



## **UNILEVER PAKISTAN LIMITED**

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**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED MARCH 31, 2013**

## **UNILEVER PAKISTAN LIMITED**

### **COMPANY INFORMATION**

#### **BOARD OF DIRECTORS**

Mr. Ehsan A. Malik	Chairman & Chief Executive
Mr. Ali Tariq	Director & Chief Financial Officer
Ms. Shazia Syed	Executive Director
Mr. Amir R. Paracha	Executive Director
Ms. Fariyha Subhani	Executive Director
Mr. Faheem Ahmed Khan	Executive Director
Mr. Zaffar A. Khan	Independent Non-Executive Director
Mr. Khalid Rafi	Non-Executive Director

#### **COMPANY SECRETARY**

Mr. Amar Naseer

#### **AUDIT COMMITTEE**

Mr. Khalid Rafi	Chairman
Mr. Zaffar A. Khan	Member
Mr. Faheem Ahmed Khan	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**

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

#### **WEBSITE ADDRESS**

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

## Unilever Pakistan Limited

### Directors' Review

Turnover grew by 3% in a challenging business environment, amid clear signs of slowdown in consumer demand. Additionally frequent market closures and the government's decision to reinstate GST at the full rate on Tea, which represents a third of our portfolio, forced a dry out to reflect higher taxes in consumer price on packs. This will adversely impact competitiveness of the formal sector against smuggled tea. An extended winter coupled with worse power outages than last year impacted the ice cream business. Gross margin declined by 77bps due to lower fixed cost absorption. We continued to invest competitively and strategically behind our brands, in an environment with many players vying for a share of the shrinking consumer wallet.

### Financial Highlights

	Quarter ended March 31,	
	2013	2012
	(Rupees in thousands)	
Net Sales	13,903,089	13,482,024
Profit before taxation	951,734	1,466,197
Profit after taxation	681,215	1,040,463
Earnings per Share (Rs.)	51.24	78.27

### Home and Personal Care (HPC)

HPC Turnover grew by 3.2% in a climate of depressed consumer demand. However, the emerging categories within the portfolio grew by 14%; ahead of the market, reinforcing their potential. The business continues to invest competitively and results are positive in terms of market share.

### Beverages

Beverages Turnover grew by 1.5%, despite nearly a month long dry-out necessitated by the government's decision to increase GST to 16%. This decision, which reversed in June 2012 to reduce GST to 5%, will put further pressure on disposable consumer incomes and encourage smuggling in a category in which the formal sector already suffered from a disadvantageous position. A reversal in government policy to discourage smuggling in just nine months demonstrates lack of resolve to bring fundamental change.

### Spreads

Spreads Turnover grew by 13%. We continue to focus on increasing penetration in households dominated by homemade butter. We also continue to focus on visibility and availability of our product, backed by strong media campaigns.

### **Ice Cream**

Ice Cream Turnover grew by 5%, amidst a worsening energy crisis and extended winter. Growth was on the back of the season's innovation fill-in of globally-led propositions - Magnum, Cornetto Black & White and Carte Dore.

### **Delisting**

Following the approval of the Members at the Extraordinary General Meeting held on 26<sup>th</sup> April 2013 to delist the shares of the Company from the Karachi, Lahore and Islamabad Stock Exchanges, the Company has informed the Stock Exchanges of such approval and the terms, conditions and procedure for the purchase of 3,312,452 Ordinary Shares by Unilever Overseas Holdings Limited. The terms, conditions and procedure for the purchase of shares by Unilever Overseas Holdings Limited will shortly be published in the newspapers, and be sent by post to all the shareholders of the Company (other than Unilever Overseas Holdings Limited).

### **Future outlook**

External factors including security concerns, political developments, inflation, renewed pressure on the Rupee and power crisis, continue to create a challenging environment for the business. We will continue to focus on consumer relevant innovations, offer better value products and invest in building stronger brands to overcome competition, the intensity of which is growing.

On behalf of the Board

Ehsan A. Malik  
Chairman and Chief Executive

Karachi  
April 29, 2013

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2013**

	Note	Unaudited March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	7,355,642	7,225,779
Intangible - computer software		874,700	936,797
Long term investments		95,202	95,202
Long term loans		135,566	135,586
Long term deposits and prepayments		20,322	20,070
Retirement benefits - prepayments		102,441	102,769
		<u>8,583,873</u>	<u>8,516,203</u>
<b>Current assets</b>			
Stores and spares		464,507	421,656
Stock in trade		6,820,290	6,244,203
Trade debts		1,251,535	1,018,561
Loans and advances		184,347	181,003
Trade deposits and short term prepayments		520,297	547,671
Other receivables		89,111	108,680
Advance tax / refunds		1,132,600	748,493
Cash and bank balances		864,470	584,546
		<u>11,327,157</u>	<u>9,854,813</u>
<b>Total assets</b>		<u><u>19,911,030</u></u>	<u><u>18,371,016</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		669,477	669,477
Reserves		5,261,156	4,579,941
		<u>5,930,633</u>	<u>5,249,418</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		593,325	676,720
Retirement benefits - obligations		399,537	378,355
		<u>992,862</u>	<u>1,055,075</u>
<b>Current liabilities</b>			
Trade and other payables		12,303,737	11,444,514
Accrued interest / mark up		12,139	7,003
Provisions		671,659	615,006
		<u>12,987,535</u>	<u>12,066,523</u>
<b>Total liabilities</b>		<u>13,980,397</u>	<u>13,121,598</u>
<b>Contingencies and commitments</b>	4		
<b>Total equity and liabilities</b>		<u><u>19,911,030</u></u>	<u><u>18,371,016</u></u>

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	<b>Quarter ended</b>	
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	(Rupees in thousand)	
Sales	<b>13,903,089</b>	13,482,024
Cost of sales	<b>(9,283,703)</b>	(8,899,058)
Gross profit	<b>4,619,386</b>	4,582,966
Distribution costs	<b>(3,007,814)</b>	(2,652,010)
Administrative expenses	<b>(502,655)</b>	(428,548)
Other operating expenses	<b>(75,661)</b>	(110,370)
Other operating income	<b>75,489</b>	104,949
	<b>1,108,745</b>	1,496,987
Restructuring cost	<b>(101,879)</b>	-
Profit from operations	<b>1,006,866</b>	1,496,987
Finance cost	<b>(55,132)</b>	(30,790)
Profit before taxation	<b>951,734</b>	1,466,197
Taxation	<b>(270,519)</b>	(425,734)
Profit after taxation	<b>681,215</b>	1,040,463
Other comprehensive income	-	-
Total comprehensive income	<b>681,215</b>	1,040,463
Earnings per share (Rupees)	<b>51.24</b>	78.27

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	Note	2013 (Rupees in thousand)	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		951,734	1,466,197
Adjustments for non-cash charges and other items			
Depreciation		184,800	146,635
Amortisation of computer software		62,097	67,241
Gain on disposal of property, plant and equipment		(202)	(6,851)
Mark-up on short term borrowings		12,661	5,332
Finance charge on finance leases		-	269
Provision for staff retirement benefits		86,440	6,546
Return on savings accounts and term deposits		(5,574)	(10,114)
		<u>340,222</u>	<u>209,058</u>
		1,291,956	1,675,255
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>			
(Increase) / Decrease in current assets			
Stores and spares		(42,851)	(39,504)
Stock in trade		(576,087)	131,283
Trade debts		(232,974)	90,485
Loans and advances		(3,344)	69,773
Trade deposits and short term prepayments		27,374	86,976
Other receivables		19,569	48,174
		<u>(808,313)</u>	<u>387,187</u>
Increase in current liabilities			
Trade and other payables		859,223	690,731
Provisions		56,653	(25,173)
		<u>915,876</u>	<u>665,558</u>
		107,563	1,052,745
Cash generated from operations		1,399,519	2,728,000
Mark-up paid on short term borrowings		(7,525)	(12,072)
Income tax paid		(738,021)	(263,361)
Retirement benefits obligations paid		(64,930)	(245,641)
Decrease / (Increase) in long term loans		20	(4,405)
(Increase) / Decrease in long term deposits and prepayments		(252)	16,379
Net cash from operating activities		<u>588,811</u>	<u>2,218,900</u>
<b>CASH USED IN INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(314,663)	(270,652)
Sale proceeds on disposal of property, plant and equipment		202	7,255
Return received on savings accounts and deposit accounts		5,574	10,114
Net cash used in investing activities		<u>(308,887)</u>	<u>(253,283)</u>
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Finance lease obligation paid		-	(5,223)
Net cash used in financing activities		<u>-</u>	<u>(5,223)</u>
Net increase in cash and cash equivalents		279,924	1,960,394
Cash and cash equivalents at the beginning of the year		584,546	664,925
Cash and cash equivalents at the end of the period	6	<u>864,470</u>	<u>2,625,319</u>

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

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	SHARE CAPITAL	R E S E R V E S			SUB TOTAL	TOTAL
		CAPITAL	Contingency	REVENUE		
		Arising under schemes of arrangements for amalgamations		Unappropriated profit		
( Rupees in thousand )						
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)
<b>Balance as at March 31, 2012</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>1,465,113</b>	<b>1,857,513</b>	<b>2,526,990</b>
Balance as at January 1, 2013	669,477	70,929	321,471	4,187,541	4,579,941	5,249,418
Total comprehensive income for the quarter ended March 31, 2013	-	-	-	681,215	681,215	681,215
<b>Balance as at March 31, 2013</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>4,868,756</b>	<b>5,261,156</b>	<b>5,930,633</b>

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer



**UNILEVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED MARCH 31, 2013 (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, 2012, except as explained in Note 2.1.

**2.1 Change in accounting standards, interpretations and pronouncements**

IAS 19 (Amendment) – 'Employee Benefits' is applicable for the company from January 1, 2013. It eliminates the corridor approach and recognizes all actuarial gains and losses in the other comprehensive income as they occur, immediately recognizes all past service costs and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset. The change is not material and therefore is not reflected in this condensed interim financial information of the Company.

**3. PROPERTY, PLANT AND EQUIPMENT**

**Unaudited**                      Audited  
**March 31,**                      December 31,  
**2013**                              2012  
(Rupees in thousand)

Operating assets - at net book value	<b>5,844,215</b>	6,029,015
Capital work in progress - at cost		
Civil works	<b>31,562</b>	24,912
Plant and machinery	<b>1,479,865</b>	1,171,852
	<b>1,511,427</b>	1,196,764
	<b>7,355,642</b>	<b>7,225,779</b>

**3.1** Details of additions and disposals to operating assets during the quarter ended March 31, 2013 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2013	Mar 31, 2012	March 31, 2013	Mar 31, 2012
----- (Rupees in thousand) -----				
<b>Owned</b>				
Leasehold land	-	-	-	-
Building on leasehold land	-	364	-	-
Plant and machinery	-	506,997	-	320
Electrical, mechanical and office equipment	-	95,997	-	-
Furniture and fittings	-	-	-	-
<b>Assets held under finance leases</b>				
Motor vehicles	-	-	-	84
	-	603,358	-	404
	-	603,358	-	404

**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, 2013. There has been no change in its status from December 31, 2012.

**4.2 COMMITMENTS**

The commitments for capital expenditure outstanding as at March 31, 2013 amounted to Rs. 397.45 million (December 31, 2012: Rs. 701.11 million).

**5. SEGMENT ANALYSIS**

**5.1 SEGMENT RESULTS**

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
----- (Rupees in thousand) -----					
<b>For the quarter ended</b>					
<b>March 31, 2013</b>					
Turnover	7,838,368	4,503,242	1,070,271	491,208	13,903,089
Segment result	893,473	377,907	(228,478)	66,015	1,108,917
<b>For the quarter ended</b>					
<b>March 31, 2012</b>					
Turnover	7,591,997	4,436,193	1,019,710	434,124	13,482,024
Segment result	1,024,435	536,013	(180,256)	122,216	1,502,408

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

	<b>Quarter ended</b>	
	<b>March 2013</b>	March 2012
	(Rupees in thousand)	
Total profit for reportable segments	<b>1,108,917</b>	1,502,408
Other operating expenses	<b>(75,661)</b>	(110,370)
Other operating income	<b>75,489</b>	104,949
Restructuring costs	<b>(101,879)</b>	-
Finance (cost) / income	<b>(55,132)</b>	(30,790)
Taxation	<b>(270,519)</b>	(425,734)
Profit after tax	<b>681,215</b>	1,040,463

## 5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	----- (Rupees in thousand) -----				
<b>As at March 31, 2013</b>					
Total segment assets	<u>8,299,713</u>	<u>2,905,151</u>	<u>4,416,779</u>	<u>270,657</u>	<u>15,892,300</u>
<b>As at December 31, 2012</b>					
<b>Audited</b>					
Total segment assets	<u>7,934,868</u>	<u>2,855,266</u>	<u>4,496,453</u>	<u>200,335</u>	<u>15,486,922</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:

	<b>Unaudited March 31, 2013</b>	Audited December 31, 2012
	(Rupees in thousand)	
Total for reportable segments	<b>15,892,300</b>	15,486,922
Unallocated assets	<u>4,018,730</u>	<u>2,884,094</u>
Total as per balance sheet	<b>19,911,030</b>	18,371,016
	<b>March 31, 2013</b>	March 31, 2012
	(Rupees in thousand)	

## 6. CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>864,470</b>	2,644,992
Short term borrowing	-	(19,673)
	<u>864,470</u>	<u>2,625,319</u>

## 7. RELATED PARTY TRANSACTIONS

		March 31, 2013	March 31, 2012
Significant related party transactions are:		(Rupees in thousand)	
Relationship with the Company	Nature of transactions		
i. Ultimate parent company:	Royalty and technical services fee	494,466	426,847
ii. Other related parties:	Purchase of goods	2,967,606	3,205,645
	Sale of goods	940	1,081
	Fee for receiving of services from related parties	3,270	12,564
	Fee for providing of services to related parties	47,091	64,661
iii. Key management personnel:	Salaries and other short term employee benefits	49,807	24,070
	Post employment benefits	2,555	2,337

## 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 26, 2013, a final dividend of Rs. 283 per share amounting to a total dividend of Rs. 3,762 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on April 16, 2013.

### Interim Dividend

The Board of Directors in its meeting held on April 29, 2013, declared an interim cash dividend of Rs. 51.24 per share (2012: Rs.65.00) amounting to Rs. 681 million (2012: Rs. 864 Mn). 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 29, 2013 by the Board of Directors of the Company.

**Ehsan Malik**

Chairman & Chief Executive

**Ali Tariq**

Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 31, 2013**

	Note	Unaudited March 31, 2013 (Rupees in thousand)	Audited December 31, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	7,355,642	7,225,779
Intangible - computer software		874,700	936,797
Long term investments		200	200
Long term loans		135,566	135,586
Long term deposits and prepayments		20,322	20,070
Retirement benefits - prepayments		102,441	102,769
		<u>8,488,871</u>	<u>8,421,201</u>
<b>Current assets</b>			
Stores and spares		464,507	421,656
Stock in trade		6,820,290	6,244,203
Trade debts		1,251,535	1,018,561
Loans and advances		184,347	181,003
Trade deposits and short term prepayments		520,297	547,671
Other receivables		89,111	108,680
Advance tax / refunds		1,132,281	748,622
Cash and bank balances		1,030,346	751,129
		<u>11,492,714</u>	<u>10,021,525</u>
<b>Total assets</b>		<u><b>19,981,585</b></u>	<u><b>18,442,726</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		669,477	669,477
Reserves		5,334,962	4,651,562
		<u>6,004,439</u>	<u>5,321,039</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation		593,325	676,720
Retirement benefits - obligations		399,537	378,355
		<u>992,862</u>	<u>1,055,075</u>
<b>Current liabilities</b>			
Trade and other payables		12,304,135	11,444,900
Accrued interest / mark up		8,490	6,706
Provisions		671,659	615,006
		<u>12,984,284</u>	<u>12,066,612</u>
<b>Total liabilities</b>		<u><b>13,977,146</b></u>	<u><b>13,121,687</b></u>
<b>Contingencies and commitments</b>	4		
<b>Total equity and liabilities</b>		<u><b>19,981,585</b></u>	<u><b>18,442,726</b></u>

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>
	(Rupees in thousand)	
Sales	<b>13,903,089</b>	13,482,024
Cost of sales	<b>(9,283,703)</b>	(8,899,058)
Gross profit	<b>4,619,386</b>	4,582,966
Distribution costs	<b>(3,007,814)</b>	(2,652,010)
Administrative expenses	<b>(502,668)</b>	(428,561)
Other operating expenses	<b>(75,661)</b>	(110,370)
Other operating income	<b>78,864</b>	111,576
	<b>1,112,107</b>	1,503,601
Restructuring cost	<b>(101,879)</b>	-
Profit from operations	<b>1,010,228</b>	1,503,601
Finance cost	<b>(55,132)</b>	(30,790)
Profit before taxation	<b>955,096</b>	1,472,811
Taxation	<b>(271,696)</b>	(428,274)
Profit after taxation	<b>683,400</b>	1,044,537
Other comprehensive income	-	-
Total comprehensive income	<b>683,400</b>	1,044,537
Earnings per share (Rupees)	<b>51.41</b>	78.57

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	Note	2013	2012
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		955,096	1,472,811
Adjustments for non-cash charges and other items			
Depreciation		184,800	146,635
Amortisation of computer software		62,097	67,241
Gain on disposal of property, plant and equipment		(202)	(6,851)
Mark-up on short term borrowings		12,662	5,332
Finance charge on finance leases		-	269
Provision for staff retirement benefits		86,440	6,546
Return on savings accounts and term deposits		(8,950)	(16,741)
		<u>336,847</u>	<u>202,431</u>
		1,291,943	1,675,242
<b>EFFECT ON CASH FLOWS DUE TO WORKING CAPITAL CHANGES</b>			
(Increase) / Decrease in current assets			
Stores and spares		(42,851)	(39,504)
Stock in trade		(576,087)	131,283
Trade debts		(232,974)	90,485
Loans and advances		(3,344)	69,773
Trade deposits and short term prepayments		27,374	86,976
Other receivables		19,569	48,174
		<u>(808,313)</u>	<u>387,187</u>
Increase in current liabilities			
Trade and other payables		859,236	690,743
Provisions		56,653	(25,173)
		<u>915,889</u>	<u>665,570</u>
		107,576	1,052,757
Cash generated from operations		1,399,519	2,727,999
Mark-up paid on short term borrowings		(7,525)	(12,072)
Income tax paid		(738,750)	(264,763)
Retirement benefits obligations paid		(64,930)	(245,641)
Decrease / (Increase) in long term loans		20	(4,405)
(Increase) / Decrease in long term deposits and prepayments		(252)	16,379
		<u>588,082</u>	<u>2,217,497</u>
Net cash from operating activities		588,082	2,217,497
<b>CASH USED IN INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(314,663)	(270,652)
Sale proceeds on disposal of property, plant and equipment		202	7,255
Purchase of investment held to maturity		-	(39,423)
Enchasmment of nvestment held to maturity		-	39,753
Return received on savings accounts and deposit accounts		5,596	10,412
		<u>(308,865)</u>	<u>(252,655)</u>
Net cash used in investing activities		(308,865)	(252,655)
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Finance lease obligation paid		-	(5,223)
		<u>-</u>	<u>(5,223)</u>
Net cash used in financing activities		-	(5,223)
Net increase in cash and cash equivalents		279,217	1,959,619
Cash and cash equivalents at the beginning of the year		751,129	669,552
Cash and cash equivalents at the end of the period	6	<u>1,030,346</u>	<u>2,629,171</u>

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

**UNILEVER PAKISTAN LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED MARCH 31, 2013**

	SHARE CAPITAL	R E S E R V E S			TOTAL	
		CAPITAL		REVENUE		SUB TOTAL
		Arising under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
----- ( Rupees in thousand ) -----						
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, 2012						
- 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)
<b>Balance as at March 31, 2012</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>1,532,017</b>	<b>1,924,417</b>	<b>2,593,894</b>
Balance as at January 1, 2013	669,477	70,929	321,471	4,259,162	4,651,562	5,321,039
Total comprehensive income for the quarter ended March 31, 2013	-	-	-	683,400	683,400	683,400
<b>Balance as at March 31, 2013</b>	<b>669,477</b>	<b>70,929</b>	<b>321,471</b>	<b>4,942,562</b>	<b>5,334,962</b>	<b>6,004,439</b>

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

**Ehsan Malik**  
Chairman & Chief Executive

**Ali Tariq**  
Director & Chief Financial Officer



**UNILEVER PAKISTAN LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED MARCH 31, 2013 (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, Lever Associates 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.

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 Group for the year ended December 31, 2012, except as explained in Note 2.1.

**2.1 Change in accounting standards, interpretations and pronouncements**

IAS 19 (Amendment) – 'Employee Benefits' is applicable for the Group from January 1, 2013. It eliminates the corridor approach and recognizes all actuarial gains and losses in the other comprehensive income as they occur, immediately recognizes all past service costs and replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / asset. The change is not material and therefore is not reflected in this condensed interim financial information of the Group.

**3. PROPERTY, PLANT AND EQUIPMENT**

	<b>Unaudited March 31, 2013</b>	Audited December 31, 2012
	(Rupees in thousand)	
Operating assets - at net book value	<b>5,844,215</b>	6,029,015
Capital work in progress - at cost		
Civil works	<b>31,562</b>	24,912
Plant and machinery	<b>1,479,865</b>	1,171,852
	<b>1,511,427</b>	1,196,764
	<b>7,355,642</b>	7,225,779

**3.1** Details of additions and disposals to operating assets during the quarter ended March 31, 2013 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2013	Mar 31, 2012	March 31, 2013	Mar 31, 2012
----- (Rupees in thousand) -----				
<b>Owned</b>				
Leasehold land	-	-	-	-
Building on leasehold land	-	364		
Plant and machinery	-	506,997	-	320
Electrical, mechanical and office equipment	-	95,997	-	-
Furniture and fittings	-	-	-	-
<b>Assets held under finance leases</b>				
Motor vehicles	-	-	-	84
	<u>-</u>	<u>603,358</u>	<u>-</u>	<u>404</u>

**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, 2013. There has been no change in its status from December 31, 2012.

**4.2 COMMITMENTS**

The commitments for capital expenditure outstanding as at March 31, 2013 amounted to Rs. 397.45 million (December 31, 2012: Rs. 701.11 million).

**5. SEGMENT ANALYSIS**

**5.1 SEGMENT RESULTS**

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
<----- (Rupees in thousand) ----->					
<b>For the quarter ended March 31, 2013</b>					
Turnover	<u>7,838,368</u>	<u>4,503,242</u>	<u>1,070,271</u>	<u>491,208</u>	<u>13,903,089</u>
Segment result	<u>893,460</u>	<u>377,908</u>	<u>(228,478)</u>	<u>66,014</u>	<u>1,108,904</u>
<b>For the quarter ended March 31, 2012</b>					
Turnover	<u>7,591,997</u>	<u>4,436,193</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>

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

	<b>Quarter ended</b>	
	<b>March 2013</b>	March 2012
	(Rupees in thousand)	
Total profit for reportable segments	<b>1,108,904</b>	1,502,395
Other operating expenses	<b>(75,661)</b>	(110,370)
Other operating income	<b>78,864</b>	111,576
Restructuring costs	<b>(101,879)</b>	-
Finance (cost) / income	<b>(55,132)</b>	(30,790)
Taxation	<b>(271,696)</b>	(428,274)
Profit after tax	<b>683,400</b>	1,044,537

## 5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	----- (Rupees in thousand) -----				
<b>As at March 31, 2013</b>					
Total segment assets	<b>8,299,713</b>	<b>2,905,151</b>	<b>4,416,779</b>	<b>270,657</b>	<b>15,892,300</b>
<b>As at December 31, 2012</b>					
<b>Audited</b>					
Total segment assets	7,934,868	2,855,266	4,496,453	200,335	15,486,922

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 <b>March 31, 2013</b>	Audited December 31, 2012
	(Rupees in thousand)	
Total for reportable segments	<b>15,892,300</b>	15,486,922
Unallocated assets	<b>4,089,285</b>	2,955,804
Total as per balance sheet	<b>19,981,585</b>	18,442,726
	<b>March 31, 2013</b>	March 31, 2012
	(Rupees in thousand)	

## 6. CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>1,030,346</b>	2,648,844
Short term borrowing	-	(19,673)
	<b>1,030,346</b>	2,629,171

## 7. RELATED PARTY TRANSACTIONS

		<b>March 31, 2013</b>	March 31, 2012
		(Rupees in thousand)	
Significant related party transactions are:			
<b>Relationship with the Company</b>	<b>Nature of transactions</b>		
i. Ultimate parent company:	Royalty and technical services fee	<b>494,466</b>	426,847
ii. Other related parties:	Purchase of goods	<b>2,967,606</b>	3,205,645
	Sale of goods	<b>940</b>	1,081
	Fee for receiving of services from related parties	<b>3,270</b>	12,564
	Fee for providing of services to related parties	<b>47,091</b>	64,661
iii. Key management personnel:	Salaries and other short term employee benefits	<b>49,807</b>	24,070
	Post employment benefits	<b>2,555</b>	2,337

## 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 26, 2013, a final dividend of Rs. 283 per share amounting to a total dividend of Rs. 3,762 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on April 16, 2013.

### Interim Dividend

The Board of Directors in its meeting held on April 29, 2013, declared an interim cash dividend of Rs. 51.24 per share (2012: Rs.65.00) amounting to Rs. 681 million (2012: Rs. 864 Mn). This condensed interim consolidated financial information does not reflect this dividend payable.

## 10. DATE OF ISSUE

This condensed interim consolidated financial information has been authorised for issue on April 29, 2013 by the Board of Directors of the Company.

**Ehsan Malik**

Chairman & Chief Executive

**Ali Tariq**

Director & Chief Financial Officer