13,896	-	37
Furniture and fittings	146	-	-	296
Motor vehicles	-	-	-	196
<b>Assets held under finance leases</b>				
Motor vehicles	-	3,952	-	670
	<b>64,492</b>	<b>32,525</b>	<b>1,830</b>	<b>1,380</b>

## 5. CONTINGENCY AND COMMITMENTS

### 5.1 CONTINGENCY

The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual financial statements has remained constant to Rs. 321.47 million as at March 31, 2010. There has been no change in its status from December 31, 2009.

### 5.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2010 amounted to Rs. 59.93 million (December 31, 2009: Rs. 36.66 million).

## 6. SEGMENT ANALYSIS

### 6.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
<b>For the quarter ended March 31, 2010</b>					
Turnover	<u>5,281,482</u>	<u>3,769,680</u>	<u>940,306</u>	<u>263,379</u>	<u>10,254,847</u>
Segment result	<u>804,878</u>	<u>155,668</u>	<u>(1,695)</u>	<u>4,399</u>	<u>963,250</u>
<b>For the quarter ended March 31, 2009</b>					
Turnover	<u>4,894,822</u>	<u>3,026,334</u>	<u>720,913</u>	<u>218,528</u>	<u>8,860,597</u>
Segment result	<u>700,957</u>	<u>282,921</u>	<u>(3,768)</u>	<u>(1,513)</u>	<u>978,597</u>

Reconciliation of segment results with profit after tax is as follows:

	<u>Quarter ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2010</u>	<u>2009</u>
	(Rupees in thousand)	
Total profit for reportable segments	<b>963,250</b>	978,597
Administrative expenses unallocated	<b>(10)</b>	(5,042)
Other operating expenses	<b>(71,132)</b>	(80,657)
Other operating income	<b>53,411</b>	43,590
Finance (cost) / income	<b>(45,638)</b>	(108,520)
Taxation	<b>(315,734)</b>	(266,284)
Profit after tax	<u><b>584,147</b></u>	<u>561,684</u>

**6.2 SEGMENT ASSETS**

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
<b>As at March 31, 2010</b>					
Total segment assets	<u>4,075,438</u>	<u>2,555,540</u>	<u>3,178,604</u>	<u>162,108</u>	<u>9,971,690</u>
<b>As at December 31, 2009 - Audited</b>					
Total segment assets	<u>3,840,917</u>	<u>2,136,525</u>	<u>3,017,197</u>	<u>127,856</u>	<u>9,122,495</u>

Segment assets consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and trade and other debts.

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	<b>March 31, 2010</b>	<b>Audited December 31, 2009</b>
	(Rupees in thousand)	
Total for reportable segments	<b>9,971,690</b>	9,122,495
Unallocated assets	<u>2,894,654</u>	<u>2,349,597</u>
Total as per balance sheet	<u><b>12,866,344</b></u>	<u>11,472,092</u>
	<b>March 31, 2010</b>	<b>March 31, 2009</b>
	(Rupees in thousand)	
<b>7. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>564,525</b>	236,841
Short term borrowings	<u>(764,628)</u>	<u>(2,138,752)</u>
	<u><b>(200,103)</b></u>	<u>(1,901,911)</u>

**8. RELATED PARTY TRANSACTIONS**

Significant related party transactions are:

		<b>March 31, 2010</b>	March 31, 2009
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<b>Relationship with the Group</b>	<b>Nature of transactions</b>	<b>(Rupees in thousand)</b>	
i. Ultimate parent company:	Royalty and technical services fee	<b>320,772</b>	255,483
ii. Other related parties:	Purchase of goods	<b>3,106,889</b>	541,872
	Sale of goods	<b>430</b>	67
	Fee for receiving of services from related parties	<b>10,044</b>	8,237
	Fee for providing of services to related parties	<b>30,143</b>	19,749
iii. Key management personnel:	Salaries and other short term employee benefits	<b>13,112</b>	14,506
	Post employment benefits	<b>1,967</b>	1,797
iv. Others:	Donations	<b>167</b>	2,243

**9. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES**

At the Board meeting on March 2, 2010, a final dividend of Rs. 137 per share amounting to a total dividend of Rs. 1,821 million was proposed and subsequently approved by the shareholders of the Group in the Annual General Meeting held on April 19, 2010. This condensed interim consolidated financial information does not reflect this dividend payable.

**10. 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.

**11. DATE OF ISSUE**

This condensed interim consolidated financial information has been authorised for issue on April 26, 2010 by the Board of Directors of the Group.

**Ehsan A. Malik**  
Chairman & Chief Executive

**Imran Husain**  
Director & Chief Financial Officer