



**Unilever Pakistan Limited**  
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26 April 2010



The Secretary  
 Karachi Stock Exchange (Guarantee) Limited  
 Karachi.

By Hand & Fax  
 111 573 329

The Secretary  
 Lahore Stock Exchange (Guarantee) Limited  
 Lahore.

By Courier & Fax  
 042 111 441 441

The Secretary  
 Islamabad Stock Exchange (Guarantee) Limited  
 Islamabad.

By Courier & Fax  
 051 111 473 329

Dear Sirs,

**UNILEVER PAKISTAN LIMITED**  
**Financial Results for the period January - March 2010**

Despite rampant smuggling of tea which affected the growth and profitability of the Beverages category, healthy volume growth in the rest of the business resulted in aggregate sales increase of 16%. Nearly half the tea consumed in Pakistan is now smuggled, mainly through misuse of the Afghanistan Transit Treaty (ATT). The government is losing nearly Rs. 8 Billion in taxes. Your company together with the Pakistan Tea Association and Pakistan Business Council is lobbying for removal of incentive to smuggle through tax revenue-neutral adjustment in duties and GST/VAT. Additionally it is seeking limits, based on Afghanistan's genuine need, on what can be imported under ATT.

In Quarter One, our focus remained on enhancing consumer and customer value through superior products and by absorbing rising input costs. We also continued to invest behind brands. Increase in input costs, especially of raw tea resulted in lower gross margin. Efficient working capital management reduced financial charges significantly. Earning per share grew by 4%.

**Home and Personal Care**

The HPC business strengthened its market position by sharpening consumer focus. Surf continues to consolidate its leadership. Lifebuoy and Sunsilk were the other star performers, achieving double digit growth. The re-launch of Sunsilk with the "Co-creations" campaign was well received by consumers.

**Beverages**

The beverages segment continues to suffer from rampant smuggling through the Afghan Transit Trade. Increase in Kenyan tea prices combined with the devaluation of the Rupee negatively impacted the gross margin. Despite these factors, the category managed to deliver volume and sales growth on the back of strong brand equity through sharply differentiated portfolio.