



UNILEVER CARIBBEAN LIMITED

Unaudited Financial Statements

for the Period ended 31 March 2018

Expressed in Trinidad & Tobago Dollars

CHAIRMAN'S REVIEW

Unilever Caribbean Limited's first quarter results continue to be impacted by the economic and financial challenges experienced by Trinidad and Tobago and the Southern Caribbean. In this market context, UCL was able to deliver \$101M in Turnover, a 12% decrease versus prior year, and Profit after Tax of \$3.1M vs \$3.8M in Q1 2017. Operating Expenses under strict control provided a savings of 4%, driven by administrative expenses.

Despite the volatile environment, UCL maintains a solid financial position, with Non-current Assets increasing by 28% vs Q1 2017, driven by the investment in the Champs Fleurs manufacturing site to improve safety and to implement global phosphate-free detergent technology. Current Assets declined by 9% vs Q1 2017, driven by credit control reinforcement initiatives to carefully manage credit exposures. This resulted in a reduction in Trade and Other Receivables of 35% while improving Cash in Hand by 61% to \$54M at end of March.

UCL remains cautiously optimistic despite the troubled backdrop of market conditions, and we are determined to face these obstacles while implementing our strategies so that we will resume our growth position. Our adoption of the Regional Connected 4 Growth initiatives will assist in our responsiveness to a more agile customer and consumer-oriented environment and in the deployment of innovations.

Finally, we wish to extend our sincerest appreciation to our employees and all our stakeholders for your continued support.

Pablo Garrido
Chairman

SUMMARY STATEMENT OF FINANCIAL POSITION

	UNAUDITED 31 MAR 18 \$'000	AS AT 31 MAR 17 \$'000	AUDITED 31 DEC 17 \$'000
ASSETS			
Non-current assets			
Property, plant and equipment	154,732	123,643	154,741
Retirement benefit asset	66,194	47,474	68,432
Deferred tax asset	7,704	7,629	7,540
	<u>228,630</u>	<u>178,746</u>	<u>230,713</u>
Current assets			
Inventories	54,520	60,595	49,779
Trade and other receivables	83,857	130,000	111,180
Due from related companies	13,498	9,292	13,683
Taxation recoverable	8,223	2,848	7,815
Cash at bank and in hand	53,731	33,334	31,720
	<u>213,829</u>	<u>236,069</u>	<u>214,177</u>
Total assets	<u>442,459</u>	<u>414,815</u>	<u>444,890</u>
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	26,244	26,244	26,244
Property revaluation surplus	35,643	35,643	35,643
Retained earnings	175,483	177,709	172,433
Total equity	<u>237,370</u>	<u>239,596</u>	<u>234,320</u>
LIABILITIES			
Non-current liabilities			
Retirement and termination benefit obligation	25,679	25,431	27,391
Deferred tax liabilities	32,239	27,424	34,385
	<u>57,918</u>	<u>52,855</u>	<u>61,776</u>
Current liabilities			
Trade and other payables	85,318	67,374	86,367
Provisions for other liabilities	7,661	4,982	8,903
Due to parent and related companies	54,192	50,008	53,524
	<u>147,171</u>	<u>122,364</u>	<u>148,794</u>
Total liabilities	<u>205,089</u>	<u>175,219</u>	<u>210,570</u>
Total equity and liabilities	<u>442,459</u>	<u>414,815</u>	<u>444,890</u>

John De Silva, Managing Director

Nanda Persad, Finance Director

NOTES TO THE FINANCIAL STATEMENTS:

1. Basis of preparation. These summary financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

2. Summary of significant accounting policies. The principal accounting policies applied in the preparation of these summary financial statements are consistent with those disclosed in the audited financial statements as at and for the year ended December 31, 2017, and have been consistently applied to all periods presented, unless otherwise stated.

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	UNAUDITED 3 MONTHS ENDED 31 MAR 18 \$'000	UNAUDITED 3 MONTHS ENDED 31 MAR 17 \$'000	AUDITED 12 MONTHS ENDED 31 DEC 17 \$'000
Turnover	100,845	115,081	464,042
Cost of sales	[66,401]	[74,935]	[297,897]
Gross profit	34,444	40,146	166,145
Selling and distribution costs	[2,819]	[25,658]	[115,246]
Administrative expenses	[4,909]	[8,662]	[29,474]
Loss on disposal of plant and equipment			[1,910]
Operating profit	1,343	5,826	19,515
Finance costs - net	3	[119]	[352]
Profit before taxation	1,346	5,707	19,163
Taxation	1,705	[1,863]	[8,693]
Profit after taxation	3,051	3,844	10,470
Other comprehensive income			
Re-measurements of defined benefit asset/liability			20,488
Related tax			[6,146]
Total comprehensive income for the period	3,051	3,844	24,812
Earnings per share	\$0.12	\$0.15	\$0.40

SUMMARY STATEMENT OF CASH FLOWS

	UNAUDITED 3 MONTHS ENDED 31 MAR 18 \$'000	UNAUDITED 3 MONTHS ENDED 31 MAR 17 \$'000	AUDITED 12 MONTHS ENDED 31 DEC 17 \$'000
Operating activities			
Profit before taxation	1,346	5,077	19,163
Adjustment for items not affecting working capital	2,783	6,944	11,087
Operating profit before working capital changes	4,129	12,021	30,250
Net decrease/increase in working capital	21,143	[27,266]	11,127
Cash flows from operating activities	25,272	[15,125]	41,377
Taxation & interest paid [net of refunds]	[1,013]	[439]	[11,388]
Net cash flows from operating activities	24,259	(19,964)	29,989
Cash flows used in investing activities			
Purchase of plant and equipment	[2,248]	[4,088]	[43,020]
Proceeds from sale of property, plant and equipment			487
Net cash flows used in investing activities	(2,248)	(4,888)	(42,533)
Cash flows used in financing activities			
Dividends paid			[13,121]
Net cash flows used in financing activities			[13,121]
Increase/(decrease) in cash and cash equivalents	22,011	(24,052)	(25,666)
Cash and cash equivalents at beginning of period	31,720	57,386	57,386
Cash and cash equivalents at the end of period	53,731	33,334	31,720
Represented by:			
Cash at bank and in hand	53,731	33,334	31,720

SUMMARY STATEMENT OF CHANGES IN EQUITY

	Stated Capital \$'000	Property Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance as at 1 January 2018	26,244	35,643	172,433	234,320
Total comprehensive income for the period			3,051	3,051
Dividends				
Balance as at 31 March, 2018	26,244	35,643	175,483	237,370
Balance as at 1 January, 2017	26,244	35,643	173,865	235,752
Total comprehensive income for the period			3,844	3,844
Dividends				
Balance as at 31 March, 2017	26,244	35,643	177,709	239,596