



Unilever

UNILEVER PAKISTAN LIMITED

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



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

WEBSITE ADDRESS

www.unileverpakistan.com.pk

UNILEVER PAKISTAN LIMITED

Directors' Review

Despite continuing smuggling of tea and a challenging business environment, the Company delivered a broad based sales growth of 19%. Margins benefited from improved scale and timely price corrections to offset significantly higher input costs. Our focus remained on stronger brands, superior products and bigger innovations. Profit after tax registered a robust growth of 54%, owing to lower financial charges as a result of effective working capital management.

	Quarter ended March 31		
	2011	2010	Increase %
Net Sales (Rs'000)	12,170,331	10,254,847	18.7%
Profit before taxation (Rs'000)	1,349,767	896,280	50.6%
Profit after taxation (Rs'000)	898,627	581,806	54.4%
Earnings per share (Rs)	67.60	43.77	54.4%

Home and Personal Care (HPC)

HPC grew by 23% as a result of enhanced consumer and customer value. Surf continues to consolidate its position as a market leader. Lux, Rin, Fair & Lovely and Ponds delivered robust volume growth backed by strong advertising campaigns.

Beverages

Beverages continues to suffer from rampant smuggling and counterfeiting. We continue to lobby for lower import duty and sales tax, in order to remove the incentive to smuggle.

A successful 'Sip of Inspiration' campaign further strengthened Lipton's brand equity, leading to strong growth. Supreme's "Tandrust Rahein, Mast Rahein" campaign continues to deliver positive results.

Ice Cream

Ice Cream grew by 18%. Greater focus on costs, a better product mix and pricing actions helped maintain gross margins. Innovation continues to be at the heart of the category's strategy and the recent launches of 'Mango Cream' and '2 in 1 Chocolate Caramel' were well received by consumers.

Spreads

Spreads delivered an impressive volume led sales growth of 37% through penetration into new towns, door to door sales and the "Growth meter II" campaign. We continue to drive availability and visibility through the deployment of visi-coolers at retail outlets.

Future Outlook

Increasing inflation, continued smuggling of tea, poor security conditions and power outages pose significant challenges to the business. Bigger innovations, improved execution and a high performance culture give us the confidence that we are capable of continuing to deliver exceptional value to consumers, customers and shareholders.

On behalf of the Board

Karachi
April 22, 2011

Ehsan A. Malik
Chairman and Chief Executive.

UNILEVER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Note	Unaudited March 31, 2011	Audited December 31, 2010
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,856,565	4,897,171
Intangibles		920,914	821,086
Long term investments		95,202	95,202
Long term loans		75,828	83,887
Long term deposits and prepayments		24,922	27,997
Retirement benefits - prepayments		139,914	148,800
		<u>6,113,345</u>	<u>6,074,143</u>
Current assets			
Stores and spares		386,413	357,338
Stock in trade		5,778,860	3,881,007
Trade debts		702,290	522,795
Loans and advances		301,411	126,699
Trade deposits and short term prepayments		298,892	243,661
Other receivables		116,043	70,960
Tax refunds due from Government		433,682	466,394
Cash and bank balances		2,081,812	1,758,110
		<u>10,099,403</u>	<u>7,426,964</u>
Total assets		<u><u>16,212,748</u></u>	<u><u>13,501,107</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,702,254	2,890,841
		<u>2,371,731</u>	<u>3,560,318</u>
Surplus on revaluation of fixed assets		12,155	12,317
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		16,771	19,818
Deferred taxation		584,372	576,143
Retirement benefits obligations		372,602	358,802
		<u>973,745</u>	<u>954,763</u>
Current liabilities			
Trade and other payables		10,202,639	8,233,705
Accrued interest / mark up		10,061	16,184
Short term borrowings		113,768	297,143
Current maturity of liabilities against assets subject to finance leases		24,470	28,877
Provisions		416,859	397,800
Dividend Payable	10	2,087,320	-
		<u>12,855,117</u>	<u>8,973,709</u>
Total liabilities		<u>13,828,862</u>	<u>9,928,472</u>
Contingency and commitments	4		
Total equity and liabilities		<u><u>16,212,748</u></u>	<u><u>13,501,107</u></u>

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

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

	Note	Quarter ended	
		March 31, 2011	March 31, 2010
		(Rupees in thousand)	
Sales	5	12,170,331	10,254,847
Cost of sales		(8,121,990)	(7,088,394)
Gross profit		4,048,341	3,166,453
Distribution costs		(2,322,139)	(1,945,351)
Administrative expenses		(328,816)	(257,852)
Other operating expenses		(103,076)	(71,132)
Other operating income		95,719	49,800
		1,390,029	941,918
Restructuring cost		(20,000)	-
Profit from operations		1,370,029	941,918
Finance costs		(20,262)	(45,638)
Profit before taxation		1,349,767	896,280
Taxation		(451,140)	(314,474)
Profit after taxation		898,627	581,806
Earnings per share - basic and diluted (Rupees)		67.60	43.77

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

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

	Note	March 31, 2011	March 31, 2010
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	1,111,242	1,001,205
Finance costs paid		(26,385)	(19,142)
Income tax paid		(410,199)	(359,352)
Retirement benefit obligations paid		(274)	(5,714)
Long term loans (net)		8,059	8,536
Long term deposits and prepayments (net)		3,075	27,808
Net cash from operating activities		685,518	653,341
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(100,946)	(51,876)
Purchase of intangibles		(99,828)	(34,874)
Sale proceeds of property, plant and equipment on disposal		4,824	2,028
Return received on savings accounts and term deposits		25,019	236
Net cash used in investing activities		(170,931)	(84,486)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(56)	-
Liabilities against assets subject to finance leases (net)		(7,454)	(8,005)
Net cash used in financing activities		(7,510)	(8,005)
Net increase in cash and cash equivalents		507,077	560,850
Cash and cash equivalents at the beginning of the year		1,460,967	(798,358)
Cash and cash equivalents at the end of the period	6	1,968,044	(237,508)

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

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

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Difference of capital under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
(Rupees in thousand)						
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 quarter ended March 31, 2010	-	-	-	581,806	581,806	581,806
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	162	162	162
Balance as at March 31, 2010	669,477	70,929	321,471	2,811,211	3,203,611	3,873,088
Balance as at January 1, 2011	669,477	70,929	321,471	2,498,441	2,890,841	3,560,318
Net profit 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 - Final dividend on ordinary shares @ Rs. 157 per share	-	-	-	(239) (2,087,137)	(239) (2,087,137)	(239) (2,087,137)
Balance as at March 31, 2011	669,477	70,929	321,471	1,309,854	1,702,254	2,371,731

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2011 (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 accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of financial statements for the year ended December 31, 2010.

3. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2011	Audited December 31, 2010
	(Rupees in thousand)	
Operating assets - at net book value	4,599,719	4,588,190
Capital work in progress - at cost		
Civil works	21,711	8,075
Plant and machinery	235,135	300,906
	256,846	308,981
	4,856,565	4,897,171

3.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2011 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	(Rupees in thousand)			
Owned				
Leasehold land	-	-	-	-
Building on leasehold land	1,503	1,646		
Plant and machinery	134,535	43,444	2,241	1,830
Electrical, mechanical and office equipment	16,933	19,256	-	-
Furniture and fittings	111	146	-	-
Assets held under finance leases				
Motor vehicles	-	-	394	-
	153,082	64,492	2,635	1,830

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, 2011. There has been no change in its status from December 31, 2010.

4.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2011 amounted to Rs. 397 million (December 31, 2010: Rs. 392.95 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, 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>
For the quarter ended March 31, 2010					
Turnover	<u>5,281,482</u>	<u>3,769,680</u>	<u>940,306</u>	<u>263,379</u>	<u>10,254,847</u>
Segment result	<u>804,878</u>	<u>155,668</u>	<u>(1,695)</u>	<u>4,399</u>	<u>963,250</u>

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

	<u>Quarter ended</u>	
	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Total profit for reportable segments	1,397,386	963,250
Other operating expenses	(103,076)	(71,132)
Other operating income	95,719	49,800
Restructuring costs	(20,000)	-
Finance (cost) / income	(20,262)	(45,638)
Taxation	(451,140)	(314,474)
Profit after tax	<u>898,627</u>	<u>581,806</u>

5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at March 31, 2011					
Total segment assets	<u>4,781,923</u>	<u>3,599,089</u>	<u>3,824,222</u>	<u>131,987</u>	<u>12,337,221</u>
As at December 31, 2010 - Audited					
Total segment assets	<u>4,195,315</u>	<u>3,165,263</u>	<u>3,440,133</u>	<u>142,138</u>	<u>10,942,849</u>

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

	March 31, 2011	Audited December 31, 2010
	(Rupees in thousand)	
Total for reportable segments	12,337,221	10,942,849
Unallocated assets	<u>3,875,527</u>	<u>2,558,258</u>
Total as per balance sheet	<u>16,212,748</u>	<u>13,501,107</u>

6. CASH AND CASH EQUIVALENTS

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Cash and bank balances	2,081,812	527,120
Short term borrowings	<u>(113,768)</u>	<u>(764,628)</u>
	<u>1,968,044</u>	<u>(237,508)</u>

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,349,767	896,280
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	138,917	130,853
Amortisation of software	-	1,217
Gain on disposal of property, plant and equipment	(2,189)	
Finance cost	20,262	45,638
Provision for staff retirement benefits	22,960	
Return on savings accounts	(25,019)	(7,676)
	154,931	170,031
Profit before working capital changes	1,504,698	1,066,311
Effect on cash flow due to working capital changes		
(Increase) in current assets		
Stores and spares	(29,075)	(35,627)
Stock in trade	(1,897,853)	(1,016,055)
Trade debts	(179,495)	(39,507)
Loans and advances	(174,712)	(7,719)
Trade deposits and short term prepayments	(55,231)	(5,525)
Other receivables	(45,083)	(47,310)
	(2,381,449)	(1,151,743)
Increase in current liabilities		
Trade and other payables	1,968,934	1,042,132
Provisions	19,059	44,505
	1,987,993	1,086,637
Cash generated from operations	1,111,242	1,001,205

8. RELATED PARTY TRANSACTIONS

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Significant related party transactions are:		
Relationship with the Company	Nature of transactions	
i. Ultimate parent company:	Royalty and technical services fee	320,772
	426,419	
ii. Other related parties:	Purchase of goods	3,106,889
	Sale of goods	430
	Fee for receiving of services from related parties	10,044
	Fee for providing of services to related parties	30,143
	7,768	
	56,181	
iii. Key management personnel:	Salaries and other short term employee benefits	13,112
	Post employment benefits	1,967
	18,974	
	2,125	
iv. Others:	Donations	167
	50	

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. The MCA order was stayed and the appeal is pending for hearing.

10. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES

At the Board meeting on February 14, 2011, a final dividend of Rs. 157 per share amounting to a total dividend of Rs. 2,087 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on March 29, 2011.

11. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on April 22, 2011 by the Board of Directors of the Company.

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

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

Unilever Pakistan Limited
and its Subsidiary Companies

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Note	Unaudited March 31, 2011	Audited December 31, 2010
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,856,565	4,897,171
Intangibles		920,914	821,086
Long term investments		200	200
Long term loans		75,828	83,887
Long term deposits and prepayments		24,922	27,997
Retirement benefits - prepayments		139,914	148,800
		<u>6,018,343</u>	<u>5,979,141</u>
Current assets			
Stores and spares		386,413	357,338
Stock in trade		5,778,860	3,881,007
Trade debts		702,290	522,795
Loans and advances		301,411	126,699
Accrued interest / mark up		95	35
Trade deposits and short term prepayments		298,892	243,661
Other receivables		116,043	70,960
Tax refunds due from Government		434,098	466,394
Investment Held to maturity		42,165	143,354
Cash and bank balances		2,188,104	1,762,650
		<u>10,248,371</u>	<u>7,574,893</u>
Total assets		<u><u>16,266,714</u></u>	<u><u>13,554,034</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,754,318	2,942,056
		<u>2,423,795</u>	<u>3,611,533</u>
Surplus on revaluation of fixed assets		12,155	12,317
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance leases		16,771	19,818
Deferred taxation		584,372	576,143
Retirement benefits obligations		372,602	358,802
		<u>973,745</u>	<u>954,763</u>
Current liabilities			
Trade and other payables		10,204,448	8,235,346
Accrued interest / mark up		10,154	16,184
Short term borrowings		113,768	297,143
Current maturity of liabilities against assets subject to finance leases		-	28,877
Provisions		416,859	397,800
Taxation- Provision less Payments		-	71
Dividend Payable	11	2,087,320	-
		<u>12,857,019</u>	<u>8,975,421</u>
Total liabilities		<u>13,830,764</u>	<u>9,930,184</u>
Contingency and commitments	5		
Total equity and liabilities		<u><u>16,266,714</u></u>	<u><u>13,554,034</u></u>

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)

	Note	Quarter ended	
		March 31, 2011 (Rupees in thousand)	March 31, 2010
Sales	6	12,170,331	10,254,847
Cost of sales		(8,121,990)	(7,088,394)
Gross profit		4,048,341	3,166,453
Distribution costs		(2,322,139)	(1,945,351)
Administrative expenses		(328,829)	(257,862)
Other operating expenses		(103,076)	(71,132)
Other operating income		97,040	53,411
		1,391,337	945,519
Restructuring cost		(20,000)	-
Profit from operations		1,371,337	945,519
Finance costs		(20,263)	(45,638)
Profit before taxation		1,351,074	899,881
Taxation		(451,598)	(315,734)
Profit after taxation		899,476	584,147
Earnings per share - basic and diluted (Rupees)		67.66	43.94

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2011 (UNAUDITED)

	Note	March 31, 2011	March 31, 2010
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	1,111,337	1,027,715
Finance costs paid		(26,293)	(28,615)
Income tax paid		(411,144)	(378,540)
Retirement benefit obligations paid		(274)	(5,714)
Long term loans (net)		8,059	8,536
Long term deposits and prepayments (net)		3,075	27,808
Net cash from operating activities		684,760	651,190
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(100,947)	(51,876)
Purchase of intangibles		(99,828)	(34,874)
Sale proceeds of property, plant and equipment on disposal		-	2,028
Encashment of held to maturity investments		101,190	
Return received on savings accounts and term deposits		26,340	701
Net cash used in investing activities		(68,421)	(84,021)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(56)	-
Liabilities against assets subject to finance leases (net)		(7,454)	(8,005)
Net cash used in financing activities		(7,510)	(8,005)
Net increase in cash and cash equivalents		608,829	559,164
Cash and cash equivalents at the beginning of the year		1,465,507	(759,267)
Cash and cash equivalents at the end of the period	7	2,074,336	(200,103)

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
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, 2011 (UNAUDITED)

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Difference of capital under schemes of arrangements for amalgamations	Contingency	Unappropriated profit		
← (Rupees in thousand) →						
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 quarter ended March 31, 2010	-	-	-	584,147	584,147	584,147
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the quarter	-	-	-	162	162	162
Balance as at March 31, 2010	669,477	70,929	321,471	2,854,138	3,246,538	3,916,015
Balance as at January 1, 2011	669,477	70,929	321,471	2,549,656	2,942,056	3,611,533
Net profit 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 - Final dividend on ordinary shares @ Rs. 157 per share	-	-	-	(239) (2,087,137)	(239) (2,087,137)	(239) (2,087,137)
Balance as at March 31, 2011	669,477	70,929	321,471	1,361,918	1,754,318	2,423,795

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
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, 2011 (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 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.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of consolidated financial statements for the year ended December 31, 2010.

	March 31, 2011	Audited December 31, 2010
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - at net book value	4,599,719	4,588,190
Capital work in progress - at cost		
Civil works	21,711	8,075
Plant and machinery	235,135	300,906
	256,846	308,981
	4,856,565	4,897,171

4.1 Details of additions and disposals to operating assets during the quarter ended March 31, 2011 are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	← (Rupees in thousand) →			
Owned				
Leasehold land	-	-	-	-
Building on leasehold land	1,503	1,646		
Plant and machinery	134,535	43,444	2,241	1,830
Electrical, mechanical and office equipment	16,933	19,256	-	-
Furniture and fittings	111	146	-	-
Assets held under finance leases				
Motor vehicles	-	-	394	-
	153,082	64,492	2,635	1,830

5. CONTINGENCY AND COMMITMENTS

5.1 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, 2011. There has been no change in its status from December 31, 2010.

5.2 COMMITMENTS

The commitments for capital expenditure outstanding as at March 31, 2011 amounted to Rs. 397 million (December 31, 2010: Rs. 392.95 million).

6. SEGMENT ANALYSIS

6.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
	← (Rupees in thousand) →				
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>
For the quarter ended March 31, 2010					
Turnover	<u>5,281,482</u>	<u>3,769,680</u>	<u>940,306</u>	<u>263,379</u>	<u>10,254,847</u>
Segment result	<u>804,871</u>	<u>155,664</u>	<u>(1,694)</u>	<u>4,399</u>	<u>963,241</u>

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

	Quarter ended	
	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Total profit for reportable segments	1,397,373	963,241
Other operating expenses	(103,076)	(71,132)
Other operating income	97,040	53,411
Restructuring costs	(20,000)	-
Finance (cost) / income	(20,263)	(45,638)
Taxation	(451,598)	(315,734)
Profit after tax	<u>899,476</u>	<u>584,147</u>

6.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at March 31, 2011					
Total segment assets	<u>4,781,923</u>	<u>3,599,089</u>	<u>3,824,222</u>	<u>131,987</u>	<u>12,337,221</u>
As at December 31, 2010 - Audited					
Total segment assets	<u>4,195,315</u>	<u>3,165,263</u>	<u>3,440,133</u>	<u>142,138</u>	<u>10,942,849</u>

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

	March 31, 2011	Audited December 31, 2010
	(Rupees in thousand)	
Total for reportable segments	12,337,221	10,942,849
Unallocated assets	<u>3,929,493</u>	<u>2,611,185</u>
Total as per balance sheet	<u>16,266,714</u>	<u>13,554,034</u>
	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
7. CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,188,104	564,525
Short term borrowings	<u>(113,768)</u>	<u>(764,628)</u>
	<u>2,074,336</u>	<u>(200,103)</u>

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,351,074	899,881
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	138,917	130,853
Amortisation of software	-	1,217
Gain on disposal of property, plant and equipment	(2,189)	(337)
Finance cost	20,263	45,638
Provision for staff retirement benefits	22,960	21,558
Return on savings accounts	(26,340)	(701)
	153,611	198,227
Profit before working capital changes	1,504,685	1,098,108
Effect on cash flow due to working capital changes		
(Increase) in current assets		
Stores and spares	(29,075)	(35,627)
Stock in trade	(1,897,853)	(1,016,055)
Trade debts	(179,495)	(39,507)
Loans and advances	(174,712)	(7,719)
Accrued interest / mark up	(60)	(5,287)
Trade deposits and short term prepayments	(55,231)	(5,525)
Other receivables	(45,083)	(47,310)
	(2,381,509)	(1,157,030)
Increase in current liabilities		
Trade and other payables	1,969,102	1,042,132
Provisions	19,059	44,505
	1,988,161	1,086,637
Cash generated from operations	1,111,337	1,027,715

9. RELATED PARTY TRANSACTIONS

	March 31, 2011	March 31, 2010
	(Rupees in thousand)	
Significant related party transactions are:		
Relationship with the Group	Nature of transactions	
i. Ultimate parent company:	Royalty and technical services fee	
	426,419	320,772
ii. Other related parties:	Purchase of goods	
	3,802,787	3,106,889
	Sale of goods	
	2,230	430
	Fee for receiving of services from related parties	
	7,768	10,044
	Fee for providing of services to related parties	
	56,181	30,143
iii. Key management personnel:	Salaries and other short term employee benefits	
	18,974	13,112
	Post employment benefits	
	2,125	1,967
iv. Others:	Donations	
	50	167

10. 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 Group 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.

11. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES

At the Board meeting on February 14, 2011, a final dividend of Rs. 157 per share amounting to a total dividend of Rs. 2,087 million was proposed and subsequently approved by the shareholders of the Group in the Annual General Meeting held on March 29, 2011.

12. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on April 22, 2011 by the Board of Directors of the Group.

Ehsan A. Malik
Chairman & Chief Executive

Imran Hussain
Director & Chief Financial Officer