

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
31 DECEMBER, 2007**



Noon Pakistan Limited

www.nurpurfoods.com



DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the un-audited / reviewed balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes to the accounts for the half year ended December 31, 2007.

By the Grace of Allah Almighty, the period under review has been very productive and profitable for the Company as is apparent from the facts that:-

- 1) Sale turnover has gone up from Rs. 518.591 million to Rs. 690.093 million, showing a growth of 33.0%.
- 2) After Tax profit is Rs. 23.368 million whereas there was a loss of Rs. 22.186 million in the corresponding period of last year.

Your Company's vastly improved situation is due to change of strategic plans initiated by the Management in the 2nd half of last year. These results, when perceived against the adverse factors such as unstable market & very high cost of raw milk, increase of Rs. 2.75 / Litre over same period of last year, can be termed as most encouraging.

We, further, feel pleasure in informing you that we have enhanced the production capacity of Milk powder. Availability of additional quantity of Milk Powder of high quality will further improve the profitability of the Company.

The Company, InshaAllah, will endeavour to improve its productivity and profitability in the coming months.

At the end we wish to thank all the staff for their dedicated work in achieving our goals. We also wish to thank the Financial Institutions for their generous support.

for and on behalf of the Board

MANZOOR HAYAT NOON
Chief Executive

Dated : February 27, 2008

**CONDENSED INTERIM BALANCE**
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	Note	Un Audited 31 Dec., 2007 Rupees	Audited 30 June, 2007 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	6	<u>120,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital		79,200,000	79,200,000
Capital redemption reserve		15,879,507	15,879,507
Unappropriated profit		<u>32,438,365</u>	<u>13,678,117</u>
		127,517,872	108,757,624
SHARES DEPOSIT MONEY	7	24,290,590	-
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		22,691,253	22,921,856
NON-CURRENT LIABILITIES			
Long term finances	8	76,708,979	57,036,924
Loan from chief executive	9	56,545,200	54,000,000
Liabilities against assets subject to finance lease	10	26,069,308	2,883,240
Deferred Income	10.2	9,475,131	-
Deferred taxation		15,909,302	13,683,821
		184,707,920	127,603,985
CURRENT LIABILITIES			
Current portion of :			
- long term finances	8	21,407,181	72,158,473
- liabilities against assets subject to finance lease		5,409,230	6,335,920
Short term finances		98,876,584	93,820,156
Trade and other payables		124,925,367	90,733,740
Accrued mark-up		6,917,262	5,703,017
Taxation		3,590,200	5,945,200
Dividends	11	23,989,250	19,152,134
		285,115,074	293,848,640
CONTINGENCIES AND COMMITMENTS	12	644,322,709	553,132,105

The annexed notes form an integral part of this condensed interim financial information.

ADNAN HAYAT NOON
Director

**SHEET AS AT 31 DECEMBER, 2007**
Audited)

	Note	Un-Audited 31 Dec., 2007 Rupees	Audited 30 June, 2007 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	392,104,091	360,726,815
Deferred cost		132,336	264,666
Loans to employees		62,850	80,350
Security deposits		800,218	565,019
		<u>393,099,495</u>	<u>361,636,850</u>
CURRENT ASSETS			
Stores, spares and loose tools		61,917,017	53,512,460
Stock-in-trade		53,136,000	44,283,000
Trade debts		61,772,108	39,499,006
Loans and advances		3,776,645	3,390,769
Security deposits and prepayments		5,105,339	2,848,985
Other receivables		385,586	126,656
Sales tax and excise duty refundable		40,960,045	27,439,437
Advance income tax, tax deducted at source and income tax refundable		4,173,870	6,059,495
Cash and bank balances		19,996,604	14,335,447
		<u>251,223,214</u>	<u>191,495,255</u>
		<u>644,322,709</u>	<u>553,132,105</u>

MANZOOR HAYAT NOON
Chief Executive



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2007
(Un-Audited)**

	For the 2nd Quarter		Cumulative	
	Oct. – Dec.	Oct. – Dec.	July – Dec.	July – Dec.
	2007	2006	2007	2006
Rupees [*]				
Sales – net	362,396,354	290,519,226	690,083,066	518,591,683
Cost of Sales	303,357,330	252,708,704	587,990,724	472,039,034
Gross Profit	59,039,024	37,810,522	102,092,342	46,552,649
Administrative expenses	8,809,720	6,940,635	18,081,764	20,410,459
Distribution cost	30,481,619	20,726,828	46,663,079	36,096,176
Other operating expenses	800,326	6,540,064	1,535,502	6,545,836
	40,091,665	34,207,527	66,280,345	63,052,471
Other operating income	4,720,388	3,862,047	10,180,478	5,303,974
	23,667,747	7,465,042	45,992,475	(11,195,848)
Finance cost	8,526,150	9,566,126	16,903,440	18,424,371
Profit/(loss) before taxation	15,141,597	(2,101,084)	29,089,035	(29,620,219)
Taxation				
– current (note 14)	1,831,000	1,498,428	3,496,000	2,646,000
– prior years	(491)	(25,492)	(491)	(25,492)
– deferred	1,361,293	(7,156,805)	2,225,481	(10,054,167)
	3,191,802	(5,683,869)	5,720,990	(7,433,659)
Profit/(loss) for the period	11,949,795	3,582,785	23,368,045	(22,186,560)
Earnings/(loss) per share – basic	12.88	4.98	25.74	(30.81)

The annexed notes form an integral part of this condensed interim financial information.

Appropriations have been reflected in the statement of changes in equity.

MANZOOR HAYAT NOON
Chief Executive

ADNAN HAYAT NOON
Director



**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2007
(Un-audited)**

	Half-year ended	
	31 Dec., 2007 Rupees	31 Dec., 2006 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period – before taxation	29,089,035	(29,620,219)
Adjustments for:		
Depreciation	17,742,114	19,311,815
Gain on sale of operating fixed assets	(783,761)	(495,338)
Deferred income on sale & lease-back of fixed assets recognised	(231,100)	–
Finance cost	15,490,162	18,424,371
Deferred cost amortised	132,330	157,794
Claims receivable written-off	–	6,507,464
Profit on bank deposits	(7,285)	(35,746)
CASH INFLOW FROM OPERATING ACTIVITIES	61,431,495	14,250,141
– Before working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(8,404,557)	(3,625,072)
Stock-in-trade	(8,853,000)	11,385,200
Trade debts	(22,273,102)	(12,827,502)
Loans and advances	(385,876)	(2,096,398)
Security deposits and prepayments	(2,256,354)	2,516,973
Other receivables	(258,930)	(34,364)
Sales tax and excise duty refundable	(13,520,608)	(18,175,652)
Increase in trade and other payables	34,191,627	20,904,020
	(21,760,800)	(1,952,795)
CASH INFLOW FROM OPERATING ACTIVITIES – Before taxation	39,670,695	12,297,346
Taxes paid	(3,964,884)	(1,325,764)
NET CASH INFLOW FROM OPERATING ACTIVITIES – After taxation	35,705,811	10,971,582
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(52,443,398)	(12,495,207)
Sale proceeds of operating fixed assets	13,814,000	1,855,000
Loans to employees – net	17,500	43,344
Security deposits	(235,199)	(456,299)
Profit on bank deposits received	7,285	13,839
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(38,839,812)	(11,039,323)
CASH FLOW FROM FINANCING ACTIVITIES		
Shares deposit money	24,290,590	–
Long term finances – net	(31,079,237)	(22,303,590)
Loan from chief executive	2,545,200	–
Lease finances – net	22,259,378	(6,024,819)
Lease finance advance – net	–	3,667,000
Short term finances – net	5,056,428	14,411,526
Finance cost paid	(14,275,917)	(16,121,470)
Dividends paid	(1,284)	(26,091)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	8,795,158	(26,397,444)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,661,157	(26,465,185)
CASH AND CASH EQUIVALENTS		
– At the beginning of the period	14,335,447	39,889,563
CASH AND CASH EQUIVALENTS		
– At the end of the period	19,996,604	13,424,378

The annexed notes form an integral part of this condensed interim financial information.

MANZOOR HAYAT NOON
Chief Executive

ADNAN HAYAT NOON
Director



**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER, 2007
(Un-audited)**

	Share Capital	Capital redemption reserve	Unappropriated profit	Total
----- (Rupees) -----				
Balance as at 30 June, 2006	79,200,000	15,879,507	13,938,323	109,017,830
Loss for the half-year ended 31 December, 2006	-	-	(22,186,560)	(22,186,560)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred taxation	-	-	256,226	256,226
Balance as at 31 December 2006	79,200,000	15,879,507	(7,992,011)	87,087,496
Profit for the half-year ended 30 June, 2007	-	-	39,730,701	39,730,701
Dividend on preference shares	-	-	(18,316,800)	(18,316,800)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation -net of deferred taxation	-	-	256,227	256,227
Balance as at 30 June, 2007	79,200,000	15,879,507	13,678,117	108,757,624
Profit for the half-year ended 31 December, 2007	-	-	23,368,045	23,368,045
Dividend on preference shares	-	-	(4,838,400)	(4,838,400)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred taxation	-	-	230,603	230,603
Balance as at 31 December, 2007	79,200,000	15,879,507	32,438,365	127,517,872

The annexed notes form an integral part of this condensed interim financial information.