

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.) Ltd.
State Life Building No. 1-A
I.I. Chundrigar Road
Karachi.

WEBSITE ADDRESS

www.unileverpakistan.com.pk

Unilever Pakistan Limited Directors' Review

The directors are pleased to present the financial statements for the nine months ended September 30, 2010.

	Nine months ended September 30	
	2010	2009
Net Sales (Rs'000)	33,009,192	28,508,781
Profit before taxation (Rs'000)	3,232,527	3,370,165
Profit after taxation (Rs'000)	2,135,755	2,292,248
Earnings per share (Rs)	160.66	172.43

The Company delivered a robust sales growth of 15.8% despite one of the biggest natural disasters in the history of Pakistan. Strong volume growth in HPC, Ice Cream and Spreads categories supported the broad based growth, whereas rampant smuggling of tea continued to affect the Beverages category. We continue to engage with the government for lower import duty and sales tax – with present high rates, the incentive to smuggle is high and the government is losing billions of Rupees in tax revenues. Legitimate importers are losing volume. In addition to smuggling of tea, rising input costs and further currency devaluation impacted gross margins. Our focus remained on enhancing consumer and customer value through superior products, attractive prices and sales terms by absorbing rising input costs. In this backdrop, earnings for the nine months are down by 6.8% also due to increased investment behind brands which led to gains in market leadership.

Home and Personal Care

HPC business delivered a sales growth of 12.1% on the back of strong volume delivery in all the key brands. Enhanced consumer value, continued innovations supported by increased advertising, offset by promotional effectiveness, helped counter the pressure on disposable incomes. Re-launch of Sunsilk, Lux, Lifebuoy Shampoo and Lifebuoy Soap along with Surf's 'one minute' campaign were well received by the market. We continued to strengthen our market leadership in Laundry, Hair and Personal Wash categories.

Beverages

Beverages volume declined sharply in the face of rampant smuggling through the misuse of the Afghanistan Transit Trade Agreement. Increase in raw tea prices and further devaluation of rupee continued to put pressure on the gross margins despite several price increases.

Ice Cream

Ice Cream segment registered a robust volume led growth of 31.5% as the Company maintained key consumer price points to enhance the consumer value. Impressive innovations including Cornetto double chocolate and Badami have been very well received and led the volume growth during the period.

Spreads

The Spreads business delivered a sales growth of 22.6% primarily driven by a strong volume growth as a result of improved visibility, penetration through direct consumer contact and promotional campaigns.

Future Outlook

Continued build up in the inflationary pressure from the rising commodity costs, smuggling of tea, volatility of raw tea prices, power short-fall and security environment remain the key challenges. Despite these challenges, the company continues to grow and strengthen its market leadership through strong innovations and by optimising investments behind brands. Diversified portfolio of strong brands and robust distribution network are the key factors for success.

On behalf of the Board

Karachi
October 28, 2010

Imran Husain
Director.

UNILEVER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2010

	Note	Unaudited September 30, 2010 (Rupees in thousand)	Audited December 31, 2009
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,757,158	4,736,619
Intangibles		463,923	357,556
Long term investments		95,202	95,202
Long term loans		89,902	98,117
Long term deposits and prepayments		28,324	392,896
Retirement benefits - prepayments		149,024	188,054
		<u>5,583,533</u>	<u>5,868,444</u>
Current assets			
Stores and spares		357,253	265,420
Stock in trade		4,356,093	3,649,070
Trade debts		626,864	506,357
Loans and advances		178,656	131,852
Trade deposits and short term prepayments		421,075	327,826
Other receivables		72,374	82,141
Tax refunds due from the Government		519,671	355,052
Cash and bank balances		724,552	239,553
		<u>7,256,538</u>	<u>5,557,271</u>
Total assets		<u><u>12,840,071</u></u>	<u><u>11,425,715</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,753,228	2,621,643
		<u>2,422,705</u>	<u>3,291,120</u>
Surplus on revaluation of fixed assets		12,482	12,965
Liabilities			
Non-current liabilities			
Liabilities against assets subject to finance leases		25,352	56,762
Deferred taxation		565,486	636,130
Retirement benefits obligations		369,224	327,060
		<u>960,062</u>	<u>1,019,952</u>
Current liabilities			
Trade and other payables		7,527,727	5,785,776
Accrued interest / mark up		36,128	28,892
Short term borrowings		233,003	1,037,911
Current maturity of liabilities against assets subject to finance leases		36,151	28,419
Dividend payable		1,183,154	-
Provisions		428,659	220,680
		<u>9,444,822</u>	<u>7,101,678</u>
Total liabilities		10,404,884	8,121,630
Contingencies and commitments	4		
Total equity and liabilities		<u><u>12,840,071</u></u>	<u><u>11,425,715</u></u>

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

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

The Chief Executive is currently out of Pakistan and in his absence, this condensed interim financial information has been signed by two directors, Mr. Imran Hussain and Mr. Amir R. Paracha, in accordance with the provisions of section 241 of the Companies Ordinance, 1984.

UNILEVER PAKISTAN LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

	Note	Quarter ended		Nine months ended	
		September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
← (Rupees in thousand) →					
Sales	5	11,505,384	10,528,435	33,009,192	28,508,781
Cost of sales		(7,548,045)	(6,685,219)	(22,240,186)	18,229,651
Gross profit		3,957,339	3,843,216	10,769,006	10,279,130
Distribution costs		(1,929,418)	(1,813,336)	(6,204,279)	(5,629,516)
Administrative expenses		(305,334)	(238,336)	(886,188)	(757,157)
Other operating expenses		(119,762)	(116,079)	(267,289)	(272,807)
Other operating income		24,081	16,540	97,722	128,660
		1,626,906	1,692,005	3,508,972	3,748,310
Restructuring cost		(40,000)	(10,900)	(90,000)	(10,900)
Profit from operations		1,586,906	1,681,105	3,418,972	3,737,410
Finance costs		(152,039)	(125,788)	(186,445)	(367,245)
Profit before taxation		1,434,867	1,555,317	3,232,527	3,370,165
Taxation		(486,348)	(489,651)	(1,096,772)	(1,077,917)
Profit after taxation		948,519	1,065,666	2,135,755	2,292,248
Earnings per share - (Rupees)		71.36	80.16	160.66	172.43

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

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

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UNILEVER PAKISTAN LIMITED**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

	Note	September 30, 2010	September 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	4,793,990	5,899,414
Retirement benefits obligations paid		(5,627)	(37,915)
Finance costs paid		(179,209)	(409,964)
Income tax paid		(1,332,035)	(857,357)
Decrease in long term loans		8,215	7,754
Decrease in long term deposits and prepayments		364,572	116,175
Net cash from operating activities		<u>3,649,906</u>	<u>4,718,107</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(431,619)	(755,547)
Payment for intangible asset		(108,800)	(87,496)
Sale proceeds of property, plant and equipment		24,167	52,121
Return received on savings accounts		1,430	676
Dividend received		-	12
Net cash used in investing activities		<u>(514,822)</u>	<u>(790,234)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in liabilities against assets subject to finance leases		(23,678)	(24,170)
Dividends paid		(1,821,499)	(749,711)
Net cash used in financing activities		<u>(1,845,177)</u>	<u>(773,881)</u>
Net increase in cash and cash equivalents		1,289,907	3,153,992
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	7	<u><u>491,549</u></u>	<u><u>28,258</u></u>

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Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

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UNILEVER PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)

	SHARE CAPITAL	R E S E R V E S			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Arising 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 nine months ended September 30, 2009	-	-	-	2,292,248	2,292,248	2,292,248
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2008						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 57 per share	-	-	-	(757,751)	(757,751)	(757,751)
For the year ended December 31, 2009						
- Interim dividend on ordinary shares @ Rs. 92 per share	-	-	-	(1,223,036)	(1,223,036)	(1,223,036)
Balance as at September 30, 2009	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,465,586</u>	<u>1,857,986</u>	<u>2,527,463</u>
Balance as at January 1, 2010	669,477	70,929	321,471	2,229,243	2,621,643	3,291,120
Net profit for the Nine months ended September 30, 2010	-	-	-	2,135,755	2,135,755	2,135,755
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2009						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 137 per share	-	-	-	(1,821,260)	(1,821,260)	(1,821,260)
For the year ending December 31, 2010						
- Interim dividend on ordinary shares @ Rs. 89 per share	-	-	-	(1,183,154)	(1,183,154)	(1,183,154)
Balance as at September 30, 2010	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,360,828</u>	<u>1,753,228</u>	<u>2,422,705</u>

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

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

The Chief Executive is currently out of Pakistan and in his absence, this condensed interim financial information has been signed by two directors, Mr. Imran Hussain and Mr. Amir R. Paracha, in accordance with the provisions of section 241 of the Companies Ordinance, 1984.

UNILEVER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)

1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Limited (the Company) for the nine months ended September 30, 2010 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, 2009.

3. PROPERTY, PLANT AND EQUIPMENT	Unaudited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Operating assets - at net book value	4,510,790	4,563,048
Capital work in progress - at cost		
Civil works	24,354	12,147
Plant and machinery	222,014	161,424
	246,368	173,571
	4,757,158	4,736,619

3.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees in thousand)			
Owned				
Leasehold land	-	-	-	181
Building on freehold land	7,422	22,807	-	-
Building on leasehold land	-	2,358	-	-
Plant and machinery	306,703	520,481	4,756	5,344
Electrical, mechanical and office equipment	42,974	97,154	-	82
Furniture and fittings	1,723	4,070	-	296
Motor vehicles	-	2,700	-	8,565
Assets held under finance leases				
Motor vehicles	-	3,952	179	1,218
	358,822	653,522	4,935	15,686

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

4.1.1 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 September 30, 2010. There has been no change in its status from December 31, 2009.

4.1.2 During the year ended December 31, 2009 the taxation officer passed amended assesment orders for tax years 2006 and 2007 by making certain disallowances. There has been no change in the status since December 31, 2009. Further, the taxation officer passed an amended assesment order for tax year 2009 during the nine months ended September 30, 2010 by making certain disallowances. The tax demand raised by the tax officer for these years aggregate to Rs. 421 million.

The management of the Company is of the view that the disallowances have been made erroneously and, therefore, the ultimate decision in appeal will be in Company's favour. No provision has, therefore, been made in this condensed interim financial information.

4.2 Commitments

The commitments for capital expenditure outstanding as at Septemer 30, 2010 amounted to Rs. 126.41 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) →				
For the quarter ended September 30, 2010					
Revenue	<u>6,625,359</u>	<u>2,853,108</u>	<u>1,738,235</u>	<u>288,682</u>	<u>11,505,384</u>
Segment results	<u>1,107,112</u>	<u>343,995</u>	<u>202,034</u>	<u>69,446</u>	<u>1,722,587</u>
For the quarter ended September 30, 2009					
Revenue	<u>6,077,568</u>	<u>2,912,697</u>	<u>1,309,731</u>	<u>228,439</u>	<u>10,528,435</u>
Segment results	<u>1,405,739</u>	<u>193,580</u>	<u>138,043</u>	<u>54,182</u>	<u>1,791,544</u>

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
For nine months ended September 30, 2010					
Revenue	<u>18,017,397</u>	<u>9,633,680</u>	<u>4,526,811</u>	<u>831,304</u>	<u>33,009,192</u>
Segment results	<u>2,686,808</u>	<u>533,859</u>	<u>396,078</u>	<u>61,794</u>	<u>3,678,539</u>
For nine months ended September 30, 2009					
Revenue	<u>16,064,420</u>	<u>8,320,048</u>	<u>3,443,508</u>	<u>680,805</u>	<u>28,508,781</u>
Segment results	<u>2,952,700</u>	<u>574,829</u>	<u>307,893</u>	<u>57,035</u>	<u>3,892,457</u>

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

	Quarter ended		Nine months ended	
	September	September	September	September
	2010	2009	2010	2009
	← (Rupees in thousand) →			
Total results for reportable segments	<u>1,722,587</u>	1,791,544	<u>3,678,539</u>	3,892,457
Other operating expenses	<u>(119,762)</u>	(116,079)	<u>(267,289)</u>	(272,807)
Other operating income	<u>24,081</u>	16,540	<u>97,722</u>	128,660
Restructuring costs	<u>(40,000)</u>	(10,900)	<u>(90,000)</u>	(10,900)
Finance costs	<u>(152,039)</u>	(125,788)	<u>(186,445)</u>	(367,245)
Taxation	<u>(486,348)</u>	(489,651)	<u>(1,096,772)</u>	(1,077,917)
Profit after tax	<u>948,519</u>	1,065,666	<u>2,135,755</u>	2,292,248

5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at September 30, 2010					
Segment assets	<u>4,333,483</u>	<u>2,173,881</u>	<u>3,414,356</u>	<u>123,848</u>	<u>10,045,568</u>
As at December 31, 2009 - Audited					
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>

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

	September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Total for reportable segments	10,045,568	9,122,495
Unallocated assets	<u>2,794,503</u>	<u>2,303,220</u>
Total as per balance sheet	<u><u>12,840,071</u></u>	<u><u>11,425,715</u></u>
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,232,527	3,370,165
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	406,145	419,154
Amortisation of software	2,433	3,650
Gain on disposal of property, plant and equipment	(19,232)	(23,380)
Dividend income	-	(12)
Finance cost	186,445	125,788
Provision for staff retirement benefits	86,821	134,628
Return on savings accounts	(1,430)	(676)
	<u>661,182</u>	<u>659,152</u>
Profit before working capital changes	<u>3,893,709</u>	<u>4,029,317</u>
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores and spares	(91,833)	(19,989)
Stock in trade	(707,023)	107,544
Trade debts	(120,507)	(294,198)
Loans and advances	(46,804)	(22,470)
Trade deposits and short term prepayments	(93,249)	46,985
Other receivables	9,767	164,982
	<u>(1,049,649)</u>	<u>(17,146)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	1,741,951	2,083,796
Provisions	207,979	(196,552)
	<u>1,949,930</u>	<u>1,887,244</u>
Cash generated from operations	<u><u>4,793,990</u></u>	<u><u>5,899,414</u></u>

	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
7. CASH AND CASH EQUIVALENTS		
Cash and bank balances	724,552	92,162
Short term borrowings	(233,003)	(63,904)
	<u>491,549</u>	<u>28,258</u>

8. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the Company	Nature of transactions	September 30, 2010	September 30, 2009
		(Rupees in thousand)	
i. Ultimate parent company:	Royalty and technical services fee	1,178,547	970,847
ii. Other related parties:	Purchase of goods	6,706,714	5,617,615
	Reimbursement of expenses to related party	38,777	31,977
	Fee for receiving of services from related party	1,100	-
	Payment to related party for intangible asset	108,800	87,496
	Sale of goods	1,709	67
	Recovery of expenses from related party	85,424	74,737
	Fee for providing of services to related parties	11,661	9,983
	Purchase of operating assets	-	35,763
iii. Key management personnel:	Salaries and other short-term employee benefits	62,874	68,786
	Post-employment benefits	5,924	8,724
iv. Others:	Donations	2,307	5,622

9. 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 (DFL). The management is of the view that the agreement between the Company and DFL is not in the violation of Monopolies and Restrictive Trade Practices Ordinance 1970. The Company filed an appeal in the High Court of Sindh and the operation of MCA's order was stayed. At present, the appeal is pending for hearing.

10. CORRESPONDING FIGURE

- Corresponding figure of balance sheet under the head Trade deposits and short term prepayments of Rs. 355 million has been reclassified to Intangible assets.
- Cash flow statement has been presented using indirect method as against the direct method in the prior period to align it with the annual financial statements for the year ended December 31, 2009.

There have been no other significant reclassifications made in the condensed interim financial information for the nine months ended September 30, 2010.

11. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on October 28, 2010 by the Board of Directors of the Company.

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

The Chief Executive is currently out of Pakistan and in his absence, this condensed interim financial information has been signed by two directors, Mr. Imran Hussain and Mr. Amir R. Paracha, in accordance with the provisions of section 241 of the Companies Ordinance, 1984.

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010**

**Unilever Pakistan Limited and
Its Subsidiary Companies**

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2010

	Note	Unaudited September 30, 2010 (Rupees in thousand)	Audited December 31, 2009
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,757,158	4,736,619
Intangibles		463,923	357,556
Long term investments		200	200
Long term loans		89,902	98,117
Long term deposits and prepayments		28,324	392,896
Retirement benefits - prepayments		149,024	188,054
		<u>5,488,531</u>	<u>5,773,442</u>
Current assets			
Stores and spares		357,253	265,420
Stock in trade		4,356,093	3,649,070
Trade debts		626,864	506,357
Loans and advances		178,656	131,852
Accrued interest / markup		-	97
Trade deposits and short term prepayments		421,075	327,826
Other receivables		77,825	82,143
Tax refunds due from the Government		519,671	355,052
Investments - held to maturity		38,885	102,189
Cash and bank balances		827,459	278,644
		<u>7,403,781</u>	<u>5,698,650</u>
Total assets		<u><u>12,892,312</u></u>	<u><u>11,472,092</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,801,528	2,662,229
		<u>2,471,005</u>	<u>3,331,706</u>
Surplus on revaluation of fixed assets		12,482	12,965
Liabilities			
Non-current liabilities			
Liabilities against assets subject to finance leases		25,352	56,762
Deferred taxation		565,486	636,130
Retirement benefits obligations		369,225	327,060
		<u>960,063</u>	<u>1,019,952</u>
Current liabilities			
Trade and other payables		7,529,340	5,787,366
Taxation - provision less payments		2,316	4,201
Accrued interest / mark up		36,139	28,892
Short term borrowings		233,003	1,037,911
Current maturity of liabilities against assets subject to finance leases		36,151	28,419
Dividend payable		1,183,154	
Provisions		428,659	220,680
		<u>9,448,762</u>	<u>7,107,469</u>
Total liabilities		10,408,825	8,127,421
Contingencies and commitments	5		
Total equity and liabilities		<u><u>12,892,312</u></u>	<u><u>11,472,092</u></u>

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

The Chief Executive is currently out of Pakistan and in his absence, this condensed interim consolidated financial information has been signed by two directors, Mr. Imran Hussain and Mr. Amir R. Paracha, in accordance with the provisions of section 241 of the Companies Ordinance, 1984.

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

	Note	Quarter ended		Nine months ended	
		September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
← (Rupees in thousand) →					
Sales	6	11,505,384	10,528,435	33,009,192	28,508,781
Cost of sales		(7,548,045)	(6,685,219)	(22,240,186)	(18,229,651)
Gross profit		3,957,339	3,843,216	10,769,006	10,279,130
Distribution costs		(1,929,418)	(1,813,336)	(6,204,279)	(5,629,516)
Administrative expenses		(305,349)	(238,346)	(886,223)	(757,187)
Other operating expenses		(119,762)	(116,079)	(267,289)	(272,807)
Other operating income		28,101	20,977	109,656	142,421
		1,630,911	1,696,432	3,520,871	3,762,041
Restructuring cost		(40,000)	(10,900)	(90,000)	(10,900)
Profit from operations		1,590,911	1,685,532	3,430,871	3,751,141
Finance costs		(152,040)	(125,789)	(186,476)	(367,246)
Profit before taxation		1,438,871	1,559,743	3,244,395	3,383,895
Taxation		(487,750)	(491,200)	(1,100,926)	(1,082,722)
Profit after taxation		951,121	1,068,543	2,143,469	2,301,173
Earnings per share - (Rupees)		71.55	80.38	161.24	173.10

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Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

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UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

	Note	September 30, 2010	September 30, 2009
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	4,788,530	5,899,241
Retirement benefits obligations paid		(5,627)	(37,915)
Finance costs paid		(179,229)	(409,965)
Income tax paid		(1,338,074)	(858,888)
Decrease in long term loans		8,215	7,754
Decrease in long term deposits and prepayments		364,572	116,175
Net cash from operating activities		3,638,387	4,716,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(431,619)	(755,547)
Payment for intangible asset		(108,800)	(87,496)
Sale proceeds of property, plant and equipment		24,167	52,121
Return received on savings accounts		10,317	15,986
Encashment of treasury bills		105,334	-
Investment in treasury bills		(38,885)	-
Dividend received		-	12
Net cash used in investing activities		(439,486)	(774,924)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in liabilities against assets subject to finance leases		(23,678)	(24,170)
Dividends paid		(1,821,500)	(749,711)
Net cash used in financing activities		(1,845,178)	(773,881)
Net increase in cash and cash equivalents		1,353,723	3,167,597
Cash and cash equivalents at the beginning of the year		(759,267)	(3,002,514)
Cash and cash equivalents at the end of the year	8	594,456	165,083

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Director & Chief Financial Officer

Amir R. Paracha
Director

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UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Arising 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 nine months ended September 30, 2009	-	-	-	2,301,173	2,301,173	2,301,173
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2008						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 57 per share	-	-	-	(757,751)	(757,751)	(757,751)
For the year ended December 31, 2009						
- Interim dividend on ordinary shares @ Rs. 92 per share				(1,223,036)	(1,223,036)	(1,223,036)
Balance as at September 30, 2009	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,503,873</u>	<u>1,896,273</u>	<u>2,565,750</u>
Balance as at January 1, 2010	669,477	70,929	321,471	2,269,829	2,662,229	3,331,706
Net profit for the nine months ended September 30, 2009	-	-	-	2,143,469	2,143,469	2,143,469
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2009						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 137 per share	-	-	-	(1,821,260)	(1,821,260)	(1,821,260)
For the year ending December 31, 2010						
- Interim dividend on ordinary shares @ Rs. 89 per share				(1,183,154)	(1,183,154)	(1,183,154)
Balance as at September 30, 2010	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,409,128</u>	<u>1,801,528</u>	<u>2,471,005</u>

The annexed notes 1 to 12 form an integral part of this condensed interim consolidated financial information.

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

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UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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.

2. BASIS OF PREPARATION

This condensed interim consolidated financial information 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. where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2009.

	Unaudited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - at net book value	4,510,790	4,563,048
Capital work in progress - at cost		
Civil works	24,354	12,147
Plant and machinery	222,014	161,424
	246,368	173,571
	4,757,158	4,736,619

4.1 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees in thousand)			
Owned				
Leasehold land	-	-	-	181
Building on freehold land	7,422	22,807	-	-
Building on leasehold land	-	2,358	-	-
Plant and machinery	306,703	520,481	4,756	5,344
Electrical, mechanical and office equipment	42,974	97,154	-	82
Furniture and fittings	1,723	4,070	-	296
Motor vehicles	-	2,700	-	8,565
Assets held under finance leases				
Motor vehicles	-	3,952	179	1,218
	358,822	653,522	4,935	15,686

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual consolidated financial statements has remained constant to Rs. 321.47 million as at September 30, 2010. There has been no change in its status from December 31, 2009.

5.1.2 During the year ended December 31, 2009 the taxation officer passed amended assesment orders for tax years 2006 and 2007 by making certain disallowances. There has been no change in the status since December 31, 2009. Further, the taxation officer passed an amended assesment order for tax year 2009 during the nine months ended September 30, 2010 by making certain disallowances. The tax demand raised by the tax officer for these years aggregate to Rs. 421 million.

5.2 The management of the Company is of the view that the disallowances have been made erroneously and, therefore, the ultimate decision in appeal will be in Company's favour. No provision has, therefore, been made in this condensed interim consolidated financial information.

Commitments

The commitments for capital expenditure outstanding as at September 30, 2010 amounted to Rs. 126.41 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) →				
For the quarter ended September 30, 2010					
Revenue	<u>6,625,359</u>	<u>2,853,108</u>	<u>1,738,235</u>	<u>288,682</u>	<u>11,505,384</u>
Segment results	<u>1,107,113</u>	<u>343,985</u>	<u>202,029</u>	<u>69,445</u>	<u>1,722,572</u>
For the quarter ended September 30, 2009					
Revenue	<u>6,077,568</u>	<u>2,912,697</u>	<u>1,309,731</u>	<u>228,439</u>	<u>10,528,435</u>
Segment results	<u>1,405,732</u>	<u>193,578</u>	<u>138,042</u>	<u>54,182</u>	<u>1,791,534</u>

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
For nine months ended September 30, 2010					
Revenue	<u>18,017,397</u>	<u>9,633,680</u>	<u>4,526,811</u>	<u>831,304</u>	<u>33,009,192</u>
Segment results	<u>2,686,789</u>	<u>533,849</u>	<u>396,073</u>	<u>61,793</u>	<u>3,678,504</u>
For nine months ended September 30, 2009					
Revenue	<u>16,064,420</u>	<u>8,320,048</u>	<u>3,443,508</u>	<u>680,805</u>	<u>28,508,781</u>
Segment results	<u>2,952,683</u>	<u>574,820</u>	<u>307,889</u>	<u>57,035</u>	<u>3,892,427</u>

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

	Quarter ended		Nine months ended	
	September	September	September	September
	2010	2009	2010	2009
	← (Rupees in thousand) →			
Total results for reportable segments	<u>1,722,572</u>	1,791,534	<u>3,678,504</u>	3,892,427
Other operating expenses	<u>(119,762)</u>	(116,079)	<u>(267,289)</u>	(272,807)
Other operating income	<u>28,101</u>	20,977	<u>109,656</u>	142,421
Restructuring costs	<u>(40,000)</u>	(10,900)	<u>(90,000)</u>	(10,900)
Finance costs	<u>(152,040)</u>	(125,789)	<u>(186,476)</u>	(367,246)
Taxation	<u>(487,750)</u>	(491,200)	<u>(1,100,926)</u>	(1,082,722)
Profit after tax	<u>951,121</u>	<u>1,068,543</u>	<u>2,143,469</u>	<u>2,301,173</u>

6.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at September 30, 2010					
Segment assets	<u>4,333,483</u>	<u>2,173,881</u>	<u>3,414,356</u>	<u>123,848</u>	<u>10,045,568</u>
As at December 31, 2009 - Audited					
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>

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

	September 30, 2010 (Rupees in thousand)	Audited December 31, 2009
Total for reportable segments	10,045,568	9,122,495
Unallocated assets	2,846,744	2,349,597
Total as per balance sheet	<u>12,892,312</u>	<u>11,472,092</u>
	September 30, 2010 (Rupees in thousand)	September 30, 2009
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,244,395	3,383,895
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	406,145	419,154
Amortisation of software	2,433	3,650
Gain on disposal of property, plant and equipment	(19,232)	(23,380)
Dividend income		(12)
Finance cost	174,543	125,789
Provision for staff retirement benefits	86,821	134,628
Return on savings accounts	(1,430)	(14,437)
	<u>649,280</u>	<u>645,392</u>
Profit before working capital changes	3,893,675	4,029,287
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores and spares	(91,833)	(19,989)
Stock in trade	(707,023)	107,544
Trade debts	(120,507)	(294,198)
Loans and advances	(46,804)	(22,470)
Trade deposits and short term prepayments	(93,249)	46,985
Other receivables	4,318	164,910
	<u>(1,055,098)</u>	<u>(17,218)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	1,741,974	2,083,724
Provisions	207,979	(196,552)
	<u>1,949,953</u>	<u>1,887,172</u>
Cash generated from operations	<u>4,788,530</u>	<u>5,899,241</u>

	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	827,459	228,987
Short term borrowings	(233,003)	(63,904)
	<u>594,456</u>	<u>165,083</u>

9. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the Company	Nature of transactions	September 30, 2010	September 30, 2009
		(Rupees in thousand)	
i. Ultimate parent company:	Royalty and technical services fee	1,178,547	970,847
ii. Other related parties:	Purchase of goods	6,706,714	5,617,615
	Reimbursement of expenses to related party	38,777	31,977
	Fee for receiving of services from related party	1,100	-
	Payment to related party for intangible asset	108,800	87,496
	Sale of goods	1,709	67
	Recovery of expenses from related party	85,424	74,737
	Fee for providing of services to related parties	11,661	9,983
	Purchase of operating asset	-	35,763
iii. Key management personnel:	Salaries and other short-term employee benefits	62,874	68,786
	Post-employment benefit	5,924	8,724
iv. Others:	Donations	2,307	5,622

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 (DFL). The management is of the view that the agreement between the Group and DFL is not in the violation of Monopolies and Restrictive Trade Practices Ordinance 1970. The Group filed an appeal in the High Court of Sindh and the operation of MCA's order was stayed. At present, the appeal is pending for hearing.

11. CORRESPONDING FIGURE

- Corresponding figure of balance sheet under the head Trade deposits and short term prepayments of Rs. 355 million has been reclassified to Intangible assets.
- Cash flow statement has been presented using indirect method as against the direct method in the prior period to align it with the annual consolidated financial statements for the year ended December 31, 2009.

There have been no other significant reclassifications made in the condensed interim consolidated financial information for the nine months ended September 30, 2010.

12. DATE OF ISSUE

This condensed interim consolidated financial information has been authorised for issue on October 28, 2010 by the Board of Directors of the Group.

Imran Husain
Director & Chief Financial Officer

Amir R. Paracha
Director

The Chief Executive is currently out of Pakistan and in his absence, this condensed interim consolidated financial information has been signed by two directors, Mr. Imran Hussain and Mr. Amir R. Paracha, in accordance with the provisions of section 241 of the Companies Ordinance, 1984.