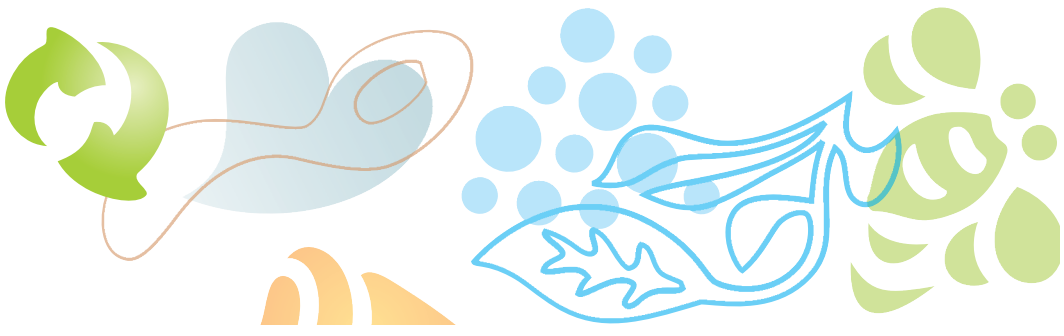




Unilever

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009**



**UNILEVER PAKISTAN FOODS LIMITED  
COMPANY INFORMATION**

**Board of Directors**

Ehsan Ali Malik	Chairman
Fariyha Subhani	Chief Executive
Abdul Rab	Director & CFO
Mian Zulfikar H. Mannoo	Director
Mian M. Adil Mannoo	Director
Kamal Mannoo	Director
Badaruddin F. Vellani	Director
Imran Husain	Director
Mohammad Qayser Alam	Director
Syed Noeman Shirazi	Director

**Company Secretary**

Amar Naseer

**Audit Committee**

Imran Husain	Chairman
Mohammad Qayser Alam	Member
Mian Zulfikar H. Mannoo	Member
Imtiaz Jaleel	Secretary & Head of Internal Audit

**Auditors**

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

**Head Office / Registered Office**

Avari Plaza  
Fatima Jinnah Road,  
Karachi.  
Tel: 021 - 35660062  
Fax: 021 - 35674971  
021 - 35674968

**Factory**

52-KM, Multan Road,  
Pernawan Bhai Pheru, Distt.Kasur  
Tel: 049 - 4510376-79  
Fax: 049 - 4513377

**Share Registration Office**

M/s Famco Associates (Pvt) Ltd  
State Life building No.1-A  
I.I Chundrigar Road, Karachi

**Web Site Address**

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

# Unilever Pakistan Foods Limited

## Directors' Review

The directors are pleased to present the financial statements for the nine months ended September 30, 2009.

<b>Financial Results</b>	<b>Nine Months Ended September 30</b>	
	<b>2009</b>	<b>2008</b>
Net Sales (Rs.000)	<b>2,688,257</b>	2,507,967
Profit before taxation (Rs.000)	<b>273,275</b>	479,934
Profit after taxation(Rs.000)	<b>182,707</b>	310,463
Earnings per share (Rs)	<b>29.67</b>	50.42

The company delivered a sales growth of 7% during the period under review driven mainly by price growth to offset the increasing input cost. Knorr remained the growth driver, leading the way through noodles and Pakistani Meal-Makers.

Sharp increase in prices of key raw materials has led to a 2.5% decline in gross margins over last year. The company continued its strategy of building categories for future. Major marketing investment was directed towards establishment of the meal-maker category.

### Future Outlook

The prevailing security situation has added to economic uncertainty. The Rupee has further lost strength over the past few months and this combined with increasing inflation is putting pressure on consumer off-take of discretionary food categories. To meet the above challenges our priority is to build strong brands that deliver exceptional value to consumers, customers and shareholders.

On behalf of the Board

Karachi.  
22 October 2009.

**Fariha Subhani**  
Chief Executive

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2009

	Unaudited September 30, 2009	Audited December 31, 2008
Note	← (Rupees in thousand) →	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 283,262	307,707
Intangibles	181,145	181,145
Long term loans	2,885	4,836
Long term prepayment	3,707	5,488
	<u>470,999</u>	<u>499,176</u>
<b>Current assets</b>		
Stores and spares	14,088	13,804
Stock in trade	348,681	352,394
Trade debts	63,613	49,976
Loans and advances	20,902	18,897
Trade deposits and short term prepayments	16,970	34,132
Other receivables	22,732	2,519
Taxation - payments less provision	30,044	36,693
Cash and bank balances	91,681	8,022
	<u>608,711</u>	<u>516,437</u>
<b>Total assets</b>	<u><u>1,079,710</u></u>	<u><u>1,015,613</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	61,576	61,576
Reserves	212,995	239,647
	<u>274,571</u>	<u>301,223</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefits - obligation	13,008	4,889
Deferred taxation	27,462	37,190
<b>Current liabilities</b>		
Trade and other payables	553,129	415,673
Provision	6,524	-
Accrued interest / mark up	1,260	7,318
Sales tax payable	7,560	6,729
Dividend payable	123,152	-
Short term borrowings	73,044	242,591
	<u>764,669</u>	<u>672,311</u>
<b>Total liabilities</b>	<u>805,139</u>	<u>714,390</u>
<b>Commitments</b>	4	
<b>Total equity and liabilities</b>	<u><u>1,079,710</u></u>	<u><u>1,015,613</u></u>

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Abdul Rab**  
Director & CFO

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 (UNAUDITED)

	Quarter ended		Nine months ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	(Rupees in thousand)			
Sales	879,312	823,582	2,688,257	2,507,967
Cost of sales	(564,863)	(517,714)	(1,677,840)	(1,502,531)
Gross profit	314,449	305,868	1,010,417	1,005,436
Distribution costs	(195,800)	(120,066)	(634,939)	(451,149)
Administrative expenses	(9,776)	(11,200)	(26,782)	(31,561)
Other operating expenses	(5,801)	(14,669)	(21,356)	(41,094)
Other operating income	11,288	9,118	21,103	15,477
Restructuring costs - staff redundancy	(27,150)	-	(51,150)	-
Profit from operations	87,210	169,051	297,293	497,109
Finance costs	(1,523)	(1,058)	(24,018)	(17,175)
Profit before taxation	85,687	167,993	273,275	479,934
Taxation				
- current	(25,444)	(51,620)	(100,296)	(144,500)
- deferred	(1,992)	(9,998)	9,728	(24,971)
	(27,436)	(61,618)	(90,568)	(169,471)
Profit after taxation	58,251	106,375	182,707	310,463
Earnings per share - Rupees	9.46	17.28	29.67	50.42

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Abdul Rab**  
Director & CFO

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 (UNAUDITED)

Note	September 30, 2009 (Rupees in thousand)	September 30, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	<b>459,976</b>	621,500
Finance costs paid	<b>(30,076)</b>	(20,184)
Income tax paid	<b>(93,647)</b>	(74,509)
Decrease in Long term loans	<b>1,951</b>	115
Decrease in Long term prepayments	<b>1,781</b>	1,972
Net cash from operating activities	<b>339,985</b>	528,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment purchased	<b>(6,960)</b>	(94,366)
Proceeds on sale of property, plant and equipment	<b>5,178</b>	8,275
Return received on savings accounts	<b>93</b>	170
Net cash used in investing activities	<b>(1,689)</b>	(85,921)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	<b>(85,090)</b>	(246,317)
Net increase in cash and cash equivalents	<b>253,206</b>	196,656
Cash and cash equivalents at the beginning of the period	<b>(234,569)</b>	(346,216)
Cash and cash equivalents at the end of the period	<b>5 18,637</b>	<b>(149,560)</b>

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Abdul Rab**  
Director & CFO

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 (UNAUDITED)

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium	Special	General	Unappropriated Profit		
	← (Rupees in thousand) →						
Balance as at January 1, 2008	61,576	24,630	628	138	112,010	137,406	198,982
Net profit after taxation for the nine months ended September 30, 2008	-	-	-	-	310,463	310,463	310,463
Final dividend for the year ended December 31, 2007 @ Rs 18 per share	-	-	-	-	(110,837)	(110,837)	(110,837)
Interim dividend for the year ended December 31, 2008 @ Rs 22 per share	-	-	-	-	(135,468)	(135,468)	(135,468)
Balance as at September 30, 2008	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>176,168</u>	<u>201,564</u>	<u>263,140</u>
Balance as at January 1, 2009	61,576	24,630	628	138	214,251	239,647	301,223
Net profit after taxation for the nine months ended September 30, 2009	-	-	-	-	182,707	182,707	182,707
Final dividend for the year ended December 31, 2008 @ Rs 14 per share	-	-	-	-	(86,207)	(86,207)	(86,207)
Interim dividend for the year ending December 31, 2009 @ Rs 20 per share	-	-	-	-	(123,152)	(123,152)	(123,152)
Balance as at September 30, 2009	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>187,599</u>	<u>212,995</u>	<u>274,571</u>

The annexed notes 1 to 8 form an integral part of this condensed interim financial information.

**Fariyha Subhani**  
Chief Executive

**Abdul Rab**  
Director & CFO

# UNILEVER PAKISTAN FOODS LIMITED

## SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009 (UNAUDITED)

### BASIS OF PREPARATION

1. This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges.

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.

### 2. PROPERTY, PLANT AND EQUIPMENT

	<b>Unaudited September 30, 2009</b>	Audited December 31, 2008
	(Rupees in thousand)	
Operating assets - at net book value	<b>278,440</b>	296,030
Capital work in progress - at cost	<b>4,822</b>	11,677
	<b><u>283,262</u></b>	<b><u>307,707</u></b>

#### 2.1 Details of additions and disposals to operating assets are:

	<b>Additions (at cost)</b>		<b>Disposals (at net book value)</b>	
	<b>September 30, 2009</b>	September 30, 2008	<b>September 30, 2009</b>	September 30, 2008
	← (Rupees in thousand) →			
Building on freehold land	-	32,279	-	-
Plant and machinery	<b>5,795</b>	119,192	-	556
Electrical, mechanical and office equipment	<b>6,751</b>	14,919	-	-
Furniture and fittings	-	72	-	-
Motor vehicles	<b>1,269</b>	11,702	<b>2,013</b>	893
	<b><u>13,815</u></b>	<u>178,164</u>	<b><u>2,013</u></b>	<u>1,449</u>

### 3. PROVISION

During the period, the Company made a provision for restructuring amounting to Rs 51.15 million out of which a sum of Rs 44.65 million has been paid to staff.

### 4. COMMITMENT

Commitments for capital expenditure outstanding as at September 30, 2009 amounted to Rs 6.79 million (December 31, 2008: Rs 5.86 million)

### 5. CASH AND CASH EQUIVALENTS

	<b>September 30, 2009</b>	September 30, 2008
	(Rupees in thousand)	
Cash and bank balances	<b>91,681</b>	28,022
Short term borrowings	<b>(73,044)</b>	(177,582)
	<b><u>18,637</u></b>	<u>(149,560)</u>



**September**    September  
**30, 2009**    30, 2008  
(Rupees in thousand)

**6. RELATED PARTY TRANSACTIONS**

<b>Relationship with the company</b>	<b>Nature of transactions</b>		
Holding and Associated companies	Technical fee	<b>12,821</b>	-
	Royalty	<b>19,008</b>	-
	Purchase of goods	<b>643,447</b>	638,278
	Purchase of services	<b>84,845</b>	65,453
	Sale of goods	<b>19,545</b>	23,121
	Sale of services	<b>31,315</b>	20,801
	Purchase of property, plant and equipment	-	19,053
Key management personnel	Salaries and other short-term employee benefits	<b>5,189</b>	3,133

**7. CORRESPONDING FIGURES**

Prior period's figures have been reclassified for the purpose of better presentation and comparison. Changes made during the year are as follows:

<b>Reclassification from component</b>	<b>Reclassification to component</b>	<b>Quarter ended September 30, 2009</b>	<b>Nine months ended</b>
Cost of sales	Distribution costs	8,721	37,304
Cost of sales	Administrative expenses	4,754	1,462

**8. DATE OF AUTHORISATION**

This financial information was authorised for issue on October 22, 2009 by the Board of Directors of the Company.

**Fariyha Subhani**  
Chief Executive

**Abdul Rab**  
Director & CFO