



Unilever

UNILEVER PAKISTAN LIMITED

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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. 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

UNILEVER PAKISTAN LIMITED

Directors' Review

Profit after tax and Earnings Per Share grew by 20.2% on the back of sales growth of 15.6%. The business benefited from higher scale following new brand and format launches, competitive pricing and tighter control over costs and working capital.

	Nine months ended September 30		
	2011	2010	Increase %
Net Sales (Rs'000)	38,171,334	33,009,192	15.6%
Profit before taxation (Rs'000)	3,893,811	3,232,527	20.5%
Profit after taxation (Rs'000)	2,567,668	2,135,755	20.2%
Earnings per share (Rs)	193.15	160.66	20.2%

Home and Personal Care (HPC)

HPC business registered a sales growth of 17.3% as a result of new brand and format launches in the nine months. Surf continues to consolidate its position as a value market leader despite stiff competition. Dove, Rin, Ponds and Fair and Lovely delivered robust volume growth backed by strong media campaigns (Time to Shine – Rin and Fairness Meter – Fair and Lovely).

Beverages

The formal Tea industry and our business continue to suffer from an uneven playing field. Pakistani consumers pay 50% more for tea than the rest of South Asia, due mainly to high government levies which we are lobbying to reduce. Tea is accorded an essential food status and taxed at 4% in India; Pakistani consumers bear 16% GST and 10% import duty. High government levies create incentive to evade taxes and porous borders make it easy to smuggle. Consequently more than half the tea consumed in the country is smuggled. Lower government levies will discourage this, bring all imports into the official net and neutralise impact on government revenue. Smuggled tea is often adulterated with harmful substances. Discouraging smuggling will also have a positive impact on quality of tea consumed.

The successful 'Sip of Inspiration' campaign further strengthened Lipton's brand equity. Supreme's 'Tandrust Rahein, Mast Rahein' campaign continues to deliver positive results.

Ice Cream

Ice Cream sales grew by 12%. Greater focus on costs, a better product mix and pricing actions helped improve gross margins. Innovation continues to be at the heart of the category's strategy and the recent launches Cornetto Mango Cream, Fruttare, Zapper, Fruity Fire & Badami tub which were well received by consumers.

Spreads

The Spreads business achieved double digit sales growth of 36% with volume coming 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

This is the second consecutive year that the country is facing serious flooding where millions have been displaced and infrastructure disrupted. Demand for consumer goods has been severely impacted in the affected areas. As in the past, Unilever is working towards relief and rehabilitation through local authorities and its distributors. Increasing inflation, continued smuggling of tea, poor security environment and power outages continue to pose significant challenges to the business. Despite all the setbacks, we continue our growth journey by focusing on bigger innovations, improved execution. Our high performance culture gives us the confidence that we will continue to deliver exceptional value to consumers, customers and shareholders despite the ever challenging environment.

On behalf of the Board

Karachi
October 25, 2011

Ehsan A. Malik
Chairman and Chief Executive.

UNILEVER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2011

	Note	Unaudited September 30, 2011	Audited December 31, 2010
(Rupees in thousand)			
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,480,659	4,897,171
Intangibles		1,121,532	821,086
Long term investments		95,202	95,202
Long term loans		109,372	83,887
Long term deposits and prepayments		20,613	27,997
Retirement benefits - prepayments		137,543	148,800
		<u>6,964,921</u>	<u>6,074,143</u>
Current assets			
Stores and spares		350,819	357,338
Stock in trade		4,313,515	3,881,007
Trade debts		1,197,153	522,795
Loans and advances		186,858	126,699
Trade deposits and short term prepayments		408,591	243,661
Other receivables		164,186	70,960
Tax refunds due from the Government		597,038	466,394
Cash and bank balances		1,015,726	1,758,110
		<u>8,233,886</u>	<u>7,426,964</u>
Total assets		<u><u>15,198,807</u></u>	<u><u>13,501,107</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		1,975,760	2,890,841
		<u>2,645,237</u>	<u>3,560,318</u>
Surplus on revaluation of fixed assets		11,834	12,317
Liabilities			
Non-current liabilities			
Liabilities against assets subject to finance leases		5,297	19,818
Deferred taxation		538,154	576,143
Retirement benefits obligations		407,392	358,802
		<u>950,843</u>	<u>954,763</u>
Current liabilities			
Trade and other payables		10,563,375	8,233,705
Accrued interest / mark up		17,482	16,184
Short term borrowings		676,591	297,143
Current maturity of liabilities against assets subject to finance leases		16,980	28,877
Provisions		316,465	397,800
		<u>11,590,893</u>	<u>8,973,709</u>
Total liabilities		<u>12,541,736</u>	<u>9,928,472</u>
Contingencies and commitments	4		
Total equity and liabilities		<u><u>15,198,807</u></u>	<u><u>13,501,107</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 (UNAUDITED)**

	Note	Quarter ended		Nine months ended	
		September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
← (Rupees in thousand) →					
Sales	5	13,368,200	11,505,384	38,171,334	33,009,192
Cost of sales		(8,556,616)	(7,548,045)	(25,010,064)	(22,240,186)
Gross profit		4,811,584	3,957,339	13,161,270	10,769,006
Distribution costs		(2,624,819)	(1,929,418)	(7,931,866)	(6,204,279)
Administrative expenses		(433,933)	(305,334)	(1,158,269)	(886,188)
Other operating expenses		(124,398)	(119,762)	(314,820)	(267,289)
Other operating income		22,544	24,081	250,624	97,722
		1,650,978	1,626,906	4,006,939	3,508,972
Restructuring cost		-	(40,000)	(45,000)	(90,000)
Profit from operations		1,650,978	1,586,906	3,961,939	3,418,972
Finance costs		(21,123)	(152,039)	(68,128)	(186,445)
Profit before taxation		1,629,855	1,434,867	3,893,811	3,232,527
Taxation		(593,717)	(486,348)	(1,326,143)	(1,096,772)
Profit after taxation		1,036,138	948,519	2,567,668	2,135,755
Earnings per share - (Rupees)		77.94	71.36	193.15	160.66

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN 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	6	5,259,612	4,793,990
Retirement benefits obligations paid		(22,793)	(5,627)
Finance costs paid		(66,830)	(179,209)
Income tax paid		(1,494,776)	(1,332,035)
Increase / (Decrease) in long term loans		(25,485)	8,215
Increase in long term deposits and prepayments		7,384	364,572
Net cash from operating activities		<u>3,657,112</u>	<u>3,649,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,031,826)	(431,619)
Payment for intangible asset		(300,446)	(108,800)
Sale proceeds of property, plant and equipment		25,491	24,167
Return received on savings accounts		37,487	1,430
Net cash used in investing activities		<u>(1,269,294)</u>	<u>(514,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in liabilities against assets subject to finance leases		(26,418)	(23,678)
Dividends paid		(3,483,232)	(1,821,499)
Net cash used in financing activities		<u>(3,509,650)</u>	<u>(1,845,177)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(1,121,832)</u>	<u>1,289,907</u>
Cash and cash equivalents at the beginning of the period		<u>1,460,967</u>	<u>(798,358)</u>
Cash and cash equivalents at the end of the period	7	<u><u>339,135</u></u>	<u><u>491,549</u></u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 (UNAUDITED)

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Arising 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 nine months ended September 30, 2010	-	-	-	2,135,755	2,135,755	2,135,755
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends For the year ended December 31, 2009 - On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 137 per share	-	-	-	(1,821,260)	(1,821,260)	(1,821,260)
For the year ended December 31, 2010 - Interim dividend on ordinary shares @ Rs. 89 per share	-	-	-	(1,183,154)	(1,183,154)	(1,183,154)
Balance as at September 30, 2010	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,360,828</u>	<u>1,753,228</u>	<u>2,422,705</u>
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 Nine months ended September 30, 2011	-	-	-	2,567,668	2,567,668	2,567,668
Transferred from surplus on revaluation of fixed assets - net of deferred taxation: - incremental depreciation for the period	-	-	-	483	483	483
Dividends For the year ended December 31, 2010 - On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 157 per share	-	-	-	(2,087,137)	(2,087,137)	(2,087,137)
For the year ending December 31, 2011 - Interim dividend on ordinary shares @ Rs. 105 per share	-	-	-	(1,395,856)	(1,395,856)	(1,395,856)
Balance as at September 30, 2011	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,583,360</u>	<u>1,975,760</u>	<u>2,645,237</u>

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED

NOTES TO 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 Limited (the Company) for the nine months ended September 30, 2011 has been prepared in accordance with the requirements of the International Accounting Standard No. 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.

2. ACCOUNTING POLICIES

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 for the year ended December 31, 2010.

	Unaudited September 30, 2011	Audited December 31, 2010
3. PROPERTY, PLANT AND EQUIPMENT	(Rupees in thousand)	
Operating assets - at net book value	4,463,688	4,588,190
Capital work in progress - at cost		
Civil works	5,585	8,075
Plant and machinery	1,011,386	300,906
	1,016,971	308,981
	5,480,659	4,897,171

3.1 Additions and disposals to 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) →			
Owned				
Building on freehold land	8,633	7,422	-	-
Plant and machinery	200,364	306,703	-	4,756
Electrical, mechanical and office equipment	105,269	42,974	6,057	-
Furniture and fittings	1,574	1,723	-	-
Motor vehicles	7,850	-	-	-
Assets held under finance leases				
Motor vehicles	146	-	1,967	179
	323,836	358,822	8,024	4,935

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

4.1.1 The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual financial statements 2010 has remained unchanged at Rs. 321.47 million as at September 30, 2011.

As a matter of prudence, a total of Rs 321.47 million as at September 30, 2011 (2010: Rs 321.47 million) out of the revenue reserves has been earmarked as contingency reserve for the levy uptill December 2006.

4.1.2 The Officer of Inland Revenue while finalising the re-assessment for the tax years 2006, 2007 and 2009 passed amended assessment orders enhancing tax liability for these years by Rs. 400 million in respect of certain disallowances.

The company has filed appeals before the Commissioner of Inland Revenue (Appeals) and the same were decided against the company. However, the company has filed the appeals before the Appellate Tribunal Inland Revenue.

Further, the Additional Commissioner of Inland Revenue amended the assessments for tax years 2008 and 2010 enhancing the tax liability by Rs. 261 million. The company has filed appeals before the Commissioner of Inland Revenue (Appeals) against these orders.

The management of the company is of the view that the disallowances have been made erroneously and therefore, the ultimate decision in appeal will be in company's favour. No provision has, therefore, been made in the condensed interim financial information.

4.2 Commitments

The commitments for capital expenditure outstanding as at September 30, 2011 amounted to Rs. 746.95 million (December 31, 2010: Rs. 392.95 million).

5 SEGMENT ANALYSIS

5.1 SEGMENT RESULTS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
For the quarter ended September 30, 2011					
Revenue	<u>7,714,304</u>	<u>3,546,653</u>	<u>1,730,846</u>	<u>376,397</u>	<u>13,368,200</u>
Segment results	<u>1,020,690</u>	<u>532,048</u>	<u>151,678</u>	<u>48,416</u>	<u>1,752,832</u>
For the quarter ended September 30, 2010					
Revenue	<u>6,625,359</u>	<u>2,853,108</u>	<u>1,738,235</u>	<u>288,682</u>	<u>11,505,384</u>
Segment results	<u>1,107,112</u>	<u>343,995</u>	<u>202,034</u>	<u>69,446</u>	<u>1,722,587</u>

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
For nine months ended September 30, 2011					
Revenue	<u>21,121,516</u>	<u>10,831,995</u>	<u>5,078,672</u>	<u>1,139,151</u>	<u>38,171,334</u>
Segment results	<u>2,546,207</u>	<u>1,059,839</u>	<u>365,559</u>	<u>99,530</u>	<u>4,071,135</u>
For nine months ended September 30, 2010					
Revenue	<u>18,017,397</u>	<u>9,633,680</u>	<u>4,526,811</u>	<u>831,304</u>	<u>33,009,192</u>
Segment results	<u>2,686,808</u>	<u>533,859</u>	<u>396,078</u>	<u>61,794</u>	<u>3,678,539</u>

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

	Quarter ended		Nine months ended	
	September	September	September	September
	2011	2010	2011	2010
	← (Rupees in thousand) →			
Total results for reportable segments	<u>1,752,832</u>	<u>1,722,587</u>	<u>4,071,135</u>	<u>3,678,539</u>
Other operating expenses	<u>(124,398)</u>	<u>(119,762)</u>	<u>(314,820)</u>	<u>(267,289)</u>
Other operating income	<u>22,544</u>	<u>24,081</u>	<u>250,624</u>	<u>97,722</u>
Restructuring costs	<u>-</u>	<u>(40,000)</u>	<u>(45,000)</u>	<u>(90,000)</u>
Finance costs	<u>(21,123)</u>	<u>(152,039)</u>	<u>(68,128)</u>	<u>(186,445)</u>
Taxation	<u>(593,717)</u>	<u>(486,348)</u>	<u>(1,326,143)</u>	<u>(1,096,772)</u>
Profit after tax	<u>1,036,138</u>	<u>948,519</u>	<u>2,567,668</u>	<u>2,135,755</u>

5.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Other	Total
	← (Rupees in thousand) →				
As at September 30, 2011					
Segment assets	<u>6,696,572</u>	<u>1,768,431</u>	<u>4,021,264</u>	<u>279,042</u>	<u>12,765,309</u>
As at December 31, 2010 - Audited					
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>

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	September 30, 2011 (Rupees in thousand)	Audited December 31, 2010
Total for reportable segments	12,765,309	10,942,849
Unallocated assets	<u>2,433,498</u>	<u>2,558,258</u>
Total as per balance sheet	<u><u>15,198,807</u></u>	<u><u>13,501,107</u></u>
	September 30, 2011 (Rupees in thousand)	September 30, 2010
6. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,893,811	3,232,527
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	440,314	406,145
Amortisation of software	-	2,433
Gain on disposal of property, plant and equipment	(17,467)	(19,232)
Finance cost	68,128	186,445
Provision for staff retirement benefits	82,639	86,821
Return on savings accounts	(37,487)	(1,430)
	<u>536,127</u>	<u>661,182</u>
Profit before working capital changes	<u>4,429,938</u>	<u>3,893,709</u>
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores and spares	6,519	(91,833)
Stock in trade	(432,508)	(707,023)
Trade debts	(674,358)	(120,507)
Loans and advances	(60,159)	(46,804)
Trade deposits and short term prepayments	(164,930)	(93,249)
Other receivables	(93,226)	9,767
	<u>(1,418,662)</u>	<u>(1,049,649)</u>
Increase / (Decrease) in current liabilities		
Trade and other payables	2,329,670	1,741,951
Provisions	(81,334)	207,979
	<u>2,248,336</u>	<u>1,949,930</u>
Cash generated from operations	<u><u>5,259,612</u></u>	<u><u>4,793,990</u></u>
	September 30, 2011 (Rupees in thousand)	September 30, 2010
7. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,015,726	724,552
Short term borrowings	(676,591)	(233,003)
	<u><u>339,135</u></u>	<u><u>491,549</u></u>

8. 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:	Royalty and technical services fee	1,250,079	1,178,547
ii. Other related parties:	Purchase of goods	8,509,450	6,706,714
	Reimbursement of expenses to related party	-	38,777
	Fee for receiving of services from related party	44,112	1,100
	Payment to related party for intangible asset	279,300	108,800
	Sale of goods	4,759	1,709
	Recovery of expenses from related party	-	85,424
	Fee for providing of services to related parties	143,284	11,661
iii. Key management personnel:	Salaries and other short-term employee benefits	122,132	62,874
	Post-employment benefits	6,857	5,924
iv. Others:	Donations	3,019	2,307

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 (DFL). The management is of the view that the agreement between the Company and DFL is not in the violation of Monopolies and Restrictive Trade Practices Ordinance 1970. The Company filed an appeal in the High Court of Sindh and the operation of MCA's order was stayed. At present, the appeal is pending for hearing.

10. DATE OF ISSUE

This condensed interim financial information has been authorised for issue on October 25, 2011 by the Board of Directors of the Company.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2011**

Unilever Pakistan Limited
and its Subsidiary Companies

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED 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	4	5,480,659	4,897,171
Intangibles		1,121,532	821,086
Long term investments		200	200
Long term loans		109,372	83,887
Long term deposits and prepayments		20,613	27,997
Retirement benefits - prepayments		137,543	148,800
		<u>6,869,919</u>	<u>5,979,141</u>
Current assets			
Stores and spares		350,819	357,338
Stock in trade		4,313,515	3,881,007
Trade debts		1,197,153	522,795
Loans and advances		186,858	126,699
Trade deposits and short term prepayments		408,591	243,661
Other receivables		168,091	70,995
Tax refunds due from the Government		597,038	466,394
Investments - held to maturity		145,933	143,354
Cash and bank balances		1,021,722	1,762,650
		<u>8,389,720</u>	<u>7,574,893</u>
Total assets		<u><u>15,259,639</u></u>	<u><u>13,554,034</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		669,477	669,477
Reserves		2,034,286	2,942,056
		<u>2,703,763</u>	<u>3,611,533</u>
Surplus on revaluation of fixed assets		11,834	12,317
Liabilities			
Non-current liabilities			
Liabilities against assets subject to finance leases		5,297	19,818
Deferred taxation		538,154	576,143
Retirement benefits obligations		407,392	358,802
		<u>950,843</u>	<u>954,763</u>
Current liabilities			
Trade and other payables		10,565,051	8,235,346
Accrued interest / mark up		17,482	16,184
Short term borrowings		676,591	297,143
Current maturity of liabilities against assets subject to finance leases		16,980	28,877
Taxation- Provision less Payments		630	71
Provisions		316,465	397,800
		<u>11,593,199</u>	<u>8,975,421</u>
Total liabilities		<u>12,544,042</u>	<u>9,930,184</u>
Contingencies and commitments	5		
Total equity and liabilities		<u><u>15,259,639</u></u>	<u><u>13,554,034</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 Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2011 (UNAUDITED)

	Note	Quarter ended		Nine months ended	
		September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
← (Rupees in thousand) →					
Sales	6	13,368,200	11,505,384	38,171,334	33,009,192
Cost of sales		(8,556,616)	(7,548,045)	(25,010,064)	(22,240,186)
Gross profit		4,811,584	3,957,339	13,161,270	10,769,006
Distribution costs		(2,624,819)	(1,929,418)	(7,931,866)	(6,204,279)
Administrative expenses		(433,933)	(305,349)	(1,158,369)	(886,223)
Other operating expenses		(124,398)	(119,762)	(314,820)	(267,289)
Other operating income		25,990	28,101	261,972	109,656
		1,654,424	1,630,911	4,018,187	3,520,871
Restructuring cost		-	(40,000)	(45,000)	(90,000)
Profit from operations		1,654,424	1,590,911	3,973,187	3,430,871
Finance costs		(21,122)	(152,040)	(68,129)	(186,476)
Profit before taxation		1,633,302	1,438,871	3,905,058	3,244,395
Taxation		(594,923)	(487,750)	(1,330,079)	(1,100,926)
Profit after taxation		1,038,379	951,121	2,574,979	2,143,469
Earnings per share - (Rupees)		78.11	71.55	193.70	161.24

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTH ENDED SEPTEMBER 30, 2011 (UNAUDITED)

	Note	September 30, 2011	September 30, 2010
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	7	5,255,675	4,788,530
Retirement benefits obligations paid		(22,793)	(5,627)
Finance costs paid		(66,829)	(179,229)
Income tax paid		(1,498,153)	(1,338,074)
Decrease in long term loans		(25,485)	8,215
Decrease in long term deposits and prepayments		7,384	364,572
Net cash from operating activities		<u>3,649,799</u>	<u>3,638,387</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,031,826)	(431,619)
Payment for intangible asset		(300,446)	(108,800)
Sale proceeds of property, plant and equipment		25,491	24,167
Return received on savings accounts		48,835	10,317
(Investments in) / encashement of investments held to maturity		(2,579)	66,449
Net cash used in investing activities		<u>(1,260,525)</u>	<u>(439,486)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in liabilities against assets subject to finance leases		(26,418)	(23,678)
Dividends paid		(3,483,232)	(1,821,500)
Net cash used in financing activities		<u>(3,509,650)</u>	<u>(1,845,178)</u>
Net decrease in cash and cash equivalents		<u>(1,120,376)</u>	<u>1,353,723</u>
Cash and cash equivalents at the beginning of the period		1,465,507	(759,267)
Cash and cash equivalents at the end of the period	8	<u><u>345,131</u></u>	<u><u>594,456</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 Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH ENDED SEPTEMBER 30, 2011 (UNAUDITED)

	SHARE CAPITAL	RESERVES			SUB TOTAL	TOTAL
		CAPITAL		REVENUE		
		Arising 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 nine months ended September 30, 2010	-	-	-	2,143,469	2,143,469	2,143,469
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2009						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 137 per share	-	-	-	(1,821,260)	(1,821,260)	(1,821,260)
For the year ending December 31, 2010						
- Interim dividend on ordinary shares @ Rs. 89 per share				(1,183,154)	(1,183,154)	(1,183,154)
Balance as at September 30, 2010	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,409,128</u>	<u>1,801,528</u>	<u>2,471,005</u>
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 nine months ended September 30, 2011	-	-	-	2,574,979	2,574,979	2,574,979
Transferred from surplus on revaluation of fixed assets - net of deferred taxation:						
- incremental depreciation for the period	-	-	-	483	483	483
Dividends						
For the year ended December 31, 2010						
- On cumulative preference shares @ 5% per share	-	-	-	(239)	(239)	(239)
- Final dividend on ordinary shares @ Rs. 157 per share	-	-	-	(2,087,137)	(2,087,137)	(2,087,137)
For the year ending December 31, 2011						
- Interim dividend on ordinary shares @ Rs. 105 per share				(1,395,856)	(1,395,856)	(1,395,856)
Balance as at September 30, 2011	<u>669,477</u>	<u>70,929</u>	<u>321,471</u>	<u>1,641,886</u>	<u>2,034,286</u>	<u>2,703,763</u>

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

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer

UNILEVER PAKISTAN LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE NINE MONTH ENDED SEPTEMBER 30, 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 consolidated 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 in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2010.

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited September 30, 2011	Audited December 31, 2010
	(Rupees in thousand)	
Operating assets - at net book value	4,463,688	4,588,190
Capital work in progress - at cost		
Civil works	5,585	8,075
Plant and machinery	1,011,386	300,906
	1,016,971	308,981
	5,480,659	4,897,171

4.1 Additions and disposals to 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)			
Owned				
Building on freehold land	8,633	7,422	-	-
Plant and machinery	200,364	306,703	-	4,756
Electrical, mechanical and office equipment	105,269	42,974	6,057	-
Furniture and fittings	1,574	1,723	-	-
Motor vehicles	7,850	-	-	-
Assets held under finance leases				
Motor vehicles	146	-	1,967	179
	323,836	358,822	8,024	4,935

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 The contingency amount reported in respect of Sindh Development Infrastructure Fee / Cess in the annual financial statements 2010 has remained unchanged at Rs. 321.47 million as at September 30, 2011.

As a matter of prudence, a total of Rs 321.47 million as at September 30, 2011 (2010: Rs 321.47 million) out of the revenue reserves has been earmarked as contingency reserve for the levy uptill December 2006.

5.1.2 The Officer of Inland Revenue (OIR) while finalising the re-assessment for the assessment years 2006, 2007 and 2009 passed amended assessment orders enhancing income tax liability by Rs. 400 million in respect of certain disallowances.

The company has filed appeals before the Commissioner of Inland Revenue (Appeals) and the same were decided against the company. However, the company has filed the appeals before the Appellate Tribunal Inland Revenue.

Further, the Additional Commissioner of Inland Revenue amended the assessments for tax years 2008 and 2010 enhancing the tax liability by Rs. 261 million. The company has filed appeals before the CIR against these orders.

The management of the company is of the view that the disallowances have been made erroneously and therefore, the ultimate decision in appeal will be in company's favour. No provision has, therefore, been made in the condensed interim financial information.

5.2 Commitments

The commitments for capital expenditure outstanding as at September 30, 2011 amounted to Rs. 746.95 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 September 30, 2011					
Revenue	<u>7,714,304</u>	<u>3,546,653</u>	<u>1,730,846</u>	<u>376,397</u>	<u>13,368,200</u>
Segment results	<u>1,020,690</u>	<u>532,048</u>	<u>151,678</u>	<u>48,416</u>	<u>1,752,832</u>
For the quarter ended September 30, 2010					
Revenue	<u>6,625,359</u>	<u>2,853,108</u>	<u>1,738,235</u>	<u>288,682</u>	<u>11,505,384</u>
Segment results	<u>1,107,113</u>	<u>343,985</u>	<u>202,029</u>	<u>69,445</u>	<u>1,722,572</u>
For nine months ended September 30, 2011					
Revenue	<u>21,121,516</u>	<u>10,831,995</u>	<u>5,078,672</u>	<u>1,139,151</u>	<u>38,171,334</u>
Segment results	<u>2,546,207</u>	<u>1,059,839</u>	<u>365,559</u>	<u>99,530</u>	<u>4,071,135</u>
For nine months ended September 30, 2010					
Revenue	<u>18,017,397</u>	<u>9,633,680</u>	<u>4,526,811</u>	<u>831,304</u>	<u>33,009,192</u>
Segment results	<u>2,686,789</u>	<u>533,849</u>	<u>396,073</u>	<u>61,793</u>	<u>3,678,504</u>
Segment results	<u>2,686,789</u>	<u>533,849</u>	<u>396,073</u>	<u>61,793</u>	<u>3,678,504</u>

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

	Quarter ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
	(Rupees in thousand)			
Total results for reportable segments	1,752,832	1,722,572	4,071,135	3,678,504
Other operating expenses	(124,398)	(119,762)	(314,920)	(267,289)
Other operating income	25,990	28,101	261,972	109,656
Restructuring costs	-	(40,000)	(45,000)	(90,000)
Finance costs	(21,122)	(152,040)	(68,129)	(186,476)
Taxation	(594,923)	(487,750)	(1,330,079)	(1,100,926)
Profit after tax	<u>1,038,379</u>	<u>951,121</u>	<u>2,574,979</u>	<u>2,143,469</u>

6.2 SEGMENT ASSETS

	Home and Personal Care	Beverages	Ice Cream	Spreads	Total
	(Rupees in thousand)				
As at September 30, 2011					
Segment assets	<u>6,696,572</u>	<u>1,768,431</u>	<u>4,021,264</u>	<u>279,042</u>	<u>12,765,309</u>
As at December 31, 2010 - Audited					
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>

Reconciliation of segment assets with total assets in the balance sheet is as follows:

	September 30, 2011	Audited December 31, 2010
	(Rupees in thousand)	
Total for reportable segments	12,765,309	10,942,849
Unallocated assets	<u>2,494,330</u>	<u>2,611,185</u>
Total as per balance sheet	<u>15,259,639</u>	<u>13,554,034</u>

	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
7. CASH GENERATED FROM OPERATIONS		
Profit before taxation	3,905,058	3,244,395
Add / (Less): Adjustments for non-cash charges and other items		
Depreciation	440,314	406,145
Amortisation of software	-	2,433
Gain on disposal of property, plant and equipment	(17,467)	(19,232)
Finance cost	68,128	174,543
Provision for staff retirement benefits	82,639	86,821
Return on savings accounts	(48,835)	(1,430)
	524,779	649,280
Profit before working capital changes	4,429,837	3,893,675
Effect on cash flow due to working capital changes		
(Increase) / Decrease in current assets		
Stores and spares	6,519	(91,833)
Stock in trade	(432,508)	(707,023)
Trade debts	(674,358)	(120,507)
Loans and advances	(60,159)	(46,804)
Trade deposits and short term prepayments	(164,930)	(93,249)
Other receivables	(97,097)	4,318
	(1,422,533)	(1,055,098)
Increase/ (Decrease) in current liabilities		
Trade and other payables	2,329,706	1,741,974
Provisions	(81,335)	207,979
	2,248,371	1,949,953
Cash generated from operations	5,255,675	4,788,530
	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
8. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,021,722	827,459
Short term borrowings	(676,591)	(233,003)
	345,131	594,456

9. RELATED PARTY TRANSACTIONS

Significant related party transactions during the period are as follows:

Relationship with the company	Nature of transactions	September 30, September 30,	
		2011	2010
(Rupees in thousand)			
i. Ultimate parent company:	Royalty and technical services fee	1,250,079	1,178,547
ii. Other related parties:	Purchase of goods	8,509,450	6,706,714
	Reimbursement of expenses to related party	-	38,777
	Fee for receiving of services from related party	44,112	1,100
	Payment to related party for intangible asset	279,300	108,800
	Sale of goods	4,759	1,709
	Recovery of expenses from related party	-	85,424
	Fee for providing of services to related parties	143,284	11,661
iii. Key management personnel:	Salaries and other short-term employee benefits	122,132	62,874
	Post-employment benefits	6,857	5,924
iv. Others:	Donations	3,019	2,307

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 company to refund the amount of Rs. 250 million to Dalda Foods (Private) Limited (DFL). The management is of the view that the agreement between the company and DFL is not in the violation of Monopolies and Restrictive Trade Practices Ordinance 1970. The company filed an appeal in the High Court of Sindh and the operation of MCA's order was stayed. At present, the appeal is pending for hearing.

11. DATE OF ISSUE

This condensed interim consolidated financial information has been authorised for issue on October 25, 2011 by the Board of Directors of the Group.

Ehsan A. Malik
Chairman & Chief Executive

Imran Husain
Director & Chief Financial Officer