



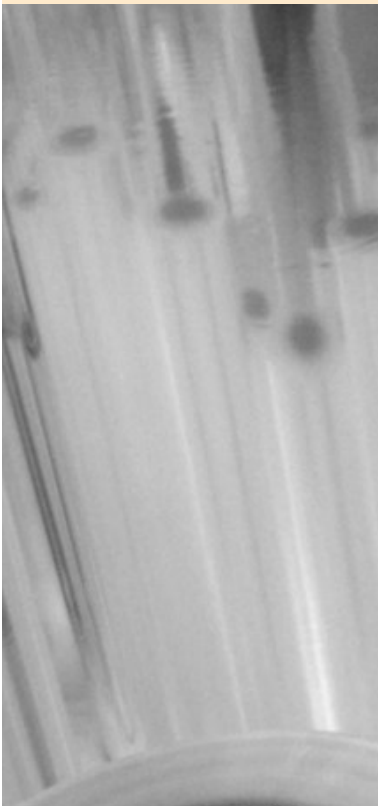
Tri-Pack Films Limited
Half Yearly Report 2008



Serving new markets

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Board of Directors

Syed Babar Ali (Chairman)
Shahid Hussain (Chief Executive)
Khalid Yacob
Masaharu Domichi
Mujeeb Rashid
Syed Hyder Ali
Tetsuo Obana

Audit Committee

Khalid Yacob (Chairman)
Masaharu Domichi
Mujeeb Rashid
Tetsuo Obana

Company Secretary

Adi J. Cawasji

Chief Financial Officer

M. Saeed Iqbal

Auditors and Tax Advisor

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Sattar & Sattar

Website

www.tripack.com.pk

Registered Office

4th Floor, The Forum,
Suite No. 416-422,
G-20, Block No. 9, Clifton,
Khayaban-e-Jami,
Karachi- 75600, Pakistan
Tel: (021) 5874047-49,
5378650-52
Fax: (021) 5860251

Bankers

Bank Alfalah Limited
Bank Al Habib Limited
Deutsche Bank A.G.
Faysal Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
NIB Bank Limited
Standard Chartered Bank Limited
The Bank of Tokyo-Mitsubishi Limited
The Bank of Khyber
The Royal Bank of Scotland Limited

Head Office & Work

Plot No. G-1 - G-4,
North Western Industrial Zone,
Port Qasim, Karachi.
Tel : (021) 4720247-48
Fax : (021) 4720239, 4720245

Works & Sales Office

Hattar
Plot No. 78/1, Phase IV,
Hattar Industrial Estate,
Hattar, N.W.F.P.
Tel: (0995) 617406-7
Fax: (0995) 617054

Regional Sales Offices

Karachi
101-106, Marine Pride, Block 7,
Clifton, Karachi- 75600.
Tel: (021) 5871801-2
Fax: (021) 5871803

Lahore
305, Siddique Trade Centre,
Main Boulevard, Gulberg II, Lahore.
Tel: (042) 5781982-3
Fax: (042) 5781985

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present the half yearly report and unaudited financial statements for the six months period ended June 30, 2008 together with Auditors' review report thereon.

Operating and financial results

The performance of your Company was once again the best ever during the first half of the year 2008. With the blessing of Almighty, your Company was able to maintain its performance despite tough economic and political situation in the country.

Net sales during the half year increased to Rs 2.8 billion which is higher by Rs 712 million (33%) in comparison to the same period of last year. Profit after tax for the half year ended June 30, 2008 increased to Rs 263 million from Rs 179 million of corresponding period of last year- an increase of 47 % . The EPS (Earnings per Share) for the half year ended June 30, 2008 was Rs 8.75 as compared to Rs 5.97 of the corresponding period of last year. Your Company has managed to achieve these results due to effective material management, quality production and successful marketing strategy.

We have been able to sustain our success through maintaining our quality standards; this is our commitment to all our stakeholders.

Status of ongoing projects

CPP (Cast Polypropylene Film) plant

The project progress is satisfactory and the commencement of commercial production shall start in December 2008. This will position your Company to service its valued customers better by providing wider range of value added products.

SAP ERP implementation

The ongoing SAP ERP project is in the last phase and we are expecting to go live by the end of this year.

Future outlook

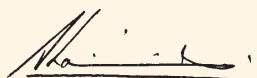
The price of raw material in the international market has to date shown an upward trend which is linked to oil prices. We are closely monitoring the availability of the raw material. We will continue making efforts to maintain our sales volumes and profit margins by offering wide range of value added products at competitive prices, excellent after sales services, reduced lead time, maintaining economies of operations and human resource development strategies.

Acknowledgement

The Board would like to thank our extremely valued shareholders, customers, suppliers, contractors, vendors and financial institutions, whose faith, cooperation and support over the years strengthen our relationship which plays a vital role in improving our products and services and contribution to the national economy.

The Company is proud of its human resources and thankful to all executives, officers and workers for consistently delivering outstanding performance resulting in a higher level of success for the Company.

On behalf of the board



Shahid Hussain
Chief Executive

Karachi - August 19, 2008

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the annexed condensed interim balance sheet of Tri-Pack Films Limited as at June 30, 2008 and the related condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof for the half year then ended (here-in-after referred to as the 'interim financial information'). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2008 and 2007 and the notes forming part thereof have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2008.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annexed condensed interim financial information as of and for the half year ended June 30, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



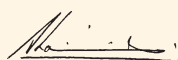
A.F. Ferguson & Co.
Chartered Accountants

Karachi - August 25, 2008

CONDENSED INTERIM BALANCE SHEET

as at June 30, 2008 (Unaudited - note 2.1)

	Note	June 30, 2008 (Rupees in thousand)	December 31, 2007
Share capital and reserves			
Authorised capital		1,000,000	1,000,000
Issued, subscribed and paid-up capital		300,000	300,000
Reserves		1,034,766	952,219
Unrealised surplus on revaluation of investment		-	389
		1,334,766	1,252,608
Non-current liabilities			
Long-term finances	3	432,000	540,000
Deferred liabilities			
Deferred taxation		194,690	185,530
Accumulated compensated absences		7,942	7,201
Current liabilities and provisions			
Current portion of long-term finances	3	216,000	216,000
Short-term finances	4	59,326	-
Trade and other payables	5	1,278,440	1,010,778
Accrued mark-up		19,406	20,188
Taxation		70,728	109,350
		1,643,900	1,356,316
Contingencies and commitments	6	3,613,298	3,341,655



Chief Executive



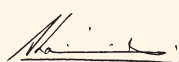
Director

CONDENSED INTERIM BALANCE SHEET

as at June 30, 2008 (Unaudited - note 2.1)

	Note	June 30, 2008 (Rupees in thousand)	December 31, 2007
Property, plant and equipment	7	1,611,318	1,608,744
Long-term deposits		1,228	1,104
Current assets			
Stores and spares		157,178	142,651
Stock-in-trade		924,822	640,772
Trade debts	8	665,197	534,197
Advances, prepayments and other receivables		154,308	38,503
Investments - available for sale		-	50,389
Cash and bank balances		99,247	325,295
		2,000,752	1,731,807
		<u>3,613,298</u>	<u>3,341,655</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive

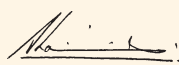

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNTfor the quarter and six months period ended
June 30, 2008 (Unaudited-note 2.1)

	Note	Quarter ended		Six months period ended	
		June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
(Rupees in thousand)					
Sales		1,759,279	1,243,588	3,436,368	2,463,356
Less: Sales tax and special excise duty		302,370	172,641	590,757	329,843
Net sales		1,456,909	1,070,947	2,845,611	2,133,513
Cost of sales	9	1,191,551	865,328	2,305,125	1,733,191
Gross profit		265,358	205,619	540,486	400,322
Distribution cost		19,152	16,779	47,248	35,513
Administrative expenses		18,844	15,505	36,639	30,734
		37,996	32,284	83,887	66,247
Operating profit		227,362	173,335	456,599	334,075
Other income		11,015	7,041	15,441	9,795
		238,377	180,376	472,040	343,870
Finance cost		22,201	24,086	43,058	49,950
Other expenses		14,916	10,784	29,600	20,280
		37,117	34,870	72,658	70,230
Profit before taxation		201,260	145,506	399,382	273,640
Taxation					
-Current		59,463	(5,156)	127,675	171
-Deferred		9,160	54,986	9,160	94,485
		68,623	49,830	136,835	94,656
Profit after taxation		132,637	95,676	262,547	178,984
Earnings per share (Rupees)	10	4.42	3.19	8.75	5.97

Note: The appropriations from profits are set out in the condensed interim statement of changes in equity.

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive



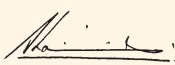
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months period ended June 30, 2008 (Unaudited -Note 2.1)

	Share capital	General reserve	Unappropriated profit	Unrealised surplus on revaluation of investments	Total
	(Rupees in thousand)				
Balance at January 1, 2007	300,000	614,000	168,064	-	1,082,064
Dividend relating to the year ended December 31, 2006 @ 50%	-	-	(150,000)	-	(150,000)
Transfer to general reserve	-	18,000	(18,000)	-	-
Net profit for the six months period ended June 30, 2007	-	-	178,984	-	178,984
Balance at June 30, 2007	<u>300,000</u>	<u>632,000</u>	<u>179,048</u>	<u>-</u>	<u>1,111,048</u>
Balance at January 1, 2008	300,000	632,000	320,219	389	1,252,608
Dividend relating to the year ended December 31, 2007 @ 60%	-	-	(180,000)	-	(180,000)
Transfer to general reserve	-	140,000	(140,000)	-	-
Net profit for the six months period ended June 30, 2008	-	-	262,547	-	262,547
Surplus on revaluation of 'available for sale' investments realised during the period	-	-	-	(389)	(389)
Balance at June 30, 2008	<u>300,000</u>	<u>772,000</u>	<u>262,766</u>	<u>-</u>	<u>1,334,766</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM CASH FLOW STATEMENT

for the six months period ended June 30, 2008 (Unaudited -Note 2.1)

	Note	Six months period ended June 30, 2008	Six months period ended June 30, 2007
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	12	297,154	402,289
Payment of accumulated compensated absences		(1,059)	(786)
Long-term deposits		(124)	(59)
Retirement benefits paid		(4,467)	(7,394)
Income taxes paid		<u>(166,297)</u>	<u>(7,663)</u>
Net cash inflow from operating activities		125,207	386,387
Cash flows from investing activities			
Fixed capital expenditure		(133,157)	(30,674)
Profit on bank balances received		411	1,089
Investment purchased during the period		(120,000)	-
Investment disposed off during the period		171,992	-
Sale proceeds on disposal of fixed assets		1,494	796
Net cash outflow from investing activities		(79,260)	(28,789)
Cash flows from financing activities			
Finance costs paid		(43,840)	(53,908)
Long-term finance paid		(108,000)	(108,000)
Dividend paid		(179,481)	(149,198)
Net cash outflow from financing activities		(331,321)	(311,106)
Net (decrease)/increase in cash and cash equivalents		(285,374)	46,492
Cash and cash equivalents at the beginning of the period		325,295	208,867
Cash and cash equivalents at the end of the period	13	<u>39,921</u>	<u>255,359</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Executive



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

1. Introduction

The Company is a public company incorporated in Pakistan on April 29, 1993 under the Companies Ordinance, 1984 and is listed on all the stock exchanges in Pakistan. It is principally engaged in the manufacture and sale of Biaxially Oriented Polypropylene (BOPP) film. The registered office of the Company is situated at 4th floor, the Forum, Suite # 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

2. Basis of presentation

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.

The condensed interim financial statements comprise of the balance sheet as at June 30, 2008 and the profit and loss account, statement of changes in equity and the cash flow statement for the six months period ended June 30, 2008 which have been subjected to a review but not audited. The condensed interim financial statements also include the profit and loss account for the quarter ended June 30, 2008.

The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2007 has been extracted from the audited financial statements of the Company for the year ended December 31, 2007 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the six months period ended June 30, 2007 and were subjected to a review but not audited. The comparative profit and loss account for the quarter ended June 30, 2007 is also included in these condensed interim financial statements.

- 2.2 The accounting policies and methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2007.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
3. Long-term finances		
Secured		
Finance 1 - note 3.1	600,000	700,000
Finance 2 - note 3.2	48,000	56,000
	<u>648,000</u>	<u>756,000</u>
Less: Amounts payable within twelve months shown under current liabilities	216,000	216,000
	<u>432,000</u>	<u>540,000</u>

3.1 The Company had obtained a long-term finance facility of Rs 1,000 million (December 31, 2007: Rs 1,000 million) from a commercial bank under mark-up arrangements. Mark-up is payable on a quarterly basis at the rate of base rate plus 1% per annum. The base rate is the simple average of last three cut-off yields of six months treasury bills of the State Bank of Pakistan. The effective rate of mark-up during the half year was 10.48% (December 31, 2007: 9.89%) per annum. The principal amount is repayable in ten equal semi annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.

3.2 The Company had obtained a long-term finance facility of Rs 100 million (December 31, 2007: Rs 100 million) from a commercial bank under mark-up arrangements out of which the Company has availed Rs 80 million (December 31, 2007: Rs 80 million). Mark-up is payable on a quarterly basis at the rate of three months Karachi Inter Bank Offer Rate (KIBOR) plus 1% per annum. The effective rate of mark-up during the half year was 11.04% (December 31, 2007: 10.72%) per annum. The principal amount is repayable in ten equal semi annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.

3.3 The Company had obtained a long-term finance facility of Rs 500 million (December 31, 2007: Rs 500 million) from a commercial bank under mark-up arrangements. The Company had not availed the facility as at June 30, 2008. Mark-up is payable on semi-annual basis at the rate of six months KIBOR plus 0.50% per annum. The principal amount will be repayable in 8 equal installments commencing after six months from the date of first draw down with a grace period of two years. The facility is secured by first pari passu hypothecation/ mortgage charges on all the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixture etc.

4. Short-term finances

Secured

Short-term finances are under mark-up arrangements with banks payable on various maturity dates upto May 31, 2009. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock-in-trade and trade debts. Rate of mark-up applicable to these facilities ranges between 10.12% to 13.69% (December 31, 2007: 9.87% to 10.89%) per annum. Total facilities available under mark-up arrangements aggregated Rs 1,600 million (December 31, 2007: Rs 1,710 million) out of which the amount unavailed at the period end was Rs 1,541 million (December 31, 2007: Rs 1,710 million).

5. Trade and other payables

These include Rs 8.512 million (December 31, 2007: Rs 26.277 million) payable to related parties.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
6. Contingencies and commitments		
Contingencies		
Guarantees issued by banks on behalf of the Company	<u>30,755</u>	<u>9,755</u>
Commitments		
Letter of credit for purchase of raw material and spares	<u>518,068</u>	<u>350,681</u>
Commitments for capital expenditures	<u>437,597</u>	<u>351,946</u>

6.1 The facilities for opening of letter of credits and for guarantees as at June 30, 2008 amount to Rs 2,350 million (December 31, 2007: Rs 2,690 million) and Rs 110 million (December 31, 2007: Rs 110 million) respectively, of which the amount remaining unutilised was of Rs 1,394 million (December 31, 2007: Rs 1,987.373 million) and Rs 79.245 million (December 31, 2007: Rs 100.245 million) respectively.

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
7. Property, plant and equipment		
Operating fixed assets - note 7.1	1,572,703	1,513,925
Capital work-in-progress - note 7.2	38,615	94,819
	<u>1,611,318</u>	<u>1,608,744</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

	Six months period ended June 30, 2008	Six months period ended June 30, 2007
	(Rupees in thousand)	
7.1 Operating fixed assets		
Additions	<u>189,361</u>	<u>27,233</u>
Disposals [having a net book value of Rs 1.444 million (2007: Rs 0.758 million)]	<u>3,886</u>	<u>1,459</u>

7.2 This includes software implementation cost amounting to Rs 16.780 million (December 31, 2007: Rs 7.367 million)

8. Trade debts

Considered good

These include Rs 13.222 million (December 31, 2007: Rs 2.638 million) receivable from related parties.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

	Quarter ended		Six months period ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(Rupees in thousand)			
9. Cost of sales				
Opening stock of finished goods	24,207	23,902	47,091	24,511
Cost of goods manufactured - note 9.1	1,179,442	865,659	2,270,132	1,732,913
Less: Closing stock of finished goods	(12,098)	(24,233)	(12,098)	(24,233)
	<u>1,191,551</u>	<u>865,328</u>	<u>2,305,125</u>	<u>1,733,191</u>
9.1 Cost of goods manufactured				
Opening stock of work-in-process	54,377	49,851	43,849	38,238
Raw materials consumed - note 9.2	923,333	669,237	1,772,236	1,357,371
Salaries, wages and other benefits	29,113	21,162	59,488	42,551
Fuel, power and water	80,032	69,790	179,709	130,744
Packing material consumed	28,579	25,550	57,628	50,226
Repairs and maintenance	21,205	17,353	41,288	33,409
Insurance	4,936	4,028	9,537	7,555
Vehicle running and maintenance	3,120	2,398	5,612	4,878
Travelling	970	687	1,980	1,056
Staff retirements benefits	2,231	1,579	4,481	3,158
Depreciation	64,720	60,185	127,171	119,544
Others	418	361	745	705
	<u>1,213,034</u>	<u>922,181</u>	<u>2,303,724</u>	<u>1,789,435</u>
Less: Closing stock of work-in-process	(33,592)	(56,522)	(33,592)	(56,522)
	<u>1,179,442</u>	<u>865,659</u>	<u>2,270,132</u>	<u>1,732,913</u>
9.2 Raw materials consumed				
Opening stock of raw materials	395,933	203,392	293,939	201,001
Purchases	1,016,768	650,538	1,967,665	1,341,063
Less: Closing stock of raw materials	(489,368)	(184,693)	(489,368)	(184,693)
	<u>923,333</u>	<u>669,237</u>	<u>1,772,236</u>	<u>1,357,371</u>
10. Earnings per share				
There were no convertible dilutive potential ordinary shares outstanding on June 30, 2008 and 2007.				

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

11. Transactions with related parties

The related parties comprise related group companies, companies in which directors are interested, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The Company in the normal course of business carries out transactions with various related parties.

Significant transactions with related parties are as follows:

Name and particulars	Nature of transaction	Transactions during the six months period ended June 30, 2008	Transactions during the six months period ended June 30, 2007
(Rupees in thousand)			
Purchases of goods and services			
IGI Insurance Limited [Formerly International General Insurance Company of Pakistan Limited]	Insurance services	53,303	42,534
Mitsubishi Corporation, Japan	Raw material	58,620	30,481
Packages Limited	Goods and services	23,675	18,941
Siemens Pakistan Engineering Company Limited	Goods and services	1,536	192
		<u>137,134</u>	<u>92,148</u>
Sales of goods and services			
Packages Lanka (Private) Limited	Supplies	-	3,316
Packages Limited	Supplies	149,168	78,120
Tetra Pak Pakistan Limited	Supplies	7,601	2,197
		<u>156,769</u>	<u>83,633</u>
Purchase of plant and machinery			
Mitsubishi Corporation, Japan	Spare parts	1,615	-
Purchase of an intangible asset			
Siemens Pakistan Engineering Company Limited	Intangible asset (included in CWIP)	9,002	-
Dividend			
IGI Insurance Limited (Formerly International General Insurance Company of Pakistan Limited)		4,715	3,557
Mitsubishi Corporation, Japan		44,994	37,500
Packages Limited		60,000	50,000
		<u>109,709</u>	<u>91,057</u>
Contribution to staff retirement benefit funds			
Pension fund	Contribution	3,071	2,917
Gratuity fund	Contribution	1,283	1,191
Provident fund	Contribution	1,959	1,643
		<u>6,313</u>	<u>5,751</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

Name and particulars	Nature of transaction	Transactions during the six months period ended June 30, 2008	Transactions during the six months period ended June 30, 2007
(Rupees in thousand)			
Investments			
IGI Income Fund	Purchase of units	70,000	-
IGI Income Fund	Redemption of units	(70,786)	-
IGI Income Fund	(Gain) on redemption of units	(786)	-
Commission			
IGI Insurance Limited (Formerly International General Insurance Company of Pakistan Limited)	"Commission earned on insurance premium"	2,308	3,731
Remuneration of key management personnel			
	Salaries and other short-term employees' benefits	7,608	5,175
	Post retirement benefits	1,132	815
		8,740	5,990

Six months period ended June 30, 2008 Six months period ended June 30, 2007
(Rupees in thousand)

12. Cash generated from operations

Profit before taxation	399,382	273,640
Adjustment for non cash charges and other items:		
Depreciation	129,139	120,710
Provision for doubtful debts/(provision written back)	7,273	(540)
Provision for retirement benefits	4,354	7,307
Profit on bank balances	(411)	(1,181)
Net realised gain from investments classified as available for sale	(1,992)	-
Gain on disposal of fixed assets	(50)	(38)
Provision for accumulated compensated absences	1,800	1,200
Finance cost	43,058	49,950
Working capital changes - note 12.1	(285,399)	(48,759)
	297,154	402,289

12.1 Working capital changes

(Increase) in current assets:		
Stores and spares	(14,527)	(1,618)
Stock-in-trade	(284,050)	(12,493)
Trade debts	(138,273)	(15,776)
Advances, prepayments and other receivables	(115,805)	(9,028)
	(552,655)	(38,915)
Increase/(decrease) in current liabilities:		
Trade and other payables	267,256	(9,844)
	(285,399)	(48,759)

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended June 30, 2008 (Unaudited-Note 2.1)

	June 30, 2008	June 30, 2007
(Rupees in thousand)		
13. Cash and cash equivalents		
Cash and bank balances	99,247	255,359
Short-term finances - note 4	(59,326)	-
	<u>39,921</u>	<u>255,359</u>

	Six months period ended June 30, 2008	Six months period ended June 30, 2007
(Metric tonnes)		
14. Plant capacity and actual production		
Operational capacity available during the period	13,900	13,400
Production	14,241	13,540


15. Corresponding figures

For better presentation, 'Commission earned on insurance premium' aggregating Rs 3.731 million which has previously been netted off with insurance expense 'cost of sales' has been reclassified and included in 'other income'.

16. Post balance sheet event and date of authorisation for issue

16.1 The Board of Directors (the Board) of the Company in their meeting held on August 19, 2008 has approved an eighty percent (June 30, 2007: forty percent) interim cash dividend amounting to Rs. 240 million (June 30, 2007: Rs.120 million). The condensed interim financial statements do not recognise the appropriation to dividend as a liability as it has been approved subsequent to the balance sheet date.

16.2 These condensed interim financial statements were authorised for issue on August 19, 2008 by the Board.


Chief Executive


Director

