



Unilever

UNILEVER PAKISTAN FOODS LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED MARCH 31, 2011**



UNILEVER PAKISTAN FOODS LIMITED

COMPANY INFORMATION

Board of Directors

Mr. Ehsan A. Malik	Chairman
Ms. Fariyha Subhani	Chief Executive
Mr. Imran Husain	Director / CFO
Mian Zulfikar H. Mannoo	Director
Mian M. Adil Mannoo	Director
Mr. Kamal Monnoo	Director
Mr. Badaruddin F. Vellani	Director
Mr. M. Qaysar Alam	Director
Ms. Shazia Syed	Director

Company Secretary

Mr. Amar Naseer

Audit Committee

Mian Zulfikar H. Mannoo	Chairman
Mian M. Adil Mannoo	Member
Mr. M. Qaysar Alam	Member
Mr. Imtiaz Jaleel	Secretary & Head of Internal Audit

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
www.unileverpakistanfoods.com.pk

UNILEVER PAKISTAN FOODS LIMITED

Directors' Review

The directors are pleased to present the financial statements for the first quarter ended March 31, 2011. On the back of 19% growth in sales, the company delivered 48% higher earnings per share. Impact of higher input costs was mitigated by selective price increases.

Financial Results

	Quarter Ended March 31		
	2011	2010	Increase %
Net Sales (Rs. '000)	1,130,253	949,311	19%
Profit before Taxation (Rs. '000)	224,162	151,311	48%
Profit after Taxation (Rs. '000)	145,047	97,861	48%
Earnings per Share (Rs.)	23.55	15.89	48%

Knorr continued its growth momentum backed by the successful launch of Soupy Noodles. Rafhan grew by 20% with strong performances from the corn oil and desserts portfolio.

Future Outlook

Inflation and security conditions remain challenging and margins are under pressure. Consumer relevant innovation, strong brands and improved execution provide us the basis of delivering value to stakeholders.

On behalf of the Board

Fariyha Subhani
Chief Executive

Karachi
April 27, 2011

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Unaudited March 31	Audited December 31
Note	2011	2010
	(Rupees in thousand)	
ASSETS		
Non-current assets		
Property, plant and equipment	2 307,112	300,726
Intangibles	81,637	81,637
Long term loans	1,862	2,157
Long term prepayment	11,205	128
	<u>401,816</u>	<u>384,648</u>
Current assets		
Stores and spares	19,303	17,458
Stock in trade	509,265	358,094
Trade debts	100,877	96,606
Loans and advances	18,771	14,709
Trade deposits and short term prepayments	29,230	20,230
Other receivables	5,257	9,638
Taxation - payments less provision	92,358	107,654
Cash and bank balances	188,821	80,436
	<u>963,882</u>	<u>704,825</u>
Total assets	<u>1,365,698</u>	<u>1,089,473</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	61,576	61,576
Reserves	266,192	342,819
	<u>327,768</u>	<u>404,395</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits - obligation	13,569	8,939
Deferred taxation	34,831	29,243
Current liabilities		
Trade and other payables	656,984	433,047
Provision	5,460	10,000
Accrued interest / mark-up	863	2,020
Sales tax payable	30,444	31,625
Dividend payable	221,674	-
Short term borrowings	74,105	170,204
	<u>989,530</u>	<u>646,896</u>
Total liabilities	<u>1,037,930</u>	<u>685,078</u>
Commitments	4	
Total equity and liabilities	<u>1,365,698</u>	<u>1,089,473</u>

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Imran Husain
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2011 - UNAUDITED**

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Sales	1,130,253	949,311
Cost of sales	(669,974)	(586,364)
Gross profit	460,279	362,947
Distribution costs	(190,651)	(190,022)
Administrative expenses	(36,837)	(9,579)
Other operating expenses	(16,889)	(12,431)
Other operating income	15,546	3,428
Restructuring costs - staff redundancy	(5,000)	-
Profit from operations	226,448	154,343
Finance costs	(2,286)	(3,032)
Profit before taxation	224,162	151,311
Taxation	(79,115)	(53,450)
Profit after taxation	145,047	97,861
Earnings per share - Rupees	23.55	15.89

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Imran Husain
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2011 - UNAUDITED**

	Note	March 31, 2011 (Rupees in thousand)	March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		292,663	65,591
Finance costs paid		(3,443)	(3,965)
Income tax paid		(58,231)	(28,770)
Decrease in Long term loans		295	853
(Increase) / Decrease in Long term prepayments		(11,077)	355
Net cash from operating activities		220,207	34,064
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(17,809)	(13,106)
Sale proceeds of property, plant and equipment		2,076	-
Return received on savings accounts		10	8
Net cash used in investing activities		(15,723)	(13,098)
Net increase in cash and cash equivalents		204,484	20,966
Cash and cash equivalents at the beginning of the period		(89,768)	(108,079)
Cash and cash equivalents at the end of the period	5	114,716	(87,113)

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Imran Husain
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2011 - UNAUDITED**

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium (Rupees in thousand)	Special	General	Unappropriated Profit		
		(Rupees in thousand)					
Balance as at January 1, 2010	61,576	24,630	628	138	181,684	207,080	268,656
Net profit after taxation for the quarter ended March 31, 2010	-	-	-	-	97,861	97,861	97,861
Balance as at March 31, 2010	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>279,545</u>	<u>304,941</u>	<u>366,517</u>
Balance as at January 1, 2011	61,576	24,630	628	138	317,423	342,819	404,395
Final Dividend for the year ended December 31, 2010 @ Rs. 36 per share	-	-	-	-	(221,674)	(221,674)	(221,674)
Net profit after taxation for the quarter ended March 31, 2011	-	-	-	-	145,047	145,047	145,047
Balance as at March 31, 2011	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>240,796</u>	<u>266,192</u>	<u>327,768</u>

The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Imran Husain
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED

SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2011 - UNAUDITED

1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Foods Limited (the Company) for quarter ended March 31, 2011 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of the 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. This condensed interim financial information is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi and Lahore Stock Exchanges.

The accounting policies and 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 of the Company for the year ended December 31, 2010.

2. PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2011 (Rupees in thousand)	Audited December 31, 2010
Operating assets - at net book value	293,942	297,151
Capital work in progress - at cost	13,170	3,575
	<u>307,112</u>	<u>300,726</u>

2.1 Details of additions and disposals to operating assets are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in thousand)			
Plant and machinery	-	-	-	-
Electrical, mechanical and office equipment	8,214	13,306	-	-
Motor vehicles	-	-	1,724	-
	<u>8,214</u>	<u>13,306</u>	<u>1,724</u>	<u>-</u>

3. PROVISION

During the period, the Company made a provision for restructuring amounting to Rs. 5 million (December 31, 2010: 10 million) and paid Rs. 9.5 million to staff.

4. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2011 is Rs.180.15 million (December 31, 2010: NIL)

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
5. CASH AND CASH EQUIVALENTS		
Cash and bank balances	188,821	24,575
Short term borrowings	(74,105)	(111,688)
	<u>114,716</u>	<u>(87,113)</u>

6. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

		March 31, 2011	March 31, 2010
		(Rupees in thousand)	
Relationship with the company	Nature of transactions		
i) Ultimate parent company	Technology fee	10,437	9,136
ii) Holding company	Royalty	9,107	7,952
iii) Other related parties	Purchase of goods	294,629	250,111
	Sale of goods	14,959	8,029
	Fee for providing of service to related party	7,559	9,327
	Fee for receiving of service from related party	56,193	30,157
iv) Key management personnel	Salaries and other short-term employee benefits	546	470

7. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 27, 2011 by the Board of Directors of the Company.

Fariyha Subhani
Chief Executive

Imran Husain
Director & CFO