

MACPAC Films Limited

CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED December 31, 2010

DIRECTOR'S REVIEW

In the name of Allah, The Most Gracious, The Most Benevolent and the Most Merciful.

Assalam-o-Alaikum

The Directors of your company are pleased to present the un-audited financial information of the company for the second quarter and half year ended December 31, 2010.

Business Overview

With the Blessings of Allah, the period under review has yielded an EPS of Rs. 1.84 positively. Alhamdulillah this has been attainable due to Allah's will, Extra Ordinary Team/Management efforts, and also the extended credit line for L/C has also been given by the banks which has resulted in the ability to maximums on Production volumes. The Demand in the country is ever growing but the Raw Material price volatility and competitive products always present a challenging environment for business.

Financial Reporting

The net sales for the half year ended December 31, 2010 being Rs. 328.207 million as compared to Rs. 89.826 million an increase of Rs. 238.381 million i.e. 265% over the same preceding period which is basically due to improved capacity utilization and availability of working capital lines.

Profit before taxation of Rs. 75.005 million for the half year as compared to loss of Rs.37.07 million for the same period last year.

Earning per share has been Rs 1.84 as compared to loss of Rs.(0.97) per share.

Future Outlook

The business environment is becoming competitive, the raw material prices have been increasing day by day also the prices of finished goods are also gradually increasing, the management of the company is confident and positive that with the availability of working capital, the performance of your company will Inshallah significantly improve because the company is geared up for quality and quantity production with lower cost of production and economies of scale, the constrain of the shortage of working capital.

Acknowledgement

I take this opportunity to thank the financial institutions, customers and other stakeholders and shareholders for the confidence shown in the company and also wish to place on record my appreciation for the dedication and hard work of all members of our team.

February 26, 2011

**Maqbool Elahi
Chief Executive**

MACPAC FILMS LIMITED
AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of MACPAC Films Limited as at December 31, 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the summary of significant accounting policies and other explanatory notes for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

Scope of Review

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

Basis of Qualification

- i) i) The valuation of the Company's gratuity plan has not been done by actuarial valuation methods as required by International Accounting Standard 19 "Employee Benefits".
- ii) ii) The Company intends to sell its fixed asset (generator) having cost of Rs. 21.483 million and written down value of Rs. 12.497 million (as at December 31, 2010) to its related parties. However, the Company has not disclosed this fact and has not treated this transaction as required by International Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" in these financial information.
- iii) iii) Trade debtors include balance of Rs. 13.298 million from different customers which are outstanding since last three (03) year or more and no movement in these debtors account has occurred. The Company has not made adequate provision against the above amount in these financial information.
- iv) iv) The Company has classified lease rentals (operating lease) of Rs. 21.144 million in profit and loss account as Ijarah rentals instead of classifying in other manufacturing overhead as required by International Accounting Standard 17 "Leases".

Conclusion

Based on our review, except for the effect if any on the interim financial information of the matter referred to in above paragraph (i) to (iv), nothing has come to our attention that causes us to believe that the accompanying financial information does not give a true and fair view of the financial position of the entity as at December 31, 2010, and of its financial performance, its cash flows for the six month period then ended in accordance with the approved accounting standards as applicable in Pakistan.

Chartered Accountants
Karachi
Dated : 28-02-2011

Engagement Partner: Adnan Zaman

MACPAC FILMS LIMITED
Condensed Interim Balance Sheet (Un-Audited)
as at December 31, 2010

	NOTE	Un-audited December 31 2010 Rupees	Audited June 30, 2010 Rupees
Non current assets			
Property, Plant and Equipment	4	618,540,251	710,061,643
Intangible		300,276	333,640
Long-term deposits	5	52,113,300	52,063,300
Deferred taxation	6	90,105,250	90,105,250
Current assets			
Stock-in-trade		53,901,823	29,497,179
Trade debts		65,536,420	28,450,023
Loans and advances		1,311,019	1,114,790
Trade deposits and prepayments		9,018,626	7,638,991
Tax refund from Government		27,209,922	23,213,845
Cash and bank balances		666,861	176,613
		157,644,671	90,091,441
		918,703,748	942,655,274
Equity and liabilities			
Share capital and reserves			
Share capital	7	388,860,000	388,860,000
Reserves		79,930,000	79,930,000
Unappropriated losses		(466,137,282)	(537,860,243)
		2,652,718	(69,070,243)
Non current liabilities			
Staff retirement benefits - staff gratuity		9,539,670	9,083,140
Long term loans	8	113,385,910	183,092,657
Due to directors and associated company		196,760,457	196,760,457
Deferred Markup		133,734,504	149,734,504
		453,420,541	538,670,758
Current liabilities			
Current portion of long-term liabilities		188,375,405	258,660,658
Trade and other payables		233,034,234	195,072,679
Accrued mark-up		41,220,850	19,321,422
		462,630,489	473,054,759
Contingencies and commitments	9	-	-
Total equity and liabilities		918,703,748	942,655,274

The annexed notes 1 - 12 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED
Condensed Interim Profit and Loss Accounts (Un-Audited)
for the period ended December 31, 2010

Note	Half Year Ended		Quarter Ended	
	Unaudited December 31 2010 Rupees	Unaudited December 31 2009 Rupees	Unaudited December 31 2010 Rupees	Unaudited December 31 2009 Rupees
Sales				
Gross sales				
- Local	332,871,231	5,881,415	198,037,486	5,598,937
- Export	-	3,077,485	-	3,077,485
- Processing income	70,823,434	99,952,882	56,804,389	52,720,273
	403,694,665	108,911,782	254,841,875	61,396,695
Sales tax	(72,205,550)	(18,217,379)	(45,581,474)	(10,038,553)
Special excise duty	(3,282,070)	(867,494)	(2,071,885)	(478,026)
Net sales	328,207,045	89,826,909	207,188,516	50,880,116
Cost of goods sold	(253,404,767)	(86,454,631)	(148,000,267)	(49,217,090)
Gross profit	74,802,278	3,372,278	59,188,249	1,663,026
Selling and marketing expenses	(1,853,536)	(1,907,729)	(869,343)	(824,512)
Administrative expenses	(9,224,696)	(7,959,158)	(4,254,022)	(3,983,216)
Operating profit / (loss)	63,724,046	(6,494,609)	54,064,884	(3,144,702)
Financial charges	(6,851,577)	(17,373,121)	(3,014,502)	(19,173,080)
Ijara Rentals	(21,144,060)	(14,464,299)	(10,572,030)	-
Other income	39,276,622	1,254,338	39,136,504	868,590
	11,280,985	(30,583,082)	25,549,972	(18,304,490)
Profit/(loss) before taxation	75,005,031	(37,077,691)	79,614,856	(21,449,192)
Taxation	(3,282,070)	(464,359)	(2,071,885)	(269,625)
Profit/(loss) after taxation	71,722,961	(37,542,050)	77,542,971	(21,718,817)
Earning/(Loss) per share	1.84	(0.97)	1.99	(0.56)

The annexed notes 1 - 12 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
for the period ended December 31, 2010

	December 31 2010 Rupees	December 31 2009 Rupees
A. CASH GENERATED FROM OPERATIONS		
(Loss) before taxation	75,005,031	(37,077,691)
Adjustments:		
Depreciation	30,158,937	36,988,775
Amortization of deferred cost	-	-
Amortization of intangible asset	33,364	41,704
Provision for Bad debts	500,000	-
Provision for gratuity	809,430	525,590
	1,342,794	567,294
Loss due to acceptance of claim of fire	-	-
Gain on sale of fixed assets	(36,299,681)	(107,248)
Capital Gain on Sale of Land	(3,220,000)	-
Financial charges	6,851,577	31,837,420
Ijara Rental	21,144,060	-
	19,977,687	69,286,241
Operating cash flows before working capital changes	94,982,718	32,208,550
Changes in working capital		
(Increase)/decrease in current assets:		
Stock-in-trade	(24,404,644)	(9,715,817)
Trade debts	(37,586,397)	28,067,311
Loans and advances	(196,229)	(182,448)
Trade deposits and prepayments	(1,379,635)	(2,719,427)
Other receivables	-	799,551
	(63,566,905)	16,249,171
Increase/(decrease) in current liabilities:		
Short-term running finance	-	-
Trade and other payables	37,889,664	40,850,364
Income tax deducted at source	(298,337)	(109,790)
	37,591,327	40,740,574
	(25,975,579)	56,989,745
	69,007,140	89,198,295
Cash generated from/(used in) operation		
Income tax paid	(7,278,146)	(1,518,632)
Gratuity paid	(352,900)	(1,082,540)
Financial charges paid	(581,922)	(14,894,632)
Fund Utilized in Longterm deposit	(50,000)	-
	(8,262,968)	(17,495,804)
Net cash (used in) operating activities	60,744,172	71,702,491
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditures	(4,117,865)	(1,352,049)
Fixed assets written off due to fire	-	-
Proceeds from disposal of fixed assets	105,000,010	500,000
Cash flow (used in) / from investing activities	100,882,145	(852,049)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term finance	(139,992,000)	(64,000,000)
Obligation paid for assets	(21,144,060)	-
Net cash outflow from financing activities	(161,136,060)	(64,000,000)
Net (decrease) / Increase in cash and cash equivalent (A + B + C)	490,256	6,850,443
Cash and cash equivalent at the beginning of the period	176,613	3,918,027
Cash and cash equivalent at the end of the period	666,871	10,768,470

The annexed notes 1 - 12 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the period ended December 31, 2010

Particulars	Issued, subscribed and paid-up capital	Reserves share premium	Unappropriated (losses)	Total
		R U P E E S		
Balance as at July 1, 2009	388,860,000	79,930,000	(510,175,153)	(41,385,153)
(Loss) for the period	-	-	(37,542,050)	(37,542,050)
Balance as at December 31, 2009	388,860,000	79,930,000	(547,717,203)	(78,927,203)
Balance as at July 1, 2010	38,886,000	79,930,000	(537,860,243)	(69,070,243)
Profit for the period	-	-	71,722,961	71,722,961
Balance as at December 31, 2010	38,886,000	79,930,000	(466,137,282)	2,652,718

The annexed notes 1 - 12 form an integral part of these condensed interim financial information.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director

MACPAC FILMS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE PERIOD ENDED DECEMBER 31, 2010

	HALF YEAR ENDED		QUARTER ENDED	
	Dec' 31, 2010	Dec' 31, 2009	Dec' 31, 2010	Dec' 31, 2009
	R U P E E S	R U P E E S	R U P E E S	R U P E E S
Net Income/(loss) after taxation	71,722,961	(37,542,050)	77,542,971	(21,718,817)
Other comprehensive Income	-	-	-	-
Total Comprehensive income/(loss) for the	71,722,961	(37,542,050)	77,542,971	(21,718,817)

The annexed notes 1 - 12 form an integral part of these condensed interim financial information.

MACPAC FILMS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010 (UN-AUDITED)

1. STATUS AND NATURE OF THE COMPANY

The company is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi and Lahore Stock Exchanges. The address of its registered office is F/2, A-F, S.I.T.E., Karachi.

The principle activity of the company is to manufacture, produce, buy and sell plastic packaging films.

2. COMPLIANCE WITH STATUTORY REQUIREMENTS

These condensed interim financial information is unaudited and has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34- "Interim Financial Reporting". These figures for the half year ended December 31, 2010 have, however been subject to limited scope review as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2010.

The condensed interim financial statements comprise of the condensed interim balance sheet as at December 31, 2010 and the condensed interim profit and loss account, condensed interim statements of changes in equity and the condensed interim cash flow statement for the six months period ended December 31, 2010 which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended December 31, 2010 which is not subjected to review.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2010

	NOTE 0	Un-audited December 31 2010 Rupees	Audited June 30, 2010 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Opening book value		710,061,653	796,740,542
Add:			
Additions during the period		4,117,865	3,132,049
		714,179,518	799,872,591
Less:			
Disposals during the period (book value)		65,480,320	15,803,731
Depreciation charged during the period		30,158,937	74,007,216
		95,639,257	89,810,948
		618,540,270	710,061,643

Description	Cost	Net book value	Sales Proceeds	Mode of disposal	Particulars of purchaser
Land of Gadani	1,780,000	1,780,000	5,000,000	Sold	} Flexi Pack Films Ltd. Banglore Town, Shahrah-e-faisal, Karachi.
Buidling of Ganadni	9,709,903	4,717,621	5,000,000	Sold	
Plant & Machinery at Gadani	255,548,777	58,982,698	95,000,000	Sold	
	267,038,680	65,480,319	105,000,000		

5. LONG TERM DEPOSITS

Leased asset deposits	5.1	50,000,000	50,000,000
Others		2,113,300	2,063,300
		52,113,300	52,063,300

5.1 The deposit amount has been given to TOYO Packaging (Private) Limited for onward submission with Emirates Global Islamic Bank Limited for security deposit against lease of Primary Slitter.

6. DEFERRED TAXATION

Amount shown in deferred taxation represents balance as at June 30, 2010. No deferred tax has been recognized during the period and shall be recorded in annual financial statement.

	Note	Un-audited December 31 2010 Rupees	Audited June 30, 2010 Rupees
7. AUTHORIZED CAPITAL			
(40,000,000) Ordinary shares of Rs.10/- each)		<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up capital (25,986,000 Ordinary shares of Rs. 10/- each fully paid up in cash)		259,860,000	259,860,000
(12,900,000 Ordinary shares of Rs.10/- each)		129,000,000	129,000,000
		<u>388,860,000</u>	<u>388,860,000</u>

8. LONG-TERM LOANS

Secured

Commercial bank	HBL	8.1	129,784,000	177,776,000
Commercial bank	FBL	8.2	75,000,000	135,000,000
Financial institution	SAPICO	8.3	<u>64,112,239</u>	<u>85,482,986</u>
			268,896,239	398,258,986
Term installment due			<u>32,865,076</u>	<u>43,494,329</u>
			301,761,315	441,753,315
Less: Current portion shown under current liabilities			155,510,329	215,166,329
Term installment due			<u>32,865,076</u>	<u>43,494,329</u>
			<u>113,385,910</u>	<u>183,092,657</u>

- 8.1 Habib Bank Limited, had filed a suit for the recovery total liability inclusive of markup till December 31 31 2008 in the High Court of Sindh. On January 29, 2010, the Sindh High Court has issued a decree in terms of compromise, in which the case has been withdrawn from the court. In accordance with the order of the court, out of total principal amounting to Rs. 248.36 million initial payment of Rs. 48.36 million was paid till February 2010 and Rs. 70.216 million has been paid till December 2010. If the entire principal amount of Rs. 248.36 million is paid, the mark-up amount of Rs. 147.886 million shall stand waived. The facility is secured by the pari passu charges over existing and future assets of the Company to the tune of Rs. 485.131 million.
- 8.2 The Company and Faysal Bank Limited has signed a Memorandum of Understanding (MOU) in which all past, present and future mark-up has been frozen and total liabilities in terms of all facilities has been decided to the extent of Rs. 260 million which is payable in 25 installments on monthly basis except first and last installment of Rs. 15 million. Out of which 175 million has been paid till December 2010. The facility is secured by the pari passu charges over existing and future assets of the Company to the tune of Rs. 378.092 million.
- 8.3 Saudi Pak's term loan facility was restructured in 2007 for a period of four years. The initial rate of mark-up was 3 months KIBOR plus 4 % per annum and will be reduced to 3 months KIBOR plus 3% w.e.f the date restructuring i.e. July 1, 2008, thereafter 3 months KIBOR plus 2% from January 2010 onward. Repayment of principal is on quarterly basis starting from July 2009. The facility is secured by pari passu charge over existing and future assets of the Company to the tune of Rs. 189.962 million.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 The Company was allowed tax holiday under clause 118-C to the Second Schedule of the Income Tax Ordinance, 1979 for a period of eight years from the assessment year 1995-96 i.e. 1st July 1995. The company claimed tax holiday up to December 2003. The Deputy Commissioner of Income Tax reopened the assessment initially for the assessment year 1995-96 alleging that the company was not entitled to the Tax Holiday earlier allowed under the above clause. Being aggrieved by the notice under section 65 of the Income Tax Ordinance, 1979, the company filed a writ petition before the Honourable High Court of Sindh which was dismissed allegedly on account of non-maintainability. A petition for leave to appeal was filed against the dismissal of the writ petition which has been granted by the Honorable Supreme Court of Pakistan, the Honorable Supreme Court of Pakistan has also suspended the judgment of the Honorable High Court of Sindh and ordered maintenance of status quo.

The Deputy Commissioner of Income Tax then reopened the cases for the assessment years 1996-97 to 1998-99 and proceeded to finalize the assessment for the assessment year 1999-2000 under section 62 of the Income Tax Ordinance, 1979. The writ against these notices was dismissed by the Honorable High Court of Sindh whereas the civil petition for leave has been granted by the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has also stayed the proceedings for these years.

Although the Honorable Supreme Court of Pakistan has accepted the petition for leave to appeal and the company's lawyers are very hopeful that the tax holiday will be restored. However in case of an adverse decision by the Honorable Supreme Court of Pakistan, it is certain that the Deputy Commissioner of Income Tax shall disallow the tax holiday. Subject to appeal and assuming that the Deputy Commissioner of Income Tax does not make any other addition for these years a liability of Rs. 67,938,844 will arise for which no provision has been made as the company is reasonably confident that such a contingency will not arise and the petitions shall be decided in its favor.

While finalizing the orders the assessing officers have made various mistakes, for which rectification applications have been made. No provision for these tax liabilities have been made in these financial statements because the management feels that after rectification of mistakes, there will not be any tax liability in respect of these years.

9.1.2 NIB Bank Limited, formally PICIC Commercial Bank Ltd., is being claimed Rs. 1.3 m against termination of Lease Finance Facility on account of all delayed rentals/late payment charges. The Management of the Company believes that they will settle these dues amicably. Currently no provision has been made in these financial statements.

9.1.3 In continuation of Note. 8.1 the Court decided in the consent decree that in case of default in their obligations to repay the agreed liability, the Company is jointly and severally have to pay the mark-up amount of Rs. 147.89 million otherwise it will be write off. Currently, the Company has provided Rs. 125.77 million as a deferred mark-up and however no provision has been made for difference of Rs. 22.12 million in these financial statements. The management of the Company believes that it will be able to pay off the whole amount of principal within the time allowed and the mark up will be waived.

9.1.4 In continuation of Note. 8.2, the Company has agreed to repay the whole amount in 25 equal installments and that in case of default in their obligations to repay the agreed liability, the Company is jointly and severally have to pay the benefit amount of Rs. 20.360 million plus additional markup on principal outstanding balance till the time of default.

9.1.5 Guarantees issued by banks on behalf of the Company to Sui Southern Gas Company Limited amounting to Rs. 2,250,000 (2009: Nil).

9.2 Commitments:

Letter of credit for purchase of raw material amounting to Rs. 37.384 million (Dec 2010: 13.730 million)

	Half Year ended		Quarter Ended	
	Reviewed Dec 31, 2010 Rupees	Reviewed Dec 31, 2009 Rupees	Unaudited Dec 31, 2010 Rupees	Unaudited Dec 31, 2009 Rupees
10. COST OF SALES				
Opening work-in-process	15,407,860	4,460,550	20,686,365	5,148,360
Material consumed	194,982,755	19,868,773	126,634,479	19,780,272
Salaries, wages and other benefits	10,194,836	8,895,868	5,329,339	4,350,197
Oil and lubricants/diesel	2,559,408	1,764,943	1,668,946	983,950
Packing material consumed	4,929,864	4,310,232	2,874,414	2,271,227
Consumable stores	530,185	373,964	408,852	164,291
Water charges	328,600	84,001	282,500	69,170
Traveling and Accomodation	8,700	-	8,700	-
Repair and maintenance	1,602,825	1,261,931	736,327	797,169
Vehicle running and maintenance	634,413	477,886	388,296	188,748
Conveyance	81,751	-	81,751	-
Power/electricity/gas	22,496,896	14,691,749	13,459,982	7,849,395
Insurance	2,568,503	3,077,028	1,240,955	1,250,726
Telephone	158,503	128,827	95,120	74,402
Cartage and octori	1,853,661	1,410,410	1,194,956	808,775
Consultancy charges	1,814,159	1,080,090	807,742	540,000
Rent, rates and Taxes	349,297	-	349,297	-
Staff welfare	386,446	178,097	268,440	76,200
Security charges	576,236	749,000	219,236	392,000
Depreciation	29,663,843	36,416,066	14,843,665	18,209,530
Other expense	127,756	275,016	(580,450)	408,469
Transportation	1,212,415	1,066,661	1,212,415	310,000
	292,468,912	100,571,092	192,211,327	63,672,881
Less: Closing work-in-process	(41,116,890)	(10,271,350)	(41,116,890)	(10,271,350)
Cost of goods manufactured	251,352,022	90,299,742	151,094,437	53,401,531
Opening stock of finished goods	8,574,715	7,426,900	3,427,800	7,087,570
	259,926,737	97,726,642	154,522,237	60,489,101
Less: Closing stock of finished goods	(6,521,970)	(11,272,010)	(6,521,970)	(11,272,010)
	<u>253,404,767</u>	<u>86,454,632</u>	<u>148,000,267</u>	<u>49,217,091</u>

11. Related party disclosures

A. Related parties with whom the company had transactions:			Dec 2010	Dec 2009
			Rupees	Rupees
i.	Related party	Nature of transactions		
	TOYO Packaging (Private) Limited	Sales of goods/Processing charges	<u>57,611,208</u>	<u>99,952,882</u>
		Advance against sales of Plot & Buil	<u>-</u>	<u>30,000,000</u>
		Ijara Rentals	<u>21,144,060</u>	<u>14,464,299</u>
		Leased security deposit	<u>-</u>	<u>50,000,000</u>
B. Disclosure of transactions between the company and Associated Companies:				
ii.	Associated companies	Nature of transactions		
	Kings Foods (Private) Limited	Sales of goods	<u>57,488</u>	<u>-</u>
C. Related parties with whom the company had no transactions:				
iii.	Associated companies	National Management Consultancy Services (Private) Limited. Hilal Confectionery (Private) Limited Print-O-Slit (Private) Limited Metaplast (Private) Limited		

There were no transactions with the key management personnel other than under their terms of employment.

Related party transactions are stated at prices considered equivalent to prices that would prevail in arm's length transactions substantiated in the following manner:

For certain goods and services at prices determined in accordance with the methods prescribed in the Fourth Schedule to the Companies Ordinance, 1984.

The related party status of outstanding balances as at December 31, 2010 are included in creditors, accrued and other liabilities, trade debts and other receivables respectively.

11. DATE OF ISSUE

These condensed interim financial information was authorized for issue on February 26, 2011 by the Board of Directors.

12.**GENERAL**

Figures have been rounded off to the nearest rupee.

Maqbool Elahi
Chief Executive

Mohammad Sadiq Khan
Director