



UNILEVER PAKISTAN FOODS LIMITED
Condensed Interim Financial Information
For the quarter ended March 31, 2009

**UNILEVER PAKISTAN FOODS LIMITED
COMPANY INFORMATION**

Board of Directors

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

Company Secretary

Amar Naseer

Audit Committee

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

Auditors

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

Registered Office

52-KM, Multan Road,
Pernawan, Bhai Pheru, Distt. Kasur
Tel: 049 - 4510376-79
Fax: 0303 - 7355366

Head Office

Avari Plaza
Fatima Jinnah Road,
Karachi.
Tel: 021 - 5660062
Fax: 021 - 5674971

Factory

52-KM, Multan Road,
Pernawan Bhai Pheru, Distt. Kasur
Tel: 049 - 4510376-79
Fax: 0303 - 7355366

Share Registration Office

C/o Famco Associates (Pvt) Ltd
[Formerly Ferguson Associates (Pvt.) Ltd]
State Life building No.2-A
I.I Chundrigar Road, Karachi

UNILEVER PAKISTAN FOODS LIMITED

DIRECTORS' REVIEW

The directors are pleased to present the financial statements for the first quarter ended March 31, 2009.

Financial Results	Quarter Ended March 31	
	2009	2008
Net Sales (Rs '000)	798,724	804,390
Profit before taxation (Rs '000)	141,980	173,440
Profit after taxation (Rs '000)	92,462	112,956
Earnings per share (Rs)	15.01	18.34

The Company experienced a sharp increase in input costs. Despite price increases, gross margin declined by 3%. Sales were affected by higher consumer price and a delayed opening of the drinks business.

Future Outlook

Pressure on disposable incomes is impacting consumer off-take of discretionary food categories. Global commodity prices after some stability are again showing an upward trend. This may put further pressure on margins. New product launches and the start of the drinks season will buffer impact on sales. In this challenging environment our priority is to build strong brands which deliver exceptional value to consumers and customers.

On behalf of the Board

Karachi
April 21, 2009

Fariyha Subhani
Chief Executive

UNILEVER PAKISTAN FOODS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009

	Note	Unaudited March 31, 2009 (Rupees in thousand)	Audited December 31, 2008
ASSETS			
Non-current assets			
Property, plant and equipment	3	304,907	307,707
Intangibles		181,145	181,145
Long term loans		5,488	4,836
Long term prepayment		3,672	5,488
		<u>495,212</u>	<u>499,176</u>
Current assets			
Stores and spares		14,675	13,804
Stock in trade		531,406	352,394
Trade debts		81,881	49,976
Loans and advances		22,118	18,897
Trade deposits and short term prepayments		32,694	34,132
Other receivables		2,009	2,519
Taxation - payments less provision		22,384	36,693
Cash and bank balances		7,328	8,022
		<u>714,495</u>	<u>516,437</u>
Total assets		<u><u>1,209,707</u></u>	<u><u>1,015,613</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		61,576	61,576
Reserves		332,109	239,647
		<u>393,685</u>	<u>301,223</u>
LIABILITIES			
Non-current liabilities			
Retirement benefits - obligation		7,669	4,889
Deferred taxation		37,843	37,190
Current liabilities			
Trade and other payables		507,798	415,673
Accrued interest / mark up		11,376	7,318
Sales tax payable		17,776	6,729
Short term borrowings		233,560	242,591
		<u>770,510</u>	<u>672,311</u>
Total liabilities		<u>816,022</u>	<u>714,390</u>
Commitments	4		
Total equity and liabilities		<u><u>1,209,707</u></u>	<u><u>1,015,613</u></u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Abdul Rab
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED MARCH 31, 2009 - UNAUDITED**

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Sales	798,724	804,390
Cost of sales	(483,259)	(462,955)
Gross profit	315,465	341,435
Distribution costs	(146,331)	(138,676)
Administrative expenses	(8,203)	(9,183)
Other operating expenses	(12,134)	(13,722)
Other operating income	3,107	2,732
Profit from operations	151,904	182,586
Finance costs	(9,924)	(9,146)
Profit before taxation	141,980	173,440
Taxation	(49,518)	(60,484)
Profit after taxation	92,462	112,956
Earnings per share - Rupees	15.01	18.34

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Abdul Rab
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED MARCH 31, 2009 - UNAUDITED**

	Note	March 31, 2009 (Rupees in thousand)	March 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		54,431	244,644
Finance costs paid		(5,866)	(5,300)
Income tax paid		(34,556)	(33,644)
Retirement benefit obligations paid		(195)	91
Long term loans (net)		(652)	540
Long term prepayment (net)		1,816	(1,090)
Net cash from operating activities		14,978	205,241
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,025)	(7,084)
Sale proceeds of property, plant and equipment		1,371	1,241
Return received on savings accounts and term deposits		13	78
Net cash used in investing activities		(6,641)	(5,765)
Net increase in cash and cash equivalents		8,337	199,476
Cash and cash equivalents at the beginning of the period		(234,569)	(346,216)
Cash and cash equivalents at the end of the period	5	(226,232)	(146,740)

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

Fariyha Subhani
Chief Executive

Abdul Rab
Director & CFO

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED MARCH 31, 2009 - UNAUDITED

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium	Special	General	Unappropriated Profit		
				(Rupees in thousand)			
Balance as at January 1, 2008	61,576	24,630	628	138	112,010	137,406	198,982
Net profit after taxation for the quarter ended March 31, 2008	-	-	-	-	112,956	112,956	112,956
Final dividend for the year ended December 31, 2007 @ Rs 18 per share	-	-	-	-	(110,837)	(110,837)	(110,837)
Balance as at March 31, 2008	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>114,129</u>	<u>139,525</u>	<u>201,101</u>
Balance as at January 1, 2009	61,576	24,630	628	138	214,251	239,647	301,223
Net profit after taxation for the quarter ended March 31, 2009	-	-	-	-	92,462	92,462	92,462
Balance as at March 31, 2009	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>306,713</u>	<u>332,109</u>	<u>393,685</u>

The annexed notes 1 to 9 form an integral part of this condensed interim financial information.

UNILEVER PAKISTAN FOODS LIMITED**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED MARCH 31, 2009 - UNAUDITED****1. THE COMPANY AND ITS OPERATIONS**

The Company is a limited liability company incorporated in Pakistan and is listed on the Karachi and Lahore Stock Exchanges. It manufactures and sells consumer and commercial food products under brand names of Rafhan, Knorr, Energile, Glaxose-D and Foodsolutions.

The change of the registered office of the Company from Punjab to Sind (Karachi) was resolved through a special resolution passed by the shareholders of the Company at the Annual General Meeting on April 2, 2009. The approval of the resolution effecting the change by the Securities and Exchange Commission of Pakistan is in process. Currently, the Head office of the Company is situated at Avari Plaza, Fatima Jinnah Road, Karachi.

2. BASIS OF PREPARATION

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

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended December 31, 2008.

3. PROPERTY, PLANT AND EQUIPMENT

	(Audited)	
	March 31, 2009	December 31, 2008
	(Rupees in thousand)	
Operating assets - at net book value	298,606	296,030
Capital work in progress - at cost	6,301	11,677
	<u>304,907</u>	<u>307,707</u>

3.1 Details of additions and disposals to operating assets are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in thousand)			
Buildings on freehold land	-	589	-	-
Plant and machinery	5,663	8,218	-	-
Electrical, mechanical and office equipment	6,469	1,221	-	-
Motor vehicles	1,269	680	826	2,052
	<u>13,401</u>	<u>10,708</u>	<u>826</u>	<u>2,052</u>

4. COMMITMENTS

Aggregate commitments for capital expenditure as at March 31, 2009 amounted to Rs 2.38 million (December 31, 2008: Rs 5.86 million)

5. CASH AND CASH EQUIVALENTS

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Cash and bank balances	7,328	63,926
Short term borrowings	(233,560)	(210,666)
	<u>(226,232)</u>	<u>(146,740)</u>

March 31, March 31,
2009 2008
(Rupees in thousand)

6. RELATED PARTY TRANSACTIONS

Significant related party transactions are:

Relationship with the company	Nature of transactions		
Holding and Associated companies	Technical fee	10,810	-
	Royalty	6,009	-
	Purchase of goods	214,861	211,930
	Purchase of services	19,790	16,182
	Sale of goods	6,443	5,015
	Sale of services	8,108	5,683
Key management personnel	Salaries and other short-term employee benefits	986	751

7. PROPOSED AND DECLARED DIVIDEND

At the board meeting on February 4, 2009, a final dividend in respect of 2008 of Rs 14 per share amounting to a total dividend of Rs 86.21 million was proposed and was subsequently approved by the shareholders of the Company in the Annual General Meeting on April 2, 2009. This condensed interim financial information does not reflect this dividend payable.

8. CORRESPONDING FIGURES

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

Reclassification from component	Reclassification to component	Amount (Rupees in thousand)
Cost of sales	Distribution costs	22,276
Distribution costs	Administrative expenses	568
Other operating expenses	Distribution costs	178
Finance costs	Cost of sales	(4,348)

9. DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on April 21, 2009 by the Board of Directors of the Company.

Fariyha Subhani
Chief Executive

Abdul Rab
Director & CFO