



Tri-Pack Films Limited

QUARTERLY REPORT
March 2009

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Company Information

Board of Directors

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

Audit Committee

Khalid Yacob (Chairman)
Masaharu Domichi
Mujeeb Rashid
Tetsuo Obana

Company Secretary

Adi J. Cawasji

Chief Financial Officer

M. Saeed Iqbal

Auditors and Tax Advisor

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Sattar & Sattar
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) 5874047-49,
5378650-52
Fax: (021) 5860251

Bankers

Bank Alfalah Limited
Bank Al Habib Limited
Barclays Bank PLC, Pakistan
Deutsche Bank A.G.
Faysal Bank Limited
HSBC Bank Middle East Limited
MCB Bank Limited
NIB NDLC-IFIC Bank Limited
Standard Chartered Bank Limited
The Bank of Khyber
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Royal Bank of Scotland

Head Office & Works

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

Works & Sales Office

Hattar

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

Regional Sales Offices

Karachi

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

Lahore

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

Directors' Report to the Shareholders

The Directors are pleased to present quarterly report along with the un-audited financial statements of the Company for the quarter ended March 31, 2009.

Financial Performance

In spite of difficult business environment in the country, your Company has performed satisfactorily and achieved the target for the first quarter of 2009. Comparisons of the financial result with the corresponding period last year are as under:

		1st Quarter 2009	1st Quarter 2008
Sales Volume	- (M. Tonnes)	7,543	7,292
Sale Value	- (Million Rs)	1,309	1,389
Gross profit	- (Million Rs)	243	275
Net profit	- (Million Rs)	84	130
Earnings per share (EPS)	- (Rs)	2.79	4.33

Main reasons for the drop in the net profit are:

- i. Increase in financial cost by Rs 48 million due to higher mark-up rates and financing requirements.
- ii. Squeeze in the net contribution margin as a result of slow down in the general economic activities in the domestic market and stiff competition from the regional suppliers at very low/under invoiced prices.
- iii. Start-up and product development activities of our newly established Cast Polypropylene (CPP) Plant.

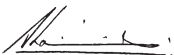
Future Outlook

We are hopeful that, with the improvement in economic and political activity in the country, development of value added products, increasing productivity especially of new CPP plant, curtailing wastages and costs, the financial results of the Company will be improved from the second quarter of the year.

Company's Customers and Staff

We wish to record our appreciation of the commitment of our employees to the Company and continued patronage of our customers.

On behalf of the board



Shahid Hussain
Chief Executive

Karachi - April 24, 2009

Condensed Interim Balance Sheet

as at March 31, 2009 (Unaudited-note 2.1)

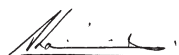
	Note	March 31, 2009	December 31, 2008
(Rupees in thousand)			
Share capital and reserves			
Authorised capital		1,000,000	1,000,000
Issued, subscribed and paid-up capital		300,000	300,000
Reserves		915,787	1,012,205
		1,215,787	1,312,205
Non-current liabilities			
Long-term finances	3	716,000	824,000
Deferred liabilities			
Deferred taxation		292,985	297,932
Accumulated compensated absences		6,358	6,803
Current liabilities and provisions			
Current portion of long-term finances	3	216,000	216,000
Short-term running finance	4	571,482	649,878
Trade and other payables	5	821,055	931,137
Accrued mark-up		52,700	55,616
Taxation		18,608	19,625
		1,679,845	1,872,256
Contingencies and commitments			
	6		
		3,910,975	4,313,196

Condensed Interim Balance Sheet

as at March 31, 2009 (Unaudited-note 2.1)

	Note	March 31, 2009 (Rupees in thousand)	December 31, 2008
Property, plant and equipment	7	2,082,948	2,111,285
Long-term deposits		1,218	1,218
Current assets			
Stores and spares		195,389	178,069
Stock-in-trade		627,213	950,426
Trade debts	8	664,592	681,822
Advances, prepayments and other receivables		108,131	93,259
Cash and bank balances		231,484	297,117
		1,826,809	2,200,693
		3,910,975	4,313,196

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shahid Hussain
Chief Executive



Masaharu Domichi
Director

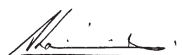
Condensed Interim Profit and Loss Account

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

	Note	Quarter ended March 31, 2009 (Rupees in thousand)	Quarter ended March 31, 2008
Sales		1,591,787	1,677,089
Less: sales tax and special excise duty		283,122	288,387
Net sales		1,308,665	1,388,702
Cost of sales	9	1,065,324	1,113,574
Gross profit		243,341	275,128
Distribution cost		29,863	28,096
Administrative expenses		20,874	17,795
		50,737	45,891
Operating profit		192,604	229,237
Other income		13,244	4,426
		205,848	233,663
Finance cost		68,891	20,857
Other expenses		9,450	14,684
		78,341	35,541
Profit before taxation		127,507	198,122
Taxation		43,925	68,212
Profit after taxation		83,582	129,910
Earnings per share - basic and diluted (Rupees)		2.79	4.33

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

The annexed notes 1 to 14 form an integral part of these financial statements.



Shahid Hussain
Chief Executive

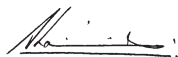


Masaharu Domichi
Director

Condensed Interim Statement of Changes in Equity for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

	Share capital	General reserve	Unappropriated profit	Unrealised Surplus on revaluation of Investment	Total
------(Rupees in thousand)-----					
Balance at January 1, 2008	300,000	632,000	320,219	389	1,252,608
Transfer to general reserve	-	140,000	(140,000)	-	-
Dividend relating to the year ended December 31, 2007 @ 60%	-	-	(180,000)	-	(180,000)
Net profit for the first quarter ended March 31, 2008	-	-	129,910	-	129,910
Unrealised surplus on revaluation of available for sale' investment				(389)	(389)
Balance at March 31, 2008	300,000	772,000	130,129	-	1,202,129
Balance at January 1, 2009	300,000	772,000	240,205	-	1,312,205
Transfer to general reserve	-	59,000	(59,000)	-	-
Dividend relating to the year ended December 31, 2008 @ 60%	-	-	(180,000)	-	(180,000)
Net profit for the first quarter ended March 31, 2009	-	-	83,582	-	83,582
Balance at March 31, 2009	300,000	831,000	84,787	-	1,215,787

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shahid Hussain
Chief Executive



Masaharu Domichi
Director

Condensed Interim Cash Flow Statement

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

	Note	Quarter ended March 31, 2009	Quarter ended March 31, 2008 (Rupees in thousand)
Cash flows from operating activities			
Cash generated from operations	11	298,804	179,010
Payment of accumulated compensated absences		(1,345)	(444)
Long-term deposits		-	(100)
Retirement benefits paid		(2,742)	(1,479)
Income taxes paid		(49,889)	(131,750)
Net cash inflow from operating activities		244,828	45,237
Cash flows from investing activities			
Fixed capital expenditure		(52,048)	(71,254)
Profit on bank balances received		24	825
Investment purchased during the year		-	(120,000)
Investment disposed off during the year		-	171,984
Sale proceeds on disposal of fixed assets		-	553
Net cash outflow from investing activities		(52,024)	(17,892)
Cash flows from financing activities			
Finance costs paid		(71,807)	(20,839)
Long-term finance paid		(108,000)	(108,000)
Dividend paid		(234)	(47)
Net cash outflow from financing activities		(180,041)	(128,886)
Net increase/(decrease) in cash and cash equivalents		12,763	(101,541)
Cash and cash equivalents at the beginning of the period		(352,761)	325,295
Cash and cash equivalents at the end of the period	12	(339,998)	223,754

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Shahid Hussain
 Chief Executive


Masaharu Domichi
 Director

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

1. Introduction

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

2. Basis of Presentation

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

The condensed interim financial statements comprise of the balance sheet as at March 31, 2009 and the profit and loss account, statement of changes in equity and the cash flow statement for the three months period ended March 31, 2009.

The comparative balance sheet presented in these financial statements as at December 31, 2008 has been extracted from the audited financial statements of the Company for the year ended December 31, 2008 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the three months period ended March 31, 2008.

- 2.2 The accounting policies and methods of computation of balances adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2008.

	March 31, 2009	December 31, 2008
	(Rupees in thousand)	
3. Long-term Finances		
Secured		
Finance 1 - note 3.1	400,000	500,000
Finance 2 - note 3.2	32,000	40,000
Finance 3 - note 3.3	500,000	500,000
	932,000	1,040,000
Less: Amounts payable within twelve months shown under current liabilities	216,000	216,000
	716,000	824,000

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

- 3.1 The Company had obtained a long term finance facility of Rs 1,000 million (December 31, 2008: Rs 1,000 million) from a commercial bank under mark-up arrangements. Mark-up is payable on quarterly basis at the rate of base rate plus 1% per annum. The base rate is the simple average of last three cut-off yields of six months treasury bills of the State Bank of Pakistan. The effective rate of mark-up during the three months was 15.01% (December 31, 2008: 11.40%) per annum. The principal amount is repayable in ten equal semi annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.
- 3.2 The Company had obtained a long-term finance facility of Rs 100 million (December 31, 2008: Rs 100 million) from a commercial bank under mark-up arrangements out of which the Company has availed Rs 80 million (December 31, 2008: Rs 80 million). Mark-up is payable on quarterly basis at the rate of three months Karachi Inter Bank Offer Rate (KIBOR) plus 1% per annum. The effective rate of mark-up during the three months was 16.50% (December 31, 2008: 13.11%) per annum. The principal amount is repayable in ten equal semi annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.
- 3.3 The Company had obtained a long term finance facility of Rs 500 million (2008: 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 KIBOR plus 0.50 percent per annum. The effective rate of mark-up during the three months was 14.01% (December 31, 2008: 14.41%) 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. The facility is secured by first pari passu hypothecation/ mortgage charges on all of the Company's present and future assets including but not limited to land, building, plant and machinery, equipment, furniture and fixture etc.

4. Short-term Finances - Secured

Short-term finances are under mark-up arrangement with banks payable on various maturity dates upto August 31, 2009. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock-in-trade and trade debts. Rate of mark-up applicable to these facilities ranges between 12.89% to 17.67% (December 31, 2008: 10.32% to 17.20%) per annum. Total facilities available under mark-up arrangements aggregated Rs 1,600 million (December 31, 2008: Rs 1,600 million) out of which the amount unavailed at the period end was Rs 1,029 million (December 31, 2008: Rs 950 million).

5. Trade and Other Payables

These include Rs 11.657 million (December 31, 2008: Rs 9.077 million) payable to related parties

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

6. Contingencies and Commitments

	March 31, 2009 (Rupees in thousand)	December 31, 2008
Contingencies		
Guarantees issued by banks on behalf of the Company	30,755	30,755
Commitments		
Letter of credit for purchase of raw material and spares	319,631	191,623
Commitments for capital expenditures	151,260	194,461

6.1 The facilities for opening of letter of credits and for guarantees as at March 31, 2009 amount to Rs 3,500 million (December 31, 2008: Rs 3,500 million) and Rs 110 million (December 31, 2008: Rs 110 million), of which the amount remaining unutilized was of Rs 2,559.520 million (December 31, 2008: Rs 2,462.177 million) and Rs 79.245 million (December 31, 2008: Rs 79.245 million) respectively.

7. Property, Plant and Equipment

	March 31, 2009 (Rupees in thousand)	December 31, 2008
Operating fixed assets - note 7.1	2,019,659	2,051,498
Capital work-in-progress - note 7.2	63,289	59,787
	2,082,948	2,111,285

7.1 Operating fixed assets

	Quarter ended March 31, 2009 (Rupees in thousand)	Quarter ended March 31, 2008
Additions	48,546	11,253
Disposals (having a net book value of Rs Nil (2008: Rs 0.543 million))	-	926

7.2 This includes software implementation cost amounting to Rs 18.159 million (December 31, 2008: Rs 13.265 million).

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

8. Trade Debts

Considered good

These include Rs 22,806 million (December 31, 2008: Rs 10,681 million) receivable from related parties.

9. Cost of Sales

	Quarter ended March 31, 2009	Quarter ended March 31, 2008
	(Rupees in thousand)	
Opening stock of finished goods	28,599	47,091
Cost of goods manufactured - note 9.1	1,059,568	1,090,690
Less: Closing stock of finished goods	(22,843)	(24,207)
	1,065,324	1,113,574
9.1 Cost of goods manufactured		
Opening stock of work-in-process	103,427	43,849
Raw materials consumed	783,597	848,903
Salaries, Wages and other benefits	37,979	30,375
Fuel, power and water	65,033	99,677
Packing material consumed	31,736	29,049
Repairs and maintenance	16,234	20,083
Insurance	6,722	4,601
Vehicle running and maintenance	3,593	2,492
Travelling	1,319	1,010
Staff retirements benefits	2,087	2,250
Depreciation	79,145	62,451
Others	378	327
	1,131,250	1,145,067
Less: Closing stock of work-in-process	(71,682)	(54,377)
	1,059,568	1,090,690

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

10. Transactions with Related Parties

	Nature of transactions	Quarter ended March 31, 2009	Quarter ended March 31, 2008
		(Rupees in thousand)	
Purchases of goods and services			
International General Insurance Company of Pakistan Limited (IGI)	Insurance services	12,262	28,415
Mitsubishi Corporation, Japan	Raw material	1,808	21,172
Packages Limited	Goods and services	4,639	11,056
Siemens Pakistan Engineering Company Limited	Goods and services	4,956	6,545
		23,665	67,188
Sales of goods & services			
Packages Lanka (Private) Limited	Supplies	5,001	-
Packages Limited	Supplies	79,030	80,000
Tetra Pak Pakistan Limited	Supplies	1,513	1,994
		85,544	81,994
Purchase of spare parts			
Mitsubishi Corporation, Japan	Spares parts	-	1,615
Purchase of an intangible asset			
Siemens Pakistan Engineering Company Limited	Intangible assets (included in CWIP)	3,614	1,079
Contributions to staff retirement benefit funds			
Gratuity fund	Contribution	777	634
Pension fund	Contribution	1,920	1,558
Provident fund	Contribution	1,199	987
		3,896	3,179
Remuneration of key management personnel			
Salaries and other short-term employees' benefits		8,432	4,711
Post employee benefits		1,003	665
		9,435	5,376
Other Income			
International General Insurance Company of Pakistan Limited	Insurance claim received in respect of damaged inventory	2,579	-

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

11. Cash Generated from Operations

	Quarter ended March 31, 2009 (Rupees in thousand)	Quarter ended March 31, 2008
Profit before taxation	127,507	198,122
Adjustment for non-cash charges and other items:		
Depreciation	80,385	63,307
(Provision written back)/provision for doubtful debts	930	8,817
Provision for retirement benefits	2,699	2,191
Profit on bank balances	(9,024)	(163)
Profit on disposal of fixed assets	-	(10)
Net realized gain from Investment classified as 'available for sale'	-	(1984)
Provision for accumulated compensated absences	900	900
Finance cost	68,891	20,857
Working capital changes - note 11.1	26,516	(113,027)
	298,804	179,010
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(17,320)	(17,212)
Stock-in-trade	323,213	159,337
Trade debts	16,300	(69,292)
Advances, prepayments and other receivables	(5,872)	(19,426)
	316,321	53,407
Decrease in current liabilities:		
Trade and other payables	(289,805)	(166,434)
	26,516	(113,027)

Notes to and Forming Part of the Financial Statements

for the first quarter ended March 31, 2009 (Unaudited-note 2.1)

12. Cash and Cash Equivalents

	March 31, 2009 (Rupees in thousand)	March 31, 2008
Cash and bank balances	231,484	223,754
Short term finances - note 4	(571,482)	-
	(339,998)	223,754

13. Plant Capacity and Actual Production

	Quarter ended March 31, 2009 (Metric tonnes)	Quarter ended March 31, 2008
Operational capacity available during the period	8,700	6,950
Production	7,525	7,105

14 Date of Authorisation for Issue

These financial statements were authorised for issue on April 24, 2009 by the board of directors of the Company.


Shahid Hussain
 Chief Executive


Masaharu Domichi
 Director

Registered Office

4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi-75600, Pakistan.
Tel: 92 21-587 4047-49, 537 8650-52 Fax: 92 21-586 0251