



Unilever

**UNILEVER PAKISTAN FOODS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED MARCH 31, 2012**



# UNILEVER PAKISTAN FOODS LIMITED

## COMPANY INFORMATION

### Board of Directors

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

### Company Secretary

Mr. Amar Naseer

### Audit Committee

Mian Zulfikar H. Mannoo	Chairman
Mian M. Adil Mannoo	Member
Mr. M. Qaysar Alam	Member
Mr. 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](http://www.unileverpakistan.com.pk)  
[www.unileverpakistanfoods.com.pk](http://www.unileverpakistanfoods.com.pk)

# UNILEVER PAKISTAN FOODS LIMITED

## Directors' Review

The Directors are pleased to present the financial statements for the first quarter ended March 31, 2012. Continuing the momentum, the Company posted a robust growth of 30% in sales. The impact of higher input costs was partially off-set by better cost absorption because of increased scale. Despite a substantially higher investment in advertising & promotions, as compared to corresponding period in 2011, earnings per share increased by 30%.

The Board of Directors has declared First Interim Cash Dividend of Rs.25/- or 250% per Ordinary Share of Rs.10/- each.

## Financial Highlights

	Quarter Ended March 31		
	2012	2011	Increase %
	Rs '000		
Net Sales	1,466,351	1,130,253	30%
Profit before Taxation	281,785	224,162	26%
Profit after Taxation	187,942	145,047	30%
Earnings per Share (Rs.)	30.52	23.55	30%

## Future Outlook

Inflationary pressures and worsening security conditions continue to pose key challenges to the business. Our distinctive competence stems from consumer relevant innovation, strong brands and improved in-market execution, which enables us to provide exceptional value to stakeholders.

On behalf of the Board

**Fariyha Subhani**

Chief Executive

Karachi

April 23, 2012

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012**

	Note	Unaudited March 31, 2012 (Rupees in thousand)	Audited December 31, 2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	622,252	620,702
Intangible assets		81,637	81,637
Long term loans		27,845	25,621
Long term prepayment		-	2,894
		<u>731,734</u>	<u>730,854</u>
<b>Current assets</b>			
Stores and spares		18,159	16,700
Stock in trade		561,800	593,162
Trade debts		195,955	188,563
Loans and advances		14,490	19,366
Trade deposits and short term prepayments		49,664	52,793
Other receivables		13,428	28,868
Taxation - payments less provision		13,973	43,650
Cash and bank balances		558,232	93,212
		<u>1,425,701</u>	<u>1,036,314</u>
<b>Total assets</b>		<u><u>2,157,435</u></u>	<u><u>1,767,168</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		61,576	61,576
Reserves		310,020	429,959
		<u>371,596</u>	<u>491,535</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement benefits - obligations		21,163	17,519
Deferred taxation		95,343	87,010
<b>Current liabilities</b>			
Trade and other payables		1,253,148	1,030,383
Provision		16,399	25,817
Accrued interest / mark-up		224	151
Sales tax payable		32,600	20,227
Dividend payable		307,881	-
Short term borrowings		59,081	94,526
		<u>1,669,333</u>	<u>1,171,104</u>
<b>Total liabilities</b>		<u>1,785,839</u>	<u>1,275,633</u>
<b>Contingencies and commitments</b>	3		
<b>Total equity and liabilities</b>		<u><u>2,157,435</u></u>	<u><u>1,767,168</u></u>

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

**Fariyha Subhani**  
Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN FOODS LIMITED****CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED MARCH 31, 2012 - UNAUDITED**

	<b>March 31, 2012</b>	<b>March 31, 2011</b>
	<b>(Rupees in thousand)</b>	
Sales	<b>1,466,351</b>	1,130,253
Cost of sales	<b>(896,225)</b>	(669,974)
Gross profit	<b>570,126</b>	460,279
Distribution cost	<b>(253,721)</b>	(190,651)
Administrative expenses	<b>(34,191)</b>	(36,837)
Other operating expenses	<b>(22,901)</b>	(16,889)
Other operating income	<b>26,619</b>	15,546
	<b>285,932</b>	231,448
Restructuring cost	<b>-</b>	(5,000)
Profit from operations	<b>285,932</b>	226,448
Finance cost	<b>(4,147)</b>	(2,286)
Profit before taxation	<b>281,785</b>	224,162
Taxation	<b>(93,843)</b>	(79,115)
Profit after taxation	<b>187,942</b>	145,047
Earnings per share - Rupees	<b>30.52</b>	23.55

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

**Fariyha Subhani**  
Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE QUARTER ENDED MARCH 31, 2012 - UNAUDITED**

	Note	March 31, 2012	March 31, 2011
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		567,619	292,663
Finance cost paid		(4,074)	(3,443)
Income tax paid		(55,833)	(58,231)
(Increase) / Decrease in long term loans		(2,224)	295
(Increase) / Decrease in long term prepayment		2,894	(11,077)
Net cash from operating activities		<b>508,383</b>	220,207
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(16,587)	(17,809)
Sale proceeds of property, plant and equipment		-	2,076
Return received on savings accounts		8,670	10
Net cash used in investing activities		(7,917)	(15,723)
Net increase in cash and cash equivalents		<b>500,465</b>	204,484
Cash and cash equivalents at the beginning of the period		<b>(1,314)</b>	(89,768)
Cash and cash equivalents at the end of the period	4	<b>499,151</b>	114,716

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

**Fariyha Subhani**  
Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2012 - UNAUDITED

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
		CAPITAL		REVENUE			
		Share Premium	Special	General	Unappropriated Profit		
← (Rupees in thousand) →							
Balance as at January 1, 2011	61,576	24,630	628	138	317,423	342,819	404,395
Net profit after taxation for the quarter ended March 31, 2011	-	-	-	-	145,047	145,047	145,047
Balance as at March 31, 2011	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>462,470</u>	<u>487,866</u>	<u>549,442</u>
<b>Balance as at January 1, 2012</b>	<b>61,576</b>	<b>24,630</b>	<b>628</b>	<b>138</b>	<b>404,563</b>	<b>429,959</b>	<b>491,535</b>
Final dividend for the year ended December 31, 2011 @ Rs 50 per share	-	-	-	-	(307,881)	(307,881)	(307,881)
Net profit after taxation for the quarter ended March 31, 2012	-	-	-	-	187,942	187,942	187,942
<b>Balance as at March 31, 2012</b>	<b><u>61,576</u></b>	<b><u>24,630</u></b>	<b><u>628</u></b>	<b><u>138</u></b>	<b><u>284,624</u></b>	<b><u>310,020</u></b>	<b><u>371,596</u></b>

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

**Fariyha Subhani**  
Chief Executive

**Imran Husain**  
Director & Chief Financial Officer

# UNILEVER PAKISTAN FOODS LIMITED

## SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED MARCH 31, 2012 - UNAUDITED

### 1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Foods Limited for the quarter ended March 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi and Lahore Stock Exchanges.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2011.

	<b>Unaudited March 31, 2012 (Rupees in thousand)</b>	<b>Audited December 31, 2011</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - at net book value	<b>595,402</b>	593,548
Capital work in progress - at cost	<b>26,850</b>	27,154
	<b><u>622,252</u></b>	<u>620,702</u>

#### 2.1 Additions and disposals of operating assets during the period are as follows:

	<b>Additions (at cost)</b>		<b>Disposals (at net book value)</b>	
	<u>March 31, 2012</u>	<u>March 31, 2011</u>	<u>March 31, 2012</u>	<u>March 31, 2011</u>
	← (Rupees in thousand) →			
Building on freehold land	<b>840</b>	-	-	-
Plant and machinery	<b>2,582</b>	-	-	-
Electrical, mechanical and office equipment	<b>13,469</b>	8,214	-	-
Motor vehicles	-	-	-	1,724
	<b><u>16,891</u></b>	<u>8,214</u>	<u>-</u>	<u>1,724</u>

### 3. CONTINGENCIES AND COMMITMENTS

#### 3.1 Contingencies

During the year 2011, the Deputy Commissioner Inland Revenue while rectifying the assessments of the tax years 2009 and 2010 disallowed tax payments of Rs. 27.16 million and Rs. 8.57 million for the tax years 2009 and 2010 respectively. The company has filed appeals against the orders before the Commissioner Inland Revenue (Appeals).

The company is hopeful that the ultimate decision will be in favour of the company.



### 3.2 Commitments

Aggregate commitments for capital expenditure outstanding as at March 31, 2012 amounted to Rs. 26 million (December 31, 2011 Rs. 27 million).

	March 31, 2012	March 31, 2011
<b>4. CASH AND CASH EQUIVALENTS</b>	<b>(Rupees in thousand)</b>	
Cash and bank balances	558,232	188,821
Short term borrowings	(59,081)	(74,105)
	<u>499,151</u>	<u>114,716</u>

### 5. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the company	Nature of transactions	March 31, 2012	March 31, 2011
<b>(Rupees in thousand)</b>			
i) Ultimate parent company	Technology fee	16,199	10,437
ii) Holding company	Royalty	12,288	9,107
iii) Other related parties	Purchase of goods	204,229	294,629
	Sale of goods	4,624	14,959
	Fee for receiving of services from related party	51,087	56,193
	Fee for providing of services to related party	12,008	7,559
iv) Key management personnel	Salaries and other short term employee benefits	886	546

### 6. PROPOSED AND DECLARED DIVIDEND ON ORDINARY SHARES

#### Final Dividend

At the Board meeting held on February 03, 2012, a final dividend of Rs. 50 per share amounting to a total dividend of Rs. 308.88 million was proposed and subsequently approved by the shareholders of the Company in the Annual General Meeting held on March 26, 2012.

#### Interim Dividend

The Board of Directors in its meeting held on April 23, 2012 recommended first interim cash dividend of Rs. 25 per share (2011: Nil) amounting to Rs.154 million (2011: Nil). This condensed interim financial information does not reflect this dividend payable.

### 7. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 23, 2012 by the Board of Directors of the Company.

**Fariyha Subhani**  
Chief Executive

**Imran Husain**  
Director & Chief Financial Officer