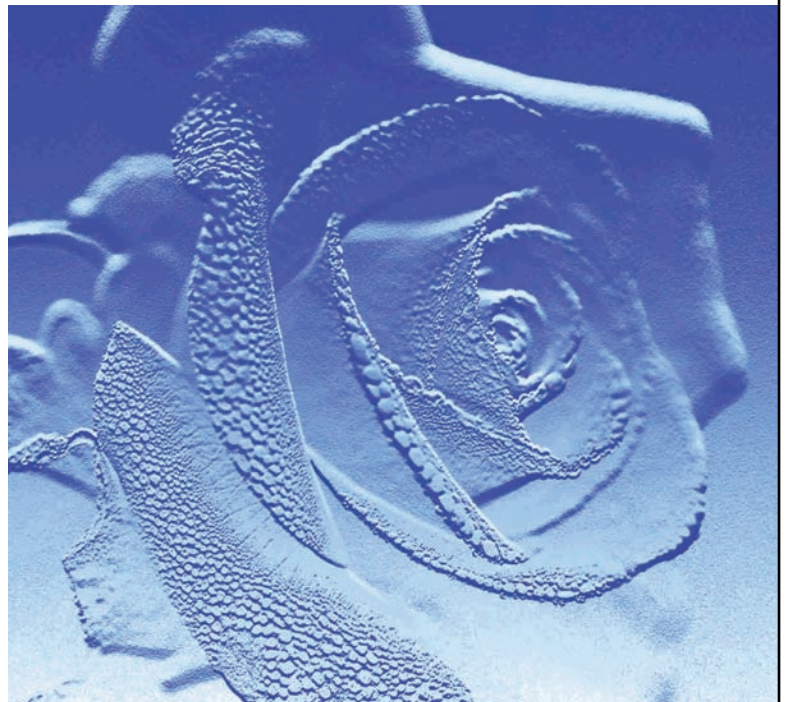


Half Yearly Report

Interim Financial Information
JUNE, 2008 (Unaudited)



PACKAGES LIMITED

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COMPANY INFORMATION

Board of Directors

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

Advisor

Syed Babar Ali

Company Secretary

Adi J. Cawasji

Executive Committee

Syed Hyder Ali - Chairman
Mujeeb Rashid - Member
Syed Aslam Mehdi - 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)
Matti Ilmari Naakka - Member
(Non-Executive Director)
Adi J. Cawasji - Secretary

Business Strategy Committee

Syed Hyder Ali - Chairman
Mujeeb Rashid - Member
Syed Aslam Mehdi - Member
Khalid Yacob - Member
Syed Babar Ali (by invitation for valueable input)

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 & Lenders

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Citibank N.A.
Crescent Commercial Bank Limited
Deutsche Bank A.G.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
Habib Metropolitan Bank Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Oman International Bank, S.A.O.G.
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) 5811541-46
: (042) 5811191-94
Fax : (042) 5811195
: (042) 5820147

Kasur Factory

Bulleh Shah Paper Mills (BSPM)

10-km, Kasur Kot Radhakishan Road,
District-Kasur, Pakistan
Tel. : (049) 2017051, 2018201, 2008666

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-F, 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

2nd Floor, Sitara Tower, Bilal Chowk,
Civil Lines, Faisalabad - 38000, Pakistan
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

Allied Agencies

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

Shares Registrar

FAMCO Associates (Pvt.) Limited
4th Floor, State Life Building No. 2-A
Wallace Road off, I. I. Chundrigar Road,
Karachi-74000, Pakistan

Web Presence

www.packages.com.pk

DIRECTORS' REPORT FOR THE HALF YEAR ENDED JUNE 30, 2008



The Directors of Packages Limited take pleasure in presenting the six monthly report together with the un-audited financial statements of the company for the half year ended June 30, 2008.

Operating Results

The comparison of the un-audited results for the quarter and half year ended June 30, 2008 as against the same period of June 30, 2007 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2008	Apr - June 2007	Jan - June 2008	Jan - June 2007
Financial- Rupees in million				
Invoiced sales	3,560	2,509	6,903	4,934
EBITDA (with investment income)	361	407	861	850
Depreciation and amortisation	219	96	424	182
EBIT	142	311	437	668
Finance costs	479	23	700	50
Earnings before tax	(337)	288	(263)	618
Earning per share-Rupees	(3.16)	2.94	(2.90)	6.65

The above half year performance indicates that despite pressure on the economy i.e. US Dollar/Pak Rupee devaluation, high interest rates etc. the cash generating ability of the company has been maintained. The negative EPS is due to higher depreciation and financial charges resulting from major capital expenditure for capacity enhancement from 100,000 tonnes per annum to 300,000 tonnes per annum. The management is confident that with the Paper Machine No. 7 and the new Tissue Paper Machine No. 9 coming into commercial production very shortly, the company shall be able to rationalize its fixed cost further by higher production throughput.

	Apr - June 2008	Apr - June 2007	Jan - June 2008	Jan - June 2007	% Increase
Manufacturing-quantity in tonnes					
Paper and paperboard produced	39,321	24,668	75,167	48,075	56
Paper and paperboard converted	22,342	22,431	47,037	45,213	4
Plastics all sorts converted	2,606	2,106	4,952	4,019	23

The management would like to update its stakeholders on the progress of the company's large investments to enhance its capacity expansions in various areas as follows:

Packaging operations

The company's packaging operations have adequate capacity for the next three to four years based on the estimated market growth and have shown a healthy increase in terms of sales. The management is making concerted efforts in rationalizing the end product prices together with productivity increases in order to offset the cost increases both of the raw materials and financing.

Paper & Paperboard Operations

The management is happy to inform you that phase-I of Bulleh Shah Paper Mill i.e. Paper Machine No. 6 and its relevant back processes are fully operational and functioning well. The full production capacity now is being converted into packaging or sold locally or exported. The current focus is to optimize the product range to achieve higher margins in order to offset the depreciation and financial costs.

Phase-II of Bulleh Shah Paper Mill i.e. Paper Machine No. 7 and its relevant back processes are mechanically complete and area wise commissioning has commenced. We hope that this phase should be in commercial production before the end of the year.

The new coating machine has been in production since May 2008 and is being utilized to coat some of Paper Machine No. 6 products. The major benefit in terms of margins shall be its utilization with the fine paper products from Paper Machine No. 7.

Consumer Products Operation

The management is also happy to announce that the new 33,000 tonnes per annum tissue machine shall be in commercial production later this month. This shall allow the company to take full benefit of the opportunity to expand local market for tissue products and to export it in the region. We are targeting full capacity utilization ahead of that planned in the feasibility study.

Call Option

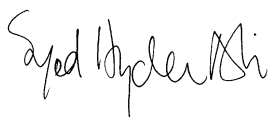
The company's arrangement with Tetra Laval Holdings & Finance S.A. for sale of company's shareholding in Tetra Pak Pakistan Limited through a Call Option has been disclosed earlier. The nature of the transaction and accounting treatment of the arrangement has been fully explained in Note 6 to the accounts.

Future Outlook

We continue to strive to improve margins which have recently been under pressure owing to increased fuel prices, raw material costs and the devaluation of the currency. The company is well positioned with its investments in enhanced capacity at the old currency rates and will help us to achieve our target of improved profitability.

Company's Customers and Staff

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



(Syed Hyder Ali)

Chief Executive & Managing Director
Kasur, August 21, 2008

AUDITOR'S 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, 2008 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, 2008 and 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2008.

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, 2008 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 21, 2008

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET


as at June 30, 2008 (Un-audited)

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2007: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
Issued, subscribed and paid up capital 84,379,504 (2007: 73,373,482) ordinary shares of Rs. 10 each		843,795	733,735
Reserves		16,743,097	13,110,240
Unappropriated (loss) / profit		(244,801)	4,326,797
		17,342,091	18,170,772
NON - CURRENT LIABILITIES			
Long-term finances - secured	5	12,474,571	12,346,500
Call option obligation	6	1,017,150	-
Deferred liabilities		947,160	955,790
		14,438,881	13,302,290
CURRENT LIABILITIES			
Current portion of long-term finances - secured	5	71,429	-
Finances under mark up arrangements - secured		2,294,846	401,019
Trade and other payables		1,621,843	1,564,362
		3,988,118	1,965,381
CONTINGENCIES AND COMMITMENTS	7	-	-
		35,769,090	33,438,443

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	11,126,481	10,361,253
Intangible assets		373	363
Investment property		25,366	26,055
Capital work-in-progress	9	8,630,074	7,800,683
Investments		9,496,380	10,080,259
Long-term loans and deposits		170,967	244,166
Retirement benefits		98,162	88,262
		<u>29,547,803</u>	<u>28,601,041</u>
CURRENT ASSETS			
Stores and spares		783,214	715,840
Stock-in-trade		3,056,803	2,206,191
Trade debts		1,539,721	1,288,928
Loans, advances, deposits, prepayments and other receivables		739,728	525,421
Cash and bank balances		101,821	101,022
		<u>6,221,287</u>	<u>4,837,402</u>
		<u><u>35,769,090</u></u>	<u><u>33,438,443</u></u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Mujeeb Rashid
Director


PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

for the half year ended June 30, 2008 (Un-audited)

	Quarter ended		Half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(R u p e e s i n t h o u s a n d)			
Local sales	3,357,794	2,474,451	6,589,488	4,872,061
Export sales	202,328	34,315	313,810	61,771
	3,560,122	2,508,766	6,903,298	4,933,832
Less: Sales tax and excise duty	490,103	342,772	939,259	667,249
Commission	7,166	1,978	10,397	4,401
	497,269	344,750	949,656	671,650
	3,062,853	2,164,016	5,953,642	4,262,182
Cost of sales	10 (2,700,436)	(1,745,461)	(5,471,948)	(3,488,852)
Gross profit	362,417	418,555	481,694	773,330
Administrative expenses	(146,105)	(84,238)	(238,354)	(164,391)
Distribution and marketing expenses	(99,801)	(58,391)	(180,565)	(117,764)
Other operating expenses	5,525	(21,330)	(61)	(45,939)
Other operating income	19,713	29,491	49,457	46,752
Profit from operations	141,749	284,087	112,171	491,988
Finance costs	(479,260)	(22,728)	(699,687)	(50,244)
Investment income	-	26,719	324,715	175,778
(Loss) / profit before Tax	(337,511)	288,078	(262,801)	617,522
Taxation	71,000	(40,000)	18,000	(56,000)
(Loss) / profit for the period	(266,511)	248,078	(244,801)	561,522
(Loss) / earnings per share-basic & diluted-Rupees	(3.16)	2.94	(2.90)	6.65

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Mujeeb Rashid
Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT

for the half year ended June 30, 2008 (Un-audited)

	Note	January to June	
		2008	2007
		(Rupees in thousand)	
Cash flow from operating activities:			
Cash (used in) / generated from operations	12	(781,360)	1,169,724
Finance costs paid		(798,495)	(499,165)
Taxes paid		(64,753)	(42,551)
Payments for accumulating compensated absences		(8,713)	(3,526)
Retirement benefits paid		(15,841)	(15,403)
Net cash (used in) / generated from operating activities		(1,669,162)	609,079
Cash flow from investing activities			
Purchase of property, plant and equipment		(1,647,707)	(2,824,934)
Proceeds against call option fee		1,017,150	-
Net decrease / (increase) in long-term loans and deposits		73,199	(8,412)
Proceeds from sale of property, plant and equipment		8,777	37,363
Dividends received		324,715	175,778
Net cash used in investing activities		(223,866)	(2,620,205)
Cash flow from financing activities			
Proceeds from long-term finances-secured		-	2,800,000
Payment of finance lease liabilities		-	(666)
Dividend paid		-	(415,400)
Net cash from financing activities		-	2,383,934
Net (decrease) / increase in cash and cash equivalents		(1,893,028)	372,808
Cash and cash equivalents at the beginning of the period		(299,997)	(1,174,154)
Cash and cash equivalents at the end of the period	13	(2,193,025)	(801,346)

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Mujeeb Rashid
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the half year ended June 30, 2008 (Un-audited)

	Share capital	Share premium	Fair value reserve	General reserve	Unappro- priated profit / (loss)	Total
	(R u p e e s i n t h o u s a n d)					
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)
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
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
Fair value gain during the period	-	-	616,788	-	-	616,788
Transferred to profit and loss account on disposal of shares of The Resource Group (TRG) Pakistan Limited & Nestle Pakistan Limited	-	-	(1,885,525)	-	-	(1,885,525)
Profit for the period	-	-	-	-	3,764,426	3,764,426
Balance as on December 31, 2007	733,735	2,986,953	789,751	9,333,536	4,326,797	18,170,772
11,006,022 ordinary shares of Rs. 10 each issued as fully paid bonus shares	110,060	(110,060)	-	-	-	-
Transferred from profit and loss account	-	-	-	4,326,797	(4,326,797)	-
Fair value loss during the period	-	-	(583,880)	-	-	(583,880)
Loss for the period	-	-	-	-	(244,801)	(244,801)
Balance as on June 30, 2008	843,795	2,876,893	205,871	13,660,333	(244,801)	17,342,091

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Mujeeb Rashid
Director

PACKAGES LIMITED
NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL INFORMATION

for the half year ended June 30, 2008 (Un-audited)

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. Statement of compliance

This condensed interim financial information is un-audited and is being submitted to members as required by section 245 of the Companies Ordinance, 1984. The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and have been reviewed by the auditors as required by the Code of Corporate Governance.

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 the preceding annual published financial statements of the company for the year ended December 31, 2007.

4. The provision for taxation for the half year ended June 30, 2008 has been made on an estimated basis.

5. Long-term finances - secured

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
Opening Balance		
Local currency loans	10,500,000	6,000,000
Foreign currency loan	1,818,000	-
Exchange loss on foreign currency loan	28,500	-
	12,346,500	6,000,000
Add: Adjustment /disbursement during the period:		
Local currency loans	-	4,500,000
Foreign currency loan	-	1,818,000
Exchange loss on foreign currency loan	199,500	28,500
	199,500	6,346,500
Less: Current portion of long-term finances-local currency loans	71,429	-
Closing Balance	<u>12,474,571</u>	<u>12,346,500</u>

6. Call option obligation

This represents call option fee received by the company against call option written in favour of Tetra Laval Holding and Finance S.A. (TLH) during the period.

The company has written call options in favour of TLH. Under call option 1, the company grants TLH right to purchase all the shares (currently 30,800,000 shares i.e. 44% of paid up capital of Tetra Pak Pakistan Limited hereinafter referred as 'TPPL') held by the company or 18% shares of the paid up share capital of TPPL held by the company, within 36th month (3rd year) to 60th month (5th year) of the date of payment of call option fee. Under call option 2, the company further grants TLH right to purchase shares representing 44% of the paid up share capital of TPPL less shares purchased under call option 1, within 96th month (8th year) to 120th month (10th year) from the date of payment of call option fee by TLH.

The agreed sale price of the shares held by the company is USD 245 million and is indexed to US CPI. TLH has paid non-refundable USD 15 million as option fee to the company on June 26, 2008.

As the settlement of the option is based on the delivery of unquoted equity instruments and fair value of the option cannot be measured reliably, consequently it has been carried at cost.

Any gain or loss on the settlement of the option shall be recognized in profit and loss on the date of the settlement.

7. Contingencies and commitments

7.1 Contingencies

- (i) Claims against the company not acknowledged as debts Rs. 13.295 million (December 31, 2007: Rs. 12.766 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.

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 622.042 million (December 31, 2007: Rs. 1,103.199 million).
- (ii) Letters of credit other than for capital expenditure Rs. 570.805 million (December 31, 2007: Rs. 717.981 million).
- (iii) 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, 2008 (Rupees in thousand)	December 31, 2007
Not later than one year		4,391	1,304
Later than one year and not later than five years		8,422	6,849
Later than five years		991	1,412
		13,804	9,565

8. Property, plant and equipment

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
Opening book value	10,361,253	3,071,115
Add: Additions during the period	1,191,441	7,890,818
Transfers from assets subject to finance lease	-	1,697
	1,191,441	7,892,515
	11,552,694	10,963,630
Less: Disposals during the period (at book value)	3,385	36,505
Transferred to investment property (at book value)	-	12,624
Depreciation charged during the period	422,828	553,248
	426,213	602,377
Closing book value	11,126,481	10,361,253

8.1 Following is the detail of additions during the period

Property, plant and equipment

Freehold land	2,462	20,087
Building on freehold land	407,649	1,138,093
Plant and machinery	755,164	6,622,351
Other equipment	14,358	26,358
Furniture and fixtures	138	1,401
Vehicles	11,670	82,528
	1,191,441	7,890,818

9. Capital work-in-progress

Civil works	108,551	91,505
Plant and machinery [including in transit Rs. 75.562 million (2007: Rs. 155.767 million)]	1,187,028	765,696
Others	49	1,412
Expansion project:		
Civil works	701,025	868,503
Plant and machinery [including in transit Rs. 22.290 million (2007: Rs. 70.789 million)]	5,472,817	5,208,386
Advances	24,960	40,769
Unallocated expenditure	1,135,644	824,412
	7,334,446	6,942,070
	8,630,074	7,800,683

10. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(R u p e e s i n t h o u s a n d)			
Opening work-in-process	123,050	98,048	117,400	97,561
Materials consumed	1,890,589	1,180,819	3,470,608	2,290,132
Salaries, wages and amenities	176,821	124,285	350,701	255,323
Fuel and power	354,900	205,883	818,681	436,390
Production supplies	72,379	50,080	147,105	103,076
Excise duty and sales tax	114	1,554	245	1,723
Rent, rates and taxes	568	573	1,136	1,158
Insurance	13,959	7,093	27,110	14,257
Repairs and maintenance	94,474	50,166	190,612	104,945
Packing expenses	14,428	12,505	27,907	23,790
Depreciation on property, plant and equipment	212,396	88,426	409,770	167,184
Amortisation on intangible assets	60	624	120	1,248
Depreciation on assets subject to finance lease	-	-	-	15
Technical fee and royalty	1,267	1,031	2,445	3,297
Other expenses	40,699	28,122	82,800	50,923
	2,995,704	1,849,209	5,646,640	3,551,022
Less: Closing work-in-process	176,242	105,352	176,242	105,352
Cost of goods produced	2,819,462	1,743,857	5,470,398	3,445,670
Opening stock of finished goods	506,574	484,339	627,150	525,917
	3,326,036	2,228,196	6,097,548	3,971,587
Less: Closing stock of finished goods	625,600	482,735	625,600	482,735
	2,700,436	1,745,461	5,471,948	3,488,852

11. Transactions with related parties

Relationship with the Company	Nature of transactions	Half Year ended	
		June 30, 2008	June 30, 2007
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	250,821	172,583
	Sale of goods and services	7,876	5,919
	Sale of property, plant and equipment	-	20,287
	Management and technical fee	6,209	2,323
	Dividend income	50,659	50,659
	Rental income	4,042	2,903
ii. Associated undertakings	Purchase of goods and services	176,992	98,397
	Sale of goods and services	926,999	689,340
	Sale of property, plant and equipment	-	650
	Insurance claims	52,280	4,038
	Purchase of property, plant and equipment	-	680
	Dividend income	237,564	106,872
	Rental income	13,257	11,762
	Other charges	100	-
iii. Other related parties	Purchase of goods and services	110,427	42,868
	Sale of goods and services	606,135	880,886
	Sale of property, plant and equipment	-	5,511
	Dividend income	36,492	18,246
	Mark up expense	299	-
	Rental payment	1,560	2,393
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	26,525	23,621
	Mark up income	1,569	-
v. Key management personnel	Salaries and other employee benefits	26,029	20,296

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

Period-end balances

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
Receivable from related parties	229,833	414,510
Payable to related parties	66,812	56,182

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

12. Cash generated from operations

	Half year ended	
	June 30, 2008	June 30, 2007
	(Rupees in thousand)	
(Loss) / profit before tax	(262,801)	617,522
Adjustments for:		
Depreciation on property, plant and equipment	422,828	180,397
Amortisation on intangible assets	247	1,367
Depreciation on investment property	689	479
Depreciation on assets subject to finance lease	-	204
Provision for accumulating compensated absences	23,083	14,575
Retirement benefits accrued	5,941	6,139
Net profit on disposal of property, plant and equipment	(5,392)	(6,022)
Finance costs	699,687	50,244
Dividend income	(324,715)	(175,778)
Profit before working capital changes	559,567	689,127
Effect on cash flow due to working capital changes		
Increase in trade debts	(250,793)	(46,448)
Increase in stores and spares	(67,374)	(6,247)
Increase in stock-in-trade	(850,612)	(181,558)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(154,554)	52,389
(Decrease) / increase in trade and other payables	(17,594)	662,461
	(1,340,927)	480,597
	(781,360)	1,169,724

13. Cash and cash equivalents

	June 30, 2008	June 30, 2007
	(Rupees in thousand)	
Cash and bank balances	101,821	100,828
Finances under mark up arrangements - secured	(2,294,846)	(902,174)
	(2,193,025)	(801,346)

14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on August 21, 2008 by the Board of Directors of the company.

15. Events after balance sheet date


Subsequent to balance sheet date, the company has availed ijarah finance facility from Meezan Bank Limited to finance capital expenditures amounting to Rs. 1,061.208 million, repayable within seven years from the date of agreement.

16. Corresponding figures

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



Mujeeb Rashid
Director

**Packages Group
Condensed Consolidated Interim
Financial Information**

DIRECTORS' REPORT ON THE CONSOLIDATED ACCOUNTS FOR THE HALF YEAR ENDED JUNE 30, 2008



The Directors of Packages Limited take pleasure in presenting to its shareholders, the un-audited consolidated financial statements of the group for the half year ended June 30, 2008.

Operating Results

The comparison of the un-audited results for the quarter and half year ended June 30, 2008 as against June 30, 2007 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2008	Apr - June 2007	Jan - June 2008	Jan - June 2007
Rupees in million				
Invoiced sales	4,043	2,844	7,790	5,527
Profit from operations	223	346	262	597
Share of profit from associated companies	370	333	749	590
Profit before tax	90	663	310	1,133

The group's subsidiary DIC Pakistan has shown growth in sales of over 50% over the same period last year. This has been achieved by selling aggressively in the market as well as exporting to Bahrain and Bangladesh. The company's financial charges have increased due to expansion in business and higher borrowing cost during 2008. The company has started its offset manufacturing process from Karachi as well to be closer to its customers in the southern region.

Packages Lanka (Pvt.) Limited has shown a sales growth of more than 60% from the half year of last year. Inflation rate has remained close to 25% in Sri-lanka which has significantly increased the manufacturing costs especially of utilities. The raw material prices have also increased by 20% due to the prices of petro-based raw materials, but the company was successful in passing most of the costs through the end product prices, thus making a pre tax profit of Rs. 16.6 million in the first half year.

(Syed Hyder Ali)

Chief Executive & Managing Director

Kasur, August 21, 2008

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at June 30, 2008 (Un-audited)

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 150,000,000 (2007: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000</u>	<u>1,500,000</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Issued, subscribed and paid up capital 84,379,504 (2007: 73,373,482) ordinary shares of Rs. 10 each		843,795	733,735
Reserves		16,727,458	13,077,991
Unappropriated profit		470,988	4,830,239
		<u>18,042,241</u>	18,641,965
MINORITY INTEREST		123,960	129,365
		<u>18,166,201</u>	18,771,330
NON-CURRENT LIABILITIES			
Long-term finances - secured	5	12,474,571	12,346,500
Call option obligation	6	1,017,150	-
Deferred liabilities		1,175,102	1,181,761
		<u>14,666,823</u>	13,528,261
CURRENT LIABILITIES			
Current portion of long-term finances - secured		79,337	15,452
Finances under mark up arrangements - secured		2,771,387	717,667
Trade and other payables		1,728,436	1,614,220
		<u>4,579,160</u>	2,347,339
CONTINGENCIES AND COMMITMENTS	7	-	-
		<u>37,412,184</u>	<u>34,646,930</u>

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	11,406,453	10,636,868
Intangible assets		373	363
Investment property		7,089	7,388
Assets subject to finance lease		-	1,286
Capital work-in-progress	9	8,656,436	7,806,978
Investments	10	10,116,904	10,483,095
Long-term loans and deposits		171,329	244,582
Retirement benefits		98,162	88,262
		<u>30,456,746</u>	<u>29,268,822</u>
CURRENT ASSETS			
Stores and spares		804,727	731,176
Stock-in-trade		3,507,705	2,509,728
Trade debts		1,771,911	1,447,219
Loans, advances, deposits, prepayments and other receivables		749,828	546,051
Cash and bank balances		121,267	143,934
		<u>6,955,438</u>	<u>5,378,108</u>
		<u>37,412,184</u>	<u>34,646,930</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


Mujeeb Rashid
Director


CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT

for the half year ended June 30, 2008 (Un-audited)

	Note	Quarter ended		Half year ended	
		June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
		(R u p e e s i n t h o u s a n d)			
Local sales		3,826,734	2,810,081	7,456,722	5,465,285
Export sales		216,259	34,315	333,228	61,771
		4,042,993	2,844,396	7,789,950	5,527,056
Less: Sales tax and excise duty		543,456	373,949	1,041,848	718,223
Commission		6,728	2,501	10,730	5,833
		550,184	376,450	1,052,578	724,056
		3,492,809	2,467,946	6,737,372	4,803,000
Cost of sales	11	(3,020,459)	(1,981,889)	(6,041,073)	(3,897,550)
Gross profit		472,350	486,057	696,299	905,450
Administrative expenses		(160,975)	(98,220)	(268,436)	(191,848)
Distribution and marketing expenses		(108,790)	(64,881)	(198,635)	(130,765)
Other operating expenses		1,829	(23,960)	(7,292)	(51,076)
Other operating income		18,471	47,445	40,417	64,997
Profit from operations		222,885	346,441	262,353	596,758
Finance costs		(503,262)	(34,439)	(738,251)	(71,426)
Investment income		-	18,246	36,492	18,246
Share of profit of associates		370,044	332,962	749,390	589,737
Profit before tax		89,667	663,210	309,984	1,133,315
Taxation					
Group		49,817	(63,232)	(16,623)	(94,441)
Associates		(165,616)	(116,938)	(294,138)	(203,855)
		(115,799)	(180,170)	(310,761)	(298,296)
(Loss) / profit for the period		(26,133)	483,040	(777)	835,019
Minority interest		(16,144)	(9,856)	(31,677)	(20,155)
Equity holders of the parent		(42,277)	473,184	(32,454)	814,864
Combined (loss) / earnings per share					
- basic and diluted	Rupees	(0.50)	5.61	(0.38)	9.66

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


Mujeeb Rashid
Director


CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

for the half year ended June 30, 2008 (Un-audited)

	Note	January to June	
		2008	2007
		(Rupees in thousand)	
Cash flow from operating activities:			
Cash (used in) / generated from operations	13	(740,206)	1,254,032
Finance costs paid		(832,103)	(520,347)
Taxes paid		(93,544)	(68,999)
Payments for accumulating compensated absences		(8,840)	(3,527)
Retirement benefits paid		(15,841)	(15,403)
Net cash (used in) / generated from operating activities		(1,690,534)	645,756
Cash flow from investing activities:			
Purchase of property, plant and equipment		(1,711,537)	(2,857,234)
Proceeds against call option fee		1,017,150	-
Net decrease / (increase) in long-term loans and deposits		73,253	(9,339)
Proceeds from sale of property, plant and equipment		10,249	37,365
Dividends received		274,055	125,119
Net cash used in investing activities		(336,830)	(2,704,089)
Cash flow from financing activities:			
Proceeds from long-term finances - secured		-	2,800,000
Repayment of long-term finances - secured		(7,437)	(7,824)
Payment of finance lease liabilities		(107)	(1,262)
Dividend paid		-	(415,400)
Dividend paid to minority shareholders		(41,479)	(41,479)
Net cash (used in) / generated from financing activities		(49,023)	2,334,035
Net (decrease) / increase in cash and cash equivalents		(2,076,387)	275,702
Cash and cash equivalents at the beginning of the period		(573,733)	(1,371,904)
Cash and cash equivalents at the end of the period	14	(2,650,120)	(1,096,202)

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

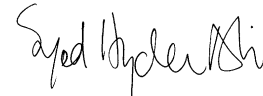

Mujeeb Rashid
Director

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
for the half year ended June 30, 2008 (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	General reserve	Unappropriated profit / (loss)	Total		
Balance as on December 31, 2006	698,795	2,986,953	(31,572)	198,447	3,686,936	6,324,878	13,864,437	123,643	13,988,080
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
Fair value gain during the period	-	-	-	616,788	-	-	616,788	-	616,788
Transferred to profit and loss account on disposal of shares of The Resource Group (TRG) Pakistan Limited	-	-	-	(1,885,525)	-	-	(1,885,525)	-	(1,885,525)
Profit for the period	-	-	-	-	-	3,791,314	3,791,314	27,225	3,818,539
Exchange adjustments	-	-	3,420	-	-	-	3,420	905	4,325
Balance as on December 31, 2007	733,735	2,986,953	(32,249)	789,751	9,333,536	4,830,239	18,641,965	129,365	18,771,330
Final dividend for the year ended December 31, 2007 Rs. 15.00 per share	-	-	-	-	-	-	-	(41,479)	(41,479)
11,006,022 ordinary shares of Rs. 10 each Issued as fully paid bonus shares	110,060	(110,060)	-	-	-	-	-	-	-
Transferred from profit and loss account	-	-	-	-	4,326,797	(4,326,797)	-	-	-
Fair value loss during the period	-	-	-	(583,880)	-	-	(583,880)	-	(583,880)
(Loss) / profit for the period	-	-	-	-	-	(32,454)	(32,454)	31,677	(777)
Exchange adjustments	-	-	16,610	-	-	-	16,610	4,397	21,007
Balance as on June 30, 2008	843,795	2,876,893	(15,639)	205,871	13,660,333	470,988	18,042,241	123,960	18,166,201

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


Mujeeb Rashid
Director

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the half year ended June 30, 2008 (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. This condensed consolidated interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting".
3. The accounting policies adopted for the preparation of this condensed consolidated 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, 2007.
4. The provision for taxation for the half year ended June 30, 2008 has been made on an estimated basis.
5. **Long-term finances - secured**

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
These are composed of:		
Local currency loans	10,500,000	10,500,000
Foreign currency loans	1,854,408	1,833,345
Exchange loss on foreign currency loan	199,500	28,500
	12,553,908	12,361,845
Less: Current portion of long-term finances-local currency loans	79,337	15,345
Closing balance	<u>12,474,571</u>	<u>12,346,500</u>

6. Call option obligation

This represents call option fee received by the parent company against call option written in favour of Tetra Laval Holding and Finance S.A. (TLH) during the period.

The parent company has written call options in favour of TLH. Under call option 1, the parent company grants TLH right to purchase all the shares (currently 30,800,000 shares i.e. 44% of paid up capital of Tetra Pak Pakistan Limited hereinafter referred as 'TPPL') held by the parent company or 18% shares of the paid up share capital of TPPL held by the parent company, within 36th month (3rd year) to 60th month (5th year) of the date of payment of call option fee. Under call option 2, the parent company further grants TLH right to purchase shares representing 44% of the paid up share capital of TPPL less shares purchased under call option 1, within 96th month (8th year) to 120th month (10th year) from the date of payment of call option fee by TLH.

The agreed sale price of the shares held by the parent company is USD 245 million and will be indexed to US CPI. TLH has paid USD 15 million as option fee to the parent company on June 26, 2008.

As the settlement of the option is based on the delivery of unquoted equity instruments and fair value of the option cannot be measured reliably, consequently it has been carried at cost.

Any gain or on the settlement of the option shall be recognized in profit and loss on the date of the settlement.

7. Contingencies and commitments

7.1 Contingencies

- (i) Claims against the group not acknowledged as debts Rs. 13.295 million (December 31, 2007: Rs. 12.766 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.

7.2 Commitments in respect of

- (i) Contracts for capital expenditure Rs. 655.132 million (December 31, 2007: Rs. 1,124.424 million).
- (ii) Letters of credit other than for capital expenditure Rs. 669.338 million (December 31, 2007: Rs. 749.242 million).
- (iii) 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, 2008 (Rupees in thousand)	December 31, 2007
Not later than one year		4,391	1,304
Later than one year and not later than five years		8,422	6,849
Later than five years		991	1,412
		13,804	9,565

8. Property, plant and equipment

Opening book value		10,636,868	3,324,362
Add: Additions during the period	8.1	1,197,176	7,917,259
Transfers from leased assets		1,286	1,697
Exchange adjustment on opening cost		44,829	(1,765)
		1,243,291	7,917,191
Carried forward		11,880,159	11,241,553

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
Brought forward		11,880,159	11,241,553
Less: Disposals during the period (at book value)		4,822	16,217
Depreciation charged during the period		443,069	589,417
Exchange adjustment on opening accumulated depreciation		25,815	(949)
		473,706	604,685
		11,406,453	10,636,868

8.1 Following is the detail of additions during the period

Property, plant and equipment

Freehold land	2,462	20,087
Building on freehold land	407,649	1,138,566
Plant and machinery	756,744	6,640,899
Other equipment	15,325	30,185
Furniture and fixtures	1,166	2,640
Vehicles	13,830	84,882
	1,197,176	7,917,259

9. Capital work-in-progress

Civil works	108,551	91,505
Plant and machinery [including in transit Rs. 75.562 million (2007: Rs. 155.767 million)]	1,214,404	773,005
Others	49	1,412
Expansion project:		
Civil works	700,011	867,489
Plant and machinery [including in transit Rs. 22.290 million (2007: Rs. 70.789 million)]	5,472,817	5,208,386
Advances	24,960	40,769
Unallocated expenditure	1,135,644	824,412
	7,333,432	6,941,056
	8,656,436	7,806,978

10. Investments

These represent the long-term investments in:

Equity instruments of associated companies	10.1	4,127,407	3,909,718
Others	10.3	5,989,497	6,573,377
		10,116,904	10,483,095

10.1 Equity instruments of associated companies

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
Cost	3,773,785	1,632,552
Transferred during the period	-	2,141,233
	<u>3,773,785</u>	<u>3,773,785</u>
Post acquisition profit brought forward	135,933	243,644
	<u>3,909,718</u>	<u>4,017,429</u>
Profit for the period before taxation	749,390	1,422,974
Provision for taxation	(294,138)	(377,897)
	455,252	1,045,077
	<u>4,364,970</u>	<u>5,062,506</u>
Less: Dividends received during the period	237,563	577,745
Disposed off during the period	-	575,043
	<u>237,563</u>	<u>1,152,788</u>
Balance as on	10.2 <u>4,127,407</u>	<u>3,909,718</u>

10.2 Equity instruments of associated companies

Quoted

IGI Insurance Limited

3,389,020 (2007: 3,389,020) fully paid ordinary shares of Rs. 10 each
Market value - Rs. 764.970 million
(2007: Rs. 1,403.224 million)

1,194,265

1,187,667

Tri-Pack Films Limited

10,000,000 (2007: 10,000,000) fully paid ordinary shares of Rs. 10 each
Market value - Rs. 1,722.200 million
(2007: Rs. 2,033.000 million)

2,203,446

2,177,923

IGI Investment Bank Limited

4,610,915 (2007: 4,610,915) fully paid ordinary shares of Rs. 10 each
Market value - Rs. 36.472 million
(2007: Rs. 68.011 million)

49,616

47,899

3,447,327

3,413,489

Unquoted

Tetra Pak Pakistan Limited

30,800,000 (2007: 30,800,000) fully paid ordinary shares of Rs. 10 each

680,080

496,229

680,080

496,229

4,127,407

3,909,718

10.3 Others

June 30,
2008
(Rupees in thousand)

December 31,
2007

Quoted

Nestle Pakistan Limited

3,649,248 (2007: 3,649,248) fully paid ordinary shares
of Rs. 10 each

5,984,766

6,568,646

Unquoted

Pakistan Tourism Development Corporation Limited

2,500 (2007: 2,500) fully paid ordinary shares
of Rs. 10 each

25

25

Orient Match Company Limited

1,900 (2007: 1,900) fully paid ordinary shares of
Rs. 100 each

-

-

Coca-Cola Beverages Pakistan Limited

500,000 (2007: 500,000) fully paid ordinary shares of
Rs. 10 each

4,706

4,706

5,989,497

6,573,377

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 group does not have a significant influence over their operations.

11. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(R u p e e s i n t h o u s a n d)			
Opening work-in-process	172,608	143,020	169,391	140,257
Materials consumed	2,160,437	1,371,151	3,926,065	2,615,341
Salaries, wages and amenities	191,931	135,958	380,481	278,488
Fuel and power	367,544	214,561	841,719	453,486
Production supplies	75,153	52,067	152,845	107,202
Excise duty and sales tax	114	1,554	245	1,723
Rent, rates and taxes	978	969	1,887	2,175
Insurance	14,347	7,537	27,885	15,137
Repairs and maintenance	101,421	56,154	205,120	115,645
Packing expenses	22,862	12,505	43,435	23,790
Depreciation on property, plant and equipment	221,043	96,283	426,802	182,824
Amortisation on intangible assets	60	624	120	1,248
Depreciation on assets subject to finance lease	-	-	-	15
Technical fee and royalty	10,401	6,631	19,386	14,014
Travelling and conveyance	413	472	858	862
Other expenses	43,074	29,634	88,020	53,911
	3,382,386	2,129,120	6,284,259	4,006,118
Less: Closing work-in-process	239,742	144,681	239,742	144,681
Cost of goods produced	3,142,644	1,984,439	6,044,517	3,861,437
Opening stock of finished goods	544,029	513,102	662,770	551,765
	3,686,673	2,497,541	6,707,287	4,413,202
Less: Closing stock of finished goods	666,214	515,652	666,214	515,652
	3,020,459	1,981,889	6,041,073	3,897,550

12. Transactions with related parties

Relationship	Nature of transactions	Half year ended	
		June 30, 2008	June 30, 2007
Associated undertakings			
	Purchase of goods and services	219,278	107,460
	Sale of goods and services	977,065	689,340
	Purchase of property plant and equipment	-	680
	Dividend income	237,564	106,872
	Rental income	13,257	11,762
	Sale of property plant and equipment	-	650
	Insurance claim	52,280	4,038
	Royalty and technical fee	16,941	10,718
	Other expenses	100	-
Other related parties			
	Purchase of goods and services	110,427	42,866
	Sale of goods and services	606,135	929,452
	Rental payment	1,560	2,393
	Dividend Income	36,492	18,246
	Mark up expense	299	-
	Sale of property plant and equipment	-	5,511
Post employment benefit plans			
	Expense charged in respect of retirement benefit plans	27,465	24,411
	Mark up income	1,569	-
Key management personnel			
	Salaries and other employee benefits	29,498	22,320

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

Period-end balances

	June 30, 2008	December 31, 2007
Receivable from related parties	232,085	421,177
Payable to related parties	37,901	14,241

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

13. Cash (used in) / generated from operations

	Half year ended	
	June 30, 2008	June 30, 2007
	(Rupees in thousand)	
Profit before taxation	309,984	1,133,315
Adjustments for:		
Depreciation on property, plant and equipment	443,069	197,500
Amortisation on intangible assets	248	1,366
Depreciation on investment property	299	299
Depreciation on assets subject to finance lease	-	640
Amortisation of goodwill	-	5,301
Provision for accumulating compensated absences and staff gratuity	24,181	15,255
Exchange adjustments	40,021	(65)
Retirement benefits accrued	5,941	6,139
Net profit on disposal of property, plant and equipment	(5,427)	(6,022)
Finance costs	738,251	71,426
Dividend income from other investments	(36,492)	(18,246)
Share of profit from associated companies	(749,390)	(607,983)
Profit before working capital changes	770,685	798,925
Effect on cash flow due to working capital changes		
Increase in trade debts	(324,692)	(51,376)
Increase in stores and spares	(73,551)	(4,687)
Increase in stock-in-trade	(997,977)	(217,863)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(148,856)	53,381
Increase in trade and other payables	34,185	675,652
	(1,510,891)	455,107
	(740,206)	1,254,032
14. Cash and cash equivalents		
Cash and bank balances	121,267	108,146
Finances under mark up arrangements - secured	(2,771,387)	(1,204,348)
	(2,650,120)	(1,096,202)

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 authorised for issue on August 21, 2008 by the Board of Directors of the parent company.

17. Events after balance sheet date

Subsequent to balance sheet date, the parent company has availed ijarah finance facility from Meezan Bank Limited to finance capital expenditures amounting to Rs. 1,061.208 million, repayable within seven years from the date of agreement.

18. Corresponding figures

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


Mujeeb Rashid
Director