



Unilever

UNILEVER PAKISTAN FOODS LIMITED
CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011



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 Monnoo	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
www.unileverpakistanfoods.com.pk

UNILEVER PAKISTAN FOODS LIMITED

Directors' Review

After tax earnings in the nine months rose 37% on turnover up 22%, as follows:

Financial Results	Nine months ended September 30		Increase %
	2011	2010	
Net Sales (Rs. '000)	3,784,796	3,112,718	22%
Profit before Taxation (Rs. '000)	714,470	516,212	38%
Profit after Taxation (Rs. '000)	473,031	344,650	37%
Earnings per Share (Rs.)	<u>76.82</u>	<u>55.97</u>	37%

Noodles continued to grow with the successful launch of Soupy Noodles. Rafhan recorded strong performances from the corn oil and desserts portfolio. Its 50 years celebration campaign further strengthened the brand equity of the desserts portfolio.

Profit after tax improved by 37% over corresponding period for 2010 on the back of healthy gross margins resulting from mix improvement as well as better absorption of distribution and other fixed expenses. EPS increased by PKR 21 over same period last year.

Future Outlook

Poor operating conditions have been compounded by the devastating floods in the country which can impact demand for consumer goods. Unilever is contributing to relief and rehabilitation.

Inflation and power outages pose significant challenges to the business. In this environment we remain committed to build brands which deliver exceptional value to consumers, customers and shareholders.

On behalf of the Board

Karachi
October 27, 2011

Fariyha Subhani
Chief Executive

UNILEVER PAKISTAN FOODS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2011

	Note	Unaudited September 30, 2011 (Rupees in thousand)	Audited December 31, 2010
ASSETS			
Non-current assets			
Property, plant and equipment	2	470,506	300,726
Intangible assets		81,637	81,637
Long term loans		23,524	2,157
Long term prepayment		6,775	128
		<u>582,442</u>	<u>384,648</u>
Current assets			
Stores and spares		24,389	17,458
Stock in trade		589,505	358,094
Trade debts		171,228	96,606
Loans and advances		31,161	14,709
Trade deposits and short term prepayments		37,373	20,230
Other receivables		3,021	9,638
Taxation - payments less provision		44,570	107,654
Cash and bank balances		91,168	80,436
		<u>992,415</u>	<u>704,825</u>
Total assets		<u><u>1,574,857</u></u>	<u><u>1,089,473</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		61,576	61,576
Reserves		286,296	342,819
		<u>347,872</u>	<u>404,395</u>
LIABILITIES			
Non-current liabilities			
Retirement benefits - obligations		22,713	8,939
Deferred taxation		25,280	29,243
Current liabilities			
Trade and other payables		1,061,741	433,047
Provision		5,460	10,000
Accrued interest / mark-up		490	2,020
Sales tax payable		47,958	31,625
Short term borrowings		63,343	170,204
		<u>1,178,992</u>	<u>646,896</u>
Total liabilities		<u>1,226,985</u>	<u>685,078</u>
Contingencies and commitments	3		
Total equity and liabilities		<u><u>1,574,857</u></u>	<u><u>1,089,473</u></u>

The annexed notes 1 to 6 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 NINE MONTHS ENDED SEPTEMBER 30, 2011 - UNAUDITED

	QUARTER ENDED		NINE MONTHS ENDED	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	← (Rupees in thousand) →			
Sales	1,238,642	1,066,747	3,784,796	3,112,718
Cost of sales	(731,224)	(658,670)	(2,253,446)	(1,885,412)
Gross profit	507,418	408,077	1,531,350	1,227,306
Distribution cost	(317,923)	(176,122)	(713,211)	(625,075)
Administrative expenses	(17,380)	(15,663)	(90,389)	(33,327)
Other operating expenses	(13,589)	(16,711)	(55,687)	(41,573)
Other operating income	17,759	2,800	51,408	12,111
	176,285	202,381	723,471	539,442
Restructuring cost	-	(10,202)	(5,000)	(10,202)
Profit from operations	176,285	192,179	718,471	529,240
Finance cost	(1,320)	(6,278)	(4,001)	(13,028)
Profit before taxation	174,965	185,901	714,470	516,212
Taxation	(67,102)	(61,034)	(241,439)	(171,562)
Profit after taxation	107,863	124,867	473,031	344,650
Earnings per share - Rupees	17.62	20.28	76.82	55.97

The annexed notes 1 to 6 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 NINE MONTHS ENDED SEPTEMBER 30, 2011 - UNAUDITED**

	Note	September 30, 2011	September 30, 2010
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations		834,703	388,867
Finance cost paid		(5,531)	(11,033)
Income tax paid		(182,318)	(152,395)
(Increase) / Decrease in long term loans		(21,367)	782
(Increase) / Decrease in long term prepayment		(6,647)	355
Net cash from operating activities		618,840	226,576
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(205,701)	(26,159)
Sale proceeds of property, plant and equipment		5,106	2,613
Return received on savings accounts		10	36
Net cash used in investing activities		(200,585)	(23,510)
CASH FLOW USED IN FINANCING ACTIVITY			
Dividend paid		(300,662)	(86,130)
Net increase in cash and cash equivalents		117,593	116,936
Cash and cash equivalents at the beginning of the period		(89,768)	(108,079)
Cash and cash equivalents at the end of the period	4	27,825	8,857

The annexed notes 1 to 6 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 NINE MONTHS ENDED SEPTEMBER 30, 2011 - UNAUDITED

	SHARE CAPITAL	CAPITAL		RESERVES		SUB TOTAL	TOTAL
		Share Premium	Special	REVENUE			
				General	Unappropriated Profit		
← (Rupees in thousand) →							
Balance as at January 1, 2010	61,576	24,630	628	138	181,684	207,080	268,656
Final dividend for the year ended December 31, 2009 @ Rs 14 per share	-	-	-	-	(86,207)	(86,207)	(86,207)
Interim dividend for the year ended December 31, 2010 @ Rs 35 per share	-	-	-	-	(215,517)	(215,517)	(215,517)
Net profit after taxation for the nine months ended September 30, 2010	-	-	-	-	344,650	344,650	344,650
Balance as at September 30, 2010	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>224,610</u>	<u>250,006</u>	<u>311,582</u>
Balance as at January 1, 2011	61,576	24,630	628	138	317,423	342,819	404,395
Final dividend for the year ended December 31, 2010 @ Rs 36 per share	-	-	-	-	(221,674)	(221,674)	(221,674)
Interim dividend for the year ending December 31, 2011 @ Rs 50 per share	-	-	-	-	(307,880)	(307,880)	(307,880)
Net profit after taxation for the nine months ended September 30, 2011	-	-	-	-	473,031	473,031	473,031
Balance as at September 30, 2011	<u>61,576</u>	<u>24,630</u>	<u>628</u>	<u>138</u>	<u>260,900</u>	<u>286,296</u>	<u>347,872</u>

The annexed notes 1 to 6 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 NINE MONTHS ENDED SEPTEMBER 30, 2011 - UNAUDITED

1. BASIS OF PREPARATION

This condensed interim financial information of Unilever Pakistan Foods Limited for the nine months ended September 30, 2011 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, 2010.

	Unaudited September 30, 2011	(Audited) December 31, 2010
	(Rupees in thousand)	
2. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - at net book value	271,650	297,151
Capital work in progress - at cost	198,856	3,575
	<u>470,506</u>	<u>300,726</u>

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

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	(Rupees in thousand)			
Building on freehold land	705	-	-	-
Plant and machinery	8,215	274	-	-
Electrical, mechanical and office equipment	1,500	18,654	-	-
Motor vehicles	-	-	3,058	276
	<u>10,420</u>	<u>18,928</u>	<u>3,058</u>	<u>276</u>

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingencies

During the year, 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 September 30, 2011 amounted to Rs 118.58 million (December 31, 2010: Nil).

	Unaudited September 30, 2011 (Rupees in thousand)	Audited September 30, 2010
4. CASH AND CASH EQUIVALENTS		
Cash and bank balances	174,500	77,854
Short term borrowings	<u>(63,343)</u>	<u>(68,997)</u>
	<u>111,157</u>	<u>8,857</u>

5. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the company	Nature of transactions	September 30, 2011 (Rupees in thousand)	September 30, 2010
i) Ultimate parent company	Technology fee	32,375	25,930
ii) Holding company	Royalty	28,332	23,343
iii) Other related parties	Purchase of goods	841,635	758,813
	Sale of goods	32,944	28,950
	Recovery of expenses from related party	44,112	38,778
	Fee for receiving of services from related party	124,950	97,100
iv) Key management personnel	Salaries and other short term employee benefits	18,656	2,960

6. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 27, 2011 by the Board of Directors of the company.

Fariyha Subhani
Chief Executive

Imran Husain
Director & Chief Financial Officer