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COMPANY INFORMATION

Board of Directors

Asadullah Khawaja
(Chairman)
Kamal Afsar
Khalid Yacob
Kirsten Rausing
Markku Juha Pentikainen
Mujeeb Rashid
Shamim Ahmad Khan
Syed Hyder Ali
(Managing Director & Chief Executive)
Syed Shahid Ali
Tariq Iqbal Khan

Advisor

Syed Babar Ali

Company Secretary

Adi J. Cawasji

Executive Committee

Syed Hyder Ali□ - Chairman
Mujeeb Rashid□ - Member
Khalid Yacob□ - Member

Audit Committee

Shamim Ahmad Khan□ - Chairman
(Non-Executive Director)
Tariq Iqbal Khan□ - Member
(Non-Executive Director)
Syed Shahid Ali□ - Member
(Non-Executive Director)
Mujeeb Rashid□ - Member
(Director & General Manager)
Syed Aslam Mehdi□ - Member
(Deputy General Manager & Alternate
Director to Ms. Kirsten Rausing)

Adi J. Cawasji□ - Secretary

Business Strategy Committee

Syed Hyder Ali□ - Chairman
Mujeeb Rashid□ - Member
Syed Aslam Mehdi□ - Member
Khalid Yacob□ - Member

System and Technology Committee

Mujeeb Rashid□ - Chairman
Khalid Yacob□ - Member
Suleman Javed□ - Member

Rating Agency: PACRA

Company Rating: AA

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

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

Bankers

ABN Amro Bank
Allied Bank Limited
Askari Commercial Bank Limited
Bank Al-Habib Limited
Citi Bank N.A.
Crescent Commercial Bank Limited
Deutsche Bank A.G.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
NIB Bank Limited
Oman International Bank, S.A.O.G.
PICIC Commercial Bank Limited
Saudi Pak Commercial Bank Limited

Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo - Mitsubishi UFJ, Limited
The HongKong & Shanghai Banking Corporation Limited
United Bank Limited

Head Office & Works

Shahrah-e-Roomi,
P.O. Amer Sidhu,
Lahore - 54760, Pakistan
PABX□ : (042) 5811541-46□
□ : (042) 5811191-94
Fax□ : (042) 5811195□
□ : (042) 5820147

Bulleh Shah Paper Mills

10-km, Kasur Kot Radhakishan Road,
District-Kasur, Pakistan
Tel.□ : (0492) 017051, 018201, 008666

Karachi Factory

Plot No. 6 & 6/1, Sector 28,
Korangi Industrial Area,
Karachi-74900, Pakistan
Tel.□ : (021) 5045320, 5045310
Fax□ : (021) 5045330

Registered Office & Regional Sales Office

4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan
PABX□ : (021) 5874047-49□
□ : (021) 5378650-52□
□ : (021) 5831618, 5833011
Fax□ : (021) 5860251

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) 4784401-2

Uzair Enterprises

Teer Chowk Bhuta Road,
Sukkur - 65200, Pakistan
Tel. & Fax: (071) 5616138
2nd Floor, Sitara Tower, Bilal Chowk,
Civil Lines, Faisalabad - 38000, Pakistan
Tel. & Fax: (041) 2629417

H. Hamza Traders

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

Star Enterprises-1

A/99-2928, Tilak Incline,
Hyderabad-71000
Cell□ : 0300-9387454
Tel.□ : 022-2615562

Shares Registrar

Ferguson Associates (Pvt.) Limited
State Life Building No. 1-A
Off I. I. Chundrigar Road,
Karachi-74000, Pakistan

Web Presence

www.packages.com.pk

DIRECTORS' REPORT FOR THE HALF YEAR ENDED JUNE 30, 2007



The Directors of Packages Limited take pleasure in presenting to its shareholders, the six months report together with the un-audited accounts of the company for the period ended June 30, 2007.

Operating Results

The comparison of the un-audited results for the quarter and six months ended June 30, 2007 as against June 30, 2006 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2007	Apr - June 2006	Jan - June 2007	Jan - June 2006
Financial- Rupees in million				
Invoiced sales	2,509	2,296	4,934	4,503
Gross profit	419	335	773	703
Profit from operations	284	242	492	471
Investment income	27	61	176	345
Profit before tax	288	282	618	767
Earning per share - Rupees	3.38	3.17	7.65	8.26
Manufacturing-quantity in tonnes				
Paper and paperboard produced	24,668	25,971	48,075	50,299
Paper and paperboard converted	22,431	21,271	45,213	43,342
Plastics all sorts converted	2,106	1,962	4,019	3,758

The company's sales have increased by 9.6% over the same period last year with double digit growth in sales of paperboard and corrugated boxes followed by tissue products and flexible packing. The company's paper and paperboard production was lower than the corresponding period of last year because of planned phased closure of Paper Machine No. 3 before shifting paperboard manufacturing to Kasur. Additional requirement for conversion of paperboard was met from outside sourcing.

Major raw material prices especially of wheat straw and imported pulps have increased as compared to the corresponding period of last year but, the company has managed to improve its gross profit margin by working on internal efficiencies and better raw material sourcing and management. The company's over head costs were also kept under check to finish the first six months with higher profit from operations as against the half year of 2006.

The investment income has shown a decline during the first six months from the corresponding period last year mainly due to the timing differences in investment income.

Bulleh Shah Paper Mills (A division of Packages Limited)

Substantial progress has been made in the implementation of the Project. Paper Machine No. 6 along-with its back up processes including CTMP plant, Waste paper plant, De-mineralized water plant and Power plant were successfully commissioned by the end of June, 2007. Major part of July was spent in testing and trial production of the machines, which have now started commercial production from August, 2007. The first phase of the project is completed and all efforts are now towards completing the second phase by installing Paper Machine No. 7 during the next nine months.

On the conversion side Corrugator plant with an annual capacity of 50,000 tonnes for corrugated boxes and its case/box making machine was also installed in Kasur in June 2007 and fully commissioned from August 2007.

Future Outlook

With Paper Machine No. 6 and Corrugator plant commencing operations, focus during the next half year is going to be on expanding the market for paper & paperboard products.

The raw material prices like pulp and plastics used in our packaging operations are continuing to increase. This will have an impact on the company's operating margin.

Customers' Support and Staff Relations

Our company wishes to record its appreciation of the dedicated services of its employees and continued patronage of its customers.



(Syed Hyder Ali)
Managing Director & Chief Executive
Kasur, August 23, 2007

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Packages Limited as at June 30, 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity 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 June 30, 2007 and 2006 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2007.

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.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2007 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

A. F. Ferguson & Co.
Chartered Accountants
Lahore, August 23, 2007


PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET


as at June 30, 2007 (Un-audited)

	Note	June 30, 2007	December 31, 2006
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2006: 100,000,000)□ ordinary shares of Rs. 10 each□		<u>1,500,000</u> □	<u>1,000,000</u>
Issued, subscribed and paid up capital 73,373,482 (2006: 69,879,507)□ ordinary shares of Rs. 10 each□		733,735□	698,795
Reserves□		14,378,977□	6,872,336
Unappropriated profit□		562,371□	6,101,666□□□□
		<u>15,675,083</u> □	<u>13,672,797</u>
NON-CURRENT LIABILITIES			
Long-term finances - secured□	5□	8,800,000□	6,000,000
Deferred liabilities□		733,504□	688,455□□□□
		<u>9,533,504</u> □	<u>6,688,455</u>
CURRENT LIABILITIES			
Current portion of liabilities against assets subject□ to finance lease□		185□	851
Finances under mark up arrangements - secured□		902,174□	1,280,857
Creditors, accrued and other liabilities□		1,708,454□	1,030,516□□□□
		<u>2,610,813</u> □	<u>2,312,224</u>
CONTINGENCIES AND COMMITMENTS □	6□	-	-□□□□
		<u>27,819,400</u> □	<u>22,673,476</u>

	Note	June 30, 2007	December 31, 2006
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,423,445	3,071,115
Intangible assets		1,166	2,532
Investment property		13,945	14,423
Assets subject to finance lease		606	1,901
Capital work-in-progress	8	12,865,670	10,143,195
Investments		7,635,707	5,775,665
Long-term loans and deposits		189,030	180,618
Retirement benefits		79,069	69,805
		<u>24,208,638</u>	<u>19,259,254</u>
CURRENT ASSETS			
Stores and spares		491,912	485,665
Stock-in-trade		1,828,731	1,647,173
Trade debts		867,608	821,160
Loans, advances, deposits, prepayments and other receivables		321,683	353,521
Cash and bank balances		100,828	106,703
		<u>3,610,762</u>	<u>3,414,222</u>
		<u>27,819,400</u>	<u>22,673,476</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


Asadullah Khawaja
Chairman


Syed Hyder Ali
Managing Director & Chief Executive


Mujeeb Rashid
Director


PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

for the half year ended June 30, 2007 (Un-audited)

	Quarter ended		Half year ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Note	(R u p e e s i n t h o u s a n d)			
Local sales	2,474,451	2,237,109	4,872,061	4,402,398
Export sales	34,315	59,161	61,771	100,484
	2,508,766	2,296,270	4,933,832	4,502,882
Less: Sales tax and excise duty	342,772	292,492	667,249	574,587
Commission	1,978	1,869	4,401	4,234
	344,750	294,361	671,650	578,821
	2,164,016	2,001,909	4,262,182	3,924,061
Cost of sales	9 (1,745,461)	(1,666,527)	9 (3,488,852)	(3,220,685)
Gross profit	418,555	335,382	773,330	703,376
Administration expenses	(84,238)	(90,695)	(164,391)	(176,373)
Distribution and marketing expenses	(58,391)	(61,192)	(117,764)	(117,846)
Other operating expenses	(21,330)	(31,578)	(45,939)	(57,635)
Other operating income	29,491	90,349	46,752	119,702
Profit from operations	284,087	242,266	491,988	471,224
Finance costs	(22,728)	(21,173)	(50,244)	(49,136)
Investment income	26,719	61,256	175,778	345,285
Profit before taxation	288,078	282,349	617,522	767,373
Taxation	(40,000)	(49,442)	(56,000)	(161,442)
Profit for the period	248,078	232,907	561,522	605,931
Earnings per share -basic and diluted-Rupees	3.38	3.17	7.65	8.26

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.


Asadullah Khawaja
Chairman


Syed Hyder Ali
Managing Director & Chief Executive


Mujeeb Rashid
Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT

for the half year ended June 30, 2007 (Un-audited)

	Note	Half year ended	
		June 30, 2007	June 30, 2006
		(Rupees in thousand)	
Cash flow from operating activities:			
Cash generated from operations	11	1,169,724	296,111
Finance cost paid		(52,561)	(54,642)
Taxes paid		(42,551)	(93,413)
Payments for accumulating compensated absences		(3,526)	(3,445)
Retirement benefits paid		(15,403)	(13,584)
Net cash from operating activities		1,055,683	131,027
Cash flow from investing activities:			
Purchase of property, plant and equipment		(3,271,538)	(3,802,435)
Net (increase) / decrease in long-term loans and deposits		(8,412)	148
Proceeds from sale of property, plant and equipment		37,363	7,540
Dividends received		175,778	381,777
Investments		-	(25,000)
Net cash used in investing activities		(3,066,809)	(3,437,970)
Cash flow from financing activities:			
Proceeds from long-term finances		2,800,000	2,500,000
Payment of finance lease liabilities		(666)	(2,180)
Dividend paid		(415,400)	(417,032)
Net cash from financing activities		2,383,934	2,080,788
Net increase / (decrease) in cash and cash equivalents		372,808	(1,226,155)
Cash and cash equivalents at the beginning of the period		(1,174,154)	417,230
Cash and cash equivalents at the end of the period	12	(801,346)	(808,925)

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Asadullah Khawaja
Chairman



Syed Hyder Ali
Managing Director & Chief Executive



Mujeeb Rashid
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the half year ended June 30, 2007 (Un-audited)

	Share capital	Share premium	Fair value reserve	Hedging reserve	General reserve	Unappropriated profit	Total
	(R u p e e s i n t h o u s a n d)						
Balance as on December 31, 2005	698,795	2,986,953	19,500	(76,092)	3,090,936	1,016,163	7,736,255
Final Dividend for the year ended December 31, 2005 Rs. 6.00 per share	-	-	-	-	-	(419,277)	(419,277)
Transferred from profit and loss account	-	-	-	-	596,000	(596,000)	-
Fair value loss during the year	-	-	(19,200)	-	-	-	(19,200)
Gain arising on foreign currency forward options entered into as part of cash flow hedge for the purchase of plant and machinery	-	-	-	1,905	-	-	1,905
Transferred to CWIP on expiry of foreign currency forward options	-	-	-	74,187	-	-	74,187
Profit for the period	-	-	-	-	-	605,931	605,931
Balance as on June 30, 2006	698,795	2,986,953	300	-	3,686,936	606,817	7,979,801
Fair value gain during the period	-	-	197,450	-	-	-	197,450
Transferred to profit and loss account on disposal of shares of The Resource Group (TRG) Pakistan Limited	-	-	697	-	-	-	697
Profit for the period	-	-	-	-	-	5,494,849	5,494,849
Balance as on December 31, 2006	698,795	2,986,953	198,447	-	3,686,936	6,101,666	13,672,797
Final Dividend for the year ended December 31, 2006 Rs. 6.00 per share	-	-	-	-	-	(419,277)	(419,277)
Transfer from profit and loss account	-	-	-	-	5,646,600	(5,646,600)	-
3,493,975 Ordinary shares of Rs. 10 each issued as fully paid bonus shares	34,940	-	-	-	-	(34,940)	-
Fair value gain during the period	-	-	1,860,041	-	-	-	1,860,041
Profit for the period	-	-	-	-	-	561,522	561,522
Balance as on June 30, 2007	733,735	2,986,953	2,058,488	-	9,333,536	562,371	15,675,083

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.



Asadullah Khawaja
Chairman



Syed Hyder Ali
Managing Director & Chief Executive



Mujeeb Rashid
Director

PACKAGES LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

for the half year ended June 30, 2007 (Un-audited)

1. This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.
2. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended December 31, 2006.
3. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and has been reviewed by the auditors as required by the Code of Corporate Governance.
4. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. Long-term finances - secured

	June 30, 2007	December 31, 2006
	(Rupees in thousand)	
Opening Balance	6,000,000	1,000,000
Add: disbursements during the period	2,800,000	5,000,000
Closing Balance	<u>8,800,000</u>	<u>6,000,000</u>

6. Contingencies and commitments

6.1 Contingencies

- (i) Claims against the company not acknowledged as debts Rs. 12.147 million (December 31, 2006: Rs. 11.247 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 cheque not provided in this condensed interim financial information has been furnished by the company in favour of the Collector of Customs against custom levies aggregated to Rs. 0.802 million (2006: Nil) in respect of goods imported.

6.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 2,400.690 million (December 31, 2006: Rs. 2,849.840 million).
- (ii) Letters of credit other than for capital expenditure Rs. 267.296 million (December 31, 2006: Rs. 329.418 million).
- (iii) Borrowing facility of Rs. 1.8 billion from International Finance Corporation for expansion project.
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

Years	Note	June 30, 2007 (Rupees in thousand)	December 31, 2006
Not later than one year		3,414	5,466
Later than one year and not later than five years		6,847	6,749
Later than five years		1,643	1,883
		<u>11,904</u>	<u>14,098</u>

7. Property, plant and equipment

Opening book value		3,071,115	2,996,821
Add: additions during the period transfers from leased assets	7.1	562,977 1,091	448,005 4,145
		<u>564,068</u>	<u>452,150</u>
		<u>3,635,183</u>	<u>3,448,971</u>
Less: disposals during the period (at book value) depreciation charged during the period		31,341 180,397	4,941 372,915
		<u>211,738</u>	<u>377,856</u>
Closing book value		<u>3,423,445</u>	<u>3,071,115</u>

Included in property, plant and equipment is a machine amounting to Rs. 227.483 million which was damaged due to an accident. The machine will be repaired within an estimated repair cost of Rs. 113.895 million which will be borne by the insurance company.

7.1 Following is the detail of additions during the period

Property, plant and equipment	June 30, 2007 (Rupees in thousand)	December 31, 2006
Freehold land	-	158,784
Building on freehold land	18,138	100
Plant and machinery	497,988	226,645
Other equipment	10,808	15,519
Furniture and fixtures	215	138
Vehicles	35,828	46,819
	<u>562,977</u>	<u>448,005</u>

8. Capital work-in-progress

	June 30, 2007	December 31, 2006
	(Rupees in thousand)	
Civil works	52,781	28,136
Plant and machinery	504,684	790,655
Others	1,633	48
Expansion project :-		
Civil works	1,397,730	1,129,342
Plant and machinery [including in transit Rs. 28.988 million (2006: Rs. 87.817 million)]	9,100,348	6,881,200
Advances	425,937	491,050
Unallocated expenditure	1,382,557	822,764
	12,306,572	9,324,356
	12,865,670	10,143,195

9. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(Rupees in thousands)			
Opening work-in-process	98,048	88,919	97,561	80,980
Materials consumed	1,180,819	1,110,567	2,290,132	2,020,850
Salaries, wages and amenities	124,285	122,486	255,323	240,195
Fuel and power	205,883	242,590	436,390	458,646
Production supplies	50,080	55,538	103,076	109,625
Excise duty and sales tax	1,554	30	1,723	129
Rent, rates and taxes	573	570	1,158	1,287
Insurance	7,093	8,868	14,257	17,478
Repairs and maintenance	50,166	71,774	104,945	134,781
Packing expenses	12,505	18,118	23,790	33,856
Depreciation on property, plant and equipment	88,426	91,109	167,184	181,774
Amortisation on intangible assets	624	636	1,248	1,283
Depreciation on assets subject to finance lease	-	199	15	398
Technical fee and royalty	1,031	4,446	3,297	8,862
Other expenses	28,122	24,701	50,923	42,961
	1,849,209	1,840,551	3,551,022	3,333,105
Less: Closing work-in-process	105,352	77,180	105,352	77,180
Cost of goods produced	1,743,857	1,763,371	3,445,670	3,255,925
Opening stock of finished goods	484,339	354,369	525,917	415,973
	2,228,196	2,117,740	3,971,587	3,671,898
Less: Closing stock of finished goods	482,735	451,213	482,735	451,213
	1,745,461	1,666,527	3,488,852	3,220,685

10. Transactions with related parties

Relationship with the Company	Nature of transactions	Half year ended	
		June 30, 2007	June 30, 2006
(Rupees in thousand)			
i. Subsidiaries	Purchase of goods and services	172,583	175,103
	Sale of goods and services	5,919	4,993
	Sale of property, plant and equipment	20,287	-
	Management fee	2,323	-
	Dividend income	50,659	13,509
	Rental income	2,903	1,905
ii. Associated Undertakings	Purchase of goods and services	99,755	109,481
	Sale of goods and services	1,105,401	887,574
	Sale of property, plant and equipment	6,161	940
	Purchase of property, plant and equipment	680	-
	Dividend income	125,119	331,776
	Rental income	11,762	10,738
iii. Other related parties	Purchase of goods and services	41,509	76,058
	Sale of goods and services	464,825	502,487
	Rental payment	2,393	-
iv. Post employment benefit plans	Expenses charged in respect of retirement benefit plans	24,764	19,336
v. Key Management Personnel	Salaries and other employee benefits	20,296	17,428
Period-end balances		June 30, 2007 December 31, 2006	
(Rupees in thousand)			
Receivable from related parties		271,712	339,944
Payable to related parties		57,321	34,342

11. Cash generated from operations

	Half year ended	
	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
Profit before taxation	617,522	767,373
Adjustments for:		
Depreciation on property, plant and equipment	180,397	196,209
Amortisation on intangible assets	1,367	1,401
Depreciation on investment property	479	479
Depreciation on assets subject to finance lease	204	1,392
Provision for accumulating compensated absences	14,575	14,745
Retirement benefits accrued	6,139	8,943
Gain on foreign currency forward options	-	(14,867)
Net profit on disposal of property, plant and equipment	(6,022)	(3,464)
Finance costs	50,244	49,136
Dividend income	(175,778)	(345,285)
Profit before working capital changes	689,127	676,062
Effect on cash flow due to working capital changes		
Increase in trade debts	(46,448)	(62,717)
Increase in stores and spares	(6,247)	(31,543)
Increase in stock-in-trade	(181,558)	(302,788)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	52,389	(57,071)
Increase in creditors, accrued and other liabilities	662,461	74,168
	480,597	(379,951)
	1,169,724	296,111

12. Cash and cash equivalents

	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
Cash and bank balances	100,828	90,337
Finances under mark up arrangements	(902,174)	(899,262)
	(801,346)	(808,925)

13. Date of authorisation for issue

This condensed interim financial information was authorised for issue on August 23, 2007 by the Board of Directors of the company.

14. Corresponding figures

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



Asadullah Khawaja
Chairman



Syed Hyder Ali
Managing Director & Chief Executive



Mujeeb Rashid
Director

**Packages Group
Condensed Consolidated Interim
Financial Information**

DIRECTORS' REPORT FOR THE HALF YEAR ENDED JUNE 30, 2007



The Directors of Packages Limited take pleasure in presenting to its shareholders, the un-audited consolidated accounts of the group for the half year ended June 30, 2007.

Operating Results

The comparison of the un-audited results for the quarter and six months ended June 30, 2007 as against June 30, 2006 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2007	Apr - June 2006	Jan - June 2007	Jan - June 2006
Rupees in million				
Invoiced sales	2,844	2,499	5,527	4,829
Profit from operations	346	285	597	557
Income from associated companies	351	348	608	670
Profit before tax	663	602	1,133	1,158

The group sales have increased by 14.45% over the same period last year. Its profit from operations has increased by 7.18% from previous year.

DIC Pakistan, group's local subsidiary increased its sales by 10% and its operating profit by 7% over the same period last year. During the next half year, considering the impact of cut in export tax rebate by China and increasing energy cost, the profitability may come under pressure which the company plans to sustain partially through price increase and by using alternates and substitute sources of raw materials.

Packages Lanka (Private) Limited achieved sales growth of 12% over corresponding period of last year with a corresponding growth seen in production meters. However, the operating profit margin has declined due to increase in raw material prices and devaluation of the Sri Lankan rupee. These cost increases could not be passed on completely to the customers. The company is now focusing on productivity to maximize the utilization of existing assets and exploring various export avenues to mitigate the threats faced by constant devaluation of Sri Lankan rupee.

(Syed Hyder Ali)

Managing Director & Chief Executive
Kasur, August 23, 2007


CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at June 30, 2007 (Un-audited)

	Note	June 30, 2007	December 31, 2006
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2006: 100,000,000)□ ordinary shares of Rs. 10 each□		<u>1,500,000</u> □	<u>1,000,000</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS□ OF THE PARENTS			
Issued, subscribed and paid up capital 73,373,482 (2006: 69,879,507)□ ordinary shares of Rs. 10 each□		733,735□	698,795
Reserves□		14,343,308□	6,840,764
Unappropriated profit□		1,038,925□	6,324,878□□□
		<u>16,115,968</u> □	<u>13,864,437</u>
MINORITY INTEREST□		<u>101,235</u> □	<u>123,643</u> □□□
		<u>16,217,203</u> □	<u>13,988,080</u>
NON-CURRENT LIABILITIES			
Long-term finances - secured□	5□	8,808,144□	6,015,427
Liabilities against assets subject to finance lease□		-	107
Deferred liabilities□		822,083□	761,804□□□
		<u>9,630,227</u> □	<u>6,777,338</u>
CURRENT LIABILITIES			
Current portion of long-term liabilities□	5.1□	17,170□	18,866
Finances under mark up arrangements - secured□		1,204,348□	1,485,452
Creditors, accrued and other liabilities□		1,749,311□	1,058,183
Provision for taxation□		-	3,092□□
		<u>2,970,829</u> □	<u>2,565,593</u>
CONTINGENCIES AND COMMITMENTS□	6□	-	-□□□
		<u>28,818,259</u> □	<u>23,331,011</u>

	Note	June 30, 2007 (Rupees in thousand)	December 31, 2006
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	3,690,693	3,324,361
Intangible assets		1,236	2,602
Investment property		7,689	7,988
Assets subject to finance lease		2,265	3,828
Capital work-in-progress	8	12,872,277	10,153,889
Goodwill		21,203	26,504
Investments	9	7,891,807	5,734,512
Long-term loans and deposits		190,536	181,197
Retirement benefits		79,069	69,805
		<u>24,756,775</u>	<u>19,504,686</u>
CURRENT ASSETS			
Stores and spares		504,670	499,983
Stock-in-trade		2,093,632	1,875,769
Trade debts		1,027,650	976,274
Loans, advances, deposits, prepayments and other receivables		327,386	360,751
Cash and bank balances		108,146	113,548
		<u>4,061,484</u>	<u>3,826,325</u>
		<u>28,818,259</u>	<u>23,331,011</u>

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


Asadullah Khawaja
Chairman


Syed Hyder Ali
Managing Director & Chief Executive


Mujeeb Rashid
Director


CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT

for the half year ended June 30, 2007 (Un-audited)

	Quarter ended		Half year ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
Note	(R u p e e s i n t h o u s a n d)			
Local sales	2,810,081	2,439,912	5,465,285	4,723,977
Export sales	34,315	59,161	61,771	105,258
	2,844,396	2,499,073	5,527,056	4,829,235
Less: Sales tax and excise duty	373,949	346,846	718,223	632,136
Commission	2,501	2,746	5,833	5,949
	376,450	349,592	724,056	638,085
	2,467,946	2,149,481	4,803,000	4,191,150
Cost of sales	10 (1,981,889)	(1,750,412)	(3,897,550)	(3,360,147)
Gross profit	486,057	399,069	905,450	831,003
Administrative expenses	(98,220)	(103,479)	(191,848)	(201,230)
Distribution and marketing expenses	(64,881)	(67,828)	(130,765)	(130,486)
Other operating expenses	(23,960)	(33,987)	(51,076)	(62,433)
Other operating income	47,445	90,917	64,997	120,059
Profit from operations	346,441	284,692	596,758	556,913
Finance cost	(34,439)	(30,968)	(71,426)	(69,031)
Income from associated companies	351,208	347,862	607,983	669,955
Profit before taxation	663,210	601,586	1,133,315	1,157,837
Taxation				
Group	(63,232)	(69,626)	(94,441)	(190,738)
Associates	(116,938)	(98,946)	(203,855)	(191,568)
	(180,170)	(168,572)	(298,296)	(382,306)
Profit for the period	483,040	433,014	835,019	775,531
Minority interest	(9,856)	(9,948)	(20,155)	(20,132)
	473,184	423,066	814,864	755,399
Combined earnings per share - basic and diluted	Rupees 6.45	6.05	11.11	10.81

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


Asadullah Khawaja
Chairman


Syed Hyder Ali
Managing Director & Chief Executive


Mujeeb Rashid
Director

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

for the half year ended June 30, 2007 (Un-audited)

	Note	Half year ended	
		June 30, 2007	June 30, 2006
		(Rupees in thousand)	
Cash flow from operating activities:			
Cash generated from operations	12	1,254,032	356,631
Finance cost paid		(73,743)	(78,075)
Taxes paid		(68,999)	(41,181)
Payments for accumulating compensated absences		(3,527)	(3,445)
Retirement benefits paid		(15,403)	(13,584)
Net cash from operating activities		1,092,360	220,346
Cash flow from investing activities:			
Purchase of property, plant and equipment		(3,303,838)	(3,824,172)
Net increase / (decrease) in long-term loans and deposits		(9,339)	381
Proceeds from sale of property, plant and equipment		37,365	8,671
Dividends received		125,119	368,268
Net cash used in investing activities		(3,150,693)	(3,446,852)
Cash flow from financing activities:			
Proceeds from long-term finances		2,800,000	2,500,000
Repayment of long-term finances		(7,824)	(7,235)
Payment of finance lease liabilities		(1,262)	(4,589)
Dividend paid		(415,400)	(417,032)
Dividend paid to minority shareholders		(41,479)	(11,061)
Net cash from financing activities		2,334,035	2,060,083
Net increase / (decrease) in cash and cash equivalents		275,702	(1,166,423)
Cash and cash equivalents at the beginning of the period		(1,371,904)	137,860
Cash and cash equivalents at the end of the period	13	(1,096,202)	(1,028,563)

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



Asadullah Khawaja
Chairman



Syed Hyder Ali
Managing Director & Chief Executive




Mujeeb Rashid
Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
for the half year ended June 30, 2007 (Un-audited)

	Attributable to equity holders of parent							Minority Interest	Total Equity	
	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Fair value reserve	Hedging reserve	General reserve	Unappropriated profit			Total
Balance as on December 31, 2005	698,795	2,986,953	(27,647)	19,500	(76,092)	3,090,936	1,857,321	8,549,766	90,547	8,640,313
Final dividend for the year ended December 31, 2005 Rs. 6.00 per share	-	-	-	-	-	-	(419,277)	(419,277)	(11,061)	(430,338)
Transferred from profit and loss account	-	-	-	-	-	596,000	(596,000)	-	-	-
Fair value loss during the year	-	-	-	(19,200)	-	-	-	(19,200)	-	(19,200)
Gain arising on foreign currency forward options entered into as part of cash flow hedge for the purchase of plant and machinery	-	-	-	-	1,905	-	-	1,905	-	1,905
Transferred to CWIP on expiry of foreign currency forward options	-	-	-	-	74,187	-	-	74,187	-	74,187
Profit for the period	-	-	-	-	-	-	755,399	755,399	20,132	775,531
Exchange adjustments	-	-	(1,124)	-	-	-	-	(1,124)	(354)	(1,478)
Balance as on June 30, 2006	698,795	2,986,953	(28,771)	300	-	3,686,936	1,597,443	8,941,656	99,264	9,040,920
Fair value gain during the period	-	-	-	197,450	-	-	-	197,450	-	197,450
Transferred to profit and loss account on disposal of shares in The Resource Group (TRG) Pakistan Limited	-	-	-	697	-	-	-	697	-	697
Profit for the period	-	-	-	-	-	-	4,727,435	4,727,435	25,064	4,752,499
Exchange adjustments	-	-	(2,801)	-	-	-	-	(2,801)	(685)	(3,486)
Balance as on December 31, 2006	698,795	2,986,953	(31,572)	198,447	-	3,686,936	6,324,878	3,864,437	123,643	3,988,080
Final dividend for the year ended December 31, 2006 Rs. 6.00 per share	-	-	-	-	-	-	(419,277)	(419,277)	(41,479)	(460,756)
Transferred from profit and loss account	-	-	-	-	-	5,646,600	(5,646,600)	-	-	-
3,493,975 ordinary shares of Rs. 10 each issued as fully paid bonus shares	34,940	-	-	-	-	-	(34,940)	-	-	-
Fair value gain during the period	-	-	-	1,860,041	-	-	-	1,860,041	-	1,860,041
Profit for the period	-	-	-	-	-	-	814,864	814,864	20,155	835,019
Exchange adjustments	-	-	(4,097)	-	-	-	-	(4,097)	(1,084)	(5,181)
Balance as on June 30, 2007	733,735	2,986,953	(35,669)	2,058,488	-	9,333,536	1,038,925	16,115,968	101,235	16,217,203

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


Asadullah Khawaja
Chairman


Syed Hyder Ali
Managing Director & Chief Executive


Mujeeb Rashid
Director

SELECTED NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the half year ended June 30, 2007 (Un-audited)

1. This condensed consolidated interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.
2. The accounting policies adopted for the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the group for the year ended December 31, 2006.
3. This condensed consolidated interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.
4. Income tax expense of the parent company is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. Long-term finances - secured

	June 30, 2007	December 31, 2006
Note	(Rupees in thousand)	
These are composed of:		
Long-term loan-secured	8,800,000	6,000,000
Foreign currency loans-secured	24,433	32,257
	8,824,433	6,032,257
Less: Current portion shown under current liabilities		
Foreign currency loans-secured	5.1.1 16,289	16,830
Closing Balance	8,808,144	6,015,427

5.1 Current portion of long-term liabilities

Foreign currency loans-secured	5.1.1 16,289	16,830
Liabilities against assets subject to finance lease	881	2,036
	17,170	18,866

6. Contingencies and commitments

6.1 Contingencies

- (i) Claims against the group not acknowledged as debts Rs. 12.147 million (December 31, 2006: Rs. 11.247 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 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 recognised 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 cheque not provided in this condensed consolidated interim financial information has been furnished by the parent company in favour of Collector of Customs against custom levies aggregated to Rs. 0.802 million (2006: Nil) in respect of goods imported.

6.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 2,403.590 million (December 31, 2006: Rs. 2,854.205 million).
- (ii) Letters of credit other than for capital expenditure Rs. 290.667 million (December 31, 2006: Rs. 353.653 million).
- (iii) Borrowing facility of Rs. 1.8 billion from International Finance Corporation for expansion project.
- (iv) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

Years	Note	June 30, 2007 (Rupees in thousand)	December 31, 2006
Not later than one year		3,414	5,466
Later than one year and not later than five years		6,847	6,749
Later than five years		1,643	1,883
		<u>11,904</u>	<u>14,098</u>

7. Property, plant and equipment

Opening book value		3,324,361	3,270,087
Add: additions during the period	7.1	599,367	486,380
transfers from leased assets		1,091	4,145
exchange adjustment on opening cost		(10,826)	(11,250)
		<u>589,632</u>	<u>479,275</u>
		<u>3,913,993</u>	<u>3,749,362</u>
Less: disposals during the period (at book value)		31,343	25,565
depreciation charged during the period		197,500	404,874
exchange adjustment on opening accumulated depreciation / amortisation		(5,543)	(5,438)
		<u>223,300</u>	<u>425,001</u>
		<u>3,690,693</u>	<u>3,324,361</u>

Included in property, plant and equipment of group is a machine amounting to Rs. 227.483 million which was damaged due to an accident. The machine will be repaired within an estimated cost of Rs. 113.895 million which will be borne by the insurance company.

7.1 Following is the detail of additions during the period

	Note	June 30, 2007 (Rupees in thousand)	December 31, 2006
Property, plant and equipment			
Freehold land		-	158,784
Building on freehold land		18,423	543
Building on leasehold land		-	-
Plant and machinery		530,260	252,918
Other equipment		13,566	20,597
Furniture and fixtures		1,290	359
Vehicles		35,828	53,179
		<u>599,367</u>	<u>486,380</u>

8. Capital work-in-progress

Civil works		52,781	28,136
Plant and machinery		511,291	801,349
Others		1,633	48
Expansion project:			
Civil works		1,397,730	1,129,342
Plant and machinery [including in transit Rs. 28.988 million (2006: Rs. 87.817 million)]		9,100,348	6,881,200
Advances		425,937	491,050
Unallocated expenditure		1,382,557	822,764
		<u>12,306,572</u>	<u>9,324,356</u>
		<u>12,872,277</u>	<u>10,153,889</u>

9. Investments

These represent the long-term investments in:

Equity instruments of associated companies	9.1	2,173,450	1,876,196
Others	9.3	5,718,357	3,858,316
		<u>7,891,807</u>	<u>5,734,512</u>

9.1 In equity instruments of associated companies

	June 30, 2007	December 31, 2006
Note	(Rupees in thousand)	
Cost	1,632,552	202,474
Transferred during the period	-	1,430,078
	<u>1,632,552</u>	<u>1,632,552</u>
Post acquisition profit brought forward	243,644	1,027,059
	<u>1,876,196</u>	2,659,611
Profit for the period		
Before taxation	607,982	1,776,692
Provision for taxation	(203,855)	(319,070)
	<u>404,127</u>	<u>1,457,622</u>
	<u>2,280,323</u>	4,117,233
Less: Dividends received during the period	106,873	772,989
Disposed off during the period	-	1,468,048
	<u>106,873</u>	<u>2,241,037</u>
Balance as on	9.2 <u>2,173,450</u>	<u>1,876,196</u>

9.2 In equity instruments of associated companies

Quoted

IGI Insurance Limited

(Formerly International General Insurance Company of Pakistan Limited)

3,389,020 (2006: 2,118,138) fully paid ordinary shares of Rs. 10 each

Market value - Rs. 1,355.608 million (2006: Rs 845.137 million)

910,237

891,170

Tri-Pack Films Limited

10,000,000 (2006: 10,000,000) fully paid ordinary shares of Rs. 10 each

Market value - Rs. 1,348.000 million (2006: Rs. 538.500 million)

564,042

554,690

IGI Investment Bank Limited

(Formerly First International Investment Bank Limited)

4,610,915 (2006: 4,610,915) fully paid ordinary shares of Rs. 10 each

Market value - Rs. 78.386 million (2006: Rs. 59.941 million)

52,461

55,516

1,526,740

1,501,376

Unquoted

Tetra Pak Pakistan Limited

30,800,000 (2006: 30,800,000) fully paid ordinary shares of Rs. 10 each

646,710

374,820

2,173,450

1,876,196

9.3 Others

June 30, 2007 December 31, 2006
(Rupees in thousand)

Quoted

The Resource Group (TRG) Pakistan Limited

4,606,000 (2006: 4,606,000) fully paid ordinary shares of Rs. 10 each

75,538

40,303

Nestle Pakistan Limited

3,649,248 (2006: 3,649,248) fully paid ordinary shares of Rs. 10 each

5,638,088

3,813,282

Unquoted

Pakistan Tourism Development Corporation Limited

2,500 (2006: 2,500) fully paid ordinary shares of Rs. 10 each

25

25

Orient Match Company Limited

1,900 (2006: 1,900) fully paid ordinary shares of Rs. 100 each

-

-

Coca-Cola Beverages Pakistan Limited

500,000 (2006: 500,000) fully paid ordinary shares of Rs. 10 each

4,706

4,706

5,718,357

3,858,316

Nestle Pakistan Limited, The Resource Group (TRG) Pakistan Limited and Coca Cola Beverages Pakistan Limited are associated undertaking under the Companies Ordinance 1984. However, for the purpose of measurement, these have been classified as available for sale investment as group does not have a significant influence over its operations.

10. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	(Rupees in thousands)			
Opening work-in-process	143,020	140,212	140,257	132,210
Materials consumed	1,371,151	1,147,739	2,615,341	2,071,153
Salaries, wages and amenities	135,958	133,191	278,488	260,898
Fuel and power	214,561	250,530	453,486	474,121
Production supplies	52,067	57,540	107,202	113,261
Excise duty and sales tax	1,554	30	1,723	129
Rent, rates and taxes	969	915	2,175	1,977
Insurance	7,537	9,276	15,137	18,290
Repairs and maintenance	56,154	76,023	115,645	143,892
Packing expenses	12,505	13,771	23,790	33,856
Depreciation on property, plant and equipment	96,283	98,790	182,824	197,131
Amortisation on intangible assets	624	653	1,248	1,317
Depreciation on assets subject to finance lease	-	199	15	398
Technical fee and royalty	6,631	9,266	14,014	18,408
Travelling and conveyance	472	122	862	267
Other expenses	29,634	26,477	53,911	46,515
	2,129,120	1,964,734	4,006,118	3,513,823
Less: Closing work-in-process	144,681	119,871	144,681	119,871
Cost of goods produced	1,984,439	1,844,863	3,861,437	3,393,952
Opening stock of finished goods	513,102	383,637	551,765	444,283
	2,497,541	2,228,500	4,413,202	3,838,235
Less: Closing stock of finished goods	515,652	478,088	515,652	478,088
	1,981,889	1,750,412	3,897,550	3,360,147

11. Transactions with related parties

	Half year ended	
	June 30, 2007	June 30, 2006
	(Rupees in thousand)	
Associated undertakings		
Purchase of goods and services	108,817	115,236
Sale of goods and services	1,105,401	887,574
Purchase of property, plant & equipment	680	-
Dividend income	125,119	331,776
Rental income	11,762	10,738
Sale of property, plant and equipment	6,161	940
Royalty & technical fee paid	10,718	9,946
Other related parties		
Purchase of goods and services	41,509	76,058
Sale of goods and services	513,391	543,776
Rental payment	2,393	-
Post employment benefit plans		
Expense charged in respect of retirement benefit plans	24,764	19,336
Key management personnel		
Salaries and other employee benefits	20,296	17,428

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

Period-end balances

June 30, 2007 **December 31, 2006**
(Rupees in thousand)

Receivable from related parties	266,579	331,961
Payable to related parties	43,930	11,742

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

12. Cash generated from operations

Half year ended
June 30, 2007 **June 30, 2006**
(Rupees in thousand)

Profit before taxation	1,133,315	1,157,837
Adjustments for:		
Depreciation on property, plant and equipment	197,500	213,064
Amortisation on intangible assets	1,366	1,435
Depreciation on investment property	299	479
Depreciation on assets subject to finance lease	640	1,716
Amortisation of goodwill	5,301	5,301
Provision for accumulating compensated absences and staff gratuity	15,255	15,225
Exchange adjustments	(65)	1,190
Gain on foreign currency forward option	-	(14,925)
Retirement benefits accrued	6,139	8,944
Net profit on disposal of property, plant and equipment	(6,022)	(4,189)
Finance cost	71,426	69,031
Dividend income	(18,246)	-
Share of profit from associated companies	(607,983)	(669,955)
Profit before working capital changes	798,925	785,153
Effect on cash flow due to working capital changes		
Increase in trade debts	(51,376)	(61,335)
Increase in stores and spares	(4,687)	(30,315)
Increase in stock-in-trade	(217,863)	(284,040)
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	53,381	(130,908)
Increase in creditors, accrued and other liabilities	675,652	78,076
	455,107	(428,522)
	1,254,032	356,631

13. Cash and cash equivalents

	June 30, 2007 (Rupees in thousand)	June 30, 2006
Cash and bank balances	108,146	104,685
Finances under mark up arrangements	(1,204,348)	(1,133,248)
	<u>(1,096,202)</u>	<u>(1,028,563)</u>

14. 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

15. Corresponding figures

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



Asadullah Khawaja
Chairman



Syed Hyder Ali
Managing Director & Chief Executive



Mujeeb Rashid
Director