Contents

COMPANY INFORMATION

Board of Directors

Towfiq Habib Chinoy *(Non-Executive Director)*	- Chairman
Syed Hyder Ali *(Executive Director)*	- Chief Executive & Managing Director
Khalid Yacob *(Executive Director)*	
Mats Nordlander *(Non-Executive Director)*	
Muhammad Aurangzeb *(Independent Director)*	
Shahid Aziz Siddiqui *(Independent Director)*	
Shamim Ahmad Khan *(Non-Executive Director)*	
Syed Aslam Mehdi *(Executive Director)*	
Syed Shahid Ali *(Non-Executive Director)*	
Wazir Ali Khoja *(Independent Director)*	

Advisor
Syed Babar Ali

Company Secretary
Adi J. Cawasji

Executive Committee

Syed Hyder Ali *(Executive Director)*	- Chairman
Syed Aslam Mehdi *(Executive Director)*	- Member
Khalid Yacob *(Executive Director)*	- Member

Audit Committee

Shahid Aziz Siddiqui *(Independent Director)*	- Chairman
Mats Nordlander *(Non-Executive Director)*	- Member
Muhammad Aurangzeb *(Independent Director)*	- Member
Shamim Ahmad Khan *(Non-Executive Director)*	- Member
Syed Aslam Mehdi *(Executive Director)*	- Member
Syed Shahid Ali *(Non-Executive Director)*	- Member
Adi J. Cawasji *(Company Secretary)*	- Secretary

Business Strategy Committee

Syed Hyder Ali *(Executive Director)*	- Chairman
Syed Aslam Mehdi *(Executive Director)*	- Member
Khalid Yacob *(Executive Director)*	- Member

System and Technology Committee

Syed Aslam Mehdi *(Executive Director)*	- Chairman
Khalid Yacob *(Executive Director)*	- Member
Suleman Javed	- Member

Human Resource and Remuneration (HR & R) Committee

Towfiq Habib Chinoy *(Non-Executive Director)*	- Chairman
Shahid Aziz Siddiqui *(Independent Director)*	- Member
Shamim Ahmad Khan *(Non-Executive Director)*	- Member
Syed Hyder Ali *(Executive Director)*	- Member
Syed Aslam Mehdi *(Executive Director)*	- Member
Asma Javed	- Secretary

Rating Agency: PACRA

Company Rating
Long-Term: AA
Short-Term: A1+

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
BankIslami Pakistan Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
The Bank of Tokyo - Mitsubishi UFJ, Limited
United Bank Limited

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

Factories

Kasur Factory
10-km Kasur Kot Radha Kishan Road,
District Kasur, Pakistan
Tel : (049) 2717335-43
Fax : (049) 2717220

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

Offices

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) 35874047-49
: (021) 35378650-52
: (021) 35831618, 35833011
Fax : (021) 35860251

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

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

9th Floor State Life Building,
2 - Liaquat Road,
Faisalabad, Pakistan
Tel : (041) 2540842
Fax : (041) 2540815

Shares Registrar
FAMCO Associates (Pvt) Limited
1st Floor, State Life Building No. 1-A
I. I. Chundrigar Road,
Karachi-74000, Pakistan
PABX : (021) 32425604
: (021) 32427012
: (021) 32425467
Fax : (021) 32426752

Web Presence
www.packages.com.pk

DIRECTORS' REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2013

بسم الله الرحمن الرحيم

The Directors of Packages Limited take pleasure in presenting to its shareholders, the quarterly report together with the un-audited financial statements of the Company for the first quarter ended March 31, 2013.

Financial and Operational Performance

The comparison of the un-audited results for the first quarter ended March 31, 2013 as against March 31, 2012 is as follows:

	Jan - March 2013	Jan - March 2012 Restated
	(Rupees in million)	
Continuing Operations		
Net sales	3,664	2,727
EBITDA - operations	**477**	**210**
Depreciation & amortization	(105)	(98)
EBIT - operations	**372**	**112**
Finance costs	(192)	(117)
Other operating income / (expenses) - net	(49)	20
Investment income	645	588
Earnings before tax	**776**	**603**
Taxation	(122)	(134)
Earnings after tax	**654**	**469**
Basic Earnings per share - Rupees	**7.75**	**5.56**
Discontinued Operations		
Profit/ (loss) after tax	2	(271)
Basic Earnings per share -Rupees	**0.02**	**(3.21)**

Continuing Operations

Continuing Operations comprise of Consumer Products Division and Packaging Operations including Folding Cartons and Flexible Packaging.

During the first quarter of 2013, Continuing operations have achieved net sales of Rs. 3,664 million against net sales of Rs. 2,727 million of corresponding period of last year representing sales growth of 34%. These Operations have generated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 477 million during the quarter under review against Rs. 210 million of corresponding period of 2012 resulting in an increase of Rs. 267 million mainly due to revenue growth, better product mix, production efficiencies and timely price rationalization.

Consumer Products Division has registered sales of Rs. 737 million during first quarter of 2013 as compared to Rs. 354 million of corresponding period of 2012 representing sales growth of more than 100%. During first quarter of 2012, sales were under pressure because of the unfortunate fire incident that occurred towards the end of 2011 and adversely impacted operations of the Division during first half of 2012. Operating results of the Division have also improved by Rs. 103 million during first quarter of 2013 over corresponding values of 2012 resulting from revenue growth, improved capacity utilization and operating cost control initiatives. The Company has also substantially regained its market share after re-commencement of own conversion operations through its effective marketing strategies.

Packaging Operations have achieved net sales of Rs. 2,763 million during first quarter of 2013 as compared to Rs. 2,337 million of corresponding period of 2012 representing sales growth of 18%. Operating results of the Operations have also improved by Rs. 139 million contributed by revenue growth, better product mix, production efficiencies and higher capacity utilization.

The production statistics for the period under review along with its comparison with the corresponding period are as follows:

	Jan - March 2013	Jan - March 2012
Consumer Products produced - tons	**2,555**	1,370
Carton Board & Consumer Products converted - tons	**8,708**	6,872
Plastics all sorts converted - tons	**4,146**	3,292

Investment income has increased by Rs. 57 million during first quarter of 2013 over corresponding values of 2012 that is indicative of improved operational performance of the investee companies.

During the current period, the Company has also changed its accounting policy in respect of recognition of actuarial losses arising from retirement benefit plans in pursuance of amendments in International Accounting Standard 19 'Employee Benefits' that are effective from financial years beginning on or after January 1, 2013; that have eliminated the corridor approach and require an entity to recognize actuarial losses on net funding basis. The Company has applied this change in accounting policy retrospectively in accordance with applicable financial reporting standards and recognized a charge of Rs. 233.37 million net of taxes to the opening balance of accumulated profit/(loss) and retirement benefits including pension fund and gratuity fund as referred to in note 3.2.1 to the financial statements for the period ended March 31, 2013.

Discontinued Operations

Paper & Paperboard and Corrugated businesses have been recognized as Discontinued Operations with respect to Packages Limited in these financial statements in accordance with applicable financial reporting framework.

In April 2013, your Company has completed the transfer of assets and related obligations of its Paper & Paperboard and Corrugated businesses to its 100% wholly owned subsidiary “Bulleh Shah Packaging (Private) Limited [Formerly Bulleh Shah Paper Mill (Private) Limited] 'BSPL'.

During the first quarter of 2013, Discontinued Operations have achieved external sales of Rs. 2,500 million as against Rs. 2,150 million made during corresponding period of 2012 representing 16% top line growth. These Operations have generated EBITDA of Rs. 145 million during first quarter of 2013 as against EBITDA of Rs. 196 million generated during corresponding period of 2012.

The production statistics for the period under review along with its comparison with the corresponding period are as follows:

	Jan - March 2013	Jan - March 2012
Paper and paperboard produced - tons	**28,947**	29,440
Paper and paperboard converted - tons	**22,456**	19,726

Future Outlook

The management remains confident that the economy would improve in the future and the Company shall be able to maintain its market leadership. In consideration of the current economic situation, rising raw material prices and energy shortages, the management will continue its focus to improving shareholder's value through price rationalization, product and process optimization, reduction of operating costs and efficient working capital management.

Company's Staff and Customers

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

(Towfiq Habib Chinoy)
Chairman
Karachi, April 23, 2013

(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, April 23, 2013

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
as at March 31, 2013

	Note	March 31, 2013	Re-stated December 31, 2012
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2012: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (2012: 22,000,000) 10 % non-voting cumulative preference shares / convertible stock of Rs. 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital			
84,379,504 (2012: 84,379,504) ordinary shares of Rs. 10 each		**843,795**	843,795
Reserves		**31,772,896**	31,075,416
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Accumulated profit / (loss)		**853,485**	(2,902,153)
		35,076,051	30,622,933
NON-CURRENT LIABILITIES			
Long-term finances	6	**5,370,577**	4,470,577
Deferred income tax liabilities	7	**409,452**	345,808
Retirement benefits		**306,809**	306,809
Deferred liabilities		**120,482**	121,061
		6,207,320	5,244,255
CURRENT LIABILITIES			
Current portion of long-term finances - secured		**100,000**	1,000,000
Finances under mark up arrangements - secured		**990,698**	808,942
Derivative financial instruments	8	**164,559**	164,559
Trade and other payables		**1,832,776**	1,977,498
Accrued finance costs		**618,696**	530,501
		3,706,729	4,481,500
Liabilities of disposal group classified as held for sale	15	**5,683,312**	5,669,197
CONTINGENCIES AND COMMITMENTS	9	**-**	-
		50,673,412	46,017,885

	Note	March 31, 2013	Re-stated December 31, 2012
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**3,451,524**	3,459,115
Investment property		**25,109**	25,473
Intangible assets		**38,590**	41,411
Investments		**24,593,141**	20,795,660
Long-term loans and deposits		**98,074**	97,105
Retirement benefits		**-**	-
		28,206,438	24,418,764
CURRENT ASSETS			
Stores and spares		**499,334**	461,625
Stock-in-trade		**2,098,304**	1,909,807
Trade debts		**2,824,769**	2,279,915
Loans, advances, deposits, prepayments and other receivables	11	**2,994,409**	412,866
Income tax receivable	12	**1,728,179**	1,629,237
Cash and bank balances		**771,583**	362,380
		10,916,578	7,055,830
Assets of disposal group classified as held for sale	15	**11,550,396**	14,543,291
		50,673,412	46,017,885

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the three months ended March 31, 2013

			Three months ended	
			March 31, 2013	March 31, 2012 Represented
Continuing operations		**Note**	**(Rupees in thousand)**	
Local sales			**4,225,960**	3,251,134
Export sales			**19,441**	11,077
Gross sales			**4,245,401**	3,262,211
Less: Sales tax and excise duty			**575,669**	533,590
Commission			**5,686**	1,583
			581,355	535,173
Net sales			**3,664,046**	2,727,038
Cost of sales		13	**(3,026,799)**	(2,458,391)
Gross profit			**637,247**	268,647
Administrative expenses			**(139,504)**	(87,355)
Distribution and marketing costs			**(125,733)**	(69,049)
Other operating expenses			**(61,991)**	(12,121)
Other operating income			**12,667**	31,971
Profit from operations			**322,686**	132,093
Finance costs			**(191,956)**	(117,125)
Investment income			**645,370**	587,970
Profit before taxation			**776,100**	602,938
Taxation		14	**(121,989)**	(133,985)
Profit for the period from Continuing operations			**654,111**	468,953
Discontinued operations				
Profit / (loss) for the period from Discontinued operations		15.2	**1,527**	(271,116)
Profit for the period			**655,638**	197,837
Basic earnings / (loss) per share				
From Continuing operations	Rupees	16	**7.75**	5.56
From Discontinued operations	Rupees	16	**0.02**	(3.21)
From Profit for the period	Rupees		**7.77**	2.35
Diluted earnings / (loss) per share				
From Continuing operations	Rupees	16	**7.07**	5.18
From Discontinued operations	Rupees	16	**0.02**	(3.21)
From Profit for the period	Rupees		**7.09**	1.97

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the three months ended March 31, 2013

	Three months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Profit for the period	**655,638**	197,837
Other comprehensive income		
Surplus on re-measurement of available for sale financial assets	**3,797,480**	3,101,459
Total comprehensive income for the period	**4,453,118**	3,299,296

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the three months ended March 31, 2013

	Share capital	Share premium	Fair value reserve	General reserve	Preference shares / convertible stock reserve	Accumulated (loss) / profit	Total
	(Rupees in thousand)						
Balance as on December 31, 2011 (audited)	843,795	2,876,893	9,141,841	16,160,333	1,605,875	(1,080,744)	**29,547,993**
Effect of change in accounting policy (note - 3.2.1)						(432,610)	**(432,610)**
Balance as on December 31, 2011 (re-stated)	843,795	2,876,893	9,141,841	16,160,333	1,605,875	(1,513,354)	**29,115,383**
Appropriation of funds							
Transferred to profit and loss account	-	-	-	(1,250,000)	-	1,250,000	-
Profit for the period	-	-	-	-	-	197,837	**197,837**
Other comprehensive income							
Surplus on re-measurement of available for sale financial assets	-	-	3,101,459	-	-	-	**3,101,459**
Total comprehensive income	-	-	3,101,459	-	-	197,837	**3,299,296**
Balance as on March 31, 2012 (un-audited re-stated)	843,795	2,876,893	12,243,300	14,910,333	1,605,875	(65,517)	**32,414,679**
Transactions with owners							
Final dividend for the year ended December 31, 2011 Rs. 1.50 per share	-	-	-	-	-	(126,569)	**(126,569)**
Loss for the period	-	-	-	-	-	(2,909,302)	**(2,909,302)**
Other comprehensive loss							
Surplus on re-measurement of available for sale financial assets	-	-	1,044,890	-	-	-	**1,044,890**
Re-measurement of actuarial losses on retirement benefit plans (note - 3.2.1)						199,235	**199,235**
Total comprehensive income / (loss)	-	-	1,044,890	-	-	(2,710,067)	**(1,665,177)**
Balance as on December 31, 2012 (re-stated)	843,795	2,876,893	13,288,190	14,910,333	1,605,875	(2,902,153)	**30,622,933**
Appropriation of funds							
Transferred to profit and loss account	-	-	-	(3,100,000)	-	3,100,000	-
Profit for the period	-	-	-	-	-	655,638	**655,638**
Other comprehensive income							
Surplus on re-measurement of available for sale financial assets	-	-	3,797,480	-	-	-	**3,797,480**
Total comprehensive income	-	-	3,797,480	-	-	655,638	**4,453,118**
Balance as on March 31, 2013 (un-audited)	843,795	2,876,893	17,085,670	11,810,333	1,605,875	853,485	**35,076,051**

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the three months ended March 31, 2013

	Note	Three months ended March 31, 2013	Three months ended March 31, 2012 Represented
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	18	**207,083**	74,999
Finance cost paid		**(246,007)**	(92,807)
Taxes paid		**(158,109)**	(313,665)
Payments for accumulating compensated absences		**(6,156)**	(3,705)
Net cash used in operating activities		**(203,189)**	(335,178)
Cash flow from investing activities			
Fixed capital expenditure		**(185,700)**	(247,322)
Investments - net		**-**	(9)
Net increase in long-term loans and deposits		**(969)**	(1,148)
Proceeds from disposal of property, plant and equipment		**1,305**	9,943
Dividends received		**616,000**	-
Net cash generated from / (used in) investing activities		**430,636**	(238,536)
Cash flow from financing activities			
Repayment of long-term finances - secured		**(1,000,000)**	-
Proceeds from long-term finances - secured		**1,000,000**	-
		-	-
Net increase/ (decrease) in cash and cash equivalents		**227,447**	(573,714)
Cash and cash equivalents at the beginning of the period		**(446,562)**	(620,551)
Cash and cash equivalents at the end of the period	19	**(219,115)**	(1,194,265)

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

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

for the three months ended March 31, 2013

1. Legal status and nature of business

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 the manufacture and sale of paper, paperboard, packaging materials and tissue products.

The Company has entered into 50/50 Joint Venture Agreement (the "JV Agreement") on September 17, 2012 with 'Stora Enso OYJ Group' ('Stora Enso') of Finland in its 100% wholly owned subsidiary Bulleh Shah Packaging (Private) Limited [formerly Bulleh Shah Paper Mill (Private) Limited] ('BSPL'). The Joint Venture will include Paper & Paperboard and Corrugated business operations at Kasur and Karachi and will involve initial equity participation of Stora Enso of 35% by way of subscription of right shares with a commitment to increase the shareholding to 50% at a later stage subject to certain conditions being met. The agreed value for 100% of the Joint Venture Company is USD 107.5 million on a cash and debt free basis with additional equity to be subscribed by Stora Enso through right shares in the Joint Venture Company of USD 17.5 million, based on the financial results of second half of 2012 and first half of 2013. Packages Limited shall continue to hold minimum 50% ownership and future profits of the Joint Venture.

As a result, the Company's operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, 'Non-current assets held for sale and Discontinued operations'. Paper and Paperboard and Corrugated businesses have been classified as Discontinued operations because these will form part of the Joint Venture. Continuing operations will include Consumer Products Division and Packaging operations including Folding Cartons and Flexible Packaging businesses.

Moreover, the Company has closed down its Paper and Paperboard operations in Lahore, in addition to the above mentioned transaction, during the year 2012.

Upon subscription by Stora Enso in BSPL, the Company shall derecognise its investment in BSPL owing to loss of control and recognise an investment in jointly controlled entity, with Stora Enso as the joint venture partner. In view of the above, assets and corresponding liabilities as are envisaged to be transferred to BSPL are classified as held for sale under IFRS 5 as reflected in note 15 of these financial statements. These assets and liabilities have been measured at lower of their respective carrying values and fair values less cost to sell and the resultant estimated charge has been recognised in the profit and loss account.

The Paper and Paperboard operations in Lahore have also been classified as a Discontinued operation as reflected in note 15 of these financial statements, in accordance with the requirements of IFRS 5. This has not been classified as held for sale as it does not meet the criteria for being classified as held for sale under IFRS 5.

The figures of the prior period have been represented in accordance with the requirements of IFRS 5, wherever relevant.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with the requirements of The Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under The Companies Ordinance, 1984, provisions of and directives issued under The Companies Ordinance, 1984. Wherever the requirements of The Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2012 except for the adoption of new accounting policies as referred to in note 3.2.1

3.2 Initial application of standards amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods beginning on or after the following dates:

3.2.1 Amendments to published standards effective in current year

IAS19 (Amendments), ' Employee benefits' has now eliminated the corridor approach and calculate finance costs on a net funding basis. The Company has applied this change in accounting policy retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and recorded un-recognised actuarial losses net of taxes associated with these retirement benefit plans by adjusting the opening balance of accumulated profit / (loss) and retirement benefits including pension fund and gratuity fund for the prior period presented. No actuarial assessment has been carried out for preparation of these interim financial statements.

Effects of change in accounting policy are as follows :

Effect on balance sheet

	As at December 31, 2012			As at December 31, 2011		
	(Rupees in thousand)					
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
Retirement benefits						
- Pension Fund	(86,512)	(276,459)	(189,947)	(12,358)	(406,831)	(394,473)
- Gratuity Fund	39,009	(30,350)	(69,359)	89,299	3,094	(86,205)
Income tax receivable	1,603,306	1,629,237	25,931	941,439	989,507	48,068
Accumulated loss	(2,668,778)	(2,902,153)	(233,375)	(1,080,744)	(1,513,354)	(432,610)

Effect on other comprehensive income	For the year ended December 31, 2012			For the year ended December 31, 2011		
	(Rupees in thousand)					
	As previously reported	As re-stated	Re-statement	As previously reported	As re-stated	Re-statement
Actuarial losses (reversed) / recognised - net of tax	-	**(199,235)**	**(199,235)**	-	**163,971**	**163,971**

Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments have no material impact on these financial statements.

IFRS 1 (Amendments), 'First time adoption', on government loans is applicable on accounting periods beginning on or after January 1, 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing prepares of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008. The application of these amendments does not have a material impact on these financial statements.

IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The application of these amendments does not have a material impact on these financial statements.

IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 1, 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this standard does not have a material impact on these financial statements.

IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The application of this standard does not have a material impact on these financial statements.

IFRS 13 - 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The application of this standard does not have a material impact on these financial statements.

IAS 1 (Amendments), 'Financial statement presentation' regarding other comprehensive income. This is applicable on accounting periods beginning on or after July 1, 2012. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (re-classification adjustments). The amendments do not address which items are presented in OCI. The application of these amendments does not have a material impact on these financial statements.

IAS 27 (Revised 2011), 'Separate financial statements' is applicable on accounting periods beginning on or after January 1, 2013. It includes the provisions on separate financial statements that are left after the control provisions of IAS 27 which have been included in the new IFRS 10. The application of this revised standard does not have a material impact on these financial statements.

IAS 28 (Revised 2011), 'Associates and joint ventures' is applicable on accounting periods beginning on or after January 1, 2013. It includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The application of this revised standard does not have a material impact on these financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2014 or later periods, but the Company has not early adopted them:

IFRS 9 - 'Financial instruments' - classification and measurement. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The application of this standard is not expected to have a material impact on its financial statements.

IAS 32 (Amendments), 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2014. These amendments update the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Company shall apply these amendments from January 1, 2014 and does not expect to have a material impact on its financial statements.

4. The provision for taxation for the three months ended March 31, 2013 has been made using the tax rate that would be applicable to expected total annual earnings.

5. The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2012, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4 and estimated loss on re-measurement of net assets of the Discontinued operations as referred to in note 15.1

6. Long-term finances

	Note	March 31, 2013	December 31, 2012
		(Rupees in thousand)	
These are composed of :			
Local currency loans - secured			
Term Finance Loan	6.1	**-**	1,000,000
Long-term Loan	6.2	**1,000,000**	-
Long-term Finance Facility		**2,000,000**	2,000,000
		3,000,000	3,000,000
Preference shares / convertible stock - unsecured		**2,470,577**	2,470,577
		5,470,577	5,470,577
Current portion shown under current liabilities		**(100,000)**	(1,000,000)
		5,370,577	4,470,577

6.1 During the current period, the Company has pre-paid its Term Finance Loan of Rs. 1,000 million availed from Bank Al-Habib Limited having Bank Al-Habib Limited own source component of Rs. 578 million and State Bank of Pakistan's Long-term Finance Facility (LTFF) component of Rs. 422 million. The Loan was obtained in 2011 by the Company for expansion of its Paper & Paperboard manufacturing facility and was secured by pari passu charge over present and future fixed assets of the Company. The Loan was repaid using proceeds of Long-term Loan as referred to in note 6.2.

6.2 In March 2013, the Company has availed Long-term Loan of Rs. 1,000 million from Bank Al-Habib Limited to prepay its Term Finance Loan as referred to in note 6.1. This Loan is secured by a ranking charge of Rs. 1,273 million (December 31, 2012: Nil) over present and future fixed assets of the Company located at Lahore excluding land and buildings. It carries mark up at the rate of six month KIBOR plus 0.65 per cent per annum and is repayable in 10 equal instalments starting on November 19, 2013 and ending on May 19, 2018.

7. The Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 566.842 million (December 31, 2012: Rs. 566.842 million) and Rs. 261.474 million (December 31, 2012: Rs. 261.474 million) available to the Company under section 113 and section 65B of the Income Tax Ordinance, 2001 ('Ordinance') respectively in view of the management's estimate that the Company may not be able to offset these against tax liability arising in respect of relevant business profits of future periods, before these expire / lapse. Tax credits under section 113 of the Ordinance amounting to Rs. 68.813 million, Rs. 183.823 million, Rs. 203.917 million and Rs. 110.288 million are set to lapse by the end of years ending on December 31, 2014, 2015, 2016 and 2017 respectively. Tax credit under section 65B of the Ordinance amounting to Rs. 190.334 million and Rs. 71.140 million shall lapse by the end of years ending on December 31, 2013 and 2014 respectively.

8. Derivative financial instruments
Liability in respect of arrangements under the JV Agreement

This represents amount in respect of arrangements under the JV Agreement between the Company and Stora Enso referred to in note 1 which provide Stora Enso the right, in case certain conditions specified in the JV Agreement are not met, and obligates Stora Enso, in case certain conditions specified in the JV Agreement are met, to subscribe to the share capital of BSPL. A key condition of such right and obligation relates to the envisaged Joint Venture achieving specified EBITDA, to which the subscription price is also linked.

9. Contingencies and commitments

9.1 Contingencies

(i) Claims against the Company not acknowledged as debts Rs. 20.372 million (December 31, 2012: Rs. 25.860 million).

(ii) Post dated cheques not provided in the condensed interim financial information have been furnished by the Company in favor of the Collector of Customs against custom levies aggregated to Rs. 234.966 million (December 31, 2012: Rs. 217.102 million) in respect of goods imported.

9.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 67.443 million (December 31, 2012: Rs. 81.017 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 304.351 million (December 31, 2012: Rs. 618.740 million).

(iii) The amount of future payments under operating leases and Ijarah financing and the period in which these payments will become due are as follows:

	Note	**March 31, 2013**	December 31, 2012
		(Rupees in thousand)	
Not later than one year		**100,193**	170,192
Later than one year and not later than five years		**492,434**	495,581
		592,627	665,773

10. Property, plant and equipment

	Note	**March 31, 2013**	December 31, 2012
Operating assets	10.1	**2,997,081**	3,068,122
Capital work-in-progress	10.2	**454,443**	390,993
		3,451,524	3,459,115

10.1 Operating assets

	Note	**March 31, 2013**	December 31, 2012
Opening book value		**3,068,122**	18,220,375
Additions during the period	10.1.1	**58,421**	848,486
Transfer in at book value		**4,511**	2,841
Disposals/ transfer out during the period (at book value)		**(31,373)**	(88,322)
Depreciation charged during the period		**(102,600)**	(1,242,490)
		133,973	1,330,812
Assets of disposal group classified as held for sale	15.1.1	-	14,672,768
Closing book value		**2,997,081**	3,068,122

10.1.1 Following is the detail of additions during the period

	March 31, 2013	December 31, 2012
	(Rupees in thousand)	
Buildings on freehold land	-	8,236
Buildings on leasehold land	-	3,072
Plant and machinery	**35,837**	711,401
Other equipment	**12,483**	56,443
Vehicles	**10,101**	69,334
	58,421	848,486

10.2 Capital work-in-progress

	March 31, 2013	December 31, 2012
Civil works	**180,774**	180,672
Plant and machinery and others [including in transit Rs. 9.343 million (2012: Rs.95.562 million)]	**415,144**	362,274
Others	**231**	247
Advances	**-**	20,186
	596,149	563,379
Assets of disposal group classified as held for sale - Intangible Assets	**(23,099)**	(10,021)
Assets of disposal group classified as held for sale - Tangibles Assets	**(118,607)**	(162,365)
	454,443	390,993

11. It includes an amount of Rs. 2,474.090 million receivable from BSPL in respect of Land and Buildings transferred by the Company during the period to BSPL as referred to in note 15.1.3.

12. In 1987, the Income Tax Officer (ITO) re-opened the Company's assessments for the accounting years ended December 31, 1983 and 1984 disallowing primarily tax credit given to the Company under section 107 of the Income Tax Ordinance, 1979. The tax credit amounting to Rs. 36.013 million on its capital expenditure for these years was refused on the grounds that such expenditure represented an extension of the Company's undertaking which did not qualify for tax credit under this section in view of the Company's location. The assessments for these years were revised by the ITO on these grounds and taxes reassessed were adjusted against certain sales tax refunds and the tax credits previously determined by the ITO and set off against the assessments framed for these years.

The Company had filed an appeal against the revised orders of the ITO before the Commissioner of Income Tax (Appeals) [CIT (A)], Karachi. The Commissioner has, in his order issued in 1988, held the assessments reframed by the ITO for the years 1983 and 1984 presently to be void and of no legal effect. The ITO has filed an appeal against the Commissioner's order with the Income Tax Appellate Tribunal (ITAT). The ITAT has in its order issued in 1996 maintained the order of CIT (A). The assessing officer after the receipt of the appellate order passed by CIT (A), has issued notices under section 65 of the Income Tax Ordinance, 1979 and the Company has filed a writ petition against the aforesaid notices with the High Court of Sindh, the outcome of which is still pending.

The amount recoverable Rs. 36.013 million represents the additional taxes paid as a result of the disallowance of the tax credits on reframing of the assessments.

13. Cost of sales

	Note	Three months ended March 31, 2013	Three months ended March 31, 2012 Represented
		(Rupees in thousand)	
Materials consumed	13.1.	**2,171,049**	1,841,025
Salaries, wages and amenities		**230,598**	183,737
Traveling		**7,073**	5,882
Fuel and power		**238,972**	195,290
Production supplies		**70,502**	47,163
Excise duty and sales tax		**814**	31
Rent, rates and taxes		**67,825**	82,113
Insurance		**8,612**	6,693
Repairs and maintenance		**72,354**	66,630
Depreciation on property, plant and equipment		**95,575**	75,547
Technical fee and royalty		**2,719**	1,292
Other expenses		**36,059**	35,040
		3,002,152	2,540,443
Opening work-in-process		**245,126**	246,344
Closing work-in-process		**(265,590)**	(216,473)
Cost of goods produced		**2,981,688**	2,570,314
Opening stock of finished goods		**808,604**	412,889
Closing stock of finished goods		**(763,493)**	(524,812)
		3,026,799	2,458,391

13.1 Included in materials consumed is sales from Discontinued operations of Rs. 440 million (2012: Rs. 540 million).

14. Taxation

	Three months ended March 31, 2013	Three months ended March 31, 2012 Represented
	(Rupees in thousand)	
Current	**46,618**	164,135
Deferred	**75,371**	(30,150)
	121,989	133,985

15. Non-current assets held for sale and Discontinued operations

15.1 Assets and liabilities of disposal group classified as held for sale

	Note	Three months ended March 31, 2013	Three months ended December 31, 2012
		(Rupees in thousand)	
Assets classified as held for sale			
Operating assets	15.1.1	**7,887,765**	10,249,450
Capital work-in-progress		**118,607**	162,365
Intangible assets		**23,099**	10,021
Stores and spares (including intransit Rs. 7.116 million (December 31, 2012: Rs. 17.290 million)		**745,893**	695,153
Stock-in-trade (including intransit Rs. 378.003 million (December 31, 2012: Rs. 201.492 million)		**2,774,232**	3,426,302
Loans, advances, deposits, prepayments and other receivables		**800**	-
Total assets of the disposal group		**11,550,396**	14,543,291
Liabilities directly associated with assets classified as held for sale			
Long-term finances		**5,100,000**	5,100,000
Deferred income tax liabilities		**551,513**	551,513
Other payables		**18,213**	17,684
Deferred liabilities		**13,586**	-
Total liabilities of the disposal group		**5,683,312**	5,669,197
Total net assets of the disposal group		**5,867,084**	8,874,094
15.1.1 Operating assets			
Opening balance		**14,703,579**	-
Assets of disposal group classified as held for sale as at September 30, 2012		-	14,672,768
Net book value of additions / transfer in		**118,092**	32,402
Net book value of deletions / transfer out		**(5,687)**	(1,591)
		14,815,984	14,703,579
Loss recognised on the re-measurement of assets of disposal group	15.1.2.	**(4,454,129)**	(4,454,129)
		10,361,855	10,249,450
Assets transferred out to BSPL during the period	15.1.3	**(2,474,090)**	-
		7,887,765	10,249,450

15.1.2 This represents the difference between the carrying values of net assets to be transferred to BSPL and the estimated fair value thereof in the form of Company's interest in the envisaged Joint Venture, net of the value of derivative financial instruments.

15.1.3 This represents the carrying values of land and buildings that have been transferred during the period to BSPL and a corresponding receivable has been recognised as referred to in note 11.

15.1.4 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 0.326 million (December 31, 2012: Rs. 2.242 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 776.797 million (December 31, 2012: Rs. 369.488 million).

(iii) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

	Three months ended March 31, 2013	Three months ended December 31, 2012
	(Rupees in thousand)	
Not later than one year	**301**	346
Later than one year and not later than five years	**268**	268
	569	614

15.2 Profit and loss account - Discontinued operations

	Paper & Paperboard and Corrugated business operations at Kasur and Karachi		Paper & Paperboard operations at Lahore		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		Represented		Represented		Represented
	(Rupees in thousand)					
Local sales	2,862,347	2,476,851	-	32,852	2,862,347	2,509,703
Export sales	6,443	11,834	-	-	6,443	11,834
	2,868,790	2,488,685	-	32,852	2,868,790	2,521,537
Less: Sales tax and excise duty	369,144	338,254	-	1,459	369,144	339,713
Commission	-	-	-	-	-	-
	369,144	338,254	-	1,459	369,144	339,713
	2,499,646	2,150,431	-	31,393	2,499,646	2,181,824
Sales to Continuing operations	439,657	539,791	-	-	439,657	539,791
	2,939,303	2,690,222	-	31,393	2,939,303	2,721,615
Cost of sales	(2,668,418)	(2,705,975)	-	(69,771)	(2,668,418)	(2,775,746)
Gross profit / (loss)	270,885	(15,753)	-	(38,378)	270,885	(54,131)
Administrative expenses	(62,631)	(70,752)	-	(14,903)	(62,631)	(85,655)
Distribution and selling costs	(55,273)	(41,837)	-	(6,544)	(55,273)	(48,381)
Other operating expenses	(11,404)	(1,700)	-	(106)	(11,404)	(1,806)
Other operating income	3,018	2,435	-	6,325	3,018	8,760
Profit / (loss) from operations	144,595	(127,607)	-	(53,606)	144,595	(181,213)
Finance cost	(142,246)	(233,201)	-	(2,687)	(142,246)	(235,888)
Profit / (loss) before tax from Discontinued operations	2,349	(360,808)	-	(56,293)	2,349	(417,101)
Taxation	(822)	126,282	-	19,703	(822)	145,985
Profit / (loss) after tax from Discontinued operations	1,527	(234,526)	-	(36,590)	1,527	(271,116)

15.3 Cash flows from Discontinued operations

Cash flows from operting activities	747,630	(40,267)	-	28,373	747,630	(11,894)
Cash flows from investing activities	(63,829)	6,634	-	1,502	(63,829)	8,136
Cash flows from financing activities	-	-	-	-	-	-
Total cash flows	683,801	(33,633)	-	29,875	683,801	(3,758)

16. Earnings / (loss) per share

		Three months ended	
		March 31, 2013	March 31, 2012
16.1 Basic earnings per share - Continuing operations			
Profit for the period	Rupees in thousand	**654,111**	468,953
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Earnings per share	Rupees	**7.75**	5.56
16.2 Basic earning / (loss) per share - Discontinued operations			
Profit / (loss) for the period	Rupees in thousand	**1,527**	(271,116)
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Earnings / (loss) per share	Rupees	**0.02**	(3.21)
16.3 Diluted earnings per share - Continuing operations			
Profit for the period	Rupees in thousand	**654,111**	468,953
Return on preference shares / convertible stock - net of tax	Rupees in thousand	**95,465**	81,001
		749,576	549,954
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Weighted average number of notionally converted preference shares / convertible stock	Numbers	**21,686,842**	21,686,842
		106,066,346	106,066,346
Earnings per share	Rupees	**7.07**	5.18

16.4 Diluted earnings / (loss) per share - Discontinued operations

The diluted earnings / (loss) per share of Discontinued operations is the same as the basic earnings / (loss) per share of Discontinued operations as there are no convertible instruments attributable to the Discontinued operations.

17. Transactions with related parties

Relationship with the Company	Nature of transactions	Three months ended **March 31, 2013**	Three months ended March 31, 2012
		(Rupees in thousand)	(Rupees in thousand)
i. Subsidiaries			
	Purchase of goods and services	**204,085**	177,522
	Sale of goods and services	**8,786**	4,331
	Transfer of property, plant and equipment	**2,474,090**	-
	Investment in subsidiary	-	9
	Management and technical fee-income	**5,258**	6,115
	Dividend income	**29,370**	-
	Rental income	**3,692**	3,393
ii. Associates			
	Purchase of goods and services	**282,497**	237,489
	Sale of goods and services	**11,542**	21,157
	Insurance premium	**69,340**	61,826
	Commission earned	**1,156**	910
	Insurance claims received	**55,475**	78,078
	Dividend income	-	200,000
iii. Post employment benefit Plans	Expense charged in respect of retirement benefit plans	**29,707**	22,831
iv. Key management personnel	Salaries and other employee benefits	**22,416**	17,102

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

Period-end balances

	March 31, 2013	December 31, 2012
	(Rupees in thousand)	(Rupees in thousand)
Receivable from related parties		
Subsidiaries	**2,507,919**	18,546
Associates	**15,820**	101,877
Payable to related parties		
Subsidiaries	**69,508**	75,421
Associates	**67,937**	95,948
Post employment benefit plans	**18,264**	15,788

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

18. Cash generated from operations

	Three months ended	
	March 31, 2013	March 31, 2012 Represented
	(Rupees in thousand)	
Profit before tax including Discontinued operations	**778,449**	185,837
Adjustments for:		
Depreciation on property, plant and equipment	**102,600**	416,392
Depreciation on investment property	**364**	411
Amortisation on intangible assets	**2,821**	2,238
Provision for accumulating compensated absences	**19,163**	16,500
Net loss / (profit) on disposal of property, plant and equipment	**7,270**	(3,255)
Finance costs	**334,202**	353,013
Investment income	**(645,370)**	(587,970)
Profit before working capital changes	**599,499**	383,166
Effect on cash flow due to working capital changes		
Increase in trade debts	**(544,464)**	(367,272)
Increase in stores and spares	**(88,449)**	(213,354)
Decrease in stock-in-trade	**463,573**	304,629
Increase in loans, advances, deposits, prepayments and other receivables	**(78,883)**	(12,625)
Decrease in trade and other payables	**(144,193)**	(19,545)
	(392,416)	(308,167)
	207,083	74,999

19. Cash and cash equivalents

Cash and bank balances	**771,583**	162,116
Finances under mark up arrangements - secured	**(990,698)**	(1,356,381)
	(219,115)	(1,194,265)

20. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2012.

There have been no changes in the risk management policies since the year end.

21. Date of authorisation for issue

This condensed interim financial information was authorised for issue on April 23, 2013 by the Board of Directors of the Company.

22. Non-adjusting events disclosure

The Board of Directors of the Company has proposed a final cash dividend for the year ended December 31, 2012 of Rs. 4.50 per share (2011: Rs. 1.50 per share), amounting to Rs. 379.708 million (2011: Rs. 126.569 million) in its meeting held on March 18, 2013 for approval of the members at the Annual General Meeting to be held on April 30, 2013, accordingly, dividend appropriation has not been recognised in these financial statements as dividend has not been approved by the members as of the date of authorisation of this condensed interim financial information.

The Board of Directors of the Company has also recommended to transfer Rs. 200 million to accumulated profit / (loss) from general reserve in its meeting held on April 23, 2013.

23. Corresponding figures

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

Corresponding figures have been re-arranged and re-classified, wherever necessary for the purpose of comparison. However, no significant re-classifications have been made except for representing the results of Discontinued operations in accordance with IFRS-5 and re-statements required in terms of application of change in accounting policy as referred to in note 3.2.1.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

Packages Group
Condensed Consolidated Interim Financial Information

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2013

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to present the un-audited consolidated financial statements of the Group for the three months ended March 31, 2013.

Group results

The comparison of the un-audited results for the first quarter ended March 31, 2013 as against March 31, 2012 is as follows:

	Jan - March 2013	Jan - March 2012 Restated
Continuing operations:	**(Rupees in million)**	
Invoiced Sales - net	**4,437**	3,361
Profit from operations	**419**	237
Share of profit of associates	**56**	111
Investment income	**616**	388
Profit after tax	**720**	516
Discontinued operations:		
Profit/ (loss) after tax	**2**	(271)

Continuing operations

During the first quarter of 2013, Continuing Operations of the Group have achieved net sales of Rs. 4,437 million against net sales of Rs. 3,361 million achieved during corresponding period of last year representing sales growth of 32%. Continuing Operations have generated operating profit of Rs. 419 million during first quarter of 2013 against Rs. 237 million generated during first quarter of 2012.

Investment income has also increased by Rs. 228 million during first quarter of 2013 that is indicative of improved operational performance of the investee companies.

During the current period, the Group has also changed its accounting policy in respect of recognition of actuarial losses arising from retirement benefit plans in pursuance of amendments in International Accounting Standard 19 'Employee Benefits' that are effective from financial years beginning on or after January 1, 2013; that have eliminated the corridor approach and require an entity to recognize actuarial losses on net funding basis. The Group has applied this change in accounting policy retrospectively in accordance with applicable financial reporting standards and recognized a charge of Rs. 233.37 million net of taxes to the opening balance of accumulated profit/(loss) and retirement benefits including pension fund and gratuity fund as referred to in note 3.2.1 to these condensed consolidated interim financial statements for the period ended March 31, 2013.

Discontinued operations

The Parent Company has recognised its Paper & Paperboard and Corrugated businesses as Discontinued Operations in accordance with applicable financial reporting framework and has completed the transfer of assets and related obligations of these businesses to its 100% wholly owned subsidiary "Bulleh Shah Packaging (Private) Limited [Formerly Bulleh Shah Paper Mill (Private) Limited] 'BSPL' during April 2013.

During the first quarter of 2013, Discontinued Operations have achieved net external sales of Rs. 2,500 million as against Rs. 2,150 million made during corresponding period of 2012 representing 16% top line growth. These Operations have generated EBITDA of Rs. 145 million during first quarter of 2013 as against EBITDA of Rs. 196 million generated during corresponding period of 2012.

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

DIC PAKISTAN LIMITED

DIC Pakistan Limited is a non-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. The Company has achieved net sales of Rs. 634 million during first quarter of the year 2013 as compared to Rs. 486 million of the corresponding period of last year representing sales growth of 30%. The Company has generated profit before tax of Rs. 64 million during first quarter of the year 2013 as against Rs. 30 million generated during corresponding period of 2012. Moving forward, the Company will continue its focus on improving operating results through tighter operating cost control, product diversification, price rationalization and better working capital management.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited is a Sri Lanka based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging solutions. The Company has achieved turnover of SLR 425 million during first quarter of the year 2013 as compared to SLR 385 million of corresponding period of last year representing sales growth of 10%. The Company has generated profit before tax of SLR 18 million during first quarter of 2013 as compared to SLR 49 million of corresponding period of 2012. This decline in profit is mainly attributable to increase in depreciation charge and finance cost resulting from capitalisation of new printing line towards the end of the year 2012. With installation of new printing line, the management is confident of consolidating its market share in the increasingly competitive local market.

(Towfiq Habib Chinoy)
Chairman
Karachi, April 23, 2013

(Syed Hyder Ali)
Chief Executive & Managing Director
Karachi, April 23, 2013

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
as at March 31, 2013

	Note	**March 31, 2013**	Re-stated December 31, 2012
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2012: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (2012: 22,000,000) 10 % non-voting cumulative preference shares / convertible stock of Rs. 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital			
84,379,504 (2012: 84,379,504) ordinary shares of Rs. 10 each		**843,795**	843,795
Reserves		**31,789,976**	31,091,857
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Accoumulated profit / (loss)		**1,410,020**	(2,390,465)
		35,649,666	31,151,062
NON-CONTROLLING INTEREST		**273,745**	252,201
		35,923,411	31,403,263
NON-CURRENT LIABILITIES			
Long-term finances	6	**5,612,804**	4,687,220
Deferred income tax liabilities		**570,452**	510,808
Retirement benefits		**306,809**	306,809
Deferred liabilities		**142,367**	141,887
		6,632,432	5,646,724
CURRENT LIABILITIES			
Current portion of long-term finances - secured	6	**100,000**	1,000,000
Finances under mark up arrangements - secured		**1,413,317**	1,251,463
Trade and other payables		**2,021,372**	2,162,205
Derivative financial instruments	7	**164,559**	164,559
Accrued finance cost		**626,819**	543,187
		4,326,067	5,121,414
Liabilities of disposal group classified as held for sale	14.1	**5,683,312**	5,669,197
CONTINGENCIES AND COMMITMENTS	8	**-**	-
		52,565,222	47,840,598

	Note	March 31, 2013	Re-stated December 31, 2012
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	**4,020,842**	4,020,733
Intangible assets		**46,797**	50,053
Investment property		**2,075**	2,108
Investments in associates	11	**3,647,453**	3,612,013
Other long-term investments	12	**21,085,306**	17,287,826
Long-term loans and deposits		**99,189**	97,747
Retirement benefits		**-**	-
Deferred income tax asset		**15,830**	13,653
		28,917,492	25,084,133
CURRENT ASSETS			
Stores and spares		**543,197**	507,521
Stock-in-trade		**2,689,249**	2,484,123
Trade debts		**3,265,995**	2,667,931
Loans, advances, deposits, prepayments and other receivables		**537,757**	446,758
Income tax receivable	10	**1,781,288**	1,690,264
Cash and bank balances		**805,758**	416,577
		9,623,244	8,213,174
Assets of disposal group classified as held for sale	14.1	**14,024,486**	14,543,291
		52,565,222	47,840,598

The annexed notes 1 to 24 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

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

for the three months ended March 31, 2013

	Note	Three months ended March 31, 2013	Three months ended March 31, 2012 Represented
		(Rupees in thousand)	
Continuing operations			
Local sales		**4,957,632**	3,931,172
Export sales		**126,123**	17,241
Gross Sales		**5,083,755**	3,948,413
Less: Sales tax and excise duty		**641,060**	583,367
Commission		**6,100**	3,775
		647,160	587,142
Net sales		**4,436,595**	3,361,271
Cost of sales	13	**(3,646,629)**	(2,934,584)
Gross profit		**789,966**	426,687
Administrative expenses		**(172,790)**	(114,889)
Distribution and marketing costs		**(145,495)**	(85,907)
Other operating expenses		**(66,808)**	(14,390)
Other operating income		**14,303**	25,391
Profit from operations		**419,176**	236,892
Finance costs		**(213,730)**	(159,558)
Investment income		**616,000**	387,970
Share of profit of associates		**55,981**	111,087
Profit before taxation		**877,427**	576,391
Taxation			
Group		**(136,553)**	(27,813)
Associates		**(20,541)**	(32,693)
		(157,094)	(60,506)
Profit for the period from Continuing operations		**720,333**	515,885
Discontinued operations			
Profit / (loss) for the period from Discontinued operations	14.2	**1,527**	(271,116)
Profit for the period		**721,860**	244,769
Attributable to:			
Equity holders of the Parent Company		**700,485**	231,117
Non-controlling interest		**21,375**	13,652
		721,860	244,769
Combined basic earnings / (loss) per share			
From Continuing operations — Rupees	15	**8.28**	5.95
From Discontinued operations — Rupees	15	**0.02**	(3.21)
From Profit for the period — Rupees		**8.30**	2.74
Combined diluted earnings / (loss) per share			
From Continuing operations — Rupees	15	**7.49**	5.50
From Discontinued operations — Rupees	15	**0.02**	(3.21)
From Profit for the period — Rupees		**7.51**	2.29

The annexed notes 1 to 24 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the three months ended March 31, 2013

	Three months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Profit for the period	**721,860**	244,769
Other comprehensive income		
Exchange differences on translating foreign subsidary	**808**	(21,444)
Other reserves relating to associates - net of tax	**-**	12,110
Surplus on re-measurement of available for sale financial assets	**3,797,480**	3,101,459
Other comprehensive income for the period	**3,798,288**	3,092,125
Total comprehensive income for the period	**4,520,148**	3,336,894
Attributable to:		
Equity holders of the Parent Company	**4,498,604**	3,327,730
Non-controlling interest	**21,544**	9,164
	4,520,148	3,336,894
Total comprehensive income / (loss) attributable to equity holders of the Parent Company arising from:		
Continuing operations	**4,497,077**	3,598,846
Discontinued operations	**1,527**	(271,116)
	4,498,604	3,327,730

The annexed notes 1 to 24 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES GROUP

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

for the three months ended Macrch 31, 2013

	Attributable to equity holders of the Parent Company									Non-controlling interest	Total Equity
	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Fair Value reserve	General reserve	Preference shares / convertible stock reserve	Other reservers relating to associates	Accumulated (loss) / Profit	Total		
	(Rupees in thousand)										
Balance as on December 31, 2011 (audited)	843,795	2,876,893	22,916	9,141,841	16,160,333	1,605,875	(17,511)	(1,283,904)	29,350,238	225,047	**29,575,285**
Effect of change in accounting policy (note - 3.2.1)	-	-	-	-	-	-	-	(432,610)	(432,610)	-	**(432,610)**
Balance as on December 31, 2011 (re-stated)	843,795	2,876,893	22,916	9,141,841	16,160,333	1,605,875	(17,511)	(1,716,514)	28,917,628	225,047	**29,142,675**
Appropriation of funds Transferred to conolidated profit & loss account	-	-	-	-	(1,250,000)	-	-	1,250,000	-	-	-
Profit for the period	-	-	-	-	-	-	-	231,117	231,117	13,652	**244,769**
Other comprehensive income	-	-	(16,956)	3,101,459	-	-	12,110	-	3,096,613	(4,488)	**3,092,125**
Total comprehensive income	-	-	(16,956)	3,101,459	-	-	12,110	231,117	3,327,730	9,164	**3,336,894**
Balance as on March 31, 2012 (un-audited re-stated)	843,795	2,876,893	5,960	12,243,300	14,910,333	1,605,875	(5,401)	(235,397)	32,245,358	234,211	**32,479,569**
Transactions with the owner Final dividend for the year ended December 31, 2011 Rs. 1.50 per share	-	-	-	-	-	-	-	(126,569)	(126,569)	-	**(126,569)**
Dividend relating to 2011 paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(28,856)	**(28,856)**
Total contributions by and distributions to equity holders of the Parent Company recognised directly in equity	-	-	-	-	-	-	-	(126,569)	(126,569)	(28,856)	**(155,425)**
(Loss) / profit for the period	-	-	-	-	-	-	-	(2,227,734)	(2,227,734)	44,072	**(2,183,662)**
Other comprehensive income	-	-	10,481	1,044,890	-	-	5,401	-	1,060,772	2,774	**1,063,546**
Re-measurement of actuarial losses on retirement benefit plans (note - 3.2.1)	-	-	-	-	-	-	-	199,235	199,235	-	**199,235**
Total comprehensive income	-	-	10,481	1,044,890	-	-	5,401	(2,028,499)	(967,727)	46,846	**(920,881)**
Balance as on December 31, 2012 (re-stated)	843,795	2,876,893	16,441	13,288,190	14,910,333	1,605,875	-	(2,390,465)	31,151,062	252,201	**31,403,263**
Appropriation of funds Transferred to profit & loss account	-	-	-	-	(3,100,000)	-	-	3,100,000	-	-	-
Profit for the period	-	-	-	-	-	-	-	700,485	700,485	21,375	**721,860**
Other comprehensive income	-	-	639	3,797,480	-	-	-	-	3,798,119	169	**3,798,288**
Total comprehensive income	-	-	639	3,797,480	-	-	-	700,485	4,498,604	21,544	**4,520,148**
Balance as on March 31, 2013 (un-audited)	843,795	2,876,893	17,080	17,085,670	11,810,333	1,605,875	-	1,410,020	35,649,666	273,745	**35,923,411**

The annexed notes 1 to 24 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the three months ended March 31, 2013

	Note	Three months ended	
		March 31, 2013	March 31, 2012 Represented
Cash flow from operating activities	**Note**	**(Rupees in thousand)**	
Cash generated from operations	18	**252,917**	159,169
Finance cost paid		**(272,344)**	(133,490)
Taxes paid		**(170,933)**	(329,840)
Payments for accumulating compensated absences and staff gratuity		**(6,156)**	(10,148)
Net cash used in operating activities		**(196,516)**	(314,309)
Cash flow from investing activities			
Fixed capital expenditure		**(218,180)**	(260,505)
Net increase in long-term loans and deposits		**(1,442)**	(1,148)
Proceeds from disposal of property, plant and equipment		**1,881**	10,141
Dividends received		**616,000**	-
Net cash generated from / (used in) investing activities		**398,259**	(251,512)
Cash flow from financing activities			
Proceeds from long-term finances - secured		**1,025,584**	-
Repayment of long-term finances - secured		**(1,000,000)**	-
Net cash generated from financing activities		**25,584**	-
Net increase / (decrease) in cash and cash equivalents		**227,327**	(565,821)
Cash and cash equivalents at the beginning of the period		**(834,886)**	(969,907)
Cash and cash equivalents at the end of the period	19	**(607,559)**	(1,535,728)

The annexed notes 1 to 24 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

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

for the three months ended March 31, 2013

1. Legal status and nature of business

Packages Limited (the Parent Company) and its subsidiaries, DIC Pakistan Limited, Packages Lanka (Private) Limited, Packages Construction (Private) Limited and Bulleh Shah Packaging (Private) Limited [formerly Bulleh Shah Paper Mill (Private) Limited] (together, 'the Group') are engaged in the following businesses:

Packaging:	Representing manufacture and sale of paper, paperboard, packing materials and tissue products
Inks:	Representing manufacture and sale of finished and semi finished inks.
Construction:	Representing all type of construction activities and development of real estate.

The Parent Company has entered into 50/50 Joint Venture Agreement (the "JV Agreement") on September 17, 2012 with 'Stora Enso OYJ Group' ('Stora Enso') of Finland in its 100% wholly owned subsidiary Bulleh Shah Packaging (Private) Limited [formerly Bulleh Shah Paper Mill (Private) Limited] ('BSPL'). The Joint Venture will include Paper & Paperboard and Corrugated business operations at Kasur and Karachi and will involve initial equity participation of Stora Enso of 35% by way of subscription of right shares with a commitment to increase the shareholding to 50% at a later stage subject to certain conditions being met. The agreed value for 100% of the Joint Venture Company is USD 107.5 million on a cash and debt free basis with additional equity to be subscribed by Stora Enso through right shares in the Joint Venture Company of USD 17.5 million, based on the financial results of second half of 2012 and first half of 2013. The Parent Company shall continue to hold minimum 50% ownership and future profits of the Joint Venture.

As a result, the operations have been divided into Continuing and Discontinued operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, 'Non-current assets held for sale and Discontinued operations'. Paper & Paperboard and Corrugated businesses have been classified as Discontinued operations because these will form part of the Joint Venture. Continuing operations will include Consumer Products Division and Packaging operations including Folding Cartons and Flexible Packaging businesses.

Upon subscription by Stora Enso in BSPL, the Parent Company shall derecognise its investment in BSPL owing to loss of control and recognise an investment in jointly controlled entity, with Stora Enso as the joint venture partner. In view of the above, assets and corresponding liabilities as are envisaged to be transferred to BSPL are classified as held for sale under IFRS 5 as reflected in note 14 of these financial statements. These assets and liabilities have been measured at lower of their respective carrying values and fair values less cost to sell and the resultant estimated charge has been recognised in the profit and loss account.

The Paper and Paperboard operations in Lahore have also been classified as a Discontinued operation as reflected in note 14 of these financial statements, in accordance with the requirements of IFRS 5. This has not been classified as held for sale as it does not meet the criteria for being classified as held for sale under IFRS 5.

The figures of the prior period have been represented in accordance with the requirements of IFRS 5, wherever relevant.

2. Basis of preparation

This condensed consolidated interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under The Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under The Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2012.

3. Significant accounting policies

3.1 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, 2012 except for the adoption of new accounting policies as referred to in note 3.2.1.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Amendments to published standards effective in current year

IAS19 (Amendments), ' Employee benefits' has now eliminated the corridor approach and calculate finance costs on a net funding basis. The Group has applied this change in accounting policy retrospectively in accordance with International Accounting Standard - 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and recorded un-recognised actuarial losses net of taxes associated with these retirement benefit plans by adjusting the opening balance of accumulated profit / (loss) and retirement benefits including pension fund and gratuity fund for the earliest prior period presented. No actuarial assessment has been carried out for preparation of these interim financial statements.

Effects of change in accounting policy are as follows:

Effect on balance sheet

	As at December 31, 2012			As at December 31, 2011		
	(R u p e e s		**i n**	**t h o u s a n d)**		
	As previously reported	**As re-stated**	**Re-statement**	**As previously reported**	**As re-stated**	**Re-statement**
Retirement benefits						
- Pension Fund	(86,512)	(276,459)	(189,947)	(12,358)	(406,831)	(394,473)
- Gratuity Fund	39,009	(30,350)	(69,359)	89,299	3,094	(86,205)
Income tax receivable	1,664,333	1,690,264	25,931	983,800	1,031,868	48,068
Accumulated loss	(2,157,090)	(2,390,465)	(233,375)	(1,283,904)	(1,716,514)	(432,610)

Effect on other comprehensive income	**For the year ended December 31, 2012**			For the year ended December 31, 2011		
	(R u p e e s		**i n**	**t h o u s a n d)**		
	As previously reported	**As re-stated**	**Re-statement**	**As previously reported**	**As re-stated**	**Re-statement**
Actuarial losses (reversed) / recognised - net of tax	**-**	**(199,235)**	**(199,235)**	**-**	**163,971**	**163,971**

Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments have no material impact on the Group's financial statements.

IFRS 1 (Amendments), 'First time adoption', on government loans is applicable on accounting periods beginning on or after January 1, 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008. The application of these amendments does not have a material impact on the Group's financial statements.

IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The application of these amendments does not have a material impact on the Group's financial statements.

IFRS 10 - 'Consolidated financial statements' is applicable on accounting period beginning on or after January 1, 2013. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. The application of these amendments does not have a material impact on the Group's financial statements.

IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 1, 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this standard does not have a material impact on the Group's financial statements.

IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The application of this standard does not have a material impact on the Group's financial statements.

IFRS 13 - 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The application of this standard does not have a material impact on the Group's financial statements.

IAS 1 (Amendments), 'Financial statement presentation' regarding other comprehensive income.

This is applicable on accounting periods beginning on or after July 1, 2012. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (re-classification adjustments). The amendments do not address which items are presented in OCI. The application of these amendments does not have a material impact on the Group's financial statements.

IAS 27 (Revised 2011), 'Separate financial statements' is applicable on accounting periods beginning on or after January 1, 2013. It includes the provisions on separate financial statements that are left after the control provisions of IAS 27 which have been included in the new IFRS 10. The application of this revised standard does not have a material impact on the Group's financial statements.

IAS 28 (Revised 2011), 'Associates and joint ventures' is applicable on accounting periods beginning on or after January 1, 2013. It includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The application of this revised standard does not have a material impact on the Group's financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after January 1, 2014 or later periods, but the Group has not early adopted them:

IFRS 9 - 'Financial instruments' - classification and measurement. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The application of this standard is not expected to have a material impact on the Group's financial statements.

IAS 32 (Amendments), 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2014. These amendments update the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Company shall apply these amendments from January 1, 2014 and does not expect to have a material impact on the Group's financial statements.

4. The provision for taxation for the three months ended March 31, 2013 has been made using the tax rate that would be applicable to expected total annual earnings.

5. The preparation of interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2012, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in Note 4 and estimated loss on re-measurement of net assets of the Discontinued operations as referred to in note 14.1.1

6. Long-term finances

	Note	**March 31, 2013**	December 31, 2012
		(Rupees in thousand)	
These are composed of :			
Local currency loans - secured			
Term Finance Loan	6.1	**-**	1,000,000
Long-term Loan	6.2	**1,000,000**	-
Long-term Finance Facility		**2,000,000**	2,000,000
Term Loan		**242,227**	216,643
		3,242,227	3,216,643
Preference shares / convertible stock - unsecured		**2,470,577**	2,470,577
		5,712,804	5,687,220
Current portion shown under liabilities		**(100,000)**	(1,000,000)
		5,612,804	4,687,220

6.1 During the current period, the Parent Company has pre-paid its Term Finance Loan of Rs. 1,000 million availed from Bank Al-Habib Limited having Bank Al-Habib Limited own source component of Rs. 578 million and State Bank of Pakistan's Long-term Finance Facility (LTFF) component of Rs. 422 million. The Loan was obtained in 2011 by the Parent Company for expansion of its Paper & Paperboard manufacturing facility and was secured by pari passu charge over present and future fixed assets of the Parent Company. The Loan was repaid using proceeds of Long-term Loan as referred to in note 6.2.

6.2 In March 2013, the Parent Company has availed Long-term Loan of Rs. 1,000 million from Bank Al-Habib Limited to prepay its Term Finance Loan as referred to in note 6.1. This Loan is secured by a ranking charge of Rs. 1,273 million (December 31, 2012: Nil) over present and future fixed assets of the Parent Company located at Lahore excluding land and buildings. It carries mark up at the rate of six month KIBOR plus 0.65 per cent per annum and is repayable in 10 equal instalments starting on November 19, 2013 and ending on May 19, 2018.

7. Derivative financial instruments

Liability in respect of arrangements under the JV Agreement

This represents amount in respect of arrangements under the JV Agreement between the Parent Company and Stora Enso referred to in note 1 which provide Stora Enso the right, in case certain conditions specified in the JV Agreement are not met, and obligates Stora Enso, in case certain conditions specified in the JV Agreement are met, to subscribe to the share capital of BSPL. A key condition of such right and obligation relates to the envisaged Joint Venture achieving specified EBITDA, to which the subscription price is also linked.

8. Contingencies and commitments

8.1 Contingencies

(i) Claims against the Group not acknowledged as debts Rs. 20.372 million (December 31, 2012: Rs. 25.860 million).

(ii) Post dated cheques not provided in the condensed consolidated interim financial information have been furnished by the Parent Company in favor of the Collector of Customs against custom levies aggregated to Rs. 239.408 million (December 31, 2012 : Rs. 217.102 million) in respect of goods imported.

8.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 67.443 million (December 31, 2012: Rs. 81.017 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 415.204 million (December 31, 2012: Rs. 661.831 million).

(iii) The amount of future payments under operating leases and Ijarah financing and the period in which these payments will become due are as follows:

	Note	**March 31, 2013**	December 31, 2012
		(Rupees in thousand)	
Not later than one year		**109,376**	180,796
Later than one year and not later than five years		**502,262**	507,544
		611,638	688,340

9. Property, plant and equipment

	Note	**March 31, 2013**	December 31, 2012
Operating assets	9.1	**3,542,380**	3,629,740
Capital work-in-progress	9.2	**478,461**	390,993
		4,020,842	4,020,733

9.1 Operating assets

	Note	**March 31, 2013**	December 31, 2012
Opening book value		**3,629,740**	3,054,879
Additions during the period	9.1.1	**63,659**	1,096,626
Transfer in		**4,511**	4,446
Exchange adjustment on opening cost		**875**	(2,242)
		69,045	1,098,830
		3,698,785	4,153,709
Assets disposed during the period (at book value)		**(31,540)**	(87,465)
Depreciation charged during the period		**(124,467)**	(444,809)
Exchange adjustment on opening accumulated depreciation		**(398)**	8,305
		(156,405)	(523,969)
Closing book value		**3,542,380**	3,629,740

9.1.1 Following is the detail of additions during the period

	March 31, 2013	December 31, 2012
	(Rupees in thousand)	
Buildings on freehold land	**-**	16,328
Buildings on leasehold land	**-**	3,072
Plant and machinery	**38,633**	883,094
Other equipment	**13,379**	116,603
Furniture and fixtures	**561**	5,754
Vehicles	**11,086**	71,775
	63,659	1,096,626

9.2 Capital work-in-progress

Civil works	**180,774**	172,830
Plant and machinery and others [including in transit Rs. 9.343 million (December 31, 2012: 95.652 million)]	**297,456**	197,731
Others	**231**	246
Advances	**-**	20,186
	478,461	390,993

10. Income tax receivable includes Rs. 36.013 million which represents the additional taxes paid as a result of the disallowance of the tax credits on reframing of the assessments.

In 1987, the Income Tax Officer (ITO) re-opened the Parent Company's assessments for the accounting years ended December 31, 1983 and 1984 disallowing primarily tax credit given to the Group under section 107 of the Income Tax Ordinance, 1979. The tax credit amounting to Rs. 36.013 million on its capital expenditure for these years was refused on the grounds that such expenditure represented an extension of the Parent Company's undertaking which did not qualify for tax credit under this section in view of the Parent Company's location. The assessments for these years were revised by the ITO on these grounds and taxes reassessed were adjusted against certain sales tax refunds and the tax credits previously determined by the ITO and set off against the assessments framed for these years.

The Parent Company had filed an appeal against the revised orders of the ITO before the Commissioner of Income Tax (Appeals) [CIT(A)], Karachi. The Commissioner has, in his order issued in 1988, held the assessments reframed by the ITO for the years 1983 and 1984 presently to be void and of no legal effect. The ITO has filed an appeal against the Commissioner's order with the Income Tax Appellate Tribunal (ITAT). The ITAT has in its order issued in 1996 maintained the order of CIT(A). The assessing officer after the receipt of the appellate order passed by CIT (A), has issued notices under section 65 of the Income Tax Ordinance, 1979 and the Parent Company has filed a writ petition against the aforesaid notices with the High Court of Sindh, the outcome of which is still pending.

11. Investments in associates

	Note	March 31, 2013	December 31, 2012
		(Rupees in thousand)	
Opening Balance		**3,612,013**	3,028,921
Profit for the period before taxation		**55,981**	288,552
Provision for taxation		**(20,541)**	(95,628)
		35,440	192,924
		3,647,453	3,221,845
Other comprehensive income		**-**	17,511
Dividends received during the period		**-**	(259,191)
Reversal of impairment charged on investments		**-**	631,848
Closing balance	11.1	**3,647,453**	3,612,013

11.1 In equity instruments of associated companies

	March 31, 2013	December 31, 2012
	(Rupees in thousand)	
Quoted		
IGI Insurance Limited 11,838,267 (2012: 11,838,267) fully paid ordinary shares of Rs. 10 each Market value - Rs. 1,167.845 million (2012: Rs. 1,139.788 million)	**1,103,816**	1,104,860
Tri-Pack Films Limited 10,000,000 (2012: 10,000,000) fully paid ordinary shares of Rs. 10 each Market value - Rs. 1,811 million (2012: Rs. 1,920 million)	**2,533,816**	2,496,271
IGI Investment Bank Limited 4,610,915 (2012: 4,610,915) fully paid ordinary shares of Rs. 10 each Market value - Rs. 9.222 million (2012: Rs. 10.882 million)	**9,821**	10,882
	3,647,453	3,612,013

12. Other long-term investments

	March 31, 2013	December 31, 2012
Quoted		
Nestle Pakistan Limited 3,649,248 (2012: 3,649,248) fully paid ordinary shares of Rs. 10 each Equity held 8.05% (2012: 8.05%) Market value - Rs 21,070.575 million (2012: Rs. 17,273.095 million)	**21,070,575**	17,273,095
Unquoted		
Tetra Pak Pakistan Limited 1,000,000 (2012: 1,000,000) fully paid non-voting shares of Rs. 10 each	**10,000**	10,000
Pakistan Tourism Development Corporation Limited 2,500 (2012: 2,500) fully paid ordinary shares of Rs. 10 each	**25**	25
Orient Match Comapny Limited 1,900 (2012: 1,900) fully paid ordinary shares of Rs. 100 each	**-**	-
Coca-Cola Beverages Pakistan Limited 500,000 (2012: 500,000) fully paid ordinary shares of Rs. 10 each	**4,706**	4,706
	14,731	14,731
	21,085,306	17,287,826

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

13. Cost of sales

	Note	Three months ended March 31, 2013	March 31, 2012 Represented
		(Rupees in thousand)	
Materials consumed	13.1	**2,660,558**	2,226,106
Salaries, wages and amenities		**265,373**	212,037
Fuel and power		**262,317**	213,844
Production supplies		**77,871**	54,260
Excise duty and sales tax		**814**	31
Rent, rates and taxes		**66,360**	81,173
Insurance		**9,033**	7,129
Repairs and maintenance		**82,906**	80,207
Depreciation on property, plant and equipment		**114,787**	86,463
Technical fee and royalty		**16,376**	9,715
Traveling and conveyance		**7,512**	6,869
Other expenses		**62,165**	59,421
		3,626,072	3,037,255
Opening work-in-process		**338,842**	326,022
Closing work-in-process		**(358,513)**	(307,145)
Cost of goods produced		**3,606,401**	3,056,132
Opening stock of finished goods		**853,192**	449,429
Closing stock of finished goods		**(812,964)**	(570,977)
		3,646,629	2,934,584

13.1 Included in materials consumed is sales from Discontinued operations of Rs. 440 million (2012: Rs. 540 million).

14. Non-current assets held for sale and Discontinued operations

14.1. Assets and liabilities of disposal group classified as held for sale

	Note	March 31, 2013	December 31, 2012
		(Rupees in thousand)	
Assets classified as held for sale			
Operating assets	14.1.1	**10,361,855**	10,249,450
Capital work-in-progress		**118,607**	162,365
Intangible assets		**23,099**	10,021
Stores and spares (including intrasit Rs. 7.116 million (December 31, 2012: Rs. 17.290 million)		**745,893**	695,153
Stock-in-trade (including intransit Rs. 378.003 million (December 31, 2012: Rs. 201.492 million)		**2,774,232**	3,426,302
Loans, advances, deposits, prepayments and other receivables		**800**	-
Total assets of the disposal group		**14,024,486**	14,543,291
Liabilities directly associated with assets classified as held for sale			
Long-term finances		**5,100,000**	5,100,000
Deferred income tax liabilities		**551,513**	551,513
Deferred liabilities		**13,586**	-
Other payables		**18,213**	17,684
Total liabilities of the disposal group		**5,683,312**	5,669,197
Total net assets of the disposal group		**8,341,174**	8,874,094

14.1.1 Operating assets

	Note	March 31, 2013	December 31, 2012
		(Rupees in thousand)	
Opening balance		**14,703,579**	-
Assets of disposal group classified as held for sale as at September 30, 2012		**-**	14,672,768
Net book value of additions/transfer in		**118,092**	32,402
Net book value of deletions		**(5,687)**	(1,591)
		14,815,984	14,703,579
Loss recognised on the re-measurement of assets of disposal group	14.1.2	**(4,454,129)**	(4,454,129)
		10,361,855	10,249,450

14.1.2 This represents the difference between the carrying values of net assets to be transferred to BSPL and the estimated fair value thereof in the form of Parent Company's interest in the envisaged Joint Venture, net of the value of derivative financial instruments.

14.2 Profit and loss account - Discontinued operations

	Paper & Paperboard and Corrugated business operations at Kasur and Karachi		Paper & Paperboard operations at Lahore		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
		Represented		Represented		Represented
	(Rupees in thousand)					
Local sales	2,862,347	2,476,851	-	32,852	2,862,347	2,509,703
Export sales	6,443	11,834	-	-	6,443	11,834
	2,868,790	2,488,685	-	32,852	2,868,790	2,521,537
Less: Sales tax and excise duty	369,144	338,254	-	1,459	369,144	339,713
Commission	-	-	-	-	-	-
	369,144	338,254	-	1,459	369,144	339,713
	2,499,646	2,150,431	-	31,393	2,499,646	2,181,824
Sales to Continuing operations	439,657	539,791	-	-	439,657	539,791
	2,939,303	2,690,222	-	31,393	2,939,303	2,721,615
Cost of sales	(2,668,418)	(2,705,975)	-	(69,771)	(2,668,418)	(2,775,746)
Gross profit / (loss)	270,885	(15,753)	-	(38,378)	270,885	(54,131)
Administrative expenses	(62,631)	(70,752)	-	(14,903)	(62,631)	(85,655)
Distribution and selling costs	(55,273)	(41,837)	-	(6,544)	(55,273)	(48,381)
Other operating expenses	(11,404)	(1,700)	-	(106)	(11,404)	(1,806)
Other operating income	3,018	2,435	-	6,325	3,018	8,760
Profit / (loss) from operations	144,595	(127,607)	-	(53,606)	144,595	(181,213)
Finance cost	(142,246)	(233,201)	-	(2,687)	(142,246)	(235,888)
Profit / (loss) before tax from Discontinued operations	2,349	(360,808)	-	(56,293)	2,349	(417,101)
Taxation	(822)	126,282	-	19,703	(822)	145,985
Profit / (loss) after tax from Discontinued operations	1,527	(234,526)	-	(36,590)	1,527	(271,116)

14.3 Cash flows from Discontinued operations

Cash flows from operting activities	747,630	(40,267)	-	28,373	747,630	(11,894)
Cash flows from investing activities	(63,829)	6,634	-	1,502	(63,829)	8,136
Cash flows from financing activities	-	-	-	-	-	-
Total cash flows	683,801	(33,633)	-	29,875	683,801	(3,758)

15. Combined earnings / (loss) per share

15.1 Combined basic earnings per share - Continuing operations

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	**698,958**	502,233
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Earnings per share	Rupees	**8.28**	5.95

15.2 Combined basic earnings / (loss) per share - Discontinued operations

Profit / (loss) for the period	Rupees in thousand	**1,527**	(271,116)
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Earnings / (loss) per share	Rupees	**0.02**	(3.21)

15.3 Combined diluted earnings per share - Continuing operations

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	**698,958**	502,233
Return on preference shares / convertible stock	Rupees in thousand	**95,465**	81,001
		794,423	583,234
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504
Weighted average number of notionally converted preference shares / convertible stock	Numbers	**21,686,842**	21,686,842
		106,066,346	106,066,346
Combined diluted earnings per share	Rupees	**7.49**	5.50

15.4 Combined diluted earnings / (loss) per share - Discontinued operations

The combined diluted earnings / (loss) per share of Discontinued operations is the same as the combined basic earning / (loss) per share of Discontinued operations as there are no convertible instruments attributable to the Discontinued operations.

16. Transactions with related parties

Relationship with the Group	Nature of transactions	Three months ended **March 31, 2013**	Three months ended March 31, 2012
		(Rupees in thousand)	
i Associates			
	Purchase of goods & services	**282,497**	237,489
	Sale of goods & services	**11,542**	21,157
	Dividend income	**-**	200,000
	Insurance premium	**73,183**	65,140
	Insurance claim received	**55,475**	78,078
	Commission earned	**1,156**	910
ii Other related parties			
	Purchase of goods & services	**53,308**	62,108
	Sale of goods & services	**23,080**	453
	Royalty and technical fee - expense	**12,423**	8,773
iii Post employment benefit plans	Expenses charged in respect of retirement benefit plans	**32,189**	24,717
iv Key management personnel	Salaries and other employee benefits	**28,020**	21,086

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

Period-end balances

	March 31, 2013	December 31, 2012
	(Rupees in thousand)	
Receivable from related parties		
Associates	**15,820**	101,877
Other related parties	**25,491**	15,809
Payable to related parties		
Associates	**69,480**	127,951
Other related parties	**44,961**	18,720
Post employment benefit plans	**18,264**	15,788

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

17. Segment Information

	Continuing operations								Sub Total		Discontinued operations	
	Packaging Division		Consumer Products Division		Ink Division		General & Others		Continuing Operations		Paper & Board & Corrugator	
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
		Represented		Represented		Represented		Represented		Represented		Represented
	(Rupees in thousand)											
Revenue from external customers	**3,066,450**	2,624,901	**733,302**	352,107	**447,952**	319,013	**188,891**	65,250	**4,436,595**	3,361,271	**2,499,646**	2,181,824
Intersegment revenue	**112,338**	64,851	**3,771**	1,513	**186,426**	167,387	**40,113**	60,282	**342,648**	294,033	**439,657**	539,791
	3,178,788	2,689,752	**737,073**	353,620	**634,378**	486,400	**229,004**	125,532	**4,779,243**	3,655,304	**2,939,303**	2,721,615
Segment profit / (loss) before tax	**304,119**	220,218	**41,113**	(68,318)	**63,999**	30,140	**441,498**	282,279	**850,729**	464,319	**2,349**	(417,101)
	March 31, 2013	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012	**March 31, 2013**	March 31, 2012
Segment assets	**6,980,292**	6,493,184	**1,256,747**	1,125,111	**950,438**	943,436	**4,052,106**	1,351,275	**13,239,583**	9,913,006	**14,023,686**	17,900,644

Reconciliation of profit

	March 31, 2013	March 31, 2012
		Represented
	(Rupees in thousand)	
Profit for reportable segments	**850,729**	464,319
Income from Associates - net	**55,981**	111,087
Intercompany consolidation adjustments	**(29,283)**	985
Profit before tax	**877,427**	576,391

18. Cash generated from operations

	Three months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Profit before taxation including Discontinued operations	879,776	159,290
Adjustments for:		
Depreciation on property, plant and equipment	124,467	429,880
Depreciation on investment property	33	80
Amortisation on intangible assets	3,256	2,928
Provision for accumulating compensated absences and staff gratuity	20,222	23,112
Exchange adjustments	331	(17,727)
Net loss / (profit) on disposal of property, plant and equipment	7,252	(3,292)
Finance costs	355,976	395,446
Dividend income	(616,000)	(387,970)
Share of profit of associates	(55,981)	(111,087)
Profit before working capital changes	719,332	490,660
Effect on cash flow due to working capital changes		
Increase in stores and spares	(86,416)	(215,663)
Decrease in stock in trade	446,944	234,693
Increase in trade debts	(598,064)	(361,886)
Increase in loans, advances, deposits, prepayments and other receivables	(91,799)	(19,957)
(Decrease) / increase in trade and other payables	(137,080)	31,322
	(466,415)	(331,491)
	252,917	159,169

19. Cash and cash equivalents

	Three months ended	
	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Cash and bank balances	**805,758**	202,161
Finances under markup arrangements - secured	**(1,413,317)**	(1,737,889)
	(607,559)	(1,535,728)

20. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2012.

There have been no changes in the risk management policies since the year end.

21. Detail of 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
Bulleh Shah Packaging (Private) Limited *[formerly Bulleh Shah Paper Mill (Private) Limited]*	December 31	100.00%	Pakistan

22. Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on April 23, 2013 by the Board of Directors of the Parent Company.

23. Non adjusting events disclosure

The Board of Directors of the Parent Company has proposed a final cash dividend for the year ended December 31, 2012 of Rs. 4.50 per share (2011: Rs. 1.50 per share), amounting to Rs. 379.708 million (2011: Rs. 126.569 million) in its meeting held on March 18, 2013 for approval of the members at the Annual General Meeting to be held on April 30, 2013, accordingly, dividend appropriation has not been recognised in these financial statements as dividend has not been approved by the members as of the date of authorisation of this condensed consolidated interim financial information.

The Board of Directors of the Parent Company has also recommended to transfer Rs. 200 million to accumulated profit / (loss) from general reserve in its meeting held on April 23, 2013.

24. Corresponding figures

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

Corresponding figures have been re-arranged and re-classified, wherever necessary for the purpose of comparison. However, no significant re-classifications have been made except for representing the results of Discontinued operations in accordance with IFRS-5 and re-statements required in terms of application of change in accounting policy as referred to in note 3.2.1.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director