



Unilever

**UNILEVER PAKISTAN FOODS LIMITED**

**CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED MARCH 31, 2010**



# UNILEVER PAKISTAN FOODS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Mr.Amar Naseer

### AUDIT COMMITTEE

Mr.Imran Husain	Chairman
Mr.M Qaysar Alam	Member
Mian Zulfikar H. Mannoo	Member
Mr.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

Avari Plaza  
Fatima Jinnah Road,  
Karachi -75530

### SHARE REGISTRATION OFFICE

M/s 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, 2010.

	<b>Quarter Ended March 31</b>	
	<b>2010</b>	<b>2009</b>
Net Sales (Rs.000)	949,311	798,724
Profit before Taxation (Rs.000)	151,311	141,980
Profit after Taxation (Rs.000)	97,861	92,462
Earnings per Share (Rs.)	15.89	15.01

The Company delivered a sales growth of 18.9% during the period under review on the back of robust volume growth. Knorr continued its growth momentum with healthy growth in noodles backed by "Quest for the Noodle Pot" campaign. The Drinks category also showed strong growth as a result of a well planned season opening.

Margins remained under pressure due to rising input cost partially addressed by selective price increases.

### Future Outlook

The business landscape is expected to remain challenging in 2010 in the face of continued inflationary pressures and prevailing situation. Your Company will endeavour to meet the economic challenges by providing consumers with relevant innovations.

On behalf of the Board

**Karachi**  
April 23, 2010

**Fariyha Subhani**  
Chief Executive

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2010

	Note	Unaudited March 31 2010	Audited December 31 2009
← (Rupees in thousand) →			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	292,602	288,872
Intangibles		81,637	81,637
Long term loans		2,436	3,289
Long term prepayment		-	355
		<b>376,675</b>	<b>374,153</b>
<b>Current assets</b>			
Stores and spares		15,780	14,636
Stock in trade		491,455	333,840
Trade debts		77,001	79,649
Loans and advances		9,594	11,963
Trade deposits and short term prepayments		16,457	18,039
Other receivables		14,784	15,287
Taxation - payments less provision		75,768	86,573
Cash and bank balances		24,575	40,696
		<b>725,414</b>	<b>600,683</b>
<b>Total assets</b>		<b>1,102,089</b>	<b>974,836</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		61,576	61,576
Reserves		304,941	207,080
		<b>366,517</b>	<b>268,656</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Retirement benefits - obligation		10,487	7,994
Deferred taxation		31,378	17,503
<b>Current liabilities</b>			
Trade and other payables		562,664	512,182
Accrued interest / mark up		15	948
Sales tax payable		19,340	18,778
Short term borrowings		111,688	148,775
		<b>693,707</b>	<b>680,683</b>
<b>Total liabilities</b>		<b>735,572</b>	<b>706,180</b>
<b>Commitments</b>	3		
<b>Total equity and liabilities</b>		<b>1,102,089</b>	<b>974,836</b>

The annexed notes 1 to 7 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, 2010 - UNAUDITED

	<b>March 31, 2010</b>	March 31, 2009
	(Rupees in thousand)	
Sales	<b>949,311</b>	798,724
Cost of sales	<b>(586,364)</b>	(483,259)
Gross profit	<b>362,947</b>	315,465
Distribution costs	<b>(190,022)</b>	(146,331)
Administrative expenses	<b>(9,579)</b>	(8,203)
Other operating expenses	<b>(12,431)</b>	(12,134)
Other operating income	<b>3,428</b>	3,107
Profit from operations	<b>154,343</b>	151,904
Finance costs	<b>(3,032)</b>	(9,924)
Profit before taxation	<b>151,311</b>	141,980
Taxation	<b>(53,450)</b>	(49,518)
Profit after taxation	<b>97,861</b>	92,462
Earnings per share - Rupees	<b>15.89</b>	15.01

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

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31, 2010 (Rupees in thousand)	March 31 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		65,591	54,431
Finance costs paid		(3,965)	(5,866)
Income tax paid		(28,770)	(34,556)
Retirement benefit obligations paid		-	(195)
Decrease / Increase in Long term loans		853	(652)
Decrease in Long term prepayments		355	1,816
Net cash from operating activities		<b>34,064</b>	14,978
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment purchased		(13,106)	(8,025)
Proceeds on sale of property, plant and equipment		-	1,371
Return received on savings accounts		8	13
Net cash used in investing activities		<b>(13,098)</b>	(6,641)
Net increase in cash and cash equivalents		<b>20,966</b>	8,337
Cash and cash equivalents at the beginning of the period		<b>(108,079)</b>	(234,569)
Cash and cash equivalents at the end of the period	4	<b>(87,113)</b>	(226,232)

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

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT FOR THE QUARTER ENDED MARCH 31, 2010 (UNAUDITED)

	Note	March 31, 2010 (Rupees in thousand)	March 31 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations		<b>65,591</b>	54,431
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Cash and cash equivalents at the beginning of the period		<b>(108,079)</b>	(234,569)
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The annexed notes 1 to 7 form an integral part of this condensed interim financial information.

# UNILEVER PAKISTAN FOODS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED MARCH 31, 2010 - UNAUDITED

	SHARE	RESERVES			SUB		TOTAL
	CAPITAL	CAPITAL		REVENUE		TOTAL	
		Share Premium	Special	General	Unappropriated Profit		
	(Rupees in thousand)						
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>
Balance as at January 1, 2010	61,576	24,630	628	138	181,684	207,080	268,656
Net profit after taxation for the quarter ended March 31, 2010	-	-	-	-	97,861	97,861	97,861
Balance as at March 31, 2010	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>279,545</u>	<u>304,941</u>	<u>366,517</u>

The annexed notes 1 to 7 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, 2010 - UNAUDITED

### BASIS OF PREPARATION

1. 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 shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges.

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, 2009.

### 2. PROPERTY, PLANT AND EQUIPMENT

Unaudited March 31, 2010 (Rupees in thousand)	Audited December 31, 2009
Operating assets - at net book value	288,672
Capital work in progress - at cost	200
<b>292,602</b>	<b>288,872</b>

Operating assets - at net book value  
Capital work in progress - at cost

#### 2.1 Details of additions and disposals to operating assets are:

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	← (Rupees in thousand) →			
Plant and machinery	-	5,663	-	-
Electrical, mechanical and office equipment	13,306	6,469	-	-
Motor vehicles	-	1,269	-	826
	<b>13,306</b>	<b>13,401</b>	<b>-</b>	<b>826</b>

### 3. COMMITMENTS

Commitments for capital expenditure outstanding as at March 31, 2010 is Rs.1.56 million (December 31, 2009: Rs 3.17 million)

March 31, 2010 (Rupees in thousand)	March 31, 2009
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### 4. CASH AND CASH EQUIVALENTS

Cash and bank balances	24,575	7,328
Short term borrowings	(111,688)	(233,560)
	<b>(87,113)</b>	<b>(226,232)</b>

**March 31,    March31,**  
**2010            2009**  
(Rupees in thousand)

**5. RELATED PARTY TRANSACTIONS**

<b>Relationship with the company</b>	<b>Nature of transactions</b>		
Holding and Associated companies	Technical fee	<b>9,136</b>	10,810
	Royalty	<b>7,952</b>	6,009
	Purchase of goods	<b>250,111</b>	214,861
	Purchase of services	<b>30,157</b>	19,790
	Sale of goods	<b>8,029</b>	6,443
	Sale of services	<b>9,327</b>	8,108
Key management personnel	Salaries and other short-term employee benefits	<b>470</b>	986

**6. PROPOSED AND DECLARED DIVIDEND**

At the board meeting on March 4, 2010, a final dividend in respect of 2009 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 22, 2010. The condensed interim financial information does not reflect this dividend payable.

**7. DATE OF AUTHORISATION**

This condensed interim financial information was authorised for issue on April 23, 2010 by the Board of Directors of the Company.