



Packages Limited



First Quarterly Report

Interim Financial Information

MARCH 31, 2010 (Un-audited)

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COMPANY INFORMATION

Board of Directors

Towfiq Habib Chinoy
(Chairman)
Syed Hyder Ali
(Chief Executive & Managing Director)
Khalid Yacob
Matti Ilmari Naakka
Mujeeb Rashid
Shahid Aziz Siddiqui
Shamim Ahmad Khan
Syed Aslam Mehdi
Syed Shahid Ali
Tariq Iqbal Khan

Alternate Director

Ali Aslam
(Alternate to Matti Ilmari Naakka)

Advisor

Syed Babar Ali

Company Secretary

Adi J. Cawasji

Executive Committee

Syed Hyder Ali - Chairman
Syed Aslam Mehdi - Member
Khalid Yacob - Member

Audit Committee

Shamim Ahmad Khan - Chairman
(Non-Executive Director)
Matti Ilmari Naakka - Member
(Non-Executive Director)
Syed Shahid Ali - Member
(Non-Executive Director)
Tariq Iqbal Khan - Member
(Non-Executive Director)
Syed Aslam Mehdi - Member
(Executive Director)
Adi J. Cawasji - Secretary

Business Strategy Committee

Syed Hyder Ali - Chairman
Syed Aslam Mehdi - Member
Khalid Yacob - Member

System and Technology Committee

Syed Aslam Mehdi - Chairman
Khalid Yacob - Member
Suleman Javed - Member

Remuneration and Appointments

Committee

Towfiq Habib Chinoy - Chairman
Syed Hyder Ali - Member
Syed Aslam Mehdi - Member

Rating Agency: PACRA

Company Rating: AA

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Hassan & Hassan - Lahore
Orr, Dignam & Co. - Karachi

Bankers & Lenders

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Deutsche Bank A.G.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Silk Bank Limited
(Formerly Saudi Pak Commercial Bank Limited)
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo - Mitsubishi UFJ, Limited
The Royal Bank of Scotland Limited
United Bank Limited

Head Office & Works

Shahrah-e-Roomi,
P.O. Amer Sidhu,
Lahore - 54760, Pakistan
PABX : (042) 35811541-46
 : (042) 35811191-94
Fax : (042) 35811195
 : (042) 35820147

Factories**Kasur Factory**

Bulleh Shah Paper Mill (BSPM)
10-km Kasur Kot Radhakishan Road,
District Kasur, Pakistan
Tel. : (049) 2717335 - 43
Fax : (049) 2717220

Karachi Factory

Plot No. 6 & 6/1, Sector 28,
Korangi Industrial Area,
Karachi-74900, Pakistan
Tel. : (021) 35045320, 35045310
Fax : (021) 35045330

Registered Office & Regional Sales Office**Registered Office**

4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan
PABX : (021) 35874047-49
 : (021) 35378650-52
 : (021) 35831618, 35833011
Fax : (021) 35860251

Regional Sales Office

2nd Floor, G.D. Arcade
73-E, Fazal-ul-Haq Road, Blue Area,
Islamabad-44000, Pakistan
PABX : (051) 2276765
 : (051) 2276768
 : (051) 2278632
Fax : (051) 2829411

Zonal Sales Offices

C-2, Hassan Arcade Nusrat Road,
Multan Cantt. - 60000, Pakistan
Tel. & Fax: (061) 4504553

2nd Floor, Sitara Tower, Bilal Chowk,
Civil Lines, Faisalabad - 38000, Pakistan
Cell : 0300-4002685
Tel. & Fax: (041) 2629417

Uzair Enterprises

Teer Chowk Bhuta Road,
Sukkur - 65200, Pakistan
Tel. & Fax: (071) 5616138

M. Hamza Traders

15-D Gul Plaza, Opp: Charsadda Bus Stand,
Peshawar-25000, Pakistan
Cell : 0301-8650486
Tel. : (091) 2043719

Haq Brothers

Tehsil Road, Jehlum-49600, Pakistan
Cell : 0321-5332095
 : 0333-5179706

Shares Registrar

FAMCO Associates (Pvt.) Limited
1st Floor, State Life Building No. 1-A
I. I. Chundrigar Road,
Karachi-74000, Pakistan
PABX: (021) 32420755
 : (021) 32427012
 : (021) 32425467
Fax : (021) 32426752

Web Presence

www.packages.com.pk

DIRECTORS' REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2010



The Directors of Packages Limited take pleasure in presenting to its shareholders, the quarterly report together with the un-audited financial statements of the company for the first quarter ended March 31, 2010.

Financial and Operational Performance

The comparison of the un-audited results for the first quarter ended March 31, 2010 as against March 31, 2009 is as follows:

	Jan - March 2010	Jan - March 2009
	(Rupees in million)	
Gross sales - local	5,500	3,737
Gross sales - export	399	66
EBITDA - operations	462	98
Depreciation & amortization	(381)	(273)
EBIT - operations	81	(175)
Finance costs	(300)	(335)
Other operating income / (expenses) - net	11	(63)
Dividend income	742	161
Gain on sale of long-term investment	-	8,867
Earnings before tax	534	8,455

During the first quarter of 2010, your company has achieved local sales growth of 47% and export sales growth of approximately 5 times over the corresponding period of last year. This top line growth has generated EBITDA of Rs. 462 million in Quarter1-2010 against Rs. 98 million in Quarter1-2009 despite the gas shortage which has affected our production capacity and energy costs. The dividend income has increased by Rs. 581 million over the corresponding period of 2009 representing improved earnings and dividend yield of company's long-term investments.

The production statistics for the period under review along with its comparison with the corresponding period are given below:

	Jan - March 2010	Jan - March 2009
Paper and paperboard produced - tons	43,394	34,894
Paper and paperboard converted - tons	25,792	22,720
Plastics all sorts converted - tons	2,632	2,487

A review of the operations of different business units is as follows:

Paper & Board Operations

During the first quarter of 2010, Paper and Board - Lahore Operations has achieved EBITDA of Rs. 49 million as compared to negative EBITDA of Rs. 67 million for the corresponding period of 2009. Bulleh Shah Paper Mill (BSPM) has generated external sales of Rs. 1,065 million during the first quarter of 2010 with an EBITDA of Rs. 40 million as against negative EBITDA of Rs. 61 million in Quarter 1-2009. Paper & Board Operations (Both Lahore and BSPM) has generated export sales of Rs. 355 million during the first quarter of 2010 as compared to Rs. 31 million for the corresponding period of 2009 in line with the company's vision of generating a portion of its total revenue base from export sales.

Packaging Operations

Being a one-stop packaging solutions provider to its valued customers, the Packaging Division has registered sales of Rs. 2,254 million during the first quarter of 2010 as compared to Rs. 2,048 million of the corresponding period with a growth in EBITDA of Rs. 101 million.

Consumer Products

The Consumer Products Division has registered sales of Rs. 497 million during the first quarter of 2010 as compared to Rs. 390 million of the corresponding period representing sales growth of 27%. In the coming months, the management is fully confident of exploiting opportunities available in local and international markets.

Future Outlook

In consideration of the current economic situation, rising raw material prices and electricity shortages, the management will continue its focus to improving shareholder's value through price rationalization, product and process optimization, reduction of operating costs and efficient working capital management. The company has commenced Total Productive Maintenance (TPM) program of Japan Institute of Plant Maintenance, Japan (JIPM) across all its business units that is expected to result in greater production efficiencies and resultant positive effects on the bottom line results of the company.

Company's Staff and Customers

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



(Towfiq Habib Chinoy)
Chairman
Karachi, April 19, 2010



(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, April 19, 2010

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

as at March 31, 2010

	Note	March 31, 2010 (Rupees in thousand)	December 31, 2009
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2009: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
22,000,000 (2009: 22,000,000) 10% non-voting cumulative preference shares / convertible stock of Rs.190 each		4,180,000	4,180,000
Issued, subscribed and paid up capital 84,379,504 (2009: 84,379,504) ordinary shares of Rs. 10 each		843,795	843,795
Reserves		20,223,358	17,099,138
Preference shares / convertible stock reserve		1,605,875	1,605,875
Unappropriated profit		1,188,513	3,868,099
		23,861,541	23,416,907
NON-CURRENT LIABILITIES			
Long-term finances	5	7,970,577	7,970,577
Deferred liabilities		2,662,612	2,477,852
		10,633,189	10,448,429
CURRENT LIABILITIES			
Finances under mark up arrangements - secured		160,732	86,496
Trade and other payables		2,018,838	1,656,197
		2,179,570	1,742,693
CONTINGENCIES AND COMMITMENTS			
	6	-	-
		36,674,300	35,608,029

	Note	March 31, 2010 (Rupees in thousand)	December 31, 2009
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	18,868,664	19,161,332
Intangible assets		111	137
Investment property		54,621	55,335
Capital work-in-progress	8	57,739	65,578
Investments		8,223,622	8,099,401
Long-term loans and deposits		140,310	139,577
Retirement benefits		107,900	107,900
		27,452,967	27,629,260
CURRENT ASSETS			
Stores and spares		900,993	870,951
Stock-in-trade		3,165,504	4,102,396
Trade debts		2,124,980	1,752,216
Loans, advances, deposits, prepayments and other receivables		1,192,230	797,486
Cash and bank balances		1,837,626	455,720
		9,221,333	7,978,769
		36,674,300	35,608,029

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

for the three months ended March 31, 2010

	Note	Three months ended	
		March 31, 2010	March 31, 2009
(Rupees in thousand)			
Local sales		5,500,467	3,736,582
Export sales		399,344	66,268
		5,899,811	3,802,850
Less: Sales tax and excise duty		846,956	589,445
Commission		9,636	4,660
		856,592	594,105
		5,043,219	3,208,745
Cost of sales	9	(4,700,853)	(3,181,377)
Gross profit		342,366	27,368
Administrative expenses		(115,967)	(104,406)
Distribution and marketing costs		(144,669)	(97,387)
Other operating expenses		(42,023)	(173,612)
Other operating income		52,980	110,843
Profit / (loss) from operations		92,687	(237,194)
Finance costs		(299,785)	(335,302)
Investment income		741,512	9,027,513
Profit before taxation		534,414	8,455,017
Taxation		(214,000)	(2,100,000)
Profit after taxation		320,414	6,355,017
Earnings per share - basic - Rupees		3.80	75.31
Earnings per share - diluted - Rupees		3.65	75.31

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director



Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the three months ended March 31, 2010

	Three months ended	
	March 31, 2010	March 31, 2009
Profit after taxation	320,414	6,355,017
Other comprehensive income		
Surplus / (deficit) on remeasurement of available for sale financial assets	124,220	(575,121)
Total comprehensive income for the period	444,634	5,779,896

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

for the three months ended March 31, 2010

	Note	Three months ended	
		March 31, 2010	March 31, 2009
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	11	1,055,717	1,071,569
Finance cost paid		(5,348)	(399,830)
Taxes paid		(224,367)	(44,411)
Payments for accumulating compensated absences		(9,343)	(2,067)
Net cash generated from operating activities		816,659	625,261
Cash flow from investing activities			
Fixed capital expenditure		(84,854)	(755,626)
Net increase in long-term loans and deposits		(733)	(271)
Proceeds from disposal of property, plant and equipment		8,072	4,139
Dividends received		568,526	-
Investment		-	(10,000)
Proceeds from disposal of non-current assets classified as held-for-sale		-	7,865,000
Net cash generated from investing activities		491,011	7,103,242
Cash flow from financing activities			
Repayment of long-term finances - secured		-	(5,000,000)
Net cash used in financing activities		-	(5,000,000)
Net increase in cash and cash equivalents		1,307,670	2,728,503
Cash and cash equivalents at the beginning of the period		369,224	(2,388,631)
Cash and cash equivalents at the end of the period	12	1,676,894	339,872

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

for the three months ended March 31, 2010

	Share capital	Share premium	Fair value reserve	General reserve	Preference shares / convertible stock reserve	Unappropriated profit / (loss)	Total
	(R u p e e s i n t h o u s a n d)						
Balance as on December 31, 2008	843,795	2,876,893	(912,624)	13,660,333	-	(195,825)	16,272,572
Total comprehensive income for the period	-	-	(575,121)	-	-	6,355,017	5,779,896
Balance as on March 31, 2009	<u>843,795</u>	<u>2,876,893</u>	<u>(1,487,745)</u>	<u>13,660,333</u>	<u>-</u>	<u>6,159,192</u>	<u>22,052,468</u>
Equity component of preference shares / convertible stock (net of transaction costs)	-	-	-	-	1,605,875	-	1,605,875
Total comprehensive income / (loss) for the period	-	-	2,049,657	-	-	(2,291,093)	(241,436)
Balance as on December 31, 2009	<u>843,795</u>	<u>2,876,893</u>	<u>561,912</u>	<u>13,660,333</u>	<u>1,605,875</u>	<u>3,868,099</u>	<u>23,416,907</u>
Transferred from profit and loss account	-	-	-	3,000,000	-	(3,000,000)	-
Total comprehensive income for the period	-	-	124,220	-	-	320,414	444,634
Balance as on March 31, 2010	<u>843,795</u>	<u>2,876,893</u>	<u>686,132</u>	<u>16,660,333</u>	<u>1,605,875</u>	<u>1,188,513</u>	<u>23,861,541</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

for the three months ended March 31, 2010

1. The company and its activities

Packages Limited (The company) is a public limited company incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of paper, paperboard, packaging materials and tissue products.

2. Basis of preparation

This condensed interim financial information is un-audited and has been prepared and is being submitted to members as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'. 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 December 31, 2009.

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 December 31, 2009.

4. The provision for taxation for the three months ended March 31, 2010 has been made on an estimated basis.

5. Long-term finances

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
Opening balance		
Local currency loans - secured	5,500,000	10,500,000
Foreign currency loan - secured	-	2,354,400
Preference shares / convertible stock - unsecured	2,470,577	-
	7,970,577	12,854,400
Add: Loans obtained during the period		
Preference shares / convertible stock - unsecured	-	2,470,577
	7,970,577	15,324,977
Less: Loans prepaid during the period		
Local currency loans - secured	-	5,000,000
Foreign currency loan - secured	-	2,354,400
	-	7,354,400
Closing balance	7,970,577	7,970,577

6. Contingencies and commitments

6.1 Contingencies

- (i) Claims against the company not acknowledged as debts Rs. 16.109 million (December 31, 2009: Rs. 15.802 million).
- (ii) Against a sales tax refund aggregating Rs. 12.827 million determined by the Sales Tax Officer (STO) on the basis of the orders of the Appellate Assistant Commissioner (AAC) for the assessment years 1977-78 through 1980-81 and recognised in the accounts in 1985, the STO filed an appeal in 1986 with the Income Tax Appellate Tribunal (ITAT) against the Orders of the AAC for these years. The orders of the AAC were based on a decision already given by the ITAT on the company's appeal for application of a lower rate of sales tax on self consumed material for earlier years. Pending the outcome of the appeal filed by STO no adjustment has been made for the refunds recognised in the accounts as the management is of the view that the appeal of the STO will not be upheld by the ITAT.
- (iii) Post dated cheques not provided in the condensed interim financial information have been furnished by the company in favour of the Collector of Customs against custom levies aggregated to Rs. 37.817 million (December 31, 2009: Rs. 27.305 million) in respect of goods imported.

6.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 50.364 million (December 31, 2009: Rs. 6.967 million).
- (ii) Letters of credit and contracts other than for capital expenditure Rs. 771.057 million (December 31, 2009: Rs. 418.044 million).
- (iii) The amount of future payments under operating leases and Ijarah financing and the period in which these payments will become due are as follows:

	March 31, 2010	December 31, 2009
Note	(Rupees in thousand)	
Not later than one year	286,292	230,527
Later than one year and not later than five years	1,159,818	1,180,215
Later than five years	72,842	129,661
	<u>1,518,952</u>	<u>1,540,403</u>

7. Property, plant and equipment

Opening book value		19,161,332	11,285,293
Add: Additions during the period	7.1	92,693	9,264,591
Less: Disposals during the period (at book value)		4,819	10,210
Adjustment / transferred to investment property (at book value)		-	58,217
Depreciation charged during the period		380,542	1,320,125
		385,361	1,388,552
Closing book value		<u>18,868,664</u>	<u>19,161,332</u>

7.1 Following is the detail of additions during the period

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
Freehold land	-	8,470
Building on freehold land	3,220	1,270,560
Plant and machinery	56,017	7,835,880
Other equipment	21,943	89,550
Furniture and fixtures	36	3,944
Vehicles	11,477	56,187
	92,693	9,264,591
8. Capital work-in-progress		
Civil works	8,170	12,928
Plant and machinery	49,012	52,494
Others	557	156
	57,739	65,578
9. Cost of sales		
	Three months ended	
	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Opening work-in-process	145,140	205,551
Materials consumed	2,187,602	2,014,444
Salaries, wages and amenities	253,825	191,381
Fuel and power	723,961	430,140
Production supplies	104,943	90,930
Excise duty and sales tax	841	176
Rent, rates and taxes	34,488	39,991
Insurance	19,140	17,139
Repairs and maintenance	111,615	93,336
Packing expenses	31,857	18,544
Depreciation on property, plant and equipment	374,609	266,677
Amortization on intangible assets	4	4
Technical fee and royalty	2,252	2,535
Other expenses	60,573	45,003
	4,050,850	3,415,851
Less: Closing work-in-process	152,187	209,651
Cost of goods produced	3,898,663	3,206,200
Opening stock of finished goods	2,034,987	1,313,350
Cost of goods available for sale	5,933,650	4,519,550
Less: Closing stock of finished goods	1,232,797	1,338,173
	4,700,853	3,181,377

10. Transactions with related parties

Relationship with the company	Nature of transactions	Three months ended	
		March 31, 2010	March 31, 2009
		(Rupees in thousand)	
i. Subsidiaries			
	Purchase of goods and services	151,313	146,782
	Sale of goods and services	3,563	3,967
	Management and technical fee - income	5,361	4,799
	Dividend income	40,527	-
	Rental income	2,725	2,106
ii. Associated undertakings			
	Purchase of goods and services	95,924	75,226
	Sale of goods and services	8,166	6,336
	Insurance premium	30,430	26,640
	Dividend income	100,000	69,532
	Insurance claims	197	531
iii. Other related parties			
	Purchase of goods and services	19,686	37,084
	Sale of goods and services	1,421,193	591,161
	Rental income	7,597	7,231
	Dividend income	600,985	91,231
	Finance costs	-	47
iv. Post employment benefit plans			
	Expense charged in respect of retirement benefit plans	30,205	23,942
v. Key management personnel			
	Salaries and other employee benefits	12,210	14,835

All transactions with the related parties have been carried out on commercial terms and conditions.

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
Period-end balances		
Receivable from related parties	603,591	413,318
Payable to related parties	99,925	72,952

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

11. Cash generated from operations

	Three months ended	
	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Profit before tax	534,414	8,455,017
Adjustments for:		
Depreciation on property, plant and equipment	380,542	272,898
Amortization on intangible assets	26	26
Depreciation on investment property	714	424
Provision for accumulating compensated absences	12,103	5,999
Gain on disposal of non-current assets classified as held-for-sale	-	(8,866,750)
Net profit on disposal of property, plant and equipment	(3,253)	(2,087)
Finance costs	296,232	328,754
Dividend income	(741,512)	(160,763)
Profit before working capital changes	479,266	33,518
Effect on cash flow due to working capital changes		
Increase in trade debts	(372,764)	(192,091)
Increase in stores and spares	(30,042)	(7,886)
Decrease in stock-in-trade	936,892	556,404
Increase in loans, advances, deposits, prepayments and other receivables	(29,394)	(30,663)
Increase in trade and other payables	71,759	712,287
	576,451	1,038,051
	1,055,717	1,071,569

12. Cash and cash equivalents

Cash and bank balances	1,837,626	484,407
Finances under mark up arrangements - secured	(160,732)	(144,535)
	1,676,894	339,872

13. Date of authorisation for issue

This condensed interim financial information was authorised for issue on April 19, 2010 by the Board of Directors of the company.

14. Events after balance sheet date

The Board of Directors have proposed a final cash dividend for the year ended December 31, 2009 of Rs. 3.25 per share (2008: Nil), amounting to Rs. 274.233 million (2008: Nil) at their meeting held on February 16, 2010 for approval of the members at the Annual General Meeting to be held on April 20, 2010, accordingly, company has not recognised dividend appropriation in these financial statements as dividend has not been approved by shareholders as of the date of authorisation of this condensed interim financial information.


15. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Tawfiq Habib Chinoy
Chairman



Syed Hyder Ali
Chief Executive & Managing Director



Syed Aslam Mehdi
Director

**Packages Group
Condensed Consolidated Interim
Financial Information**

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2010



The Directors of Packages Limited are pleased to present the un-audited consolidated financial statements of the Group for the first quarter ended March 31, 2010.

Group results

The comparison of the un-audited results for the quarter ended March 31, 2010 as against March 31, 2009 is as follows:

	Jan-March 2010	Jan-March 2009
	(Rupees in million)	
Invoiced sales - net	5,602	3,633
Profit / (loss) from operations	208	(165)
Share of profit of associates	55	21
Profit / (loss) before tax (excluding capital gain)	551	(416)

During the current period, the Group's sales increased by 54% over the corresponding period of 2009 generating profit from operations of Rs. 208 million as compared to loss of Rs. 165 million for the corresponding period of 2009. This is indicative of enhanced operational optimisation, increased capacity utilisation and better product mix offered by the parent company to absorb increase in depreciation and finance costs.

A brief review of the operational performance of the Group subsidiaries is as follows:

DIC PAKISTAN LIMITED

DIC Pakistan Limited has registered sales of Rs. 426 million during the first quarter of 2010 as compared to Rs. 364 million of the corresponding period representing overall sales growth of 17%. This top-line growth along with savings on raw material consumption and reduced finance cost have resulted in profit before tax of Rs. 53 million as compared to Rs. 30 million for the corresponding period of 2009. Moving forward, the management is fully focussed on maintaining its operating margins through price revisions in consideration of rising raw material prices.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited has achieved sales of SLR 367 million during first quarter of 2010 as compared to SLR 252 million for the corresponding period of 2009. Company has managed to generate profit before tax of SLR 66 million during the first quarter of 2010 as compared to SLR 12 million for the corresponding period of 2009 mainly attributable to sales growth, cost optimisation and better product mix. Moving forward, company is confident of maintaining its growth momentum through revenue growth and operational efficiencies.

(Towfiq Habib Chinoy)
Chairman
Karachi, April 19, 2010

(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, April 19, 2010

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)

as at March 31, 2010

	Note	March 31, 2010	December 31, 2009
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2009: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
22,000,000 (2009: 22,000,000) 10% non-voting cumulative preference shares / convertible stock of Rs. 190 each		4,180,000	4,180,000
Issued, subscribed and paid up capital 84,379,504 (2009: 84,379,504) ordinary shares of Rs. 10 each		843,795	843,795
Reserves		20,320,512	17,192,193
Preference shares / convertible stock reserve		1,605,875	1,605,875
Unappropriated profit		1,268,505	4,003,965
		24,038,687	23,645,828
NON-CONTROLLING INTEREST		199,726	209,635
		24,238,413	23,855,463
NON-CURRENT LIABILITIES			
Long-term finances	5	7,970,577	7,970,577
Liabilities against assets subject to finance lease		5,006	8,015
Deferred liabilities		2,843,272	2,655,862
		10,818,855	10,634,454
CURRENT LIABILITIES			
Current portion of long-term liabilities		12,150	11,532
Finances under mark up arrangements - secured		550,039	430,508
Trade and other payables		2,147,159	1,768,021
Provision for taxation		42,776	29,600
		2,752,124	2,239,661
CONTINGENCIES AND COMMITMENTS	6	-	-
		37,809,392	36,729,578

	Note	March 31, 2010	December 31, 2009
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	19,326,092	19,624,165
Intangible assets		15,154	16,605
Investment property		27,635	28,020
Assets subject to finance lease		29,318	29,381
Capital work-in-progress	8	58,438	65,578
Investments	9	8,034,155	7,971,556
Long-term loans and deposits		140,730	139,901
Retirement benefits		107,900	107,900
		27,739,422	27,983,106
CURRENT ASSETS			
Stores and spares		923,831	898,383
Stock-in-trade		3,604,480	4,483,990
Trade debts		2,439,151	2,031,990
Loans, advances, deposits, prepayments and other receivables		1,214,041	834,796
Cash and bank balances		1,888,467	497,313
		10,069,970	8,746,472
		37,809,392	36,729,578

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director


PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

for the three months ended March 31, 2010

	Note	Three months ended	
		March 31, 2010	March 31, 2009
(Rupees in thousand)			
Local sales		6,081,843	4,196,522
Export sales		422,245	73,344
		6,504,088	4,269,866
Less: Sales tax and excise duty		890,881	630,970
Commission		11,640	5,527
		902,521	636,497
		5,601,567	3,633,369
Cost of sales	10	(5,101,685)	(3,510,471)
Gross profit		499,882	122,898
Administrative expenses		(136,987)	(121,719)
Distribution and marketing costs		(157,433)	(108,082)
Other operating expenses		(45,991)	(175,875)
Other operating income		48,928	117,982
Profit / (loss) from operations		208,399	(164,796)
Finance costs		(312,547)	(363,807)
Investment income		600,985	8,898,260
Share of profit of associates		54,561	21,130
Profit before taxation		551,398	8,390,787
Taxation		(264,669)	(2,120,745)
Profit after taxation		286,729	6,270,042
Attributable to:			
Equity holders of the parent		264,540	6,259,179
Non controlling interest		22,189	10,863
		286,729	6,270,042
Combined earnings per share - basic - Rupees		3.14	74.18
Combined earnings per share - diluted - Rupees		3.13	74.18

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the three months ended March 31, 2010

	Three months ended	
	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Profit after taxation	286,729	6,270,042
Other comprehensive income		
Exchange differences on translating foreign operations	5,184	2,042
Available for sale financial assets	124,220	(575,121)
Other comprehensive income / (loss) for the period - net of tax	129,404	(573,079)
Total comprehensive income for the period	416,133	5,696,963
Attributable to:		
Equity holders of the parent	392,859	5,685,672
Non controlling interest	23,274	11,291
	416,133	5,696,963

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

for the three months ended March 31, 2010

	Note	Three months ended	
		March 31, 2010	March 31, 2009
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	12	1,151,596	1,230,381
Finance cost paid		(28,477)	(444,842)
Taxes paid		(244,970)	(66,025)
Payments for accumulating compensated absences		(9,343)	(6,580)
Net cash generated from operating activities		868,806	712,934
Cash flow from investing activities			
Fixed capital expenditure		(98,552)	(787,064)
Net increase in long-term loans and deposits		(829)	(269)
Proceeds from disposal of property, plant and equipment		9,772	4,652
Dividends received		528,000	-
Investment		-	(10,000)
Proceeds from disposal of non-current assets classified as held-for-sale		-	7,865,000
Net cash generated from investing activities		438,391	7,072,319
Cash flow from financing activities			
Payment of long-term finances - secured		-	(5,000,000)
Payment of finance lease liabilities		(2,391)	(1,666)
Dividend paid to non controlling interest		(33,183)	-
Net cash used in financing activities		(35,574)	(5,001,666)
Net increase in cash and cash equivalents		1,271,623	2,783,587
Cash and cash equivalents at the beginning of the period		66,805	(3,043,387)
Cash and cash equivalents at the end of the period	13	1,338,428	(259,800)

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the three months ended March 31, 2010

	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Revaluation reserve	Fair Value reserve	General reserve	Preference shares / convertible stock reserve	Unappropriated profit / (loss)	Total	Non-controlling interest	Total Equity
	(R u p e e s i n t h o u s a n d)										
Balance as on December 31, 2008	843,795	2,876,893	(2,513)	-	(912,624)	13,660,333	-	(61,652)	16,404,232	130,412	16,534,644
Total comprehensive (loss) / income for the period	-	-	1,614	-	(575,121)	-	-	6,259,179	5,685,672	11,291	5,696,963
Balance as on March 31, 2009	843,795	2,876,893	(899)	-	(1,487,745)	13,660,333	-	6,197,527	22,089,904	141,703	22,231,607
Equity component of preference shares / convertible stock as (net of issue costs)	-	-	-	-	-	-	1,605,875	-	1,605,875	-	1,605,875
Total comprehensive (loss) / income for the period	-	-	6,129	87,825	2,049,657	-	-	(2,193,562)	(49,951)	67,932	17,981
Balance as on December 31, 2009	843,795	2,876,893	5,230	87,825	561,912	13,660,333	1,605,875	4,003,965	23,645,828	209,635	23,855,463
Transferred from profit & loss account	-	-	-	-	-	3,000,000	-	(3,000,000)	-	-	-
Final dividend for the year ended December 31, 2009 Rs. 12 per share	-	-	-	-	-	-	-	-	-	(33,183)	(33,183)
Total comprehensive income for the period	-	-	4,099	-	124,220	-	-	264,540	392,859	23,274	416,133
Balance as on March 31, 2010	<u>843,795</u>	<u>2,876,893</u>	<u>9,329</u>	<u>87,825</u>	<u>686,132</u>	<u>16,660,333</u>	<u>1,605,875</u>	<u>1,268,505</u>	<u>24,038,687</u>	<u>199,726</u>	<u>24,238,413</u>

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director

PACKAGES GROUP
NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

for the three months ended March 31, 2010

1. This condensed interim financial information is un-audited 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'.
2. 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 December 31, 2009.

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 group for the year ended December 31, 2009.

4. The provision for taxation for the three months ended March 31, 2010 has been made on an estimated basis.

5. Long-term finances

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
Opening balance		
Local currency loans - secured	5,500,000	10,500,000
Foreign currency loan - secured	-	2,354,400
Preference shares / convertible stock - unsecured	2,470,577	-
	7,970,577	12,854,400
Add: Loans obtained during the period		
Preference shares / convertible stock - unsecured	-	2,470,577
	7,970,577	15,324,977
Less: Loans prepaid during the period		
Local currency loans - secured	-	5,000,000
Foreign currency loan - secured	-	2,354,400
	-	7,354,400
Closing balance	7,970,577	7,970,577

6. Contingencies and commitments

6.1 Contingencies

- (i) Claims against the group not acknowledged as debts Rs. 16.109 million (December 31, 2009: Rs. 15.802 million).

- (ii) Against a sales tax refund aggregating Rs. 12.827 million determined by the Sales Tax Officer (STO) on the basis of the orders of the Appellate Assistant Commissioner (AAC) for the assessment years 1977-78 through 1980-81 and recognized in the financial statements in 1985, the STO filed an appeal in 1986 with the Income Tax Appellate Tribunal (ITAT) against the Orders of the AAC for these years. The orders of the AAC were based on a decision already given by the ITAT on the parent company's appeal for application of a lower rate of sales tax on self consumed material for earlier years. Pending the outcome of the appeal filed by STO no adjustment has been made for the refunds recognized in the financial statements as the management is of the view that the appeal of the STO will not be upheld by the ITAT.
- (iii) Post dated cheques not provided in the condensed consolidated financial information have been furnished by the group in favor of the Collector of Customs against custom levies aggregated to Rs. 37.817 million (December 31, 2009: Rs. 27.305 million) in respect of goods imported.

6.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 50.364 million (December 31, 2009: Rs. 6.967 million).
- (ii) Letters of credit and contracts other than for capital expenditure Rs. 841.611 million (December 31, 2009: Rs. 457.295 million).
- (iii) The amount of future payments under operating leases and Ijarah financing and the period in which these payments will become due are as follows:

	March 31, 2010	December 31, 2009
Note	(Rupees in thousand)	
Not later than one year	286,292	230,527
Later than one year and not later than five years	1,159,818	1,180,215
Later than five years	72,842	129,661
	<u>1,518,952</u>	<u>1,540,403</u>

7. Property, plant and equipment

Opening book value	19,624,165	11,600,184
Add: Additions during the period	96,771	9,338,766
Transfer in / (out) / adjustment	-	(53,250)
Revaluation surplus of fixed assets	-	84,303
- foreign subsidiary	8,332	25,207
Exchange adjustment on opening cost	105,103	9,395,026
	<u>19,729,268</u>	<u>20,995,210</u>
Less: Disposals during the period (at book value)	5,548	11,901
Transfer in / (out) / adjustment	-	1,979
Depreciation adjustment relating to revaluation surplus	-	(26,770)
Depreciation charged during the period	393,757	1,368,499
Exchange adjustment on opening accumulated depreciation	3,871	15,436
	<u>403,176</u>	<u>1,371,045</u>
Closing book value	<u>19,326,092</u>	<u>19,624,165</u>

7.1 Following is the detail of additions during the period

	Note	March 31, 2010 (Rupees in thousand)	December 31, 2009
Freehold land		-	8,470
Building on freehold land		3,238	1,278,083
Building on leasehold land		-	8,976
Plant and machinery		56,017	7,878,467
Other equipment		22,691	98,343
Furniture and fixtures		397	6,054
Vehicles		14,428	60,373
		<u>96,771</u>	<u>9,338,766</u>
8. Capital work-in-progress			
Civil works		8,170	12,928
Plant and machinery		49,711	52,494
Others		557	156
		<u>58,438</u>	<u>65,578</u>
9. Investments			
These represent the long-term investments in:			
Equity instruments of associated companies	9.1	3,348,387	3,410,008
Others	9.3	4,685,768	4,561,548
		<u>8,034,155</u>	<u>7,971,556</u>
9.1 In equity instruments of associated companies			
Cost		3,758,386	3,758,386
Post acquisition loss brought forward		(348,378)	(373,977)
		<u>3,410,008</u>	<u>3,384,409</u>
Profit for the period before taxation		54,561	136,126
Provision for taxation		(16,182)	(34,641)
		<u>38,379</u>	<u>101,485</u>
		<u>3,448,387</u>	<u>3,485,894</u>
Less: Dividends received during the period		100,000	75,886
Closing balance	9.2	<u>3,348,387</u>	<u>3,410,008</u>
9.2 In equity instruments of associated companies			
Quoted			
IGI Insurance Limited			
6,354,412 (2009: 6,354,412) fully paid ordinary shares of Rs. 10 each			
Market value - Rs. 574.058 million (2009: Rs. 558.489 million)		1,085,541	1,076,190
Tri-Pack Films Limited			
10,000,000 (2009: 10,000,000) fully paid ordinary shares of Rs. 10 each			
Market value - Rs. 1,031.500 million (2009: Rs. 1,030.400 million)		2,221,597	2,292,513
IGI Investment Bank Limited			
4,610,915 (2009: 4,610,915) fully paid ordinary shares of Rs. 10 each			
Market value - Rs. 13.326 million (2009: Rs. 16.277 million)		41,249	41,305
		<u>3,348,387</u>	<u>3,410,008</u>

9.3 Others

	March 31, 2010	December 31, 2009
	(Rupees in thousand)	
Quoted		
Nestle Pakistan Limited 3,649,248 (2009: 3,649,248) fully paid ordinary shares of Rs. 10 each	4,671,037	4,546,817
Unquoted		
Tetra Pak Pakistan Limited 1,000,000 (2009: 1,000,000) fully paid non-voting shares of Rs. 10 each	10,000	10,000
Pakistan Tourism Development Corporation Limited 2,500 (2009: 2,500) fully paid ordinary shares of Rs. 10 each	25	25
Orient Match Company Limited 1,900 (2009: 1,900) fully paid ordinary shares of Rs. 100 each	-	-
Coca-Cola Beverages Pakistan Limited 500,000 (2009: 500,000) fully paid ordinary shares of Rs. 10 each	4,706	4,706
	4,685,768	4,561,548

Nestle Pakistan Limited and Coca-Cola Beverages Pakistan Limited are associated undertakings under the Companies Ordinance, 1984. However, for the purpose of measurement, these have been classified as available for sale investments as the group does not have a significant influence over their operations.

10. Cost of sales

	Three months ended	
	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Opening work-in-process	227,609	301,323
Materials consumed	2,495,488	2,253,037
Salaries, wages and amenities	274,997	210,286
Fuel and power	739,977	442,576
Production supplies	110,158	94,284
Excise duty and sales tax	841	176
Rent, rates and taxes	35,420	41,040
Insurance	19,862	17,671
Repairs and maintenance	119,787	100,837
Packing expenses	40,007	25,751
Depreciation on property, plant and equipment	385,955	276,762
Amortization on intangible assets	4	4
Technical fee and royalty	13,056	11,358
Traveling and conveyance	271	830
Other expenses	63,744	47,070
	4,527,176	3,823,005
Less: Closing work-in-process	232,712	303,824
Cost of goods produced	4,294,464	3,519,181
Opening stock of finished goods	2,071,058	1,371,795
Cost of goods available for sale	6,365,522	4,890,976
Less: Closing stock of finished goods	1,263,837	1,380,505
	5,101,685	3,510,471

11. Transactions with related parties

Relationship within group	Nature of transactions	Three months ended	
		March 31, 2010	March 31, 2009
(Rupees in thousand)			
i. Associated undertakings			
	Purchase of goods and services	95,924	75,226
	Sale of goods and services	8,166	6,336
	Insurance premium	31,956	28,716
	Insurance claims	197	531
	Dividend income	100,000	69,532
ii. Other related parties			
	Purchase of goods and services	56,879	66,747
	Sale of goods and services	1,439,225	591,161
	Finance costs	-	47
	Dividend income	600,985	91,231
	Rental income	7,597	7,231
	Management and technical fee-expense	10,626	8,823
iii. Post employment benefit plans			
	Expenses charged in respect of retirement benefit plans	31,943	25,397
iv. Key management personnel			
	Salaries and other employee benefits	14,857	17,088

All transactions with related parties have been carried out on commercial terms and conditions.

Period-end balances

	March 31, 2010	December 31, 2009
(Rupees in thousand)		
Receivable from related parties	604,058	445,892
Payable to related parties	45,583	30,434

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

12. Cash generated from operations

	Three months ended	
	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Profit before taxation	551,398	8,390,787
Adjustments for:		
Depreciation on property, plant and equipment	393,757	287,401
Amortization on intangible assets	1,451	26
Depreciation on investment property	385	148
Depreciation on assets subject to finance lease	63	891
Gain on disposal of non-current assets classified as held-for-sale	-	(8,807,029)
Provision for accumulating compensated absences and staff gratuity	15,178	6,580
Exchange adjustments	9,644	4,244
Net profit on disposal of property, plant and equipment	(4,224)	(2,415)
Finance cost	312,547	363,807
Dividend income from other investments	(600,985)	(91,231)
Share of profit from associated companies	(54,561)	(21,130)
Profit before working capital changes	624,653	132,079
Effect on cash flow due to working capital changes		
Increase in trade debts	(407,161)	(173,089)
Increase in stores and spares	(25,448)	(9,771)
Decrease in stock in trade	879,510	655,330
Increase in loans, advances, deposits, prepayments and other receivables	(15,026)	(16,247)
Increase in trade and other payables	95,068	642,079
	526,943	1,098,302
	1,151,596	1,230,381
13. Cash and cash equivalents		
Cash and bank balances	1,888,467	503,183
Finances under mark up arrangements - secured	(550,039)	(762,983)
	1,338,428	(259,800)

14. Segment Information

	Packaging Division		Paper & Board Division		Ink Division		General & Others		Total	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees in thousands)									
Revenue from external customers	2,531,254	2,223,785	2,766,983	1,148,542	281,388	248,672	21,942	12,371	5,601,567	3,633,369
Intersegment revenue	119,610	116,046	1,074,464	1,796,113	144,516	115,262	21,614	3,738	1,360,204	2,031,159
	2,650,864	2,339,831	3,841,447	2,944,655	425,904	363,934	43,556	16,109	6,961,771	5,664,528
Segment profit / (loss) before tax	290,162	156,936	(471,120)	(641,508)	52,700	30,068	765,621	8,952,752	637,363	8,498,248
	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009	March 31, 2010	Dec 31, 2009
Segment assets	5,270,421	4,989,482	19,928,002	20,913,814	690,441	622,644	564,998	611,231	26,453,862	27,137,171

Reconciliation of:

	March 31, 2010	March 31, 2009
	(Rupees in thousand)	
Profit or loss		
Total profit or loss for reportable segments	637,363	8,498,248
Income from Associates	54,561	21,130
Intercompany consolidation adjustment	(140,526)	(128,591)
Profit before tax	551,398	8,390,787

15. Detail of subsidiaries

Name of the subsidiaries	Accounting year end	Percentage of holding	Country of incorporation
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka
DIC Pakistan Limited	December 31	54.98%	Pakistan
Packages Construction (Private) Limited	December 31	99.99%	Pakistan

16. Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on April 19, 2010 by the Board of Directors of the parent company.

17. Events after balance sheet date

The Board of Directors of the parent company have proposed a final cash dividend for the year ended December 31, 2009 of Rs. 3.25 per share (2008:Nil) amounting to Rs. 274.233 million (2008:Nil) at their meeting held on February 16, 2010 for approval of the members at the Annual General Meeting to be held on April 20, 2010, accordingly, dividend appropriation of parent company has not been recognised in these financial statements as dividend has not been approved by the shareholders of parent company as of the date of authorisation of this condensed interim financial information.

18. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Syed Aslam Mehdi
Director



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