



Unilever

UNILEVER PAKISTAN LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED MARCH 31, 2012**



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
Ms. Fariyha Subhani	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. Azhar Shahid	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

UNILEVER PAKISTAN LIMITED

Directors' Report

The company delivered a sales growth of 11%. Gross margins improved by 70 bps as a result of better cost absorption, improved operational leverage and well timed price corrections to offset the impact of higher input costs. Despite an increase of 14% in advertising and promotional spend for nine additional brands, Earnings Per Share grew at a higher rate than turnover and registered a growth of 16% as compared to Q1 last year. A larger, more diversified portfolio will help reach more consumers in additional categories, thereby strengthening the company's position as the leading FMCG business in Pakistan.

The Board of Directors has declared First Interim Cash Dividend of Rs.65/- or 130% per Ordinary Share of Rs. 50/- each.

Financial Highlights

	Quarter ended March 31,		Increase%
	2012	2011	
	(Rupees in thousands)		
Net Sales	13,482,024	12,170,331	11%
Profit before taxation	1,466,197	1,349,767	9%
Profit after taxation	1,040,463	898,627	16%
Earnings per Share (Rs.)	78.27	67.60	16%

Home and Personal Care (HPC)

HPC posted robust sales growth of 17% as we invested behind six additional brands launched since Q1 last year and two more brands, Domex and Pepsodent, launched in Q1 this year. These were backed by strong media campaigns.

Beverages

Our tea business, which accounts for 33% of the revenue, continues to suffer from an uneven playing field along with the rest of the formal tea industry. Pakistani consumers pay 50% more for tea than consumers in other South Asian countries, mainly due to high government levies. Tea is accorded an essential food status and taxed at 4% in India, whereas Pakistani consumers bear 16% GST and 10% import duty. High government levies create incentives to evade taxes whilst porous borders make it easy. Consequently more than half the tea consumed in the country is smuggled. Lower government levies will discourage smuggling, bring all imports into the official net and neutralise impact on government revenue. We are actively engaged with various government agencies, on our own and through trade bodies/chambers, to rationalize tea tariffs.

Despite the above challenges, the beverages business continues to grow and has recorded a 6% growth this quarter.

Spreads

The spreads business registered a 21% top line growth as we continue to focus on visibility and availability through the deployment of visi-coolers at retail outlets.

Ice Cream

Continued power outages, worsening security environment and extended winters posed major challenges to the Ice Cream business. Our focus remains on meeting the demands of the consumers with better innovations as seen by the recent launch of Cornetto "Fruity Yo" and Strawberry-Badami, backed by the "Share Happy" activation program, to drive consumption.

Future Outlook

Inflation, smuggling of tea, poor security environment and continuing power outages pose significant challenges to the business. Bigger innovations, improved execution and a high performance culture give us the confidence to deliver exceptional value to consumers, customers and shareholders despite the ever-challenging environment.

On behalf of the Board

Karachi
April 20, 2012

Ehsan A. Malik
Chairman and Chief Executive

UNILEVER PAKISTAN LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012 (Rupees in thousand)	Audited December 31, 2011
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,840,844	5,717,231
Intangibles		1,221,489	1,288,730
Long term investments		95,202	95,202
Long term loans		119,661	115,256
Long term deposits and prepayments		9,382	25,761
Retirement benefits - prepayments		294,325	114,877
		<u>7,580,903</u>	<u>7,357,057</u>
Current assets			
Stores and spares		387,024	347,520
Stock in trade		5,073,107	5,204,390
Trade debts		742,694	833,179
Loans and advances		90,421	160,194
Trade deposits and short term prepayments		487,229	574,205
Other receivables		99,409	147,583
Tax refunds due from the Government		299,064	394,715
Cash and bank balances		2,644,992	957,459
		<u>9,823,940</u>	<u>8,619,245</u>
Total assets		<u><u>17,404,843</u></u>	<u><u>15,976,302</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,857,513	3,502,489
		<u>2,526,990</u>	<u>4,171,966</u>
Surplus on revaluation of fixed assets		11,507	11,669
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		-	3,291
Deferred taxation		447,786	381,064
Retirement benefits - obligations		402,459	462,106
		<u>850,245</u>	<u>846,461</u>
Current liabilities			
Trade and other payables		10,787,429	10,096,698
Dividend payables		2,685,601	-
Accrued interest / mark up		2,890	9,630
Short term borrowings		19,673	292,534
Current maturity of liabilities against assets subject to finance leases		11,566	13,229
Provisions		508,942	534,115
		<u>14,016,101</u>	<u>10,946,206</u>
Total liabilities		14,866,346	11,792,667
Contingencies and commitments	4		
Total equity and liabilities		<u><u>17,404,843</u></u>	<u><u>15,976,302</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

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED MARCH 31, 2012

	Quarter ended	
	March 31, 2012 (Rupees in thousand)	March 31, 2011
Sales	13,482,024	12,170,331
Cost of sales	(8,899,058)	(8,121,990)
Gross profit	4,582,966	4,048,341
Distribution costs	(2,652,010)	(2,322,139)
Administrative expenses	(428,548)	(328,816)
Other operating expenses	(110,370)	(103,076)
Other operating income	104,949	95,719
	1,496,987	1,390,029
Restructuring cost	-	(20,000)
Profit from operations	1,496,987	1,370,029
Finance cost	(30,790)	(20,262)
Profit before taxation	1,466,197	1,349,767
Taxation	(425,734)	(451,140)
Profit after taxation	1,040,463	898,627
Other comprehensive income	-	-
Total comprehensive income	1,040,463	898,627
Earnings per share (Rupees)	78.27	67.60

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

CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2012

	Note	2012	2011
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,466,197	1,349,767
Adjustments for non-cash charges and other items			
Depreciation		146,635	138,917
Amortisation of software		67,241	-
Gain on disposal of property, plant and equipment		(6,851)	(2,189)
Mark-up on short term borrowings		5,332	-
Finance charge on finance leases		269	20,262
Provision for staff retirement benefits		6,546	22,960
Return on savings accounts and term deposits		(10,114)	(25,019)
		209,058	154,931
		1,675,255	1,504,698
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES			
(Increase) / Decrease in current assets			
Stores and spares		(39,504)	(29,075)
Stock in trade		131,283	(1,897,853)
Trade debts		90,485	(179,495)
Loans and advances		69,773	(174,712)
Trade deposits and short term prepayments		86,976	(55,231)
Other receivables		48,174	(45,083)
		387,187	(2,381,449)
Increase in current liabilities			
Trade and other payables		690,731	1,968,934
Provisions		(25,173)	19,059
		665,558	1,987,993
		1,052,745	(393,456)
Cash generated from operations		2,728,000	1,111,242
Mark-up paid on short term borrowings		(12,072)	(26,385)
Income tax paid		(263,361)	(410,199)
Retirement benefits obligations paid		(245,641)	(274)
(Increase) / Decrease in long term loans		(4,405)	8,059
Decrease in long term deposits and prepayments		16,379	3,075
Net cash from operating activities		2,218,900	685,518
CASH USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(270,652)	(100,946)
Payment for intangible asset under development		-	(99,828)
Sale proceeds on disposal of property, plant and equipment		7,255	4,824
Return received on savings accounts and deposit accounts		10,114	25,019
Net cash used in investing activities		(253,283)	(170,931)
CASH USED IN FINANCING ACTIVITIES			
Dividends paid		-	(56)
Finance lease obligations paid		(5,223)	(7,454)
Net cash used in financing activities		(5,223)	(7,510)
Net increase in cash and cash equivalents		1,960,394	507,077
Cash and cash equivalents at the beginning of the year		664,925	1,460,967
Cash and cash equivalents at the end of the period	6	2,625,319	1,968,044

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

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2012

	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, 2011	669,477	70,929	321,471	2,498,441	2,890,841	3,560,318
Total comprehensive income for the quarter ended March 31, 2011	-	-	-	898,627	898,627	898,627
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the quarter	-	-	-	162	162	162
Dividends						
For the year ended December 31, 2010						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs 157 per share	-	-	-	(2,087,137)	(2,087,137)	(2,087,137)
Balance as at March 31, 2011	669,477	70,929	321,471	1,309,854	1,702,254	2,371,731
Balance as at January 1, 2012	669,477	70,929	321,471	3,110,089	3,502,489	4,171,966
Total comprehensive income for the quarter ended March 31, 2012	-	-	-	1,040,463	1,040,463	1,040,463
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the quarter	-	-	-	162	162	162
Dividends						
For the year ended December 31, 2011						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs 202 per share	-	-	-	(2,685,362)	(2,685,362)	(2,685,362)
Balance as at March 31, 2012	669,477	70,929	321,471	1,465,113	1,857,513	2,526,990

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, 2012 (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, 2011.

3. PROPERTY, PLANT AND EQUIPMENT

	Unaudited March 31, 2012	Audited December 31, 2011
	(Rupees in thousand)	
Operating assets - at net book value	4,982,509	4,526,190
Capital work in progress - at cost		
Civil works	5,397	5,187
Plant and machinery	852,938	1,185,854
	858,335	1,191,041
	5,840,844	5,717,231

3.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2012 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Rupees in thousand)			
Owned				
Leasehold land	-	-	-	-
Building on leasehold land	364	1,503		
Plant and machinery	506,997	134,535	320	2,241
Electrical, mechanical and office equipment	95,997	16,933	-	-
Furniture and fittings	-	111	-	-
Assets held under finance leases				
Motor vehicles	-	-	84	394
	603,358	153,082	404	2,635

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, 2012. There has been no change in its status from December 31, 2011.

4.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2012 amounted to Rs. 1,164.58 million (December 31, 2011: Rs. 845.96 million).

5. SEGMENT ANALYSIS

5.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
	(Rupees in thousand)				
For the quarter ended March 31, 2012					
Turnover	<u>7,591,997</u>	<u>4,436,194</u>	<u>1,019,710</u>	<u>434,124</u>	<u>13,482,024</u>
Segment result	<u>1,024,435</u>	<u>536,013</u>	<u>(180,256)</u>	<u>122,216</u>	<u>1,502,408</u>
For the quarter ended March 31, 2011					
Turnover	<u>6,498,144</u>	<u>4,193,866</u>	<u>1,118,263</u>	<u>360,058</u>	<u>12,170,331</u>
Segment result	<u>954,802</u>	<u>410,451</u>	<u>(12,260)</u>	<u>44,393</u>	<u>1,397,386</u>

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

	Quarter ended	
	March 2012	March 2011
	(Rupees in thousand)	
Total profit for reportable segments	1,502,408	1,397,386
Other operating expenses	(110,370)	(103,076)
Other operating income	104,949	95,719
Restructuring costs	-	(20,000)
Finance cost	(30,790)	(20,262)
Taxation	(425,734)	(451,140)
Profit after tax	<u>1,040,463</u>	<u>898,627</u>

5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	(Rupees in thousand)				
As at March 31, 2012					
Total segment assets	<u>6,257,328</u>	<u>2,013,215</u>	<u>2,811,975</u>	<u>283,931</u>	<u>11,366,450</u>
As at December 31, 2011					
Audited					
Total segment assets	<u>5,543,362</u>	<u>2,169,913</u>	<u>3,687,574</u>	<u>197,067</u>	<u>11,597,916</u>

Segment assets consist primarily of property, plant and equipment, 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:

	Unaudited March 31, 2012	Audited December 31, 2011
	(Rupees in thousand)	
Total for reportable segments	11,366,450	11,597,916
Unallocated assets	<u>6,038,393</u>	<u>4,378,386</u>
Total as per balance sheet	<u>17,404,843</u>	<u>15,976,302</u>

6. CASH AND CASH EQUIVALENTS

	March 31, 2012	March 31, 2011
	(Rupees in thousand)	
Cash and bank balances - note 6.1	2,644,992	2,081,812
Short term borrowings	<u>(19,673)</u>	<u>(113,768)</u>
	<u>2,625,319</u>	<u>1,968,044</u>

6.1 These include term deposits having maturity less than three months amounting to Rs. 900 million (March 2011: Rs. 800 million).

7. RELATED PARTY TRANSACTIONS

		March 31, 2012	March 31, 2011
Significant related party transactions are:		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
i. Ultimate parent company:	Royalty and technical services fee	426,847	426,419
ii. Other related parties:	Purchase of goods	3,205,645	3,802,787
	Sale of goods	1,081	2,230
	Fee for receiving of services from related parties	12,564	7,768
	Fee for providing of services to related parties	64,661	56,181
iii. Key management personnel:	Salaries and other short term employee benefits	24,070	18,974
	Post employment benefits	2,337	2,125
iv. Others:	Donations	-	50

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

Final Dividend

At the Board meeting on February 09, 2012, a final dividend of Rs. 202 per share amounting to a total dividend of Rs. 2,685 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on March 27, 2012.

Interim Dividend

The Board of Directors in its meeting held on April 20, 2012 declared an interim cash dividend of Rs. 65 per share (2011: Nil) amounting to Rs. 864 million (2011: Nil). This condensed interim financial information does not reflect this dividend payable.

10. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on April 20, 2012 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, 2012**

Unilever Pakistan Limited
and its Subsidiary Companies

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012 (Rupees in thousand)	Audited December 31, 2011
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,840,844	5,717,231
Intangibles		1,221,489	1,288,730
Long term investments		200	200
Long term loans		119,661	115,256
Long term deposits and prepayments		9,382	25,761
Retirement benefits - prepayments		294,325	114,877
		<u>7,485,901</u>	<u>7,262,055</u>
Current assets			
Stores and spares		387,024	347,520
Stock in trade		5,073,107	5,204,390
Trade debts		742,694	833,179
Loans and advances		90,421	160,194
Trade deposits and short term prepayments		487,229	574,205
Other receivables		99,409	147,583
Tax refunds due from the Government		299,064	394,715
Investment Held to maturity		161,934	155,935
Cash and bank balances		2,648,844	962,086
		<u>9,989,726</u>	<u>8,779,807</u>
Total assets		<u><u>17,475,627</u></u>	<u><u>16,041,862</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,924,417	3,565,319
		<u>2,593,894</u>	<u>4,234,796</u>
Surplus on revaluation of fixed assets		11,507	11,669
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		-	3,291
Deferred taxation		447,786	381,064
Retirement benefits - obligations		402,459	462,106
		<u>850,245</u>	<u>846,461</u>
Current liabilities			
Trade and other payables		10,789,118	10,098,375
Dividend payables		2,685,601	-
Taxation - provisions less payments		2,191	1,053
Accrued interest / mark up		2,890	9,630
Short term borrowings		19,673	292,534
Current maturity of liabilities against assets subject to finance leases		11,566	13,229
Provisions		508,942	534,115
		<u>14,019,981</u>	<u>10,948,936</u>
Total liabilities		14,870,226	11,795,397
Contingencies and commitments	4		
Total equity and liabilities		<u><u>17,475,627</u></u>	<u><u>16,041,862</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 AND ITS SUBSIDIARY COMPANIES

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2012**

	Quarter ended	
	March 31, 2012	March 31, 2011
	(Rupees in thousand)	
Sales	13,482,024	12,170,331
Cost of sales	(8,899,058)	(8,121,990)
Gross profit	<u>4,582,966</u>	<u>4,048,341</u>
Distribution costs	(2,652,010)	(2,322,139)
Administrative expenses	(428,561)	(328,829)
Other operating expenses	(110,370)	(103,076)
Other operating income	111,576	97,040
	<u>1,503,601</u>	<u>1,391,337</u>
Restructuring cost	-	(20,000)
Profit from operations	<u>1,503,601</u>	<u>1,371,337</u>
Finance cost	<u>(30,790)</u>	<u>(20,263)</u>
Profit before taxation	1,472,811	1,351,074
Taxation	(428,274)	(451,598)
Profit after taxation	<u>1,044,537</u>	<u>899,476</u>
Other comprehensive income	-	-
Total comprehensive income	<u>1,044,537</u>	<u>899,476</u>
Earnings per share (Rupees)	<u>78.57</u>	<u>67.66</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 AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2012

	Note	2012 (Rupees in thousand)	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,472,811	1,351,074
Adjustments for non-cash charges and other items			
Depreciation		146,635	138,917
Amortisation of software		67,241	-
Gain on disposal of property, plant and equipment		(6,851)	(2,189)
Mark-up on short term borrowings		5,332	-
Finance charge on finance leases		269	20,263
Provision for staff retirement benefits		6,546	22,960
Return on savings accounts and term deposits		(16,741)	(26,340)
		<u>202,431</u>	<u>153,611</u>
		1,675,242	1,504,685
EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES			
(Increase) / Decrease in current assets			
Stores and spares		(39,504)	(29,075)
Stock in trade		131,283	(1,897,853)
Trade debts		90,485	(179,495)
Loans and advances		69,773	(174,712)
Accrued interest / markup		-	(60)
Trade deposits and short term prepayments		86,976	(55,231)
Other receivables		48,174	(45,083)
		<u>387,187</u>	<u>(2,381,509)</u>
Increase in current liabilities			
Trade and other payables		690,743	1,969,102
Provisions		(25,173)	19,059
		<u>665,570</u>	<u>1,988,161</u>
		1,052,757	(393,348)
Cash generated from operations		2,727,999	1,111,337
Mark-up paid on short term borrowings		(12,072)	(26,293)
Income tax paid		(264,763)	(411,144)
Retirement benefits obligations paid		(245,641)	(274)
(Increase) / Decrease in long term loans		(4,405)	8,059
Decrease in long term deposits and prepayments		16,379	3,075
		<u>16,379</u>	<u>3,075</u>
Net cash from operating activities		2,217,497	684,760
CASH USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(270,652)	(100,947)
Payment for intangible asset under development		-	(99,828)
Sale proceeds on disposal of property, plant and equipment		7,255	4,824
Purchase of investments held to maturity		(39,423)	-
Encashment of investments held to maturity		39,753	101,190
Return received on savings accounts and deposit accounts		10,412	26,340
		<u>10,412</u>	<u>26,340</u>
Net cash used in investing activities		(252,655)	(68,421)
CASH USED IN FINANCING ACTIVITIES			
Dividends paid		-	(56)
Finance lease obligations paid		(5,223)	(7,454)
		<u>(5,223)</u>	<u>(7,510)</u>
Net cash used in financing activities		(5,223)	(7,510)
Net increase in cash and cash equivalents		1,959,619	608,829
Cash and cash equivalents at the beginning of the year		669,552	1,465,507
Cash and cash equivalents at the end of the period	6	<u>2,629,171</u>	<u>2,074,336</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 AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2012

	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, 2011	669,477	70,929	321,471	2,549,656	2,942,056	3,611,533
Total comprehensive income for the quarter ended March 31, 2011	-	-	-	899,476	899,476	899,476
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the quarter	-	-	-	162	162	162
Dividends						
For the year ended December 31, 2010						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs 157 per share	-	-	-	(2,087,137)	(2,087,137)	(2,087,137)
Balance as at March 31, 2011	669,477	70,929	321,471	1,361,918	1,754,318	2,423,795
Balance as at January 1, 2012	669,477	70,929	321,471	3,172,919	3,565,319	4,234,796
Total comprehensive income for the quarter ended March 31, 2012	-	-	-	1,044,537	1,044,537	1,044,537
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the quarter	-	-	-	162	162	162
Dividends						
For the year ended December 31, 2011						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs 202 per share	-	-	-	(2,685,362)	(2,685,362)	(2,685,362)
Balance as at March 31, 2012	669,477	70,929	321,471	1,532,017	1,924,417	2,593,894

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 AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2012 (UNAUDITED)

1. BASIS OF PREPARATION

This condensed interim financial information includes the financial information of Unilever Pakistan Limited (the parent company), Lever Chemicals (Private) Limited. The condensed interim financial information of the subsidiary companies has been consolidated on a line by line basis.

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.

2. 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 financial statements of the Company for the year ended December 31, 2011.

	Unaudited March 31, 2012	Audited December 31, 2011
	(Rupees in thousand)	
3. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - at net book value	4,982,509	4,526,190
Capital work in progress - at cost		
Civil works	5,397	5,187
Plant and machinery	852,938	1,185,854
	858,335	1,191,041
	5,840,844	5,717,231

3.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2012 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	← (Rupees in thousand) →			
Owned				
Leasehold land	-	-	-	-
Building on leasehold land	364	1,503		
Plant and machinery	506,997	134,535	320	2,241
Electrical, mechanical and office equipment	95,997	16,933	-	-
Furniture and fittings	-	111	-	-
Assets held under finance leases				
Motor vehicles	-	-	84	394
	603,358	153,082	404	2,635

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, 2012. There has been no change in its status from December 31, 2011.

4.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2012 amounted to Rs. 1,164.58 million (December 31, 2011: Rs. 845.96 million).

5. SEGMENT ANALYSIS

5.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
	← (Rupees in thousand) →				
For the quarter ended March 31, 2012					
Turnover	<u>7,591,997</u>	<u>4,436,194</u>	<u>1,019,710</u>	<u>434,124</u>	<u>13,482,024</u>
Segment result	<u>1,024,420</u>	<u>536,015</u>	<u>(180,256)</u>	<u>122,216</u>	<u>1,502,395</u>
For the quarter ended March 31, 2011					
Turnover	<u>6,498,144</u>	<u>4,193,866</u>	<u>1,118,263</u>	<u>360,058</u>	<u>12,170,331</u>
Segment result	<u>954,794</u>	<u>410,447</u>	<u>(12,261)</u>	<u>44,393</u>	<u>1,397,373</u>

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

	<u>Quarter ended</u>	
	<u>March</u>	March
	2012	2011
	(Rupees in thousand)	
Total profit for reportable segments	1,502,395	1,397,373
Other operating expenses	(110,370)	(103,076)
Other operating income	111,576	97,040
Restructuring costs	-	(20,000)
Finance cost	(30,790)	(20,263)
Taxation	(428,274)	(451,598)
Profit after tax	<u>1,044,537</u>	<u>899,476</u>

5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at March 31, 2012					
Total segment assets	<u>6,257,328</u>	<u>2,013,215</u>	<u>2,811,975</u>	<u>283,931</u>	<u>11,366,450</u>
As at December 31, 2011					
Audited					
Total segment assets	<u>5,543,362</u>	<u>2,169,913</u>	<u>3,687,574</u>	<u>197,067</u>	<u>11,597,916</u>

Segment assets consist primarily of property, plant and equipment, 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:

	Unaudited March 31, 2012 (Rupees in thousand)	Audited December 31, 2011
Total for reportable segments	11,366,450	11,597,916
Unallocated assets	<u>6,109,177</u>	<u>4,378,386</u>
Total as per balance sheet	<u>17,475,627</u>	<u>15,976,302</u>

6. CASH AND CASH EQUIVALENTS

	March 31, 2012 (Rupees in thousand)	March 31, 2011
Cash and bank balances - note 6.1	2,648,844	2,188,104
Short term borrowings	<u>(19,673)</u>	<u>(113,768)</u>
	<u>2,629,171</u>	<u>2,074,336</u>

6.1 These include term deposits having maturity less than three months amounting to Rs. 900 million (March 2011: Rs. 800 million).

7. RELATED PARTY TRANSACTIONS

		March 31, 2012	March 31, 2011
Significant related party transactions are:		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
i. Ultimate parent company:	Royalty and technical services fee	426,847	426,419
ii. Other related parties:	Purchase of goods	3,205,645	3,802,787
	Sale of goods	1,081	2,230
	Fee for receiving of services from related parties	12,564	7,768
	Fee for providing of services to related parties	64,661	56,181
iii. Key management personnel:	Salaries and other short term employee benefits	24,070	18,974
	Post employment benefits	2,337	2,125
iv. Others:	Donations	-	50

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

Final Dividend

At the Board meeting on February 09, 2012, a final dividend of Rs. 202 per share amounting to a total dividend of Rs. 2,685 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on March 27, 2012.

Interim Dividend

The Board of Directors in its meeting held on April 20, 2012 declared an interim cash dividend of Rs. 65 per share (2011: Nil) amounting to Rs. 864 million (2011: Nil). This condensed interim financial information does not reflect this dividend payable.

10. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on April 20, 2012 by the Board of Directors of the Company.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer