Tri-pack

Tri-Pack Films Limited

Rising Everywhere with Every Product

ANNUAL REPORT 2011

Rising Everywhere with Every Product

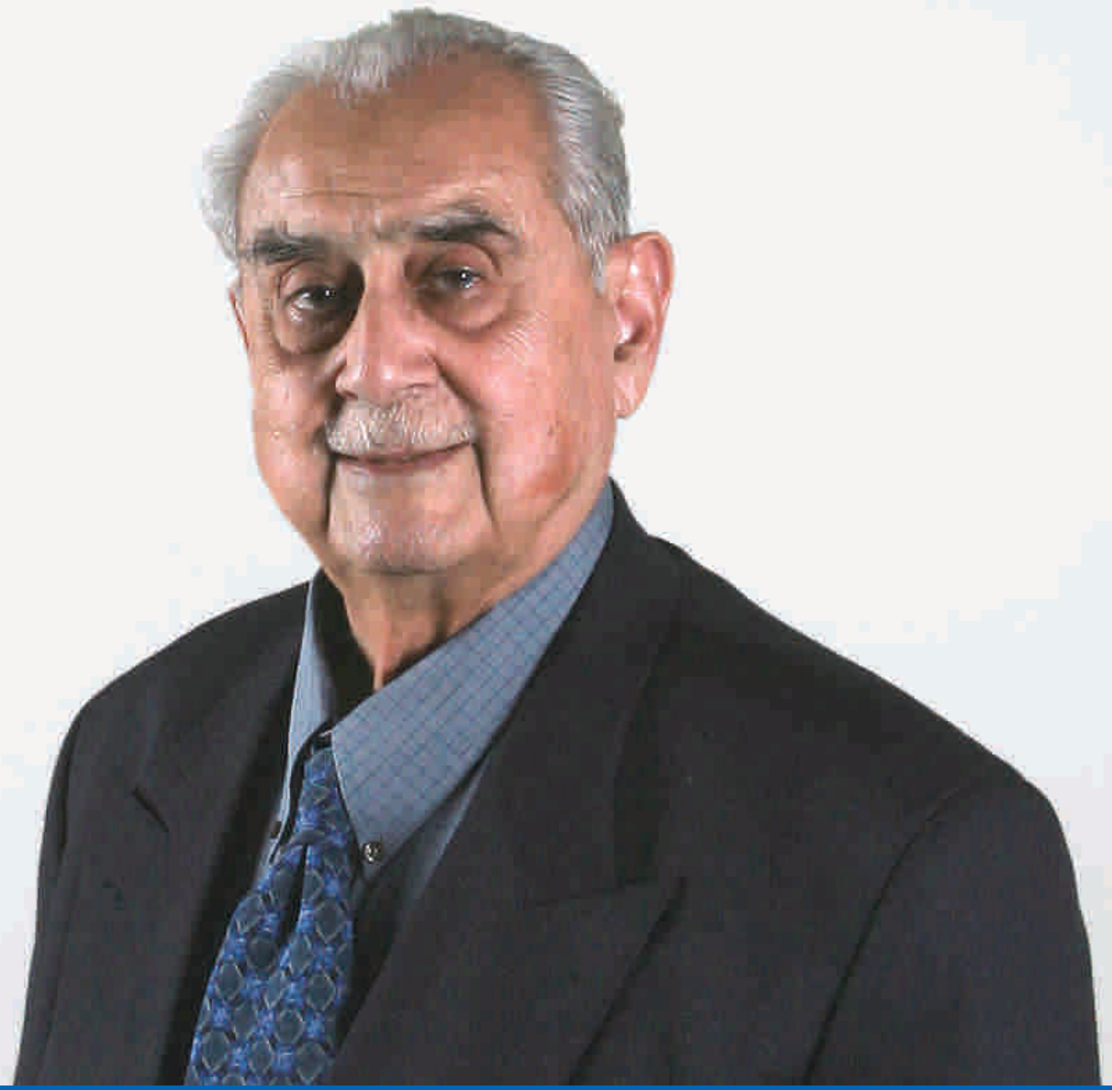
Every product is presented in some kind of packaging. We are seen in almost every pack from food to clothing to toys and many more. Our Films ar e an integral part of the packaging industry today . Providing the best quality so that our client can provide you the best, because we are everywhere with every product.

Contents

Summary of Milestones

- **Sept 2011** – Ground Breaking of Line - 4
- **Oct 2009** – Commissioning of Metallizer - 3
- **Nov 2008** – Commissioning of CPP
- **Nov 2008** – B.E.S.T Certification from BAT
- **Apr 2007** – OHSAS 18001
- **Feb 2006** – Commissioning of Metallizer - 2
- **Nov 2004** – Commercial Production Line - 3
- **Oct 2004** – Trial Production Line - 3
- **Oct 2003** – Ground Breaking Line - 3
- **Mar 2004** – ISO 14001 Certification
- **Feb 2002** – Commissioning of Metallizer - 1
- **May 2001** – Commercial Production Line - 2
- **Jun 2000** – Ground Breaking Line - 2
- **Jun 1995** – Commencement of Production Line - 1
- **Aug 1998** – ISO 9001 Certification
- **Apr 1993** – Signing of Joint Venture

The directors have recommended a cash dividend of 200% i.e. Rs 20 per share (2010: 100% i.e. Rs 10 per share).



Review of Chief Executive

Dear Stakeholders,

Alhamdolillah, we have completed 18 years of progressive excellence and hard work. We started with a small set-up of BOPP films plant of 5,400 Metric Tonnes (MT) annual capacity and now Tri-Pack is a leading BOPP film manufacturing company of Pakistan with a vast range of products. It has been a tough and long journey but we remained stick to our core values i.e. product quality and customer satisfaction.

2011 was a challenging year with continuation of energy crisis, heightened security situation, continuous decline in rupee value and the overall difficult business conditions throughout the year. However, our ability to quickly adapt to the changing circumstances was crucial and we carefully rebounded during the year. Our financial performance is evident of top line growth of the resilience of our footing and solidity of our portfolio.

We understand that there are areas where we need to focus more. Creating an engaged workforce is a key focus area for us and we have stepped up our employee engagement programs to create a culture of cooperation and co-creation such as Total Productivity Maintenance (TPM) and continuous staff training and development. Our safety records have been excellent over the years and we shall continue to vigorously implement behavior based safety programs.

In 2011, we progressed further on our journey of sustained growth and started ground breaking of our new BOPP film Line 4 having annual capacity of 40,000 MT. With the grace of Almighty Allah the commercial production will start by the end of 2012.

I do feel proud leading this Company which is growing rapidly in tremendous challenges. I would like to express gratitude to all stakeholders who have extended us their support, and continue to do so on this wonderful journey. I would like to thank all my team members who are helping lead us into a future of many possibilities.

I wish you the very best.

Shahid Hussain
Chief Executive

I do feel proud leading this Company which is growing rapidly in tremendous challenges.

Company Profile

Tri-Pack Films Limited (Tri-Pack) was established in 1993 through a joint venture agreement between Packages Limited and Mitsubishi Corporation of Japan for the production of Biaxially Oriented Polypropylene (BOPP) for the Pakistani Market.

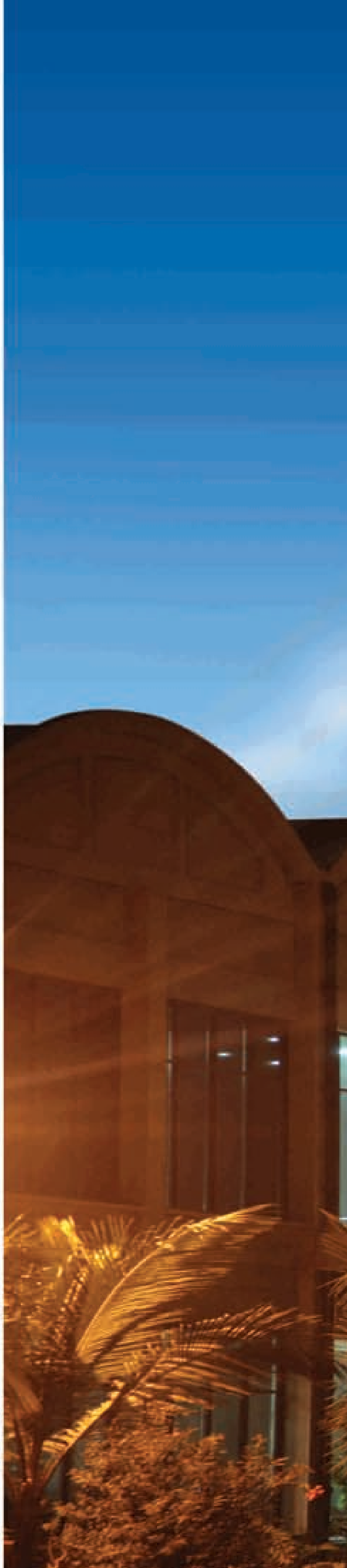
With the aim to provide quality packaging material, Tri-Pack started its operations with one plant having a capacity to produce 5,400 Metric Tonnes (MT) finished BOPP film per annum in Hattar Industrial Estate in the Khyber Pakhtoonkhwa (previously N.W.F.P.). In order to meet the rising demand of the country and to cater customer needs in time, the Company decided to go into expansion and added another line of BOPP film in 2001, thus increasing the installed capacity to manufacture BOPP film from 5,400 MT to 10,800 MT annually.

In 2004, the Company installed its third BOPP plant of 16,000 MT per annum at Port Qasim Industrial Zone, Karachi. The debottlenecking of BOPP line 3 was done twice in 2007 and 2010 respectively. This increased in the production facility by 2,000 MT and the total installed capacity to 28,800 MT per annum.

In 2008, the Company installed its Cast Polypropylene Film manufacturing line with a capacity of 7,000 MT.

Now we are the largest BOPP film producers in Pakistan with the production facilities located in Hattar Industrial Estate in the Khyber Pakhtoonkhwa (previously N.W.F.P.) and North Western Industrial Zone, Port Qasim, Karachi.

Our Head Office and Registered Office are located in Karachi. Our Regional Sales Offices are in Karachi, Hattar and Lahore. We maintain high quality standards and are ISO 9001: 2000, ISO 14001 and ISO 18001 certified. The Company is continuously growing since inception. Now Tri-Pack has ordered another BOPP Line-4 with a capacity of 40,000 MT from world renowned supplier “Bruckner” Germany. Through the addition of this plant we would be in command to focus not only on the local market but also the exports market world over and help us in meeting our vision to mark our presence globally.



Products

Biaxially Oriented Polypropylene (BOPP) Film

Tri-Pack's BOPP films are the products of state-of-the-art technology. This packaging film is avail able in four different grades i.e. Plain, Composite, Pearlized and Metallized, and its thickness ranges between 10 to 60 microns.

The principal properties of our products are:
- Good barrier to moisture
- Excellent transparent gloss
- Good printability
- Good sealability

Grades of BOPP Film

Plain Film

Excellent clarity, high tensile strength, good dimensional stability and flatness, low electrostatic charge, corona treatment on one or both sides & waterproof. The Plain film is used for laminating cardboard, general packaging, wrap for fresh flowers and adhesive tape.

Composite

This grade has the property of heat sealability on both sides, dimensional stability and flatness, designed for high-speed workability, low-friction, high stiffness, elegant appearance, heat resistant and heat shrinking capabilities. The Composite film is used in packing of confectionery/biscuits, soap and processed food items.

Cigarette Grade

Cigarette grade both sides heat-sealable BOPP film is manufactured specially to suit high-speed cigarette wrapping machines having excellent antistatic and slip with high seal strength, clarity and moisture barrier properties. Tri-Pack has attained the competency to manufacture the said grade and currently it is being supplied to the tobacco industry of the country.

Pearlized

Pearlized BOPP film is a both sides heat-sealable one side corona treated film having uniform thickness, low transparency for minimum see through with good seal strength. It is suitable for high quality printing, over wrapping and flow pack machines for packaging. The Pearlized film is used as a packaging material for processed food, ice bars, candies, gift wrappers and tea.

Metallized

This film is used as an alternate to al-foil in packaging requirements. It offers excellent oxygen and moisture barriers and can be printed, laminated or used as a single film to provide barrier in the food products.

Cast Polypropylene (CPP) Film

CPP is an extrusion cast polypropylene film with treatment on one side. This film is available in different grades and its thickness ranges from 20-150 micron. This film is particularly well suited for coating, lamination, form fill seal and side weld bag manufacture. It offers improved seal strength and excellent sheet flatness for superior performance on high speed sealing equipment either by itself or in laminated form. CPP offers high gloss, low haze and good barrier properties.

Grades of CPP Film

Transparent Lamination Grade

Both side heat sealable, one side treated CPP film for web lamination.

Metallizable Heat Sealable CPP Film

Both side heat sealable, one side treated CPP film specially designed for vacuum metallizing purpose. When metallized, it retains excellent metal adhesion.

Metallized Heat Sealable CPP Film

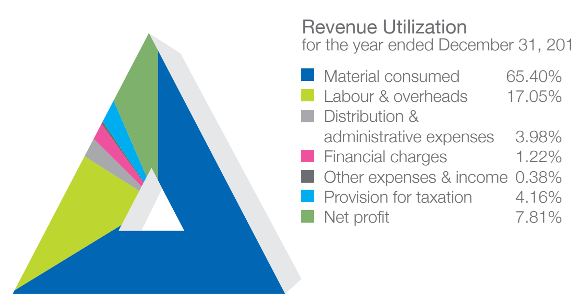
It is co-extruded CPP film. With one side heat sealable layer and one side metallized surface. For general packaging application, requiring barrier properties film (potato chips, cookies, snacks, coffee etc)

White Opaque Heat Sealable CPP Film

Both sides heat sealable, one side treated white CPP film for web lamination.

Transparent Barrier Film

Transparent both sides heat sealable PA and EVOH based barrier film for packaging of products requiring high oxygen barrier such as fresh cheese and processed meat and poultry.



Tri-Pack's BOPP films are the products of state-of-the-art technology.

Our Business Strengths

Market Leadership

Tri-Pack is currently considered as market leader, capturing almost 70 percent of the BOPP market in Pakistan, with a record gross sales of Rs 12,246 million (2010: Rs 9,273 million) resulting in net profit of Rs 783 million (2010 : Rs 495 million).

Customer Support

Tri-Pack besides producing high quality film also helps the customers in further processing and shares our professional knowledge to achieve the best results. We also manufacture the products in accordance with the customer requirement and our products meet the international quality standards.

Fully Automated Production Facility

BOPP and CPP film manufacturing is a high tech fully automated, PLC controlled process. In order to produce high quality of film, we are using the fully automated machineries obtained from world top suppliers such as Mitsubishi Corporation - Japan, Windmöller & Hölscher - Germany, General Vacuum - England and Galileo Vacuum - England.

In addition, we are also privileged to have access to the latest research and development in the field of enhancing operational efficiencies carried out by our sponsors Packages Limited and Mitsubishi Corporation.

Advance Research and Development Facilities

Our in-house R&D department is equipped with contemporary and sophisticated accessories. Not only the equipment but also the R&D team is highly professional who work round the clock 24 hours to ensure the production of high quality film.

Product demand and development process is used to ensure that the developed product meets customer requirements by giving better run-ability. It not only cuts down the cost at the end customer but also enhances our profitability. With the core competency for developing any kind of BOPP and CPP films the target products are those which are rare in the market and difficult to produce like Plain10, High Barrier Metalized films etc.

Entity Ratings of Tri-Pack Films Limited

Rating as on November 15, 2011

Rating Type	Rating
Long-term	"A+" (Single A plus)
Short-term	"A1" (A one)

The above ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Company Information

Board of Directors
Syed Babar Ali (Chairman)
Shahid Hussain (Chief Executive)
Kimihide Ando
Syed Hyder Ali
Tetsuo Obana
Khalid Yacob
Faisal Farid

Audit Committee
Khalid Yacob (Chairman)
Kimihide Ando
Faisal Farid
Tetsuo Obana

Company Secretary
Adi J. Cawasji

Chief Financial Officer
Amjad Ali

Auditors and Tax Advisor
A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor
Sattar & Sattar
Khan & Paracha

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) 35874047-49
(021) 35831618
Fax: (021) 35860251

Bankers
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Deutsche Bank A.G.
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
Meezan Bank Limited
NIB Bank Limited
Standard Chartered Bank Limited
The Bank of Khyber
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Head Office & Works
Plot No. G-1 to G-4,
North Western Industrial Zone,
Port Qasim Authority, Karachi.
Tel : (021) 34720247-48
Fax : (021) 34720245

Works & Sales Office
Hattar
Plot No. 78/1, Phase IV,
Hattar Industrial Estate,
Hattar, Khyber Pakhtunkhwa,
(Formerly 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) 35871801-2
Fax: (021) 35871803

Lahore
Plot No. 5 FC. C,
Maratib Ali Road,
Gulberg II, Lahore.
Tel: (042) 35716071

We are using the fully automated machineries obtained from world top suppliers such as Mitsubishi Corporation - Japan, Windmöller & Hölscher - Germany, General Vacuum - England and Galileo Vacuum - England.

Vision

To increase the value for our customers, shareholders and employees by maintaining role of market leader in the country while at the same time operating internationally to mark our presence globally.

Mission Statement
& Corporate Strategy

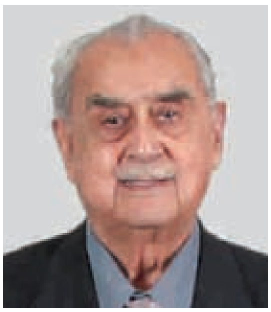
We will:

- Satisfy our customers with timely supplies of products conforming to quality standards at competitive prices and follow-up services.
- Achieve sustained growth to meet the growing demand of our customers and also for the benefits of economies of scale to optimize return on investments.
- Continue developing new markets, products, applications and replacement of other structures in close collaboration with our customers and suppliers.
- Keep on enhancing cost-effective technological competence to retain our competitive edge.
- Nurture and inculcate an ethical corporate culture to fulfill our obligations towards society and the state.
- Attract competent staff, develop their professional skills and retain them through motivation, performance reward and growth opportunities.
- Care for health and safety of our employees and play our due role for a cleaner environment.

Rising Everywhere with Every Product with

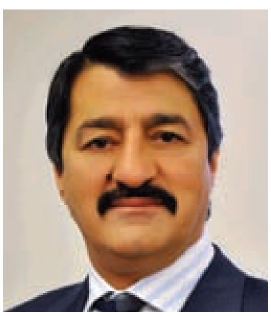
Quality

Board of Directors of the Company



Syed Babar Ali

Mr. Ali is the founder of various industries and social welfare institutions. He is the chairman of board of directors since inception of the Company. Besides Tri-Pack, he is the chairman of Acumen Fund, Ali Institute of Education, Babar Ali Foundation, Coca Cola Beverages Pakistan Limited, Gurmani Foundation, IGI Insurance Limited, IGI Investment Bank Limited, Industrial Technical & Educational Institute, National Management Foundation, Siemens Pakistan Engineering Company Limited, Syed Maratib Ali Religious & Charitable Trust Society and Tetra Pak Pakistan Limited.



Mr. Shahid Hussain

Mr. Hussain is currently serving as Managing Director at Tri-Pack Films Limited. He is associated with the Company since inception. He has a Degree in Mechanical Engineering. In addition, he is the member of the board of Pakistan Japan Business Forum and Pakistan Institute of Corprate Governance.

Mr. Kimihide Ando

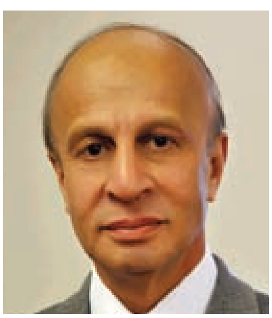
Mr. Ando is associated with the Company as non-executive director, he is the General Manager for Mitsubishi Corporation's operations in Pakistan. He has a degree in liberal arts from the international Christian University, Tokyo, Japan and has been with Mitsubishi Corporation for 28 years. He has a diverse Experience in chemicals. He joined the Tri-Pack Board in 2010.

Syed Hyder Ali

Mr. Ali is the non-executive member of the board since inception. He has done his Masters in Sciences from Institute of Paper Chemistry. He holds directorship in several other companies including IGI Insurance Limited, Nestle Pakistan Limited, International Steels Limited, Packages Lanka (Private) Limited, Sanofi-Aventis Pakistan Limited and Tri-Pack Films Limited. He is also serving on the Board of certain philanthropic, educational, charitable and business support organizations including Pakistan Centre for Philanthropy, World Wide Fund for Nature, National Management Foundation, Syed Maratib Ali Religious and Charitable Trust and Pakistan Business Council.

Mr. Tetsuo Obana

Mr. Obana is non-executive member of the board. He joined the Mitsubishi Corporation in 1985 and has worked with the group in different companies associated with the group. He has served as a General Manager at Mitsubishi Sheiji , Deputy General Manager of Commodity Plastic Unit at Mitsubishi Corporation. He Graduated in 1985 from Yokohama National University.



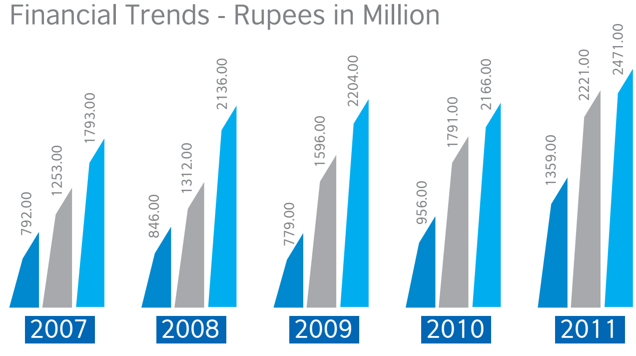
Mr. Khalid Yacob

Mr. Yacob is the director of the Company since inception. He is a fellow member of Institute of Chartered Accountants, England & Wales and Institute of Chartered Accountants, Pakistan and has been associated at senior management positions in A.F. Ferguson & Co, Chartered Accountants, Pakistan and Whinney Murray & Co, Chartered Accountants, Riyadh, Saudi Arabia. Mr. Yacob has vast experience in financial planning & budgeting, financial forecasting and analysis, asset investment, taxation, computer services, client development and staff management. He also holds directorship of Packages Limited, IGI Investment Bank Limited, IGI Funds Limited and Packages Lanka (Private) Limited.

Mr. Faisal Farid

Mr. Farid is the Chief Executive of Maxim International Private Limited. Master in Business Administration from Lahore University of Management Sciences. Prior to joining the Tri-Pack board, he served as the Marketing Director of Pepsi Co international, Saudi & Yemen region, Vice President Marketing, Middle East & Africa (MEA), General Manager West Asia Business Unit. He joined the Tri-Pack Board in 2009 as a non-executive director.

Financial Trends - Rupees in Million



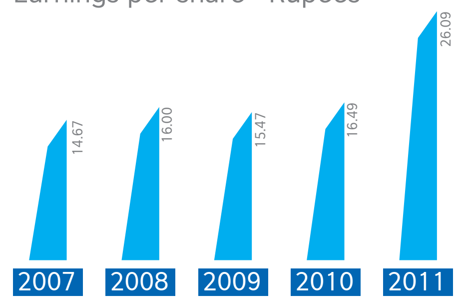
Management Committees

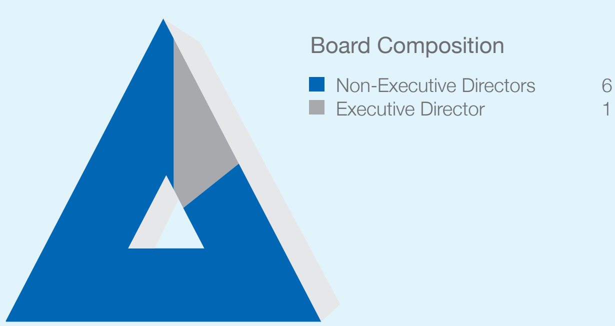
Executive Committee

Kimihide Ando (Non-Executive Director)
Shahid Hussain (Executive Director)
Khalid Yacob (Non-Executive Director)

The Executive Committee ensures effective and efficient operations of the Company. They meet periodically to assess the progress of the Company against the set targets. The committee is authorized to conduct every business except the business carried out by the board of directors as required by the section 196 of the Companies Ordinance 1984.

Earnings per share - Rupees





Audit Committee

Khalid Yacob	(Non-Executive Director)
Kimihide Ando	(Non-Executive Director)
Faisal Farid	(Non-Executive Director)
Tetsuo Obana	(Non-Executive Director)

The audit committee assists the board in fulfilling its oversight responsibilities as described in the Code of Corporate Governance. The audit committee reviews:

- The financial reporting process;
- The system of internal control and financial risks;
- The audit process; and
- The compliance with applicable laws and regulations.

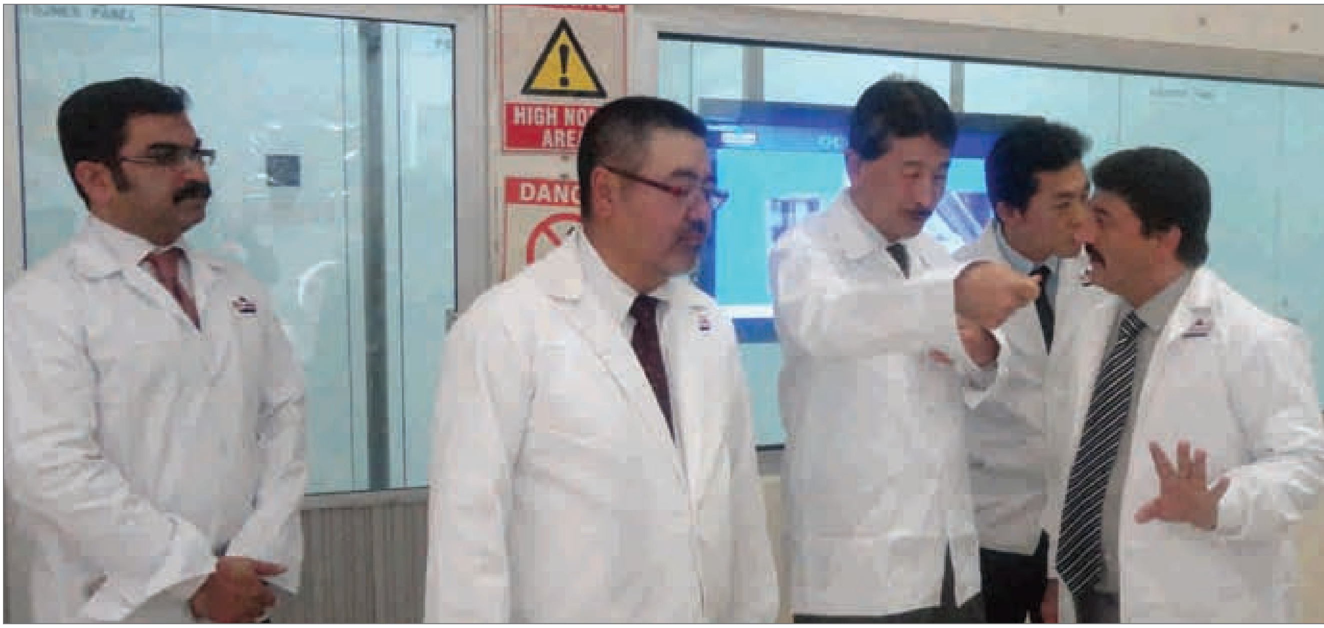
The audit committee shall, among other things, be responsible to recommend the board of directors the appointment of external auditors by the Company's shareholders and shall consider any questions of resignation and removal of external auditors, audit fees and provision by external auditors of any service to the Company in addition to audit of its financial statements. The board shall act in accordance with the recommendations of the audit committee in absence of strong grounds to proceed otherwise.

The audit committee is authorized to:

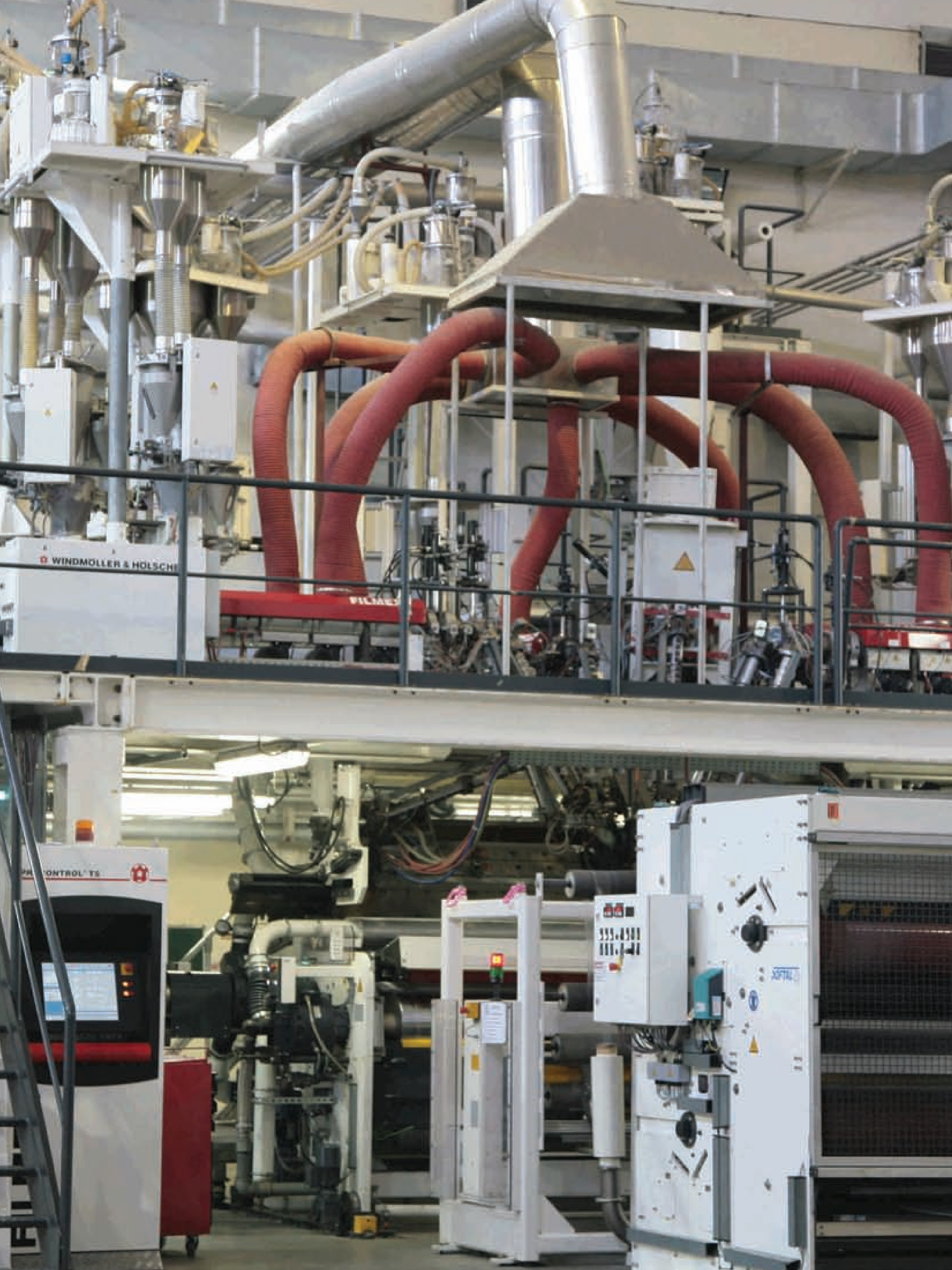
- Seek any information it requires from:
  - any employee (and all employees are directed to co-operate with any request made by the audit committee); and
  - external parties.
- Obtain outside legal or other professional advice;
- The audit committee will comprise 4 members, of which all will be non-executive directors; and
- The chairman of the audit committee will be nominated by the board from time to time.

The audit committee will:

- Evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and ensuring that all employees have an understanding of their roles and responsibilities;



- Gain an understanding of whether internal control recommendations made by internal and external auditors have been implemented by management;
- Gain an understanding of the current areas of greatest financial risk and how management are managing these effectively;
- Consider with the internal and external auditors any fraud, illegal acts, deficiencies in internal control or other similar issues;
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- Ask management and the internal and external auditors about significant risks and exposures and the plans to minimise such risks;
- Review the annual financial statements and determine whether they are complete and consistent with the information known to committee members; assess whether the financial statements reflect appropriate accounting principles;
- Meet with management and the external auditors to review the financial statements and the results of the audit;
- Review the other sections of the annual report before its release and consider whether the information is understandable and consistent with members' knowledge about the Company and its operations;
- Assess the fairness of the preliminary and interim statements and disclosures, obtain explanations frommanagement and internal and external auditors on whether:
    - Actual financial results for the interim period varied significantly from budgeted or projected results;
    - Generally accepted accounting principles have been consistently applied;
    - There are any actual or proposed changes in accounting or financial reporting practices;
    - There are any significant or unusual events or transactions;
    - The Company's financial and operating controls are functioning effectively; and
    - The preliminary announcements and interim financial statements contain adequate and appropriate disclosures;
- Review the activities and organizational structure of the internal audit function and ensure no unjustified restrictions or limitations are made;
- Review the effectiveness of the internal audit function;
- Meet separately with the manager of internal audit to discuss any matters that the committee or auditors believe should be discussed privately;
- Ensure that significant findings and recommendations made by the internal auditors are received and discussed on a timely basis;
- Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope;
- Review the performance of the external auditors;
- Consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company;
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately;
- Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis;
- Ensure that management responds to recommendations by the external auditors;
- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance;
- Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- Evaluate whether management is setting the appropriate "tone at the top" by communicating the importance of the code of conduct and the guidelines for acceptable behavior;
- Review the process for monitoring compliance with the code of conduct;
- Obtain regular updates from management regarding compliance;
- Regularly update the board about committee ; activities and make appropriate recommendations;
- Ensure the board is aware of matters which may significantly impact the financial condition or affairs of the business; and
- Perform other oversight functions as requested by the full board;


WINDMÖLLER & HÖLSCHE

Human Resource Development

The Company strongly believes that its employees are the primary asset and has remained focused on providing the most conducive environment to all employees through best HR practices in order to gain the competitive advantage.

We take pride in our people. The operating environment in our country continues to be challenging from economic and security perspective. The continued good performance of the business in the midst of such an environment demonstrates the caliber, resilience and commitment of our people. Our dedicated managers, engineers, workers and other members of administrative, finance and marketing staff played key role in achieving these results.

Recruitment and Selection

Recruitment at Tri-Pack is based on the fact that, only voluntary work ensures the basic rights and dignity of a worker. With our will and commitment we believe that forced labor can be relegated to history. We have a strong hiring policy where minimum age as per law is strictly observed. It is our prime concern to provide such working environment to our employees which is not harmful to their health and safety. We follow a complete procedure in this respect.

Learning and Development

The Company strongly focuses on its employees' learning and development and has been investing in developing core competencies in human capital in order to cater to emerging challenges. All training sessions emphasizes on knowledge management and professional learning.

This year learning and development is continued with a large number of in-house and external trainings. Trainings were mainly aimed at imparting knowledge transfer to employees to work on multi-dimensional areas which were identified through training need analysis and their development plan.

Key Learning Statistics 2011

Total number of courses conducted - internal	80
Total number of courses conducted - external	31
Total training days - internal	170
Total training days - external	64

Corporate Social Responsibility

We believe that the highest standards of corporate behavior in our society are essential to our long-term success. Therefore, our Company actively meets the social responsibilities to the nation.

At Tri-Pack we believe in giving back to the society where we live and operate, utmost importance is given to be a responsible corporate citizen. As per this policy, the Company allocates appropriate amount for education, health and social development sectors in the form of donations time to time. In 2011 the Company made donation for Lahore School of Science and Engineering Building at LUMS and also contributed in relief fund for earthquake victims in Japan.

Rising Everywhere with Every Product with

Human Resource Development

Health, Safety, Environment & Quality Policy

The Health, Safety, Environment & Quality Policy of Tri-Pack Films Limited is based on:

- Ensure customer satisfaction through product of best quality, developments, modern technologies & by acquiring knowledge and skills.
- Establish, implement and review objectives & targets to ensure continual improvement in our HSEQ System.
- Comply with all legal and statutory requirements related to Environment, Health & Safety.
- Protect employees and community from health & safety hazards and to prevent environmental pollution.
- Use raw materials efficiently, manage waste effectively and economically and to conserve resources.
- Communicate to all stakeholders about our occupational health and safety, environment and quality policy & performance.
- Ensure that any new plant, equipment and processes installed will minimize hazards and impact to the environment.

Statement of Ethics & Business Practices

A. Tri-Pack Films Limited shall endeavor to promote fair business practices and conduct the business with the principles of integrity, objectivity and financial prudence.

B. It is the policy of Tri-Pack Films Limited to observe all applicable laws, rules and regulations of the Government. Accordingly every director and employee will obey the law of the land. Any director and employee guilty of violation will be liable to disciplinary consequences.

C. All employees are expected to adhere to all internal corporate rules and policies in the performance of their jobs.

D. Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.

E. All managers and supervisors shall be responsible to see that there is no violation of laws within their area of responsibility which proper supervision could have prevented. The manager and supervisor shall still be responsible if he/she delegates particular tasks.

Highlights

	2011	2010
Gross sales - Rupees in million	12,245.97	9,273.39
Net profit - Rupees in million	782.61	494.85
Cash Dividend percentage of paid-up capital	200.00	100.00
Earnings per share - Rupees	26.09	16.49
Total Assets - Rupees in million	6,193.50	4,399.75
Finished BOPP & CPP film production - MT	34,925	35,574
Number of employees	385	374

Rising Everywhere with Every Product with

Convenience

Horizontal and Vertical Analysis

Horizontal Analysis

Balance Sheet	2011 Amount Rs '000	11 vs 10 %	2010 Amount Rs '000	10 vs 09 %	2009 Amount Rs '000
SHARE CAPITAL AND RESERVES					
Issued, subscribed and paid-up capital	300,000	-	300,000	-	300,000
Reserves	1,921,197	28.84	1,491,125	15.03	1,296,280
NON-CURRENT LIABILITIES					
Long-term finances	250,000	(33.33)	375,000	(38.32)	608,000
DEFERRED LIABILITIES					
Deferred taxation	158,165	(27.95)	219,508	(17.81)	267,061
Accumulated compensated absences	19,389	48.96	13,016	26.48	10,291
CURRENT LIABILITIES AND PROVISIONS					
Trade and other payables	2,073,526	43.61	1,443,822	24.11	1,163,309
Accrued mark-up	36,740	29.36	28,401	(42.71)	49,574
Derivative financial instruments	79,725	-	-	-	-
Short-term borrowings	1,229,758	315.64	295,873	(51.20)	606,312
Current portion of long-term finances	125,000	(46.35)	233,000	7.87	216,000
	6,193,500	40.77	4,399,745	(2.59)	4,516,827

Vertical Analysis

Balance Sheet	2011		2010		2009	
	Amount Rs '000	%	Amount Rs '000	%	Amount Rs '000	%
SHARE CAPITAL AND RESERVES						
Issued, subscribed and paid-up capital	300,000	4.84	300,000	6.82	300,000	6.64
Reserves	1,921,197	31.02	1,491,125	33.89	1,296,280	28.70
NON-CURRENT LIABILITIES						
Long-term finances	250,000	4.04	375,000	8.52	608,000	13.46
DEFERRED LIABILITIES						
Deferred taxation	158,165	2.55	219,508	4.99	267,061	5.91
Accumulated compensated absences	19,389	0.31	13,016	0.30	10,291	0.23
CURRENT LIABILITIES AND PROVISIONS						
Trade and other payables	2,073,526	33.48	1,443,822	32.82	1,163,309	25.76
Accrued mark-up	36,740	0.59	28,401	0.65	49,574	1.10
Derivative financial instruments	79,725	1.29	-	-	-	-
Short-term borrowings	1,229,758	19.86	295,873	6.72	606,312	13.42
Current portion of long-term finances	125,000	2.02	233,000	5.30	216,000	4.78
	6,193,500	100.00	4,399,745	100.00	4,516,827	100.00

Horizontal Analysis

Balance Sheet	2011 Amount Rs '000	11 vs 10 %	2010 Amount Rs '000	10 vs 09 %	2009 Amount Rs '000
PROPERTY, PLANT AND EQUIPMENT	2,430,754	31.11	1,853,983	(10.69)	2,075,859
INTANGIBLES	18,727	5.00	17,836	(9.50)	19,708
LONG-TERM DEPOSITS	2,195	24.50	1,763	49.66	1,178
CURRENT ASSETS					
Stores and spares	321,433	35.56	237,119	19.28	198,796
Stock-in-trade	1,542,125	46.54	1,052,338	4.96	1,002,595
Trade debts	991,922	29.28	767,252	(13.56)	887,659
Financial assets at fair value through profit or loss	262,884	-	-	-	-
Advances, prepayments and other receivables	91,824	133.57	39,313	5.13	37,393
Taxation	55,202	(30.94)	79,931	25.14	63,873
Cash and bank balances	476,434	36.04	350,210	52.42	229,766
	6,193,500	40.77	4,399,745	(2.59)	4,516,827

Vertical Analysis

Balance Sheet	2011 Amount Rs '000	2011 %	2010 Amount Rs '000	2010 %	2009 Amount Rs '000	2009 %
PROPERTY, PLANT AND EQUIPMENT	2,430,754	39.25	1,853,983	42.14	2,075,859	45.96
INTANGIBLES	18,727	0.30	17,836	0.40	19,708	0.44
LONG-TERM DEPOSITS	2,195	0.04	1,763	0.04	1,178	0.03
CURRENT ASSETS						
Stores and spares	321,433	5.19	237,119	5.39	198,796	4.40
Stock-in-trade	1,542,125	24.90	1,052,338	23.92	1,002,595	22.20
Trade debts	991,922	16.02	767,252	17.44	887,659	19.65
Financial assets at fair value through profit or loss	262,884	4.24	-	-	-	-
Advances, prepayments and other receivables	91,824	1.48	39,313	0.89	37,393	0.83
Taxation	55,202	0.89	79,931	1.82	63,873	1.41
Cash and bank balances	476,434	7.69	350,210	7.96	229,766	5.09
	6,193,500	100.00	4,399,745	100.00	4,516,827	100.00

Horizontal and Vertical Analysis

Horizontal Analysis

Profit and Loss Account	2011 Amount Rs '000	11 vs 10 %	2010 Amount Rs '000	10 vs 09 %	2009 Amount Rs '000
Net sales	10,009,875	31.35	7,620,571	34.03	5,685,687
Cost of sales	8,252,920	28.94	6,400,820	36.33	4,695,035
Gross profit	1,756,955	44.04	1,219,751	23.13	990,652
Distribution cost	211,760	42.64	148,458	23.05	120,647
Administrative expenses	185,745	61.20	115,223	26.51	91,076
Operating profit	1,359,450	42.19	956,070	22.74	778,929
Other income	52,298	91.69	27,282	(36.62)	43,046
Finance cost	122,429	(40.38)	205,346	(7.39)	221,723
Other expenses	90,289	64.13	55,012	32.82	41,418
Profit before taxation	1,199,030	65.84	722,994	29.38	558,834
Taxation	416,425	82.52	228,149	140.77	94,759
Profit after taxation	782,605	58.15	494,845	6.63	464,075
Earnings per share (Rupees)	26.09		16.49		15.47

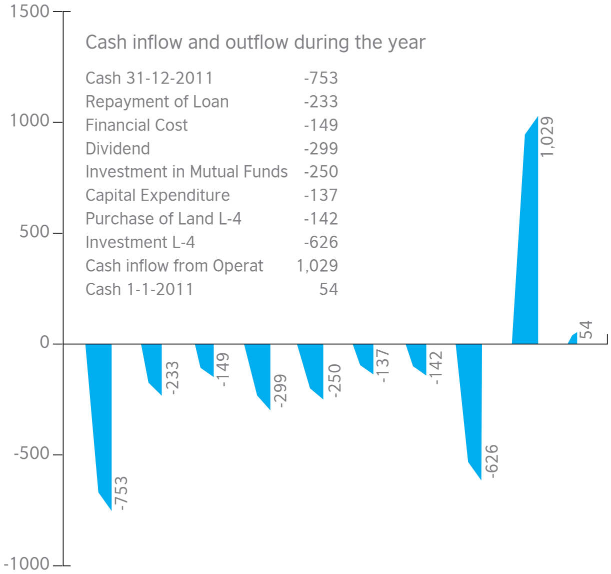
Vertical Analysis

Profit and Loss Account	2011		2010		2009	
	Amount Rs '000	%	Amount Rs '000	%	Amount Rs '000	%
Net sales	10,009,875	100.00	7,620,571	100.00	5,685,687	100.00
Cost of sales	8,252,920	82.45	6,400,820	83.99	4,695,035	82.58
Gross profit	1,756,955	17.55	1,219,751	16.01	990,652	17.42
Distribution cost	211,760	2.12	148,458	1.97	120,647	2.12
Administrative expenses	185,745	1.86	115,223	1.51	91,076	1.60
Operating profit	1,359,450	13.58	956,070	12.55	778,929	13.70
Other income	52,298	0.52	27,282	0.36	43,046	0.76
Finance cost	122,429	1.22	205,346	2.69	221,723	3.90
Other expenses	90,289	0.90	55,012	0.72	41,418	0.73
Profit before taxation	1,199,030	11.98	722,994	9.49	558,834	9.83
Taxation	416,425	4.16	228,149	2.99	94,759	1.67
Profit after taxation	782,605	7.81	494,845	6.49	464,075	8.16
Earnings per share (Rupees)	26.09		16.49		15.47	

Sources and Application of Funds

Over the last three years

Rupees in thousand	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	1,495,885	1,627,161	1,119,745
Payment on account of accumulated compensated absences	(8,801)	(3,307)	(3,999)
Long-term deposits	(432)	(585)	40
Staff retirement benefits paid	(32,113)	(21,762)	(15,343)
Income taxes paid	(425,847)	(291,760)	(209,128)
Net cash inflow from operating activities	1,028,692	1,309,747	891,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure	(903,945)	(141,155)	(307,267)
Acquisition of intangible	(9,237)	(2,433)	(6,443)
Profit on bank balances received	407	708	565
Purchase of held-for-trading financial assets	(450,000)	-	-
Redemption of held-for-trading financial assets	200,000	-	18,650
Sale proceeds on disposal of fixed assets	7,069	5,739	2,693
Net cash outflow from investing activities	(1,155,706)	(137,141)	(291,802)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances paid	(233,000)	(216,000)	(216,000)
Finance cost paid	(148,676)	(226,519)	(227,765)
Dividends paid	(298,971)	(299,204)	(179,533)
Net cash outflow from financing activities	(680,647)	(741,723)	(623,298)
Net cash inflow / (outflow)	(807,661)	430,883	(23,785)



Value Added and its Distribution

The statement below shows value added by the operations of the Company and its distribution to the stakeholders.

Wealth Generated

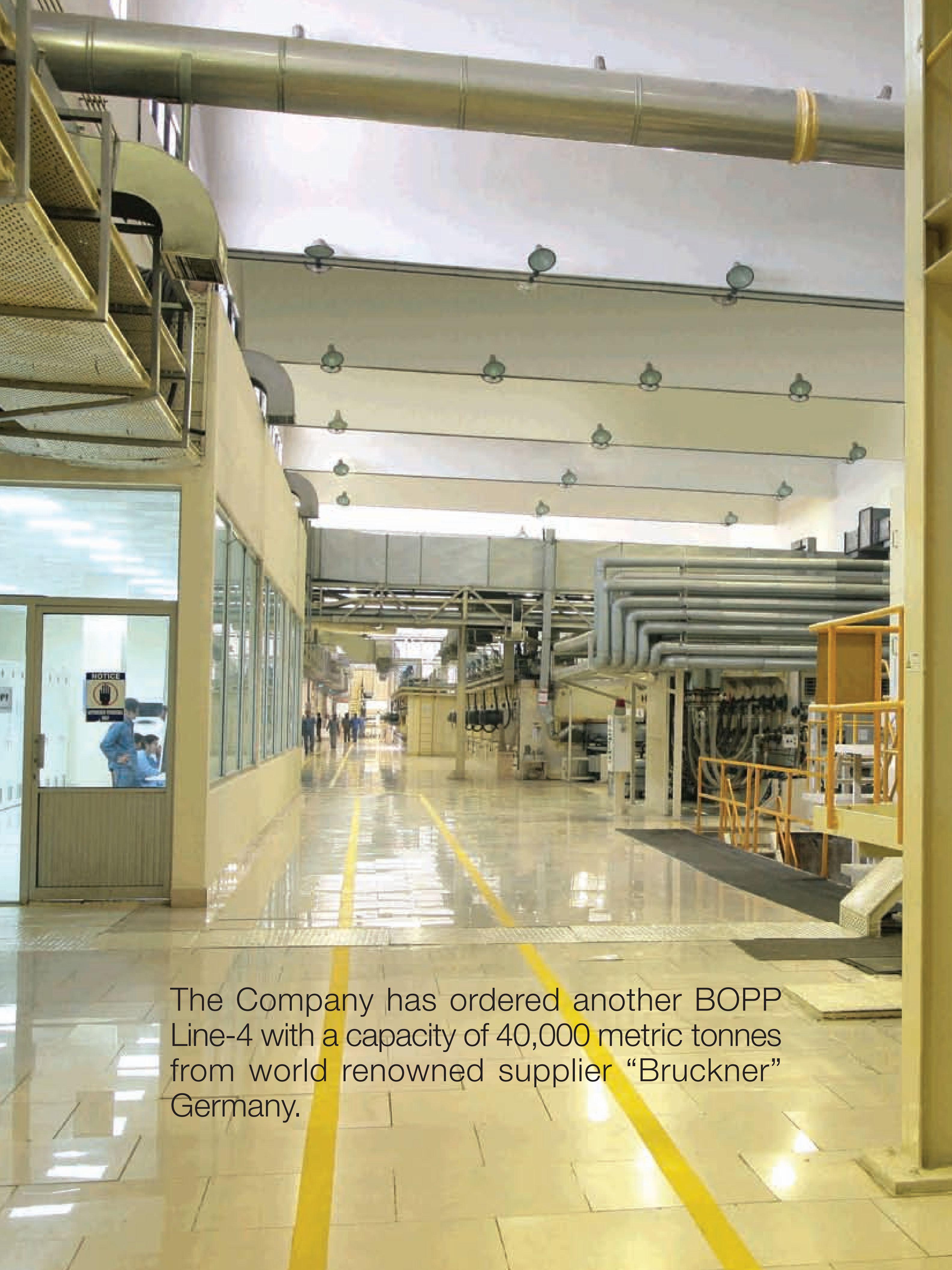
	2011		2010	
	(Rs '000)	%	(Rs '000)	%
Sales	12,245,966		9,273,386	
Other Income	52,298		27,282	
Bought-in-material & services	(7,804,743)		(5,969,680)	
	4,493,521	100	3,330,988	100
Wealth Distributed				
To Employees				
Remuneration, benefits and facilities	422,390	10	319,445	10
To Government				
Income Tax, Sales Tax, Custom & Excise Duties, WPPF, WWF, EOBI, Social Security, Professional & Local Taxes	3,166,097	70	2,311,352	69
To Providers of Capital				
Cash dividend	600,000	13	300,000	9
To Lenders				
Mark-up & finance cost	122,429	3	205,346	6
Retained for Reinvestment & Future Growth				
For expansion program & operations	182,605	4	194,845	6
	4,493,521	100	3,330,988	100

Distribution of Value Added 2011

To Government	70%
Retained for Reinvestment & Future Growth	4%
To Lenders	3%
To Employees	10%
To Shareholders	13%

Distribution of Value Added 2010

To Government	69%
Retained for Reinvestment & Future Growth	6%
To Lenders	6%
To Employees	10%
To Shareholders	9%



The Company has ordered another BOPP Line-4 with a capacity of 40,000 metric tonnes from world renowned supplier "Bruckner" Germany.

Financial Statistical Summary

	Year to December 31, 2011	Year to December 31, 2010	Year to December 31, 2009	Year to December 31, 2008
Balance Sheet Summary				
Paid-up-capital	300,000	300,000	300,000	300,000
General reserve	1,189,000	995,000	831,000	772,000
Unappropriated profit / (loss)	784,730	496,125	465,280	240,205
Share holders' funds	2,221,197	1,791,125	1,596,280	1,312,205
Long-term financing facilities	250,000	375,000	608,000	824,000
Fixed capital expenditure	2,449,481	1,871,819	2,095,567	2,111,285
Long-term deposits	2,195	1,763	1,178	1,218
Deferred asset / (liability) - net	(177,554)	(232,524)	(277,352)	(304,735)
Net current assets/(liabilities)	197,075	525,067	384,887	328,437
Profit & Loss Summary				
Sales (net of sales tax)	10,009,875	7,620,571	5,685,687	5,865,487
Cost of sales	8,252,920	6,400,820	4,695,035	4,855,356
Gross profit	1,756,955	1,219,751	990,652	1,010,131
Administration and selling expenses	397,505	263,681	211,723	163,890
Operating profit	1,359,450	956,070	778,929	846,241
Other income	52,298	27,282	43,046	29,570
Financial charges	122,429	205,346	221,723	108,844
Other charges	90,289	55,012	41,418	43,310
Profit/ (loss) before taxation	1,199,030	722,994	558,834	723,657
Provision for taxation	416,425	228,149	94,759	243,671
Profit / (loss) after taxation	782,605	494,845	464,075	479,986
Dividend	600,000	300,000	300,000	420,000
Transfer to reserve	194,000	164,000	59,000	140,000
Key Financial Ratios				
Gross profit / sales	17.55%	16.01%	17.42%	17.22%
Profit before tax / sales	11.98%	9.49%	9.83%	12.34%
Return on capital employed	53.30%	41.00%	33.12%	35.88%
Interest coverage (times)	11.5	4.8	3.7	8.0
Inventory turnover (times)	4.43	4.96	3.91	4.30
Fixed assets turnover (times)	4.09	4.07	2.71	2.78
Debt : equity ratio	10:90	17:83	28:72	39:61
Current ratio	1.1	1.3	1.2	1.2
Shares & Earning				
Break-up value (Rs per share)	74.0	59.7	53.2	43.7
Price earning ratio (times)	6.9	6.8	6.6	7.8
Earnings per share Rs	26.09	16.49	15.47	16.00
Dividend	200%	100%	100%	140%
Market value per share	180	112	102	125
Taxes, duties and levies	3,166,097	2,311,352	1,715,277	1,727,355

(Rupees in thousand)

Year to December 31, 2007	Year to December 31, 2006	Year to December 31, 2005	Year to December 31, 2004	Year to December 31, 2003	Year to December 31, 2002
300,000	300,000	300,000	300,000	300,000	300,000
632,000	614,000	604,500	534,500	424,500	266,500
320,219	168,064	84,682	115,736	200,298	248,193
1,252,608	1,082,064	989,182	950,236	924,798	814,693
540,000	756,000	972,000	1,000,000	137,500	275,000
1,608,744	1,703,966	1,879,300	1,890,571	820,232	854,419
1,104	858	1,048	1,183	793	896
(192,731)	(104,426)	(43,895)	(24,865)	22,648	20,837
375,491	237,666	124,729	83,347	218,625	213,541
4,555,172	3,825,643	2,998,386	1,754,302	1,485,811	1,278,853
3,627,470	3,316,875	2,648,729	1,472,810	1,088,927	892,944
927,702	508,768	349,657	281,492	396,884	385,909
135,913	127,804	117,910	94,618	96,658	83,865
791,789	380,964	231,747	186,874	300,226	302,044
25,729	11,989	12,114	7,611	6,460	4,894
93,167	130,595	117,064	20,349	24,573	61,701
49,981	18,103	6,340	8,405	18,402	14,933
674,370	244,255	120,457	165,731	263,711	230,304
234,215	76,373	36,511	50,293	63,606	(17,719)
440,155	167,882	83,946	115,438	200,105	248,023
300,000	150,000	75,000	45,000	90,000	90,000
18,000	9,500	70,000	110,000	158,000	102,000
20.37%	13.30%	11.66%	16.05%	26.71%	30.18%
14.80%	6.38%	4.02%	9.45%	17.75%	18.01%
41.18%	20.23%	12.16%	9.85%	28.79%	28.13%
8.8	3.0	2.1	9.6	12.5	5.0
4.63	8.18	6.46	2.81	4.36	5.13
2.7	2.2	1.6	0.9	1.8	1.5
30:70	41:59	50:50	51:49	13:87	25:75
1.3	1.3	1.2	1.1	2.0	2.1
41.7	36.1	33.0	31.7	30.8	27.2
14.7	9.7	16.1	20.3	12.0	6.4
14.67	5.60	2.80	3.85	6.67	8.27
100%	50%	25%	15%	30%	30%
215	54	52	78	80	53
1,161,337	713,209	523,813	572,110	511,711	264,843

Notice of Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of Tri-Pack Films Limited will be held at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi on Thursday, March 22, 2012 at 10:30 a.m. to transact the following ordinary business :-

1. To confirm the minutes of the previous Annual General Meeting held on March 18, 2011.

2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended December 31, 2011.

3. To consider and approve payment of cash dividend at the rate of Rs. 20.00 per ordinary share of Rs.10.00 (200%) for the year ended December 31, 2011 as recommended by the Board of Directors.

4. To appoint Auditors for the year 2012 and to fix their remuneration.

By Order of the Board

Adi J. Cawasji
Company Secretary

Karachi
February 17, 2012

Notes :

1. The Share Transfer Books of the Company will remain closed from March 15, 2012 to March 22, 2012 (both days inclusive). Transfers received in order by our Shares Registrar, FAMCO Associates (Pvt.) Limited, 1st Floor, State Life Building No. 1-A, I. I. Chundrigar Road, Karachi-74000 by the close of business on March 14, 2012 will be considered in time for the entitlement of dividend.

2. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf.

3. Duly completed forms of proxy must be deposited with the Company Secretary at the Registered Office of the Company at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi 75600 not later than 48 hours before the time appointed for the meeting.

4. Any individual beneficial owner of the Central Depository Company, entitled to vote at this meeting, must bring his/her computerized national identity card ("CNIC") with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copy of board of directors' resolution/power of attorney and/or all such documents required under Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan for the purpose.

5. Shareholders are requested to notify any change in their addresses immediately to the aforestated Shares Registrar of the Company.

6. Members who have not yet submitted photocopy of their valid computerized national identity cards to the Company are requested to send the same at the earliest to the aforestated Shares Registrar of the Company. In case of non-compliance, the Company may be constrained to withhold dispatch of dividend warrant to such Member in terms of Securities and Exchange Commission of Pakistan notification (SRO 779 (I) 2011 dated August 18, 2011).

7. Form of proxy is attached in the Annual Report.

Rising Everywhere with Every Product through

Expansion

Civil work and construction of New BOPP Line with a production capacity of 40,000 metric tonnes is at its peak.

Directors' Report
to the Shareholders

The directors are pleased to present their Annual Report together with the Audited Financial Statements of the Company for the year ended December 31, 2011.

By the grace of Almighty, during the year 2011 your Company significantly enhanced shareholder value and achieved remarkable sales revenue & profitability by implementing successful business strategies through its highly committed team. Product portfolio was optimized and strengthened, while production processes were fine-tuned to enhance productivity. Our production team remain focused on improving operational efficiencies and product quality.

Financial Performance

Net Sales of your Company increased by 31 percent over last year on the back of higher sale volumes and crossed Rs 12.2 billion marks in gross sales. Higher volume together with strong market management and effective cost control resulted in operating profit increasing by 42 percent over last year.

Comparisons of the financial result with the corresponding period last year are as under:

	2011	2010
Sales Volume - (M. Tonnes)	38,315	35,745
Sales Value - (Rs in Million)	12,246	9,273
Gross profit - (Rs in Million)	1,757	1,220
Net profit - (Rs in Million)	783	495
EPS - (Rs per share)	26.09	16.49

Profit after tax was 58 percent higher as compared with 2010 at Rs 783 million and earnings per share at Rs 26.09. All this performance is the results of our team work, using best management practices, building operational efficiencies and better economies of scale achieved during the year.

Strict Governmental actions and policies have reduced the smuggling through Afghan Transit Trade and under-invoicing of BOPP films.

Cash Flow Strategy

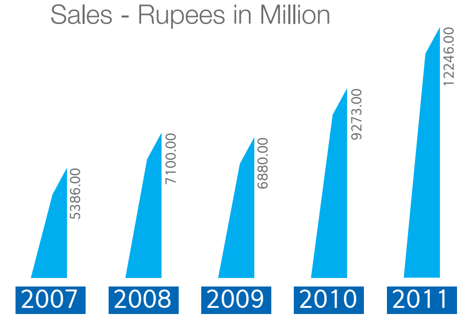
During the year 2011, Rs 1,029 million was generated from operating activities of the Company which was utilized mainly towards the payment of dividends to shareholders, repayment of long-term finances and capital expansion project.

Your Company is well aware of future funds requirement for the operations and has adequate short-term and long-term arrangements from financial institutions for the year 2012.

Production Facilities

To maintain efficient and stable operations without disruptions, the management proactively adopted preventive maintenance plans which kept all three BOPP film manufacturing lines, CPP line and metallizers to their full production capacity level.

Sales - Rupees in Million



Progress Towards The New BOPP Plant

Civil work and construction of New BOPP plant with an annual production capacity of 40,000 Metric Tonnes (MT) is at its peak. All equipment were ordered on time and are under manufacturing. Some of the auxiliary equipments have also started arriving. Inshallah the target dates will be successfully met and commercial production will commence before the end of 2012.

This Plant is equipped with latest and state-of-the-art equipment and is a great value addition in Pakistan BOPP Industry.

Human Resource

We take pride in our people. The business environment in Pakistan continues to be challenging, with deteriorating economic and security conditions. The continued good performance of the business in the midst of such an environment demonstrates the caliber, resilience and commitment of our people. Our dedicated managers, engineers, workers and other members of administrative and marketing staff played key role in achieving these results.

We always focus to leverage skills and knowledge of our human capital enabling them to handle rising business challenges and issues. The Company continues to encourage its employees in pursuit of professional development and organized various internal as well as external technical and managerial training courses to abreast them with new developed operational techniques and practices.

Social Responsibility

We believe that the highest standards of corporate behavior in our society are essential to our long-term success. Therefore, your Company actively meets the social responsibilities to the nation.

Environment, Health and Safety

Your Company is always committed to ensure safe and healthy work environment for all its employees. There was no reportable occupational illness to our employees or supervised contractors in 2011. The Company pro-actively assessed and improved its processes and practices, identifying areas of reduction in energy consumption, waste and emissions by installing latest environment friendly equipments.


KISTAN
5.0t

We strive to continually improve performances in all areas of Environment, Health and Safety performance and priorities on the basis of risks

The Company provides extensive fire fighting, health and safety trainings to all the relevant employees, conducts safety audits, investigates incidents and communicates safety related matters regularly.

Quality Management

During the year, your Company successfully implemented all quality standards, and obtained ISO 14001, ISO 9001 and OHSAS 18001 certifications for its Port Qasim Plant and recertification of its Hattar Plant.

To further improve productivity through machine efficiency and reduce process wastages, your Company has also started the implementation of Total Productive Maintenance (TPM) across both the plants which is expected to complete by the end of 2013 with the help of foreign consultants.

Your Company is also holder of the B.E.S.T. certification from British American Tobacco Company (BAT).

Contribution to the National Exchequer

Your Company's contribution to the exchequer continues to grow, with 2011 being higher by 37% over last year. The Company paid a total of Rs 3,166 million in 2011 in the form of Federal Excise Duty, Sales Tax, Customs Duties and Income Taxes.

Business Risks and Future Outlook

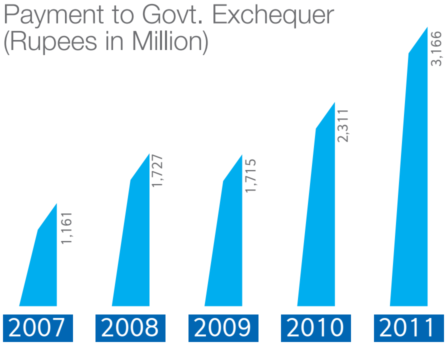
In the aftermath of increasing fiscal weakness, economic recovery will be a challenge. Growing inflationary pressure from rising commodity costs; volatility in crude oil prices; security environment and the ongoing gas shortages will continue to put pressure on business performance. Despite economic difficulties, the country provides immense opportunities for growth due to increasing demand of our product.

In addition, our capabilities continue to improve in many areas including marketing, customer development and supply chain. Foremost, we are able to attract, develop and retain the best talent in the country. This is the basis of our long-term confidence.

Related Parties

We maintain a complete and updated list of related parties. All transactions with related parties are carried out on an unbiased, arms length basis. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. After review by the Audit Committee the transactions are placed before the Board for their consideration and approval.

Payment to Govt. Exchequer
(Rupees in Million)



Dividend

The directors have recommended a cash dividend of 200% i.e. Rs 20 per share (2010: 100%).

Code of Corporate Governance

The Board of Directors have taken all the necessary steps to comply with the requirements of the Code of Corporate Governance included in the listing regulations of Stock Exchanges in Pakistan and are pleased to declare the following as required by the Code:

i) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

ii) Proper books of account of the Company have been maintained.

iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates. The accounting polices are based on reasonable and prudent judgment.

iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

v) The system of internal control is sound in design and has been effectively implemented and monitored.

vi) There are no doubts upon the Company's ability to continue as a going concern.

vii) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

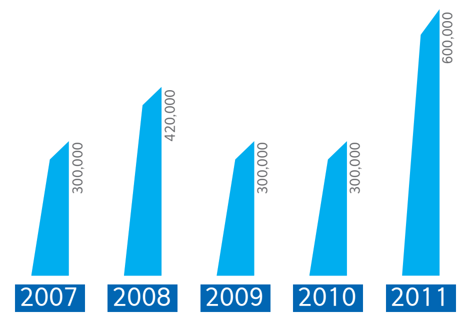
viii) Key operating and financial data of last ten years is annexed.

ix) The value of investments of provident and gratuity funds, as at June 30, 2011 based on their audited accounts is as follows:

	Rs '000
Provident	59,990
Gratuity	29,922

The value of investment includes accrued interest.

Dividends (Rupees in thousand)



x) Board Meetings

During the year 2011, six meetings of the Board of Directors were held. The attendance of each Director is as follows:

Name of directors	No. of meetings attended
Syed Babar Ali - Chairman	4
Mr. Shahid Hussain - Managing Director	6
Mr. Faisal Farid	3
Syed Hyder Ali	5
Mr. Khalid Yacob	6
Mr. Kimihide Ando	5
Mr. Tetsuo Obana	1
Mr. Masaya Suzuki (Alternate to Mr. Tetsuo Obana) Ceased to be an Alternate Director on March 18, 2011	1
Mr. Masahiko Takahashi (Alternate to Mr. Tetsuo Obana) Appointed as Alternate Director on March 18, 2011	4

Leave of absence was granted to the Directors who could not attend the Board Meetings.

Auditors

The present auditors M/s A. F. Ferguson & Co., Chartered Accountants retire and offer themselves for reappointment. As suggested by the Audit Committee, the Board of Directors has recommended their reappointment as auditors of the Company for the year ending December 31, 2012, at a fee to be mutually agreed.

Audit Committee

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. At present, the Audit Committee comprises of four Non-Executive Directors.

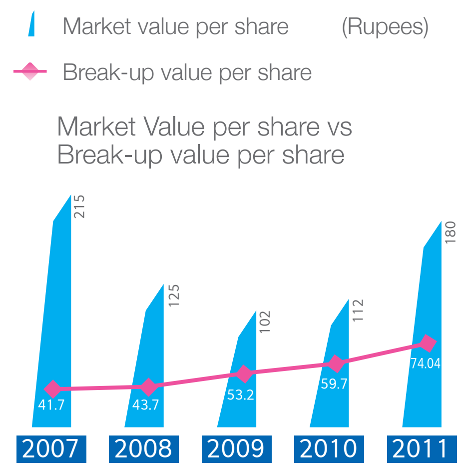
Four meetings of the Audit Committee were held during the year 2011. The attendance of each Member is given hereunder:

Name of member	No. of meetings attended
Mr. Khalid Yacob	4
Mr. Faisal Farid	1
Mr. Kimihide Ando	4
Mr. Tetsuo Obana	1
Mr. Masaya Suzuki (Alternate to Mr. Tetsuo Obana) Ceased to be an Alternate Member on March 18, 2011	1
Mr. Masahiko Takahashi (Alternate to Mr. Tetsuo Obana) Appointed as an Alternate Member on March 18, 2011	2

Leave of absence was granted to the Members who could not attend the Meetings of the Audit Committee.

The Audit Committee has its terms of reference which has been determined by the Board of Directors and is in line with the guidelines provided in the Code of Corporate Governance.

Chief Executive officer, Chief Financial Officer, Head of Internal Audit and external auditors attend Audit Committee meetings by way of invitation. However, they are not the formal members of the Audit Committee. The Company Secretary is the Secretary of the Audit Committee.

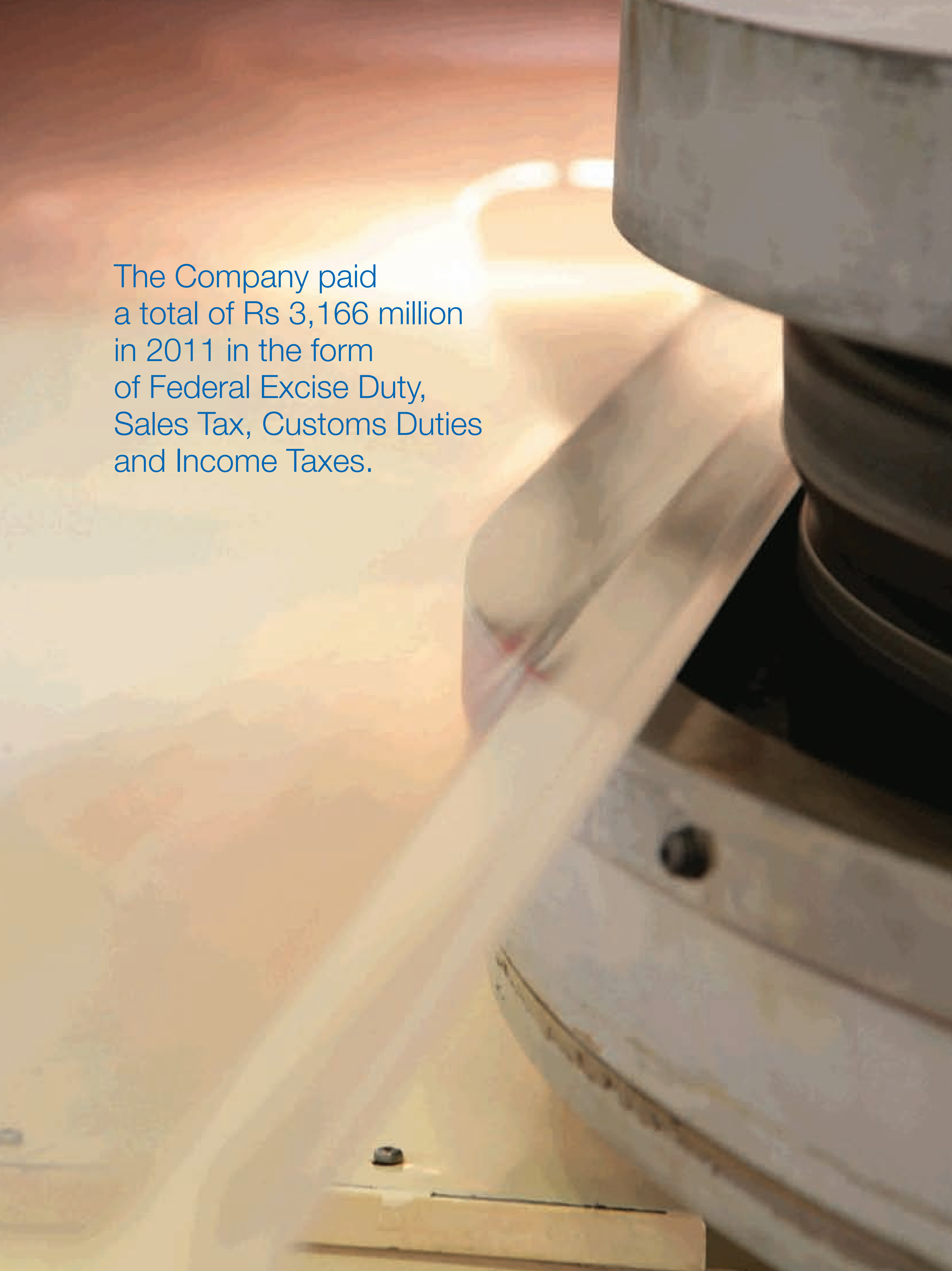


Corporate and Financial Reporting Framework

Trading of Shares by Chief Executive, Directors, Chief Financial Officer, Company Secretary, their spouses and minor children:

Purchase of Shares:	No. of shares
Chief Executive Officer	Nil
Directors	Nil
Chief Financial Officer	Nil
Company Secretary	Nil
Spouses	Nil
Sale of Shares:	Nil

The directors, CEO, CFO, Company Secretary and their spouses or minor children did not carry out any trade in the shares of the Company during the year except as noted above.



The Company paid a total of Rs 3,166 million in 2011 in the form of Federal Excise Duty, Sales Tax, Customs Duties and Income Taxes.

Material Changes

There have been no material changes since December 31, 2010 and the Company has not entered into any commitment, which would affect its position at that date.

Pattern of Shareholding

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2011, whose disclosure is required under the reporting framework, is included in the shareholders' information.

Acknowledgement

The results of your Company are evident for the commitment and contribution by the tough pool of talented employees and the trust reposed in the Company by its customers, suppliers and service providers.

For and on behalf of the Board.

Shahid Hussain
Chief Executive

Karachi, February 15, 2012

Rising Everywhere with Every Product with

Customer Satisfaction

Statement of Compliance with the Code of Corporate Governance for the Year Ended December 31, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi, Lahore and Islamabad stock exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes six independent non-executive directors. However, no minority shareholder offered himself for election.

2. The directors of the Company have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

3. All the directors have given declaration that they are aware of their duties and powers under the relevant laws and the Company's Memorandum and Articles of Association and the listing regulations of the stock exchanges of Pakistan.

4. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institute (DFI) or a Non Banking Financial Institute (NBFI) or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

5. Syed Babar Ali and Mr. Khalid Yacob are Directors of Tri-Pack Films Limited, and they also hold similar positions in IGI Investment Bank Limited (formerly First International Investment Bank Limited) which is the holding company of IGI Finex Securities Limited, a company engaged in the business of stock brokerage. However, both Syed Babar Ali and Mr. Khalid Yacob undertake that neither they nor their spouses are personally engaged in the business of stock brokerage.

6. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

7. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment, determination of remuneration and terms and conditions of employment of CEO have been taken by the Board.

9. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

10. The board has established a system of sound internal controls which is effectively implemented at all the levels within the Company.

11. The Board ensures arrangement of orientation courses for its directors to apprise them of their duties and responsibilities.

12. The Board approves the appointment, remuneration and terms and conditions of employment of Chief Financial Officer, Head of Internal Audit and the Company Secretary.

13. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

14. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

15. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

16. The Company has complied with all the corporate and financial reporting requirements of the Code.

17. The Board has formed an Audit Committee. It comprises of four members, all of whom are non-executive directors including the chairman of the committee.

18. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

19. The Board has set-up an effective internal audit function.

20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The related party transactions were placed before the Audit Committee and approved by the Board of Directors.

23. We confirm that all other material principles contained in the Code have been complied with.

Shahid Hussain
Chief Executive

Karachi, February 15, 2012

Review Report to the Members
on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended December 31, 2011 prepared by the Board of Directors of Tri-Pack films Limited to comply with the Listing Regulation No. 35 of Karachi, Lahore and Islamabad Stock Exchanges.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiiia) of Listing Regulation 35 of Karachi, Lahore and Islamabad Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required to check the approval of the related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2011.

A. F. Ferguson & Co.
Chartered Accountants

Karachi, February 20, 2012

Audit Engagement Partner: Khurshid H. Sabzwari

Corporate Calendar

12th February 2011

On 12th February 2011 a meeting of Board of Directors and its Committees were held to discuss the Annual Accounts.

18th March 2011

On 18th March the Board meeting was held to discuss the Annual Budget for the Year 2011.

Annual General Meeting of shareholders was held to announce the Company's Annual Results 2010 and to approve the dividend.

26th April 2011

On this day Board of Directors and Audit Committees held their meetings to review the Results of 1st Quarter Ending 31st March 2011.

22nd August 2011

The Board held its meeting to review the Half yearly results of the Company. Meeting of Audit Committee was also conducted on this day.

17th October 2011

On this day Board & its Committees conducted their meetings to discuss the results of 3rd Quarter Ending 30th September 2011.

22nd December 2011

The members of the Board held its meeting to finalise the annual budget for the Year 2012.

Shareholders' Information

Registered Office

4th Floor, The Forum, Suite No. 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600
Tel. # 92 21 35831618 / 35831664 / 35833011 / 35874047-49
Fax # 92 21 35860251

Shares Registrar

FAMCO Associates (Pvt.) Ltd
1st Floor, State Life Building No.1-A, I. I. Chundrigar Road, Karachi-74000
Tel. # 92 21 32425467 / 32427012 / 32426597 / 32475604 / 32420755
Fax # 92 21 32426752

Listing on Stock Exchanges

Tri-Pack's equity shares are listed on Karachi, Lahore and Islamabad Stock Exchanges.

Listing Fees

The annual listing fee for the financial year 2011-12 has been paid to all the three stock exchanges within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of Tri-Pack Films at KSE, LSE and ISE is TRIPF.

Shares Registrar

Tri-Pack's shares department is operated by FAMCO Associates (Pvt.) Ltd and services about 1,516 shareholders. It is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, issue of duplicate/ replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact either the Registered Office or the Shares Registrar.

Contact persons:

Mr. Rafique Khatri
Tel # 92 21 35831618 / 35831664 / 35833011
Fax # 92 21 35860251

Mr. Ovais Khan
Tel. # 92 21 32425467 / 32427012 / 32426597 / 32475604 / 32420755
Fax # 92 21 32426752

Service Standards

Tri-Pack has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution:

	For requests received through post	Over the counter
Transfer of shares	30 days after receipt	30 days after receipt
Transmission of shares	30 days after receipt	30 days after receipt
Issue of duplicate share certificates	30 days after receipt	30 days after receipt
Issue of duplicate dividend warrants	5 days after receipt	5 days after receipt
Issue of revalidated dividend warrants	5 days after receipt	5 days after receipt
Change of address	2 days after receipt	15 minutes

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

Dematerialization of Shares

The equity shares of the Company are under the compulsory dematerialization category. As of date 37.82% of the equity shares of the Company have been dematerialized by the shareholders.

Dividend Announcement

The board of directors of the Company has proposed a final dividend of 200% (Rs 20 per share of Rs 10) for the financial year ended December 31, 2011. The aforesaid final cash dividend is subject to approval by the shareholders of the Company at the Annual General Meeting (2010: 100% cash dividend (Rs 10 per share of Rs 10).

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from March 15, 2012 to March 22, 2012 both days inclusive.

Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid well before the statutory time limit of 30 days:

(i) **For shares held in physical form**: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.

(ii) **For shares held in electronic form**: to share-holders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

Withholding of Tax & Zakat on Dividend

As per the provisions of the Income Tax Ordinance, 2001, Income Tax is deductible at source by the Company at the rate of 10% wherever applicable.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

Dividend Warrants

Cash dividends are paid through dividend warrants addressed to the shareholders whose names appear in the Register of Shareholders at the date of book closure. Shareholders are requested to deposit those warrants into their bank accounts, at their earliest, thus helping the Company to clear the unclaimed dividend account.

Shareholders' Information

Investors' Grievances

To date none of the investors or shareholders have filed any letter of complaints against any service provided by the Company to its shareholders.

Legal Proceedings

No case has ever been filed by shareholders against the Company for non-receipt of shares/refund.

General Meetings & Voting Rights

Pursuant to section 158 of the Companies Ordinance, 1984, Tri-Pack Films Limited holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the board of directors to call for meeting of shareholders, and if board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in a company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

Proxies

Pursuant to Section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who may not be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Web Presence

Updated information regarding the Company can be accessed at Tri-Pack's website, www.tripack.com.pk. The website contains the Company's profile, the corporate philosophy and major products.

Shareholders' Information

Shareholding Pattern

The shareholding pattern of the equity share capital of the Company as at December 31, 2011 is as follows:

Shareholding From		Shareholding To	Number of shareholders	Total shares held
1	-	100	385	10,043
101	-	500	555	251,746
501	-	1,000	144	137,062
1,001	-	5,000	225	632,520
5,001	-	10,000	71	556,309
10,001	-	15,000	24	300,682
15,001	-	20,000	24	429,620
20,001	-	25,000	14	319,003
25,001	-	30,000	9	257,632
30,001	-	35,000	6	198,640
35,001	-	40,000	9	343,354
40,001	-	45,000	5	213,758
45,001	-	50,000	4	196,462
50,001	-	55,000	4	208,387
55,001	-	60,000	1	56,000
60,001	-	65,000	3	186,567
65,001	-	70,000	1	68,916
75,001	-	80,000	2	156,004
80,001	-	85,000	1	85,000
85,001	-	90,000	2	171,536
90,001	-	95,000	3	278,100
95,001	-	100,000	2	200,000
100,001	-	105,000	1	103,300
105,001	-	110,000	1	106,000
110,001	-	115,000	1	113,517
115,001	-	120,000	1	115,111
125,001	-	130,000	1	126,400
130,001	-	135,000	1	131,848
135,001	-	140,000	2	273,000
150,001	-	155,000	1	152,500
160,001	-	165,000	1	160,263
180,001	-	185,000	1	182,000
220,001	-	225,000	1	223,616
245,001	-	250,000	1	250,000
375,001	-	380,000	1	379,310
470,001	-	475,000	1	474,500
625,001	-	630,000	1	625,100
680,001	-	685,000	1	682,260
860,001	-	865,000	1	862,449
970,001	-	975,000	1	973,200
1,305,001		1,310,000	1	1,309,285
7,495,001		7,500,000	1	7,499,000
9,995,001		10,000,000	1	10,000,000
		TOTAL	1,516	30,000,00

Information as required under the Code of Corporate Governance

Shareholders' category	Number of Shareholders	Number of Shares held
Associated Companies, Undertakings and Related Parties		
Mitsubishi Corporation - Japan	1	7,499,000
Packages Limited	1	10,000,000
IGI Insurance Limited	1	1,309,285
Trustee Babar Ali Foundation	1	137,000
NIT and ICP		
National Bank of Pakistan-Trustee Deptt.	1	862,449
Directors		
Mr. Khalid Yacob	1	1,000
Syed Hyder Ali	1	93,500
Syed Babar Ali	1	474,500
Mr. Shahid Hussain	1	500
Mr. Tetsuo Obana	1	500
Mr. Kimihide Ando	1	500
Mr. Faisal Farid	1	373
Directors spouses and minor children	NIL	NIL
CEO's spouse and minor children	NIL	NIL
Executives	NIL	NIL
Public Sector Companies and Corporations	1	682,260
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds	14	930,729
Shareholders holding 10% or more voting interest		
Mitsubishi Corporation - Japan	1	7,499,000
Packages Limited	1	10,000,000

Shareholders' Information

S.No.	Shareholders' category	No. of Shareholders	No. of Shares	%
1	Associated Companies, Undertakings and Related Parties	4	18,945,285	63.15
2	NIT and ICP	1	862,449	2.87
3	Directors, CEO and their Spouses	7	570,873	1.90
4	Public Sector Companies and Corporations	1	682,260	2.27
5	Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds	14	930,729	3.11
6	Others	73	3,529,181	11.77
7	Individuals	1,416	4,479,223	14.93
		1,516	**30,000,000**	**100.00**

Share Price/Volume

The monthly high and low prices and the volume of shares traded on the Karachi Stock Exchange during the financial year 2011 are as under:

Month	Share price on the KSE (Rs.)		
	Highest	Lowest	Volume of shares traded
January	140.12	120.28	790,297
February	143.29	124.23	768,515
March	154.99	127.52	464,145
April	166.82	149.79	601,583
May	174.11	159.79	282,413
June	178.54	168.55	368,052
July	184.08	170.52	205,152
August	187.99	178.35	186,514
September	182.91	176.00	120,629
October	186.37	180.27	115,507
November	185.96	180.00	275,577
December	180.00	160.30	231,596

Auditors' Report to The Members

We have audited the annexed balance sheet of Tri-Pack Films Limited as at December 31, 2011 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion-

    (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

    (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

    (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2011 and of the profit, its changes in equity and cash flows for the year then ended; and

(d) in our opinion zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

A. F. Ferguson & Co.
Chartered Accountants

Karachi, February 20, 2012

Audit Engagement Partner: Khurshid H. Subzwari


TITAN
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Financial Statements

Balance Sheet

As at December 31, 2011

	Note	2011 Rs '000	2010 Rs '000
SHARE CAPITAL AND RESERVES			
Authorised capital	4	1,000,000	1,000,000
Issued, subscribed and paid-up capital	4	300,000	300,000
Reserves	5	1,921,197	1,491,125
		2,221,197	1,791,125
NON-CURRENT LIABILITIES			
Long-term finances	6	250,000	375,000
DEFERRED LIABILITIES			
Deferred taxation	7	158,165	219,508
Accumulated compensated absences	8	19,389	13,016
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	9	2,073,526	1,443,822
Accrued mark-up	10	36,740	28,401
Derivative financial instruments	11	79,725	-
Short-term borrowings	12	1,229,758	295,873
Current portion of long-term finances	6	125,000	233,000
		3,544,749	2,001,096
CONTINGENCIES AND COMMITMENTS	13		
		6,193,500	4,399,745

	Note	2011 Rs '000	2010 Rs '000
PROPERTY, PLANT AND EQUIPMENT	14	2,430,754	1,853,983
INTANGIBLES	15	18,727	17,836
LONG-TERM DEPOSITS	16	2,195	1,763
CURRENT ASSETS			
Stores and spares	17	321,433	237,119
Stock-in-trade	18	1,542,125	1,052,338
Trade debts	19	991,922	767,252
Financial assets at fair value through profit or loss	20	262,884	-
Advances, prepayments and other receivables	21	91,824	39,313
Taxation		55,202	79,931
Cash and bank balances	22	476,434	350,210
		3,741,824	2,526,163
		6,193,500	4,399,745

The annexed notes 1 to 40 form an integral part of these financial statements.

Shahid Hussain
Chief Executive

Kimihide Ando
Director

Profit and Loss Account

For the year ended December 31, 2011

	Note	2011 Rs '000	2010 Rs '000
Net sales	23	10,009,875	7,620,571
Cost of sales	24	8,252,920	6,400,820
Gross profit		1,756,955	1,219,751
Distribution cost	25	211,760	148,458
Administrative expenses	26	185,745	115,223
		397,505	263,681
Operating profit		1,359,450	956,070
Other income	27	52,298	27,282
		1,411,748	983,352
Finance cost	28	122,429	205,346
Other expenses	29	90,289	55,012
		212,718	260,358
Profit before taxation		1,199,030	722,994
Taxation	30	416,425	228,149
Profit after taxation		782,605	494,845
Other comprehensive income for the year			
Loss arising during the year on cash flow hedge		(79,725)	
Add: Income tax relating to hedging reserve		27,192	-
		(52,533)	-
Total comprehensive income for the year		730,072	494,845
Earnings per share (Rupees)	32	26.09	16.49

The annexed notes 1 to 40 form an integral part of these financial statements.

Shahid Hussain
Chief Executive

Kimihide Ando
Director

Statement of Changes in Equity

For the year ended December 31, 2011

	Share Capital Rs '000	General reserve Rs '000	Hedging reserve Rs '000	Unappropriated profit Rs '000	Total Rs '000
Balance as at January 1, 2010	300,000	831,000	-	465,280	1,596,280
Final cash dividend for the year ended December 31, 2009 (Rs 10 per ordinary share)	-	-	-	(300,000)	(300,000)
Transfer to general reserve	-	164,000	-	(164,000)	-
Total comprehensive income for the year ended December 31, 2010	-	-	-	494,845	494,845
Balance as at December 31, 2010	300,000	995,000	-	496,125	1,791,125
Final cash dividend for the year December 31, 2010 (Rs 10 per ordinary share)	-	-	-	(300,000)	(300,000)
Transfer to general reserve	-	194,000	-	(194,000)	-
Total comprehensive income for the year ended December 31, 2011	-	-	(52,533)	782,605	730,072
Balance as at December 31, 2011	300,000	1,189,000	(52,533)	784,730	2,221,197

The annexed notes 1 to 40 form an integral part of these financial statements.

Shahid Hussain
Chief Executive

Kimihide Ando
Director

Cash Flow Statement

For the year ended December 31, 2011

	Note	2011 Rs '000	2010 Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	1,495,885	1,627,161
Payment on account of accumulated compensated absences		(8,801)	(3,307)
Long-term deposits		(432)	(585)
Staff retirement benefits paid		(32,113)	(21,762)
Income taxes paid		(425,847)	(291,760)
Net cash inflow from operating activities		1,028,692	1,309,747
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(903,945)	(141,155)
Acquisition of intangibles		(9,237)	(2,433)
Profit on bank balances received		407	708
Purchase of held-for-trading financial assets		(450,000)	-
Redemption of held-for-trading financial assets		200,000	-
Sale proceeds on disposal of fixed assets		7,069	5,739
Net cash outflow from investing activities		(1,155,706)	(137,141)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances paid		(233,000)	(216,000)
Finance cost paid		(148,676)	(226,519)
Dividends paid		(298,971)	(299,204)
Net cash outflow from financing activities		(680,647)	(741,723)
Net (decrease) / increase in cash and cash equivalents		(807,661)	430,883
Cash and cash equivalents at the beginning of the year		54,337	(376,546)
Cash and cash equivalents at the end of the year	35	(753,324)	54,337

The annexed notes 1 to 40 form an integral part of these financial statements.

Shahid Hussain
Chief Executive

Kimihide Ando
Director

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

1. THE COMPANY AND ITS OPERATIONS

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 and Cast Polypropylene (CPP) film. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention, as modified by re-measurement of certain financial assets and financial liabilities (including derivative financial instruments) at fair value and recognition of certain staff retirement and other service benefits at present value.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Ordinance and the requirements of and directives issued under that Ordinance. However, the requirements of and the directives issued under that Ordinance have been followed where those requirements are not consistent with the requirements of the IFRSs, as notified under the Ordinance.

Standards, amendments to published standards and new interpretations effective during the year ended December 31, 2011:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company’s accounting periods beginning January 1, 2011:

IFRS 7 (amendment), 'Financial instruments' (effective January 1, 2011). The amendment emphasis the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment does not have any significant impact on the Company's financial statements.

IAS 1 (amendments), 'Presentation of financial statements' (effective January 1, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendment does not have any significant impact on the Company's financial statements.

Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2012 or later periods:

IAS 19, 'Employee benefits' (effective for periods beginning on or after January 1, 2013). The impact on the Company will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in other comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability / (asset). The Company is yet to assess the full impact of the amendments.

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2012 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not mentioned in these financial statements.

2.3 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

2.3.1 Defined contribution plan

Provident fund

The Company operates a recognised provident fund for all its permanent employees who have completed prescribed qualifying period of service. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of ten percent of basic salary.

2.3.2 Defined benefit plans and other service benefits

Pension fund

The Company also contributes towards pension of employees of the Company who have completed prescribed qualifying period of service and are a member of an approved funded defined benefit pension plan of an associated company. The monthly contributions are made to the fund on the basis of actuarial recommendation. The latest actuarial valuation was carried out as at December 31, 2011.

The 'projected unit credit method' is based on the following significant assumptions and is used for valuation of the aforementioned fund:

- Discount rate - 12.5% (2010: 14.25%) per annum
- Expected rate of increase in salary levels - 10.5% (2010: 12%) per annum
- Expected rate of return on plan assets - 14.25% (2010: 14.25%) per annum

Cumulative unrecognised actuarial gains and losses at the end of the previous year which exceed 10% of the greater of the present value of the Company's defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the employees.

Gratuity fund

The Company operates an approved defined benefit gratuity fund plan for all its permanent employees who have completed the prescribed qualifying period of service. Monthly contributions are made to the fund on the basis of actuarial recommendation. The latest actuarial valuation of the fund was carried out as at December 31, 2011.

The 'projected unit credit method' is based on the following significant assumptions and is used for valuation of the aforementioned fund:

- Discount rate - 12.5% (2010: 13%) per annum
- Expected rate of increase in salary levels - 11.5% (2010: 12%) per annum
- Expected rate of return on plan assets - 12.5% (2010: 12%) per annum

Cumulative unrecognised actuarial gains and losses at the end of the previous year which exceed 10% of the greater of the present value of the Company's defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the employees.

Employee compensated absences

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company.The provision is recognised on the basis of actuarial valuation. The valuation is based on the following significant assumptions:

- Discount rate - 12.5% (2010: 14.25%) per annum
- Expected rate of increase in salary levels - 11.5% (2010: 12%) per annum

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. The unrecognised actuarial gains or losses at each valuation date are recognised immediately.

2.4 Taxation

Current

Provision for current tax is based on the taxable income for the year at the current rates of taxation or one percent of turnover, whichever is higher. The charge for current tax is calculated using prevailing tax rates after taking into account tax credits, rebates and exemptions available.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

2.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

2.6 Provisions

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of obligation.

2.7 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders / directors, as appropriate.

2.8 Property, plant and equipment

Property, plant and equipment except leasehold land are stated at cost less accumulated depreciation and any identified impairment loss. Capital work-in-progress is stated at cost. Cost of the leasehold land is amortised using the straight line basis over the period of the lease.

Residual values and useful lives are reviewed, at each balance sheet date, and adjusted if impact on depreciation is significant.

Depreciation is charged to profit and loss account on straight line method at the rates stated below, which are reviewed annually:

Nature of fixed asset	Annual rate of depreciation (%)
- Leasehold land	1.03 to 2.22
- Buildings on leasehold land	5
- Plant and machinery, electrical installations, tube well, pumps and tools	10
- Furniture and fittings	10 to 20
- Office equipment	20 to 33.33
- Laboratory equipment and vehicles	20

Depreciation on additions and deletions during the year is charged from the month when asset is put into use or upto the month when asset is disposed off, respectively.

Maintenance and repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised in accordance with IAS 16 and depreciated in a manner that represents the consumption pattern and useful lives. Minor repairs and renewals are charged to profit and loss account. Profit or loss on disposal of assets are included in profit and loss account currently.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in profit and loss account currently.

2.9 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised when it is probable that the expected future economic benefits will flow to the Company and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognised as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rate of 33.33%.

Useful lives of intangible assets are reviewed, at each balance sheet date and adjusted if the impact of amortisation is significant.

Consistent with prior years, the carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in profit and loss account. Reversal of impairment losses are also recognised in profit and loss account, however, is restricted to the original cost of the asset.

2.10 Stores and spares

Stores and spares are valued at weighted average cost less allowance for obsolete and slow moving items.

Stores and spares-in-transit are stated at cost comprising invoice value and other related charges incurred upto the balance sheet date.

2.11 Stock-in-trade

Stock of raw materials, work-in-process and finished goods are valued at the lower of weighted average cost and net realisable value.

Cost of work-in-process and finished goods comprises cost of direct materials and labour and appropriate manufacturing overheads.

Stocks-in-transit are stated at cost comprising invoice value and other related charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make a sale.

2.12 Trade debts

Trade debts are carried at original invoice amount less provision for doubtful debts estimated on the basis of review of all outstanding balances at the year end. Bad debts are written off when identified.

2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, demand deposits, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short-term borrowings.

2.14 Revenue recognition

Sales revenue is recognised at the time of dispatch of goods to customers.

Returns on bank deposits are accrued on a time proportion basis by reference to the principal outstanding amount and the applicable rate of return.

Gains / (losses) arising on sale of investments are included in the profit and loss account currently on the date when the transaction takes place.

Unrealised gains / (losses) arising on revaluation of securities classified as financial assets at 'fair value through profit or loss' are included in the profit and loss account in the period in which they arise.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss account in the period in which they are incurred.

2.16 Foreign currency transactions and translation

Foreign currency transactions are recognised or accounted for into Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing on the balance sheet date. Exchange gain / loss on foreign currency translations are included in income / equity along with any related hedgeeffects.

2.17 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.18 Financial instruments

2.18.1 The Company classifies its financial assets in the following categories:

(a) Investments at 'fair value through profit or loss'

- Held for trading.

  These include financial instruments acquired principally for the purpose of generating profit from short-term fluctuations in prices or dealers' margins or are securities included in portfolio in which a pattern of short-term profit taking exists. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

- Financial assets designated at 'fair value through profit or loss' upon initial recognition.

  These include investments that are designated as investments at 'fair value through profit or loss' upon initial recognition.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's loans and receivables comprise 'long-term deposits', 'trade debts', 'advances, deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention to hold them upto maturity.

(d) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are included in non-current assets unless the investment matures or management intends to dispose of the financial assets within 12 months of the balance sheet date.

2.18.2 Recognition

Regular way purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset.

2.18.3 Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in case of a 'financial asset or financial liability other than those at fair value through profit or loss', transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on 'financial assets and financial liabilities at fair value through profit or loss' are charged to the profit and loss account immediately.

Subsequent to initial recognition, instruments classified as financial assets at 'fair value through profit or loss' and 'available for sale' are measured at fair value. Gains or losses arising from changes in the fair value of the financial assets at 'fair value through profit or loss' are recognised in the profit and loss account. Changes in the fair value of instruments classified as 'available for sale' are recognised in other comprehensive income until derecognised or impaired when the accumulated fair value adjustments recognised in other comprehensive income are transferred to the profit and loss account.

Financial assets classified as 'loans and receivables' and 'held to maturity' are carried at amortised cost using the effective yield method, less impairment losses, if any.

Financial liabilities, other than those at 'fair value through profit or loss' are measured at amortised cost using the effective yield method.

2.18.4 Fair value measurement principles

The fair value of units of mutual funds is based on the net asset value of the fund which a declared on daily basis without any deduction for estimated future selling costs. Financial assets and financial liabilities are priced at their fair market value.

2.18.5 Impairment

Impairment loss on investment other than 'available for sale' is recognised in the profit and loss account whenever the carrying amount of investment exceeds its recoverable amount. If in a subsequent period, the amount of an impairment loss recognised decreases the impairment is reversed through the profit and loss account.

In case of investment classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account is removed from other comprehensive income and recognised in the profit and loss account. However, any decrease in impairment loss on securities classified as 'available for sale' is reversed through the profit and loss account and is recognised in the other comprehensive income.

2.18.6 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39.

The Company uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

2.19 Derivatives financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as either fair value hedge or cash flow hedge.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 11. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in equity are reclassified to profit and loss account in the periods when the hedged item affects profit and loss account (for example, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit and loss account.

2.20 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is set off and the net amount is reported in the balance sheet if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

3.1 Current and deferred income taxes

In making the estimates for income taxes payable by the Company, management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.2 Provision for retirement and other service benefit obligations

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in notes 2.3, 8 and 31 respectively.

3.3 Property, plant and equipment and intangible assets

Estimates with respect to residual values and useful lives and pattern flow of economic benefit are based on the recommendation of technical teams of the Company. Further, the Company reviews the internal and external indicators for possible impairment of assets on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment (note 14) and intangible assets (note 15) with a corresponding affect on the depreciation charge, amortisation charge and impairment.

3.4 Stock-in-trade

Assumptions and estimates used in writing down items of stock-in-trade to their net realisable value (note 18). Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated cost of completion and the estimated costs necessary to be incurred for its sale.

3.5 Derivative hedging financial instruments designated as cash flow hedges

The Company reviews the changes in fair values of the derivative hedging financial instruments at each reporting date based on the valuations done by the management on the basis of forward rates obtained from the bank. These valuations represent estimated fluctuations in the relevant currencies / interest rates over the reporting period and other relevant variables signifying currency and interest rate risks.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3.6 Provisions

Provisions are based on management's best estimate. Any change in the estimates in future years might affect the carrying amounts of the provision with a corresponding affect on the profit and loss account of the Company.

4. SHARE CAPITAL

	2011 Rs '000	2010 Rs '000
4.1 Authorised capital		
100,000,000 ordinary shares of Rs 10 each (2010: 100,000,000)	1,000,000	1,000,000
4.2 Issued, subscribed and paid-up capital		
30,000,000 ordinary shares of Rs 10 each (2010: 30,000,000) fully paid in cash	300,000	300,000

4.3 Packages Limited, Mitsubishi Corporation, Japan and IGI Insurance Limited held 10,000,000 (2010:10,000,000), 7,499,000 (2010: 7,499,000) and 1,309,285 (2010: 947,500) ordinary shares of the Company respectively, as at December 31, 2011.

5. RESERVES

	2011 Rs '000	2010 Rs '000
General reserve	1,189,000	995,000
Hedging reserve	(52,533)	-
Unappropriated profit	784,730	496,125
	1,921,197	1,491,125

6. LONG-TERM FINANCES

	2011 Rs '000	2010 Rs '000
Secured		
Finance-1	-	100,000
Finance-2	-	8,000
Finance-3 - note 6.1	375,000	500,000
	375,000	608,000
Less : Amounts payable within twelve months	125,000	233,000
	250,000	375,000

6.1 The Company had obtained a long-term finance facility of Rs 500 million (2010: Rs 500 million) from a commercial bank under mark-up arrangements. Mark-up is payable in arrears on a semi-annual basis at the rate of six months Karachi Inter Bank Offer Rate (KIBOR) plus 0.50 percent per annum. The effective rate of mark-up during the year was 13.97% (2010: 13.11%) per annum. The principal amount is repayable in 8 equal installments commencing after six months with a grace period of two years 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.

6.2 The Company has signed an agreement for a long-term finance facility of Rs 2,000 million (2010: Rs 2,000 million) from a commercial bank under mark-up arrangements. Mark-up is payable in arrears on a semi-annual basis at the rate of six months KIBOR plus 0.75 percent per annum. The Company had not drawn down any amount under this facility upto December 31, 2011. The principal amount will be repayable in 10 equal semi-annual installments commencing after six months with a grace period of two years 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.

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

6.3 The Company has signed an agreement for a long-term finance facility of Rs 1,000 million (2010: nil) from a commercial bank under mark-up arrangements. Mark-up is payable in arrears on a semi-annual basis at the rate of six months KIBOR plus 0.75 percent per annum. The Company had not drawn down any amount under this facility upto December 31, 2011. The principal amount will be repayable in 10 equal semi-annual installments commencing after six months with a grace period of two years 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 plant and machinery, equipment, furniture and fixtures etc.

6.4 The Company has signed an agreement for a long-term finance facility of Rs 1,000 million (2010: nil) from an Islamic bank under musharika agreement. Profit is payable in arrears on a semi-annual basis at the rate of six months KIBOR plus 0.75 percent per annum. The Company had not drawn down any amount under this facility upto December 31, 2011. The facility redemption amount will be repayable in 10 equal semi-annual installments commencing after six months with a grace period of two years 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.

7. DEFERRED TAXATION

	2011 Rs '000	2010 Rs '000
Debit / (credit) balances arising from:		
Accelerated tax depreciation allowance	193,111	224,542
Accelerated tax amortisation allowance	(1,028)	8
Fair value of hedging instrument	(27,192)	-
Provision for accumulated compensated absences	(6,613)	(4,387)
Provision for doubtful debts	(113)	(655)
	158,165	219,508

8. ACCUMULATED COMPENSATED ABSENCES

	2011 Rs '000	2010 Rs '000
Opening balance	13,016	10,291
Provision for the year	15,174	6,032
	28,190	16,323
Less: Payments during the year	8,801	3,307
Closing balance	19,389	13,016

9. TRADE AND OTHER PAYABLES

	2011 Rs '000	2010 Rs '000
Creditors - note 9.1	72,362	57,396
Accrued liabilities	58,696	41,466
Liability for imported goods	1,848,864	1,065,791
Advances from customers	30,706	114,932
Retention money	2,022	963
Unclaimed dividend	7,722	6,693
Sales tax payable	20,917	96,944
Payable to gratuity fund - note 31	1,455	1,573
Workers' profits participation fund - note 21.3	-	38,194
Workers' welfare fund	25,947	16,132
Other payables	4,835	3,738
	2,073,526	1,443,822

9.1 Creditors include Rs 12.730 million (2010: Rs 3.564 million) payable to associated undertakings.

9.2 The maximum amount due to any related party during the year is Rs 33.236 million (2010: Rs 33.821 million) due to IGI Insurance Limited.

10. ACCRUED MARK-UP

	2011 Rs '000	2010 Rs '000
On long-term finances	15,796	23,366
On short-term finances	20,944	5,035
	36,740	28,401

11. DERIVATIVE FINANCIAL INSTRUMENTS

These represents forward currency contracts designated as cash flow hedges for the foreign currency risk of the firm commitment to purchase property, plant and equipment. There was no ineffectiveness to be recorded from forward foreign exchange contracts.

The notional principal amounts of the outstanding forward foreign exchange contracts as at December 31, 2011 aggregates Euro 14.097 million (2010: nil) and Pound Sterling 1.825 million (2010: nil).

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

12. SHORT-TERM BORROWINGS

Secured

	2011 Rs '000	2010 Rs '000
Short-term loans - note 12.1	700,000	-
Short-term running finance - note 12.2	529,758	295,873
	1,229,758	295,873

12.1 Short-term loans have been arranged from commercial banks as a sub limit of the running finance facility. 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 12.18% to 12.87% (2010: nil) per annum.

12.2 Short-term running finances have been obtained under mark-up arrangement with banks payable on various maturity dates upto June 30, 2012. 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 12.42% to 14.26% (2010: 12.80% to 14.14%) per annum.

12.3 Total facilities available under mark-up arrangements aggregated Rs 5,350 million (2010: Rs 3,000 million) out of which the amount unavailed at the year end was Rs 4,120 million (2010: Rs 2,704 million).

13. CONTINGENCIES AND COMMITMENTS

	2011 Rs '000	2010 Rs '000
Contingencies		
Guarantees issued by banks on behalf of the Company	58,650	58,227
Commitments		
Letters of credit for purchase of raw material and spares	552,767	956,076
Letters of credit for purchase of plant and machinery	2,124,305	1,557,846
Contracts for civil works	701,856	-

13.1 The facilities for opening of letter of credits and for guarantees as at December 31, 2011 amount to Rs 7,600 million (December 31, 2010: Rs 6,776 million) and Rs 210 million (December 31, 2010: Rs 210 million), of which the amount remaining unutilised was of Rs 3,074 million (December 31, 2010: Rs 3,198 million) and Rs 151.350 million (December 31, 2010: Rs 151.773 million) respectively.

13.2 During the year, the Commission Inland Revenue (appeals) [CIR (appeals)] has deleted the disallowances made in the amended order in respect of the tax year 2005 issued by the Deputy Commissioner Inland Revenue (DCIR). While framing the appeal affect order DCIR has given appeal affect to the deletions made by the CIR (appeals). However, sales amounting to Rs 60.282 million during the trial production capitalised as the part of property, plant and equipment have been subjected to tax. The Company has filed an appeal with CIR (appeals) which is pending for hearing. The management of the Company, based on the advice of its tax consultant, is confident that the ultimate decision in respect of the aforementioned matters shall be made in its favour.

13.3 In respect of tax year 2009, the rectified order has been issued by DCIR. According to the rectified order, disallowances aggregating Rs 22.132 million has been maintained by DCIR with a resulting tax impact of Rs 7.746 million. The Company has filed an appeal with the CIR (Appeals) which is pending for hearing. The management of the Company, based on the advice of its tax consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

14. PROPERTY, PLANT AND EQUIPMENT

	2011 Rs '000	2010 Rs '000
Operating fixed assets - note 14.1	1,794,346	1,844,554
Capital work-in-progress - note 14.2	636,408	9,429
	2,430,754	1,853,983

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

14.1 Operating fixed assets

14.1.1 The following is a statement of operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Electrical installation	Tube well and pumps	Funiture and fittings	Office equipment	Vehicles	Tools	Laboratory equipment	Total
						Rupees in thousand					
At January 1, 2010											
Cost	60,255	350,992	3,458,792	104,401	2,924	28,267	25,679	69,196	1,041	12,620	4,114,167
Accumulated											
depreciation	9,241	103,882	1,797,043	64,413	2,389	17,895	17,165	27,138	565	4,598	2,044,329
Net book value	51,014	247,110	1,661,749	39,988	535	10,372	8,514	42,058	476	8,022	2,069,838
Year ended											
December 31, 2010											
Additions	-	-	105,670	-	-	1,690	3,409	26,905	-	73	137,747
Disposals											
Cost	-	-	-	-	-	55	96	8,443	-	-	8,594
Depreciation	-	-	-	-	-	(16)	(83)	(5,054)	-	-	(5,153)
Depreciation charge	1,237	17,572	316,169	7,575	109	2,517	3,375	8,877	81	2,078	359,590
Net book value as at											
December 31, 2010	49,777	229,538	1,451,250	32,413	426	9,506	8,535	56,697	395	6,017	1,844,554
Year ended											
December 31, 2011											
Additions	142,384	1,072	147,543	-	-	3,687	2,236	14,384	246	-	311,552
Disposals											
Cost	-	-	-	-	-	-	-	12,216	-	-	12,216
Depreciation	-	-	-	-	-	-	-	(7,124)	-	-	(7,124)
Depreciation charge	2,818	17,563	311,493	6,530	99	2,835	3,396	9,755	87	2,092	356,668
Net book value as at											
December 31, 2011	189,343	213,047	1,287,300	25,883	327	10,358	7,375	56,234	554	3,925	1,794,346
At December 31, 2010											
Cost	60,255	350,992	3,564,462	104,401	2,924	29,902	28,992	87,658	1,041	12,693	4,243,320
Accumulated depreciation	10,478	121,454	2,113,212	71,988	2,498	20,396	20,457	30,961	646	6,676	2,398,766
Net book value	49,777	229,538	1,451,250	32,413	426	9,506	8,535	56,697	395	6,017	1,844,554
At December 31, 2011											
Cost	202,639	352,064	3,712,005	104,401	2,924	33,589	31,228	89,826	1,287	12,693	4,542,656
Accumulated depreciation	13,296	139,017	2,424,705	78,518	2,597	23,231	23,853	33,592	733	8,768	2,748,310
Net book value	189,343	213,047	1,287,300	25,883	327	10,358	7,375	56,234	554	3,925	1,794,346

14.1.2 Details of operating fixed assets disposed during the year ended December 31, 2011.

	Cost Rs '000	Book value Rs '000	Sale proceeds Rs '000
Items having aggregate book value of Rs 50,000 or more			
Vehicles			
By negotiation to outsiders			
Mr. Basit Shuja	836	281	550
Mr. Nazeer Butt	550	322	378
Mr. Malik Arsalan Sohail	807	169	550
Mr. Omer Sohail	847	242	500
Mr. M. Shafique	852	227	500
Mr. Jamal Nasir	851	226	535
	4,743	1,467	3,013
According to the Company policy, to executives			
Mr. Shahid Hussain	1,541	397	397
Mr. Khalid Rafique	1,822	1,176	1,340
Mr. Imtiaz Ali Awan	518	170	170
Mr. Furqan	518	170	170
Mr. Noman Nadeem	504	165	165
Mr. Musbashir Ali	522	171	171
Mr. Saleem Mughal	513	168	168
	5,938	2,417	2,581
Insurance claims			
IGI Insurance Limited - against damaged vehicles	663	492	650
IGI Insurance Limited - against stolen vehicles	872	716	825
	1,535	1,208	1,475
	12,216	5,092	7,069

14.1.3 Depreciation charge for the year has been allocated as follows:

	2011 Rs '000	2010 Rs '000
Cost of goods manufactured - note 24.1	351,063	353,694
Distribution cost - note 25	1,257	1,870
Administrative expenses - note 26	4,348	4,026
	356,668	359,590

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

14.1.4 Operating fixed assets include assets having cost of Rs 547.553 million (2010: Rs 544.879 million) which were fully depreciated as at the year end.

14.2 Capital work-in-progress

	2011 Rs '000	2010 Rs '000
Plant and machinery	381,026	9,221
Building and civil works	77,066	65
Advances to suppliers and contractors	178,316	143
	636,408	9,429

14.2.1 Capital work-in-progress includes borrowing cost capitalised during the year aggregating Rs 34.586 million (2010: nil).

15. INTANGIBLES

Computer software

	2011 Rs '000	2010 Rs '000
At January 1		
Cost	22,141	-
Accumulated amortisation	4,305	-
Net book value	17,836	-
Year ended December 31		
Additions / transfers	9,237	22,141
Amortisation for the year	8,346	4,305
Net book value as at December 31	18,727	17,836
At December 31		
Cost	31,378	22,141
Accumulated amortisation	12,651	4,305
Net book value	18,727	17,836

15.1 Amortisation charge for the year has been allocated to administrative expenses.

16. LONG-TERM DEPOSITS

These represent long-term security deposits.

17. STORES AND SPARES

	2011 Rs '000	2010 Rs '000
Stores	67,396	44,893
Spares	236,365	189,395
Stores and spares-in-transit	17,672	2,831
	321,433	237,119

18. STOCK-IN-TRADE

	2011 Rs '000	2010 Rs '000
Raw materials		
- in hand	930,833	712,613
- in transit	471,925	242,006
	1,402,758	954,619
Work-in-process	94,788	75,308
Finished goods	31,693	11,994
Packing material	12,886	10,417
	1,542,125	1,052,338

19. TRADE DEBTS

	2011 Rs '000	2010 Rs '000
Unsecured		
Considered good		
- from related parties - notes 19.1 and 19.2	62,932	21,701
- others	898,768	724,675
	961,700	746,376
Considered doubtful - others	332	1,944
Secured		
Considered good		
- from related parties - notes 19.1 and 19.2	-	308
- others	30,222	20,568
	30,222	20,876
	992,254	769,196
Less: Provision for doubtful debts - note 19.3	332	1,944
	991,922	767,252

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

19.1 Trade debts include the following amounts due from related parties:

	2011 Rs '000	2010 Rs '000
Packages Limited	59,994	21,542
Packages Lanka (Private) Limited	-	308
Nestle Pakistan	360	-
Tetra Pak Pakistan Limited	2,578	159
	62,932	22,009

19.2 These are in the normal course of business and are interest free.

19.3 Provision for doubtful debts

	2011 Rs '000	2010 Rs '000
Balance at beginning of the year	1,944	505
(Reversal) / provision for the year	(1,612)	1,439
Balance at end of the year	332	1,944

19.4 The maximum amount receivable from any related party during the year is Rs 175.883 million (2010: Rs 92.122 million) due from Packages Limited.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20.1 Held for trading - units of mutual funds

Name of the investee Company	As at January 1, 2011	Purchases during the year	Bonus issue	Redemption during the year	As at December 31, 2011	Carrying value as at December 31, 2011	Market value as at December 31, 2011	Unrealised gain as at December 31, 2011
	Number of unit					Rs '000		
Mutual funds								
IGI Money Market Fund	-	3,969,259	118,665	1,985,279	2,102,645	204,090	211,663	7,573
NAFA Government Securities Liquid Fund	-	4,937,930	89,059	-	5,026,989	50,000	51,221	1,221
Grand total						254,090	262,884	8,794
Total cost of investments							254,090	

20.2 Units of IGI Money Market Fund have a nominal value of Rs 100 each and units of NAFA Government Securities Fund have a nominal value of Rs 10 each.

21. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	2011 Rs '000	2010 Rs '000
Advances, considered good - note 21.1		
- Executives	299	1,545
- Other employees	2,982	996
	3,281	2,541
Advances to suppliers - considered good	29,765	3,371
Prepayments	4,171	2,610
Receivable from pension fund - note 31	16,736	18,156
Sales tax recoverable	839	998
Rebate on exports recoverable	14,166	10,587
Workers' profit participation fund - note 21.3	6,571	-
Other receivables - note 21.2	16,295	1,050
	91,824	39,313

21.1 These advances are given to meet business expenses and are settled as and when the expenses are incurred. The maximum amounts due at the end of any month during the year from the chief executive and executives were Rs 0.773 million (2010: Rs 0.620 million) and Rs 1.009 million (2010: Rs 2.626 million) respectively.

21.2 Other receivables include an amount of Rs 2.934 million (2010: Rs 0.141 million) receivable from IGI Insurance Limited (a related party) on account of an insurance claim.

21.3 Workers' profits participation fund

	2011 Rs '000	2010 Rs '000
(Liability) / asset at the beginning of the year	(38,194)	293
Allocation for the year	(64,466)	(38,900)
	(102,660)	(38,607)
Less: Payments during the year	109,231	413
Asset / (liability) at the end of the year	6,571	(38,194)

22. CASH AND BANK BALANCES

	2011 Rs '000	2010 Rs '000
With banks		
On current accounts - note 22.1	174,533	38,959
Cheques in hand	296,948	308,242
Cash in hand - note 22.1	4,953	3,009
	476,434	350,210

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

22.1 These include an aggregate amount of Rs 7.528 million (2010: Rs 3.475 million) held in foreign currency.

23. NET SALES

	2011 Rs '000	2010 Rs '000
Local sales	11,990,794	8,989,410
Export sales	255,172	283,976
	12,245,966	9,273,386
Less:		
Sales tax	2,142,478	1,579,208
Special excise duty	93,613	73,607
	2,236,091	1,652,815
	10,009,875	7,620,571

24. COST OF SALES

	2011 Rs '000	2010 Rs '000
Opening stock of finished goods	11,994	36,544
Cost of goods manufactured - note 24.1	8,272,619	6,376,270
Less: Closing stock of finished goods	(31,693)	(11,994)
	8,252,920	6,400,820

24.1 Cost of goods manufactured

	2011 Rs '000	2010 Rs '000
Opening stock of work-in-process	75,308	126,043
Raw materials consumed - note 24.2	6,546,094	4,972,452
Toll manufacturing charges	201,766	35,853
Salaries, wages and other benefits	265,068	208,782
Fuel, power and water	513,086	414,101
Packing material consumed - note 24.3	192,840	164,764
Repairs and maintenance (includes stores and spares consumed Rs 28.456 million (2010: Rs 35.521 million)	126,032	100,905
Insurance	33,643	30,525
Vehicle running and maintenance	22,487	19,100
Travelling	6,356	6,531
Staff retirement benefits	31,389	16,929
Depreciation - note 14.1.3	351,063	353,694
Others	2,275	1,899
	8,367,407	6,451,578
Less: Closing stock of work-in-process	(94,788)	(75,308)
	8,272,619	6,376,270

	2011 Rs '000	2010 Rs '000
24.2 Raw materials consumed		
Opening stock	954,619	828,105
Purchases	6,994,233	5,098,966
Less: Closing stock	(1,402,758)	(954,619)
	6,546,094	4,972,452
24.3 Packing material consumed		
Opening stock	10,417	11,903
Purchases	195,309	163,278
Less: Closing stock	(12,886)	(10,417)
	192,840	164,764

25. DISTRIBUTION COST

	2011 Rs '000	2010 Rs '000
Salaries, wages and other benefits	34,954	26,455
Outward freight	146,520	101,288
Travelling	9,949	4,539
Rent, rates and taxes	6,544	5,419
Repairs and maintenance	1,143	672
Vehicle running and maintenance	1,926	1,437
Insurance	1,046	879
Staff retirement benefits	6,647	3,865
Depreciation - note 14.1.3	1,257	1,870
Other expenses	1,774	2,034
	211,760	148,458

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

	2011 Rs '000	2010 Rs '000
26. ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	73,779	56,068
Rent, rates and taxes	7,663	5,261
Printing, stationery and periodicals	6,219	4,991
Postage and telephone	8,425	7,885
Repairs and maintenance	1,132	932
Vehicle running and maintenance	2,698	2,173
Travelling	9,612	5,486
Insurance	3,748	2,507
Staff training and development	7,849	1,039
Provision for doubtful debt - note 19.3	-	1,439
Staff retirement benefits	10,553	7,346
Auditors' remuneration - note 26.1	2,015	1,645
Legal and professional expenses	10,326	3,918
Depreciation - note 14.1.3	4,348	4,026
Amortisation expense - note 15.1	8,346	4,305
Electricity, gas and water	2,160	1,384
Advertisement	225	216
Donations - note 26.2	21,000	1,100
Other expenses	5,647	3,502
	185,745	115,223

	2011 Rs '000	2010 Rs '000
26.1 Auditors' remuneration		
Audit fee	800	650
Review of half yearly accounts, review of statement of compliance on best corporate practices, audit of employees' retirement funds and other special reviews	400	330
Tax services	500	400
Out of pocket expenses	315	265
	2,015	1,645

26.2 Donations include an amount of Rs 20 million paid to National Management Foundation (NMF). Syed Babar Ali Esq. and Syed Hyder Ali Esq., the directors of the Company, are trustees of NMF.

	2011 Rs '000	2010 Rs '000
27. OTHER INCOME		
Income from financial assets		
Profit on bank balances	407	708
Unrealised gain on remeasurement of investments at fair value through profit or loss (net) - note 20.1	8,794	-
Realised gain on sale of investment at fair value through profit or loss	4,090	-
	13,291	708
Income from assets other than financial assets		
Profit on disposal of fixed assets	1,977	2,298
Sale of waste material	23,997	16,919
	25,974	19,217
Others		
Commission earned on insurance premium from a related party	3,744	4,235
Insurance claim from a related party	2,601	201
Reversal of provision for doubtful debts - note 19.3	1,612	-
Exchange gain	5,076	2,921
	13,033	7,357
	52,298	27,282
28. FINANCE COST		
Mark-up on long-term finances	64,066	95,873
Mark-up on short-term finances	53,808	105,210
Bank and other charges	4,555	4,263
	122,429	205,346
29. OTHER EXPENSES		
Workers' profit participation fund	64,466	38,900
Workers' welfare fund	25,823	16,112
	90,289	55,012
30. TAXATION		
Current - for the year	448,541	275,702
-for prior year	2,035	-
Deferred	(34,151)	(47,553)
	416,425	228,149

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

30.1 Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2011 %	2010 %
Applicable tax rate	35.00	35.00
Tax effect of amounts that are:		
Under presumptive tax regime	(1.22)	(3.15)
Tax credit/ rebates	(0.63)	(0.54)
Prior year charges	0.17	-
Permanent differences	(0.15)	0.25
Flood surcharge	1.56	-
	34.73	31.56

31. STAFF RETIREMENT BENEFITS

Details of post employment benefit plans are as follows:

	Pension fund 2011 Rs '000	Pension fund 2010 Rs '000	Gratuity fund 2011 Rs '000	Gratuity fund 2010 Rs '000
31.1 Balance sheet reconciliation				
Fair value of plan assets	104,064	87,589	37,041	24,181
Present value of defined benefit obligations	(119,819)	(137,481)	(55,580)	(34,811)
Funded status	(15,755)	(49,892)	(18,539)	(10,630)
Unrecognised net actuarial loss	32,491	68,048	17,084	9,057
Recognised asset / (liability)	16,736	18,156	(1,455)	(1,573)
31.2 Movement in payable to defined benefit plan				
Opening asset / (liability)	18,156	17,364	(1,573)	(435)
Expense for the year	(15,299)	(8,407)	(9,932)	(8,249)
Contributions to the fund	13,879	9,199	10,050	7,111
Closing asset / (liability)	16,736	18,156	(1,455)	(1,573)

	Pension fund 2011 Rs '000	Pension fund 2010 Rs '000	Gratuity fund 2011 Rs '000	Gratuity fund 2010 Rs '000
31.3 Movement in the fair value of plan assets				
Fair value as at January 1	87,589	67,224	24,181	17,367
Expected return on plan assets	13,376	8,746	3,144	2,083
Transfer from Packages Limited	-	5,067	-	-
Actuarial (loss) / gain	(9,454)	373	94	1,255
Company contributions	13,879	9,199	10,050	7,111
Employee contributions	4,114	2,314	-	-
Benefits paid	(5,440)	(5,334)	(428)	(3,635)
Fair value as at December 31	104,064	87,589	37,041	24,181
31.4 Movement in the defined benefit obligation				
Obligation as at January 1	137,481	89,621	34,811	21,293
Current service cost	9,061	5,651	8,085	7,664
Interest cost	19,203	11,129	4,526	2,555
Transfer from Packages Limited	-	5,067	-	-
Actuarial (gain) / loss	(40,486)	31,347	8,586	6,934
Benefits paid	(5,440)	(5,334)	(428)	(3,635)
Obligation as at December 31	119,819	137,481	55,580	34,811
31.5 Expense				
Current service cost	9,061	5,651	8,085	7,664
Interest cost	19,203	11,129	4,526	2,555
Expected return on plan assets	(13,376)	(8,746)	(3,144)	(2,083)
Recognition of actuarial loss	4,525	2,687	465	113
Employee contributions	(4,114)	(2,314)	-	-
Expense	15,299	8,407	9,932	8,249
Actual return on plan assets	3,922	9,119	3,238	3,338

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

	Pension fund 2011 Rs '000	Pension fund 2010 Rs '000	Gratuity fund 2011 Rs '000	Gratuity fund 2010 Rs '000
31.6 Actuarial loss to be recognised				
Corridor limit				
The limits of corridor as at January 1				
10% of obligation	13,748	8,962	3,481	2,129
10% of plan assets	8,759	6,722	2,418	1,737
Which works out to	13,748	8,962	3,481	2,129
Unrecognised actuarial loss as at January 1	68,048	39,761	9,057	3,491
Excess	54,300	30,799	5,576	1,362
Recognition of actuarial loss as at December 31	4,525	2,687	465	113
31.7 Net unrecognised actuarial loss				
Net unrecognised actuarial loss as at January 1	68,048	39,761	9,057	3,491
Actuarial (gain) / loss on obligation	(40,486)	31,347	8,586	6,934
Actuarial (loss) / gain on plan assets	9,454	(373)	(94)	(1,255)
Subtotal	37,016	70,735	17,549	9,170
Less: Actuarial loss recognised for the year	4,525	2,687	465	113
Net unrecognised actuarial loss as at December 31	32,491	68,048	17,084	9,057

31.8 Principal actuarial assumptions used are disclosed in note 2.3 to the financial statements.

31.9 Amounts for the current period and previous four annual periods of the fair value of plan assets, present value of defined benefit obligation and surplus arising thereon is as follows:

	2011 Rs '000	2010 Rs '000	2009 Rs '000	2008 Rs '000	2007 Rs '000
As at December 31					
Fair value of plan assets	141,105	111,770	84,591	66,553	76,332
Present value of defined benefit obligation	(175,399)	(172,292)	(110,914)	(85,486)	(52,513)
(Deficit) / surplus	(34,294)	(60,522)	(26,323)	(18,933)	23,819
Experience adjustment:					
(Loss) / gain on plan assets (as a percentage of plan assets)	(6.63)	1.46	3.28	(37.00)	15.00
(Gain) / loss on obligations (as apercentage of obligations)	(18.19)	22.22	9.42	29.00	(0.40)

31.10 Plan assets are comprised as follows:

	2011 Rs '000	2011 %	2010 Rs '000	2010 %
Debt	70,552	50	49,920	45
Equity	43,743	31	33,434	30
Others	26,810	19	28,416	25
	141,105	100	111,770	100

31.11 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

31.12 Expected contribution to post-employment benefit plans for the year ending December 31, 2012 is Rs 20.178 million.

31.13 The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the pension and gratuity funds according to the actuary's advice. Expense of the defined benefit plans is calculated by the actuary.

31.14 During the year the Company contributed Rs 8.184 million (2010: Rs 5.452 million) to the provident fund.

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

32. EARNINGS PER SHARE

	2011	2010
Profit after taxation (Rs '000)	782,605	494,845
Number of ordinary shares (in thousand)	30,000	30,000
Earnings per share (Rupees) - basic	26.09	16.49

32.1 There were no convertible dilutive potential ordinary shares outstanding on December 31, 2011 and 2010.

33. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive 2011 Rs '000	Executive 2011 Rs '000	Chief Executive 2010 Rs '000	Executive 2010 Rs '000
Managerial remuneration	5,443	22,219	4,071	11,484
Bonus (including ex-gratia)	1,016	3,686	867	3,006
Staff retirement benefits - note 33.1	1,973	8,001	1,475	4,134
Housing	3,205	14,746	2,451	7,904
Utilities	544	2,204	406	1,139
Leave passage	452	1,729	339	904
Medical expenses	199	996	73	371
Others	2,979	14,923	756	6,883
	15,811	68,504	10,438	35,825
Number of persons	1	22	1	12

33.1 Staff retirement benefits includes amount contributed towards various retirement benefit plans.

33.2 The Chief Executive and executives were also provided with free transport, residential telephones and other benefits. No remuneration was paid to the directors of the Company.

34. CASH GENERATED FROM OPERATIONS

	2011 Rs '000	2010 Rs '000
Profit before taxation	1,199,030	722,994
Adjustments for non-cash charges and other items:		
Depreciation	356,668	359,590
Amortisation	8,346	4,305
Finance cost	122,429	205,346
Profit on bank balances	(407)	(708)
Gain on investments at fair value through profit or loss	(12,884)	-
(Reversal) / provision for doubtful debts	(1,612)	1,439
Provision for accumulated compensated absences	15,174	6,032
Provision for staff retirement benefits	33,415	22,108
Profit on disposal of fixed assets	(1,977)	(2,298)
Working capital changes - note 34.1	(222,297)	308,353
	296,855	904,167
	1,495,885	1,627,161

34.1 Working capital changes

	2011 Rs '000	2010 Rs '000
(Increase) / decrease in current assets:		
Stores and spares	(84,314)	(38,323)
Stock-in-trade	(489,787)	(49,743)
Trade debts	(223,058)	118,968
Advances, prepayments and other receivables	(53,931)	(1,128)
	(851,090)	29,774
Increase in current liabilities:		
Trade and other payables	628,793	278,579
	(222,297)	308,353

35. CASH AND CASH EQUIVALENTS

	2011 Rs '000	2010 Rs '000
Short-term borrowings - note 12	(1,229,758)	(295,873)
Cash and bank balances - note 22	476,434	350,210
	(753,324)	54,337

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

36. FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

	2011 Rs '000	2010 Rs '00
a) Financial assets at fair value through profit or loss		
Held for trading investments	262,884	-
b) Loans and receivables		
Long-term deposits	2,195	1,763
Trade debts	991,922	767,252
Advances and other receivables	19,576	3,591
Cash and bank balances	476,434	350,210
	1,490,127	1,122,816

Financial Liabilities

	2011 Rs '000	2010 Rs '00
a) Derivatives used for hedging		
Derivative financial instruments	79,725	-
b) Financial liabilities at amortised cost		
Long-term finances	375,000	608,000
Trade and other payables	1,986,779	1,169,354
Accrued mark-up	36,740	28,401
Short-term borrowings	1,229,758	295,873
	3,628,277	2,101,628

37. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risks managed and measured by the Company are explained below:

37.1 Market risk

37.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises from borrowings which include long-term finances (note 6), short-term borrowings (note 12) and cash at bank in current account (note -22).

At December 31, 2011, if interest rates on borrowings had been 500 basis points higher/lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs 1.875 million (2010: Rs 4.519 million).

37.1.2 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars and Euros, cash and cash equivalents, deposits with banks (note 22), trade debts (note 19) in respect of export sales and account payables (note 9) in respect of import of raw materials, stores and spares and plant and machinery. Since the Company's pricing mechanism is mainly linked to cost of raw materials, therefore, the affects, if any, of any adverse movement in exchange rates in USD can be passed on to the customers to some extent through increase in prices of its finished goods.

As per the Company's risk management policy, the Company hedges its exposure on firm commitment to purchase property, plant and equipments in currency other than USD.

At December 31, 2011, if the Company's functional currency (note 2.16) had weakened/strengthened by 5% against the US Dollar with all other variables held constant, profit after taxation for the year would have been higher/lower by Rs 107.113 million (2010: Rs 39.424 million), mainly as a result of foreign exchange losses/gains on translation of financial assets and liabilities denominated in US Dollars.

At December 31, 2011, if the Company's functional currency (note 2.16) had weakened/strengthened by 5% against the Euro with all other variables held constant, profit after taxation for the year would have been lower/higher by Rs 6.747 million (2010: Rs 0.039 million), mainly as a result of foreign exchange losses/gains on translation of financial assets and liabilities denominated in Euro.

37.1.3 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Details of the Company's investments exposed to price risk, at the reporting date are disclosed in note 20 to these financial statements. At December 31, the Company's overall exposure to price risk is limited to the fair value of those positions. The Company's policy is to concentrate the investments in sectors where management believe the Company can maximise the returns derived for the level of risk to which the Company is exposed.

The Company is exposed to price risk because of the investments held by the Company in mutual fund units. The investments are marked to market based on the net assets value of the funds which are declared on daily basis. At December 31, 2011, if fair values of the investments had been 1% higher / lower with all other variables held constant, profit after taxation for the year would have been higher / lower by Rs 2.629 million (2010: nil).

37.2 Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises from cash and cash equivalents, deposits with banks as well as credit exposures to customers and other counterparties which include long-term deposits, trade debts, advance to employees, rebate on export sales and other receivables. Out of the total financial assets, those that are subject to credit risk amounted to Rs 1,748.058 million (2010: Rs 1,119.807 million). The management of the Company believes that it is not exposed to major concentration of credit risk.

Total bank balance of Rs 63.527 million (2010: Rs 19.939 million) has been placed with banks which have a short-term credit rating of at least A-1.

A significant component of the receivable balances of the Company relates to amounts due from the local customers. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by those counter parties on their obligations to the Company. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The maximum exposure to credit risk for trade debts as at the balance sheet date by type of counterparties was:

	2011 Rs '000	2010 Rs '000
Local customers	962,032	748,320
Foreign Customers	30,222	20,876
	992,254	769,196
Less: Provision for doubtful debts	332	1,944
	991,922	767,252

The ageing of trade debtors which were past due (i.e more than 30 days) and not impaired as at year end is as follows:

	2011 Rs '000	2010 Rs '000
Dues 31 to 60 days	185,208	45,244
Dues 61 to 90 days	37,987	17,695
Dues 91 to 180 days	17,916	19,865
Dues 180 days or more	2,708	-
	243,819	82,804

Based on past experience, the Company believes that no further provision for doubtful debts (impairment allowance) is necessary as the existing customers have a good track record with the Company.

Other categories of financial assets do not contain any impaired or non-performing assets.

The Company does not hold any collateral against these assets other than receivable from foreign customers which are secured by way of letter of credits.

37.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Financial liabilities in accordance with their contractual maturities are presented below:

	Contractual cash flows Rs '000	Less than 1 year Rs '000	Between 1 to 2 years Rs '000	Between 2 to 5 years Rs '000
Long-term finances	451,362	157,774	155,526	138,062
Accrued mark-up	36,740	36,740	-	-
Short-term borrowings	1,229,758	1,229,758	-	-
Trade and other payables	1,986,779	1,986,779	-	-
	3,704,639	3,411,051	155,526	138,062

37.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long-term financing from / to financial institutions.

Consistent with others in the industry, the Company monitors capital on the basis of the Debt Equity ratio. This ratio is calculated as under:

Debt Equity ratio= Long-term portion of debt divided by long-term portion of debt plus total equity.

During the year, the Company's strategy, which was unchanged from 2010, was to maintain the debt equity ratio below 60:40 in accordance with the long-term finance agreements. The debt equity ratios as at December 31, 2011 and 2010 were as follows:

	2011 Rs '000	2010 Rs '000
Long-term portion of debt - note 6	250,000	375,000
Total equity	2,221,197	1,791,125
Total	2,471,197	2,166,125
Debt equity ratio	10:90	17:83

The decrease in the debt equity ratio is due to profit earned and repayment of loan aggregating Rs 233 million during the year, while no further long-term financing was obtained during the year.

37.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between the carrying value and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities that are measured at fair value at December 31, 2011.

	Level 1 Rs '000	Level 2 Rs '000	Level 3 Rs '000	Total Rs '000
Assets				
Financial assets at fair value through profit or loss				
- Held for trading investments	262,884	-	-	262,884
Liabilities				
Derivatives used for hedging				
- Derivatives financial instruments	-	79,725	-	79,725

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

38. 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 directors and key management personnel. 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 relationship	Nature of transaction	2011 Rs '000	2010 Rs '000
Purchase of goods and services				
IGI Insurance Limited	Associated undertaking	Insurance services	84,176	93,100
Mitsubishi Corporation, Japan	Associated undertaking	Purchase of raw material	4,546	2,276
Packages Limited	Associated undertaking	Goods and services	37,168	31,594
Siemens Pakistan Engineering Company Limited	Associated undertaking	Goods and services	7,201	4,607
			133,091	131,577
Sale of goods and services				
Packages Lanka (Private) Limited	Associated undertaking	Supplies	9,812	23,845
Packages Limited	Associated undertaking	Supplies	804,998	451,795
Tetra Pak Pakistan Limited	Associated undertaking	Supplies	16,756	12,985
Nestle Pakistan Limited	Associated undertaking	Raw water extraction bill	1,835	1,065
			833,401	489,690
Purchase of property, plant and equipment				
Mitsubishi Corporation, Japan	Associated undertaking	Supervisory fee and spare parts	49,479	7,284
Tetra Pak Pakistan Limited	Associated undertaking	Porta Cabin Office	2,640	-
			52,119	7,284
Capital work-in-progress				
Siemens Pakistan Engineering Company Limited	Associated undertaking	Advances to suppliers and contractors	3,450	-
Packages Limited	Associated undertaking	Advances to suppliers and contractors	24,298	-
			27,748	-
Purchase of an intangible asset				
Siemens Pakistan Engineering Company Limited	Associated undertaking	Purchase of intangible assets	9,237	1,180
Contributions to staff retirement				
Gratuity fund		Contribution	10,050	7,111
Pension fund		Contribution	13,879	9,199
Provident fund		Contribution	8,184	5,452
			32,113	21,762

Name and particulars	Nature of relationship	Nature of transaction	2011 Rs '000	2010 Rs '000
Dividend				
IGI Insurance Limited	Associated undertaking		10,898	9,475
Mitsubishi Corporation, Japan	Associated undertaking		74,990	74,990
Packages Limited	Associated undertaking		100,000	100,000
			185,888	184,465
Commission				
IGI Insurance Limited	Associated undertaking	Commission earned on insurance premium	3,744	4,235
Other income				
IGI Money Market Fund	Associated undertaking	Realised gain	4,090	-
IGI Money Market Fund	Associated undertaking	Unrealised gain	8,794	-
IGI Insurance Limited	Associated undertaking	Insurance claim received in respect of damaged inventory	5,714	861
			18,598	861
Other expenses				
National Management Foundation	Associated undertaking	Donation	20,000	-
Key management personnel		- Salaries and other short-term employees' benefits	35,613	27,583
		- Post retirement benefits	4,969	3,922
			40,582	31,505
Financial assets at fair value through profit or loss				
IGI Money Market Fund	Associated undertaking	Bonus units received: 118,665 units (2010: nil units)	-	-
		Units purchased: 3,969,259 units (2010: nil units)	400,000	-
		Redemptions: 1,985,279 units (2010: nil units)	200,000	-
Commitments for capital expenditure				
Packages Limited	Associated undertaking	Capital work-in-progress	20,888	-
Siemens Pakistan Engineering Company Limited	Associated undertaking	Capital work-in-progress	9,890	-
			30,778	-

The amounts payable to and receivable from related parties have been disclosed in the relevant notes to these financial statements. The details of the assets disposed off to related parties have been disclosed in note 14.1.2 to these financial statements.

Notes to and Forming Part of the Financial Statements For the year ended December 31, 2011

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2011 (Metric tonnes)	2010 (Metric tonnes)
Operational capacity at year end	35,800	35,800
Operational capacity available during the year	35,800	35,550
Production	34,925	35,574

40. DATE OF AUTHORISATION

40.1 These financial statements were authorised for issue on February 15, 2012 by the board of directors of the Company.

40.2 The board of directors have:

- proposed a dividend of Rs 20.00 (2010: Rs 10.00) per share, amounting to Rs 600 million (2010: Rs 300 million) for the year ended December 31, 2011 at their meeting held on February 15, 2012 subject to the approval of the members at the annual general meeting to be held on March 22, 2012; and

- approved transfer to general reserve amounting to Rs 182 million (2010: Rs 194 million) for the year ended December 31, 2011.

These financial statements do not recognise the appropriations to dividend as a liability and transfer to general reserves as they have been proposed and approved subsequent to the balance sheet date.

Shahid Hussain
Chief Executive

Kimihide Ando
Director

Proxy Form

20th Annual General Meeting

I/We ____

of ____ being a member of Tri-Pack Films Limited

and holder of ______________ Ordinary Shares as per Share Register Folio No. ______________

(Number of Shares)

and/or CDC Participant I.D. No. ____________ and Sub Account No. ____________ hereby appoint

________________ of ____________ or failing him/her ____________ of ________________

or failing him/her ______________ of _____________ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Thursday, March 22, 2012 at 10:30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi and at any adjournment thereof.

Signed this ______________ day of ______________ 2012

WITNESSES:

Signature

1. Signature: ________________
   Name: ________________
   Address: ________________

   CNIC or ________________
   Passport No: ________________

2. Signature: ________________
   Name: ________________
   Address: ________________

   CNIC or ________________
   Passport No: ________________

Please
affix Rupees five
revenue stamp

(Signature should agree with the specimen signature registered with the Company)

Note: Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary:
Tri-Pack Films Limited
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G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

Registered Office

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