

AGM 2009

Chairman's Review of 2008

Political

The country remained stable after the general election and presidential re-run and has proved to be one of the more stable democracies in Africa, and a major success to democratic institutions in the country. This is expected to improve confidence in Ghana, and despite the difficult Global economic conditions, will attract investment into the country.

Business Performance

We delivered a strong performance during the year despite challenges from high price of crude palm oil (CPO) our largest and most important raw material, most parts of the year. Revenue grew by 19.1% and operating profit by 56.7% against prior year.

Growth during the year was strong across all key categories and in line with our plans. We delivered strong operating margin of 17.2%, an improvement of 4.1 percentage points over prior year, driven by an improved portfolio mix and a strong performance margins from the Plantations. We delivered healthy profit after tax of Gh¢29.2m, an increase of Gh¢16.8m over prior year of Gh¢12.4m, including Gh¢3.0m from property disposal. Once again we ended the year with a strong cash position.

The business is pleased with the strong performance and has confidence in its strategies in meeting and beating the challenges. In line with the strong performance, Unilever Ghana for the first time was able to declare an interim dividend to enable the shareholders share early in the fruits of the hard work.

Dividends

The Board declared an interim dividend Gh¢ 0.1005 per share and recommends paying a final dividend of Gh¢ 0.1123 giving a total of Gh¢ 0.2128 per share, or a total payout of Gh¢ 14.1m, representing an increase of 72% over 2007, and in line with our payout policy of 70% of the profit attributable to members of the company. Our proposal aligns with our stated aim of paying dividends at sustainable levels.

Board Changes

Mr A. Y.O Nsarko resigned from the Board of Unilever Ghana Limited during the year. We wish to record our appreciation to Mr Nsarko for his contribution to the business. We welcome to the Board Mr Sampson Aaron Dontoh who occupies the position of Human Resource Director.

Profile of the new Director

Mr Sampson Aaron Dontoh holds an Executive Masters in Business Administration (Human Resource Option) and a Bachelor of Arts Degree, both from the University of Ghana. Prior to joining Unilever Ghana Limited, he worked as the Human Resources Manager for L' Air Liquide Ghana Limited.

He joined Unilever Ghana in 2003 as the Training and Development Manager, a position he held until 2006 when he was appointed West Africa Learning Manager, responsible for Ghana, Nigeria and Cote D'Ivoire. In 2007, Mr Dontoh was appointed Human Resource Business Partner for the Company and has been responsible for the Human Resource Function until his current appointment as Human Resource Director for Unilever Ghana Limited in April 2009.

Economic

The global financial crisis is affecting investment in the local financial market and private remittances. However, high growth prospects still attract investments into the country, despite a weakening Ghana cedi and a high inflation regime. Inflationary pressures still persists driven by large budget deficits and public sector wage demands.

Newly discovered crude oil fields are expected to attract further investment to produce 120,000 bpd in 2010-2011, although global financial crisis and current low oil prices may restrict capital investments for production in the short term.

Amendment of Regulations

As you are aware, operations of the Ghana Stock Exchange Securities Depository Company Limited began on November 14, 2008 with the voluntary deposit by investors of share certificates for immobilisation. This is in accordance with section 12(2) of the Central Securities Depository Act, 2007 (Act 733), and is only the first of various steps to be taken in the Ghana Stock Exchange's quest to make the transition from the use of paper share certificates to electronic book entry securities. Section 12(1)(a) and (b) of the Act also provides as follows:

- “12(1) *An issuer of securities to the public may*
- (a) *issue a security in uncertificated or dematerialised form where it is authorised in its regulations and authorised by a resolution of its board of directors,*
 - (b) *convert a certificated security into an uncertificated security where it is authorised in its regulations and by a resolution of its board of directors”*

In pursuance of this, the Council of the Exchange has decided that, as the next step, all listed companies are to amend their company regulations at their next Annual General Meeting in 2009 to allow for the issue of and/or conversion to dematerialised securities. The Exchange’s Council also decided that with effect from January 2009, all new or additional securities being listed should be electronic securities that have been admitted into the Ghana Stock Exchange Securities Depository.

The amendment of the Regulations of listed companies in compliance of the Exchange’s request will enhance the rate at which securities are placed in the depository, make for more efficient and less cumbersome keeping of shareholding records, and ultimately improve liquidity in the capital market. The Board is therefore recommending that Members support the proposed amendment. We encourage all shareholders to contact a stockbroker with their share certificates and have their certificates placed in the Ghana Stock Exchange Securities Depository.

Looking forward to 2009.

We foresee greater challenges in 2009 with a strong impact of the global economic crisis being felt in the economy. We have confidence in our strategies, brands and people and will explore and take appropriate internal actions with the aim of pursuing our strategic objectives into 2009.