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**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2009
(UN-AUDITED)**








Mission Statement

To systematically and cost effectively manufacture and supply consistently high quality products and services thus achieving customer satisfaction profitably and thereby ensuring the financial well being of the company and maximum returns to the shareholders.

Corporate Strategy

Retain market share leadership through quality and price competitiveness while creating value as a low cost producer.

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COMPANY INFORMATION

BOARD OF DIRECTORS:

Mr. Hussain Jamil Chairman/Chief Executive Officer
Mr. Ahsan Jamil
Mr. Shahid Jamil
Mrs. Deborah Jamil
Mrs. Ayesha Khan
Mr. Asad Ali Sheikh
Syed Sohail Raza Zaidi

AUDIT COMMITTEE:

Mr. Ahsan Jamil	Chairman	Non-Executive Director
Mr. Shahid Jamil	Member	Non-Executive Director
Mrs. Ayesha Khan	Member	Non-Executive Director

CHIEF FINANCIAL OFFICER:

Mr. Ashfaq Abdul Gaffar FCA

COMPANY SECRETARY:

Mr. Muhammed Ali Adil

BANKERS:

Askari Bank Limited
Habib Bank Limited
Allied Bank Limited
JS Bank Limited
RBS Limited

AUDITORS:

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR:

M/s. Ebrahim Hosain Advocate & Corporate Council

FACTORY:

1. Plot No. 112-113, Phase V, Industrial Estate Hattar, District Haripur, N.W.F.P., Tel: (0995) 617682-3, Fax: (0995) 617074
Email: plant_h@ecopack.com.pk
2. C/o Haidry Beverages (Pvt) Kahuta Triangle Estate, Islamabad, Phone: (051) 5595165, Email: headoffice@ecopack.com.pk

REGISTERED & CORPORATE OFFICE:

Suite # 206, 2nd Floor, The Plaza Kehkeshan, Clifton, Block-9, K.D.A. Scheme # 5, Karachi. Tel: (021) 35361231-6, Fax: (021) 35361242, Email: headoffice@ecopack.com.pk
Web: <http://www.ecopack.com.pk>



DIRECTORS' REPORT

THE Board of Directors of Ecopack Limited is pleased to present its quarterly report for the 3 months ending 30th September, 2009:

Sales:

Sales in unit terms in this quarter were 5% higher than the corresponding period last year. Preform sales grew by 35% versus same period last year. However, Bottle sales were down by almost 3% due to the advent of late monsoon rains in July & August this year combined with ongoing loadshedding adversely impacting production in the peak sales month of Ramadhan.

Financial Highlights:

Net sales fell by nearly 10% in value terms mainly due to Pet resin prices being 18% lower than same period last year. The Cost of Sales increased and the Gross Profit fell by less than 1%.

Although financial charges decreased marginally from Rs.45.71 million to Rs.43.02 million, profit after taxation fell from Rs.10.1 million to Rs.2.86 million in this quarter versus the same quarter in the previous year. This is mainly due to less absorption of fixed costs as your company decided to have low ending stocks for the quarter versus last year. Historical trends show that resin prices fall after September and going forward with high stocks would increase the possibility of inventory loss during the rest of the year.

Outlook:

Your company has entered into the 2nd quarter (Oct to Dec 2009) with 57% less stocks than last year. This means your company would be in a better position to reduce its production cost by improved utilization of production capacity in the 2nd quarter without much risk of inventory losses associated with high inventory levels.

Hence your company is poised to improve its Gross Profit margin in the forth coming quarter through better absorption of fixed costs and prudent inventory management.

Staff & Acknowledgements:

The efforts, skills and coordination of the management and workers of the company are recognized and appreciated for increasing the sales and production of the company in a specially trying year.

For & on behalf of the Board of Directors

Dated: October 22, 2009
Karachi.

HUSSAIN JAMIL
(Chief Executive Officer)

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2009**

	NOTE	SEPTEMBER 30, 2009	AUDITED JUNE 30, 2009
ASSETS			
NON-CURRENT ASSETS			
(Rupees in '000)			
Property, Plant & Equipment	5	1,281,097	1,271,094
Long term security deposits		8,272	7,022
		1,289,369	1,278,116
CURRENT ASSETS			
Stores, Spares and loose tools		52,944	54,859
Stock in trade		138,593	231,836
Trade debts		211,957	221,211
Loans and advances		27,348	16,241
Short term deposits & prepayments		7,346	5,075
Other receivables		44,763	42,672
Cash and bank balances		4,129	817
		487,080	572,711
TOTAL ASSETS		1,776,449	1,850,827
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorised			
50,000,000 (June 2009 : 50,000,000) Ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up Capital		229,770	229,770
Unappropriated (Loss)		(42,101)	(49,646)
		187,669	180,124
SURPLUS ON REVALUATION ON PROPERTY, PLANT & EQUIPMENT-net of tax		208,647	213,329
NON-CURRENT LIABILITIES			
Long term Financing-Secured	6	375,572	407,807
Long term Payables		5,192	5,192
Liabilities against assets subject to finance lease		38,919	25,206
Deferred liabilities		148,833	151,106
		568,516	589,312
CURRENT LIABILITIES			
Trade and other payables		298,168	376,442
Accrued mark-up on loans		28,736	32,591
Short term finances		331,322	333,956
Current portion of long term financing		126,005	100,315
Taxation		27,386	24,758
		811,617	868,062
TOTAL EQUITY AND LIABILITIES		1,776,449	1,850,827

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	NOTE	JUL-SEP 2009	JUL-SEP 2008
(Rupees in '000)			
SALES-Net	8	544,938	605,144
Less: Cost of sales	9	(472,361)	(518,948)
GROSS PROFIT		72,577	86,196
Operating expenses:			
Administrative		(9,492)	(11,261)
Distribution cost		(17,690)	(18,995)
		(27,182)	(30,256)
OPERATING PROFIT		45,394	55,940
Finance Cost		(43,023)	(45,705)
Other Charges		-	(201)
Workers' profit participation fund		(156)	(576)
Other income		754	1,492
		(42,425)	(44,990)
PROFIT BEFORE TAXATION		2,970	10,950
Taxation - Current		(2,627)	-
- Deferred		2,521	(845)
		(106)	(845)
PROFIT AFTER TAXATION		2,863	10,105
Earning per share - basic and diluted		0.12	0.44

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	JUL-SEP 2009	JUL-SEP 2008
(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES		
Loss/Profit before taxation	2,970	10,940
Adjustment		
Depreciation	24,274	22,803
Insurance claim	(1)	
Exchange loss	-	201
Provision for WPPF	156	586
Provision for gratuity	1,568	2,775
Finance cost	43,023	45,705
	69,020	72,071
Cash flow before working capital changes	71,990	83,011
(Increase) / decrease in current assets :		
Store,spares & loose tools	1,915	105
Stock in trade	93,243	25,941
Trade debts	9,254	(44,966)
Loans & advances	(11,107)	(5,338)
Short term deposits & prepayments	(2,271)	(4,472)
Other receivables	(27)	5,728
Net (increase)/ decrease in current assets	91,007	(23,002)
Increase / (decrease) in current liabilities:		
Trade and other payables	(78,431)	60,133
	(78,431)	60,133
Finance cost paid	(46,878)	(37,923)
Gratuity paid	(1,320)	(212)
Taxes paid	(2,063)	(2,277)
	(50,261)	(40,412)
Net cash inflow from operating activities	34,305	79,730
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(8,638)	(9,904)
Capital work-in-progress	(25,638)	(470)
Long term security deposits	(1,250)	-
Net cash outflow from investing activities	(35,526)	(10,374)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finance	(13,750)	(184,600)
Leases acquired	22,728	-
Repayment of finance leases	(1,811)	(3,561)
Net cash outflow from financing activities	7,167	(188,161)
Net increase / (decrease) in cash and cash equivalents	5,946	(118,805)
Cash and cash equivalents at the beginning of the period	(333,139)	(163,548)
Cash and cash equivalents at the end of the period	(327,193)	(282,353)

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	SHARE CAPITAL	UNAPPROPRIATED PROFIT/(LOSS)	TOTAL
	(Rupees in '000)		
Balance as at July 01, 2008	229,770	25,820	255,590
Transfer from profit & loss account	-	(85,621)	(85,621)
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	10,155	10,155
Balance as at June 30, 2009	<u>229,770</u>	<u>(49,646)</u>	<u>180,124</u>
Balance as at July 01, 2009	229,770	(49,646)	180,124
Transfer from profit & loss account	-	2,863	2,863
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	4,682	4,682
Balance as at September 30, 2009	<u>229,770</u>	<u>(42,101)</u>	<u>187,669</u>

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

1. STATUS AND NATURE OF BUSINESS

Ecopack Limited "the Company" was incorporated on August 25, 1991 as a private limited company under the Companies Ordinance, 1984. It was converted as a public limited company on April 29, 1992 and subsequently in March 1994 was listed and its shares are quoted at Karachi Stock Exchange.

The principal activity of the company is to manufacture Polyethylene Terephthalat (PET) bottles and preforms for sale to the beverage and other liquid packaging industry. The company has two manufacturing facilities located at Hattar, NWFP, and at Kahuta in Federal Capital Territory, Islamabad.

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange and have been prepared in accordance with requirements of the International Accounting Standard 34 'Interim Financial Reporting' as applicable in Pakistan.

These condensed interim financial statements do not include all the information required for annual financial statements and should be read in conjunction with the financial statements of the company for the year ended June 30, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2009.

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make judgment, estimates and assumptions of that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses.

5. PROPERTY, PLANT & EQUIPMENT

	ADDITIONS DURING THE PERIOD JUL-SEP 09	(AUDITED) WDV AS ON JUNE 30,2009
	(Rupees in '000)	
Land & Building	115	60,855
Plant & Machinery	4,410	1,086,702
Factory Equipment	2,906	49,951
Furniture & Fixture	376	3,411
Office Equipment	795	11,075
Vehicles	77	3,812
Plant & Machinery-(Leased)	-	30,954
Vehicles- (Leased)	-	12,663
Capital work in Progress	25,638	11,671
	34,317	1,271,094

6. LONG TERM FINANCING

	SEP 30, 2009	(AUDITED) JUN 30, 2009
	(Rupees in '000)	
Loan from banking companies		
Askari Bank Limited (TF)	198,282	198,282
JS Bank Limited (TF)	25,000	31,250
Habib Bank Limited (DF-I)	26,250	26,250
Habib Bank Limited (DF-II)	144,894	144,894
Habib Bank Limited (DF-III)	88,750	96,250
Less:		
current portion shown under current liabilities	(107,604)	(89,119)
	375,572	407,807

7. CONTINGENCIES AND COMMITMENTS

7.1. Contingencies

Contingencies remained same during the quarter ended September 30, 2009 as disclosed in the audited financial statements for the year ended June 30, 2009.

7.2. Commitments

Letters of credit	-	29,042
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	JUL-SEP 2009	JUL-SEP 2008
	(Rupees in '000)	
8. NET SALES		
Sales	637,159	708,174
Less :		
Sales tax	(81,902)	(96,669)
1% Special Excise Duty	(5,119)	(6,042)
Sales Commission/return	(5,200)	(319)
	(92,221)	(103,030)
	<u>544,938</u>	<u>605,144</u>
9. COST OF SALES		
Raw material consumed	319,157	397,278
Packing material consumed	18,836	19,967
Salaries, wages & other benefits	21,514	21,875
Travelling & conveyance	782	333
Professional charges	18	145
Vehicle repair & maintenance	2,437	2,252
Rent, rate & taxes	5,970	7,748
Repair & maintenance	1,636	683
Communication charges	387	232
Printing, postage & stationery	273	280
Entertainment	430	149
Insurance	685	655
Medical	365	579
Electricity, gas & water	26,856	24,046
Freight, octroi & toll tax	627	2,643
Depreciation	23,112	21,702
Transportation factory workers	1,353	1,164
Consumable store	8,743	6,995
Lab tests	260	192
Courses & seminars fee	219	-
Miscellaneous	71	19
	<u>433,731</u>	<u>508,937</u>
WORK IN PROCESS		
Opening	71,132	87,180
Closing	(47,057)	(95,956)
	24,075	(8,776)
COST OF GOODS MANUFACTURED	<u>457,806</u>	<u>500,161</u>
Finished goods		
Opening	63,714	145,017
Closing	(49,159)	(126,230)
	14,555	18,787
COST OF SALES	<u>472,361</u>	<u>518,948</u>

10. SEGMENT REPORTING

	INJECTION		BLOWING	
	JUL-SEP 2009	JUL-SEP 2008	JUL-SEP 2009	JUL-SEP 2008
	(Rupees in '000)			
SALES-Net	104,064	120,336	440,874	484,808
Less: Cost of Sale	(92,782)	(110,521)	(379,579)	(408,427)
Gross Profit	11,282	9,815	61,295	76,381
Operating expenses				
Administrative	(1,813)	(2,241)	(7,679)	(9,020)
Distribution Cost	(3,378)	(3,781)	(14,312)	(15,214)
	(5,191)	(6,022)	(21,991)	(24,234)
Operating Profit	6,091	3,793	39,304	52,147

11. DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on October 22, 2009 by the Board of Directors of the company.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees. Corresponding figures have been rearranged for better presentation and disclosure.

CHIEF EXECUTIVE OFFICER

DIRECTOR