








## 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/Executive Director
Mr. Mr. Ahsan Jamil	Chief Executive Officer
Mr. Ali Jamil	
Mr. Shahid Jamil	
Mrs. Deborah Jamil	
Mrs. Ayesha Khan	
Mr. Ashiq Hussain Qureshi	

### AUDIT COMMITTEE:

Mr. Hussain Jamil	Chairman	
Mrs. Ayesha Khan	Member	Non-Executive Director
Mr. Ashiq Hussain Qureshi	Member	Non-Executive Director

### CHIEF FINANCIAL OFFICER:

Mr. Habib Ur Rehman Siddiqui

### COMPANY SECRETARY:

Mr. Muhammad Jawaid Shaikh

### BANKERS:

Askari Commercial Bank Limited  
Habib Bank Limited  
Allied Bank Limited  
Citi Bank NA

### 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. F-248, Near Fire Brigade, S.I.T.E., Karachi. Tel: (021) 2569549-52,  
Fax: (021) 2569436  
Email: headoffice@ecopack.com.pk

### REGISTERED & CORPORATE OFFICE:

F-248, Near Fire Brigade, S.I.T.E., Karachi. Tel: (021) 2569549-52,  
Fax: (021) 2569436  
Email: headoffice@ecopack.com.pk

## DIRECTORS' REPORT

The board of directors of your company is pleased to present the un-audited financial results for the quarter ended 30th September 2007.

### Sales & Operations

Quantitative sales grew by 47% for bottles and by 566% (on a small base) for Preforms in this quarter compared with the corresponding quarter ended 30th September 2006, while combined revenues increased by 71% i.e. from Rs. 271.8 million to Rs. 465.08 million. A big contributor was Preforms sales which achieved a considerable boost with the surplus capacity created by our recent preform capacity expansion in April 2007. This has been a well timed step because the market demand for Preforms has substantially grown as some of the larger customers of PET bottles who have established in-house bottle blowing machines now have to out-source preforms from their tried and tested vendors. As the market for PET bottles continues to grow rapidly, a substantial demand for preforms by smaller customers with relatively inexpensive low output machines has also emerged which was positive for preform sales in this quarter.

### Financial Results

Although sales grew strongly in this quarter versus the prior years corresponding quarter, after tax profit only increased from Rs. 1.168 million to Rs. 2.189 million. The Gross Profit margin dropped from 19% to 12% on account of the following:

- Higher PET resin cost due to sharp increases in Petro-chemical supply chain raw materials.
- Impact of additional depreciation charge on new investment in plant capacity.
- Increase in overheads due to inflationary pressures and additional manpower hiring.

### Future Outlook

Our newly installed on-premise plant to supply in-line bottles at Pepsi-Cola Islamabad began commercial production at the beginning of this quarter and supplies have become increasingly streamlined. This bodes well for your company's sales as it is better poised to capture a significant part of the phenomenal growth that carbonated soft drinks (CSD) continue to witness. A larger production footprint in the Hattar-Islamabad region allows the company to optimize and rationalize costs as it focuses on efforts to become an efficient low cost manufacturer of bottles and preforms as the industry enters the rapid growth phase for PET.

The emphasis on product diversification and innovation with largely the use of its existing assets will allow the company to create profitable niche applications for its business. The recent rise in demand for specialized containers for hot-fill juices and other health & hygiene products is an area of immense opportunity for your company. Timely and successful implementation of the above will augur well for the profitable growth of your company - inshallah!

**Acknowledgement**

The untiring and coordinated efforts of the entire team of management, staff and workers are appreciated in implementing and managing the varied aspects of the business as it enters the new dynamic phase of growth through on-line manufacture at customer premises.

For & on behalf of the Board of Directors

**Hussain Jamil**  
(Chairman of the Board)

Karachi  
Dated: October 19, 2007

## CONDENSED BALANCE SHEET

AS AT SEPTEMBER 30, 2007

Note SEPTEMBER 30, JUNE 30,  
2007 2007  
( Rupees in '000)

### ASSETS

#### NON-CURRENT ASSETS

Property, Plant & Equipment	1,067,427	1,061,394
Long term security deposits	8,560	8,376

#### CURRENT ASSETS

Stores, Spares and loose tools	63,425	77,277
Stock in trade	261,324	386,420
Trade debts - unsecured considered good	239,109	175,240
Loans and advances	6,305	31,965
Short term prepayments & deposits	8,750	6,042
Other receivables	80,331	36,944
Cash and bank balances	1,051	3,090
	660,295	716,978

#### TOTAL ASSETS

1,736,283 1,786,749

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

Share Capital		
Authorised		
50,000,000 ( June 2007 : 50,000,000) Ordinary shares of Rs. 10 each	500,000	500,000
Issued, subscribed and paid-up	229,770	229,770
Reserves	101,358	95,392
	331,128	325,162

#### SURPLUS ON REVALUATION OF FIXED ASSETS

90,048 92,503

#### NON-CURRENT LIABILITIES

Loang term loans - secured	529,046	525,296
Liability against assets subject to finance lease	36,113	33,366
Deferred liabilities	95,515	95,756
	660,674	654,418

#### CURRENT LIABILITIES

Trade and other payables	205,019	363,873
Accrued mark-up on loans	22,597	25,482
Short term finances	256,965	206,570
Current portion of long term liabilities	151,609	102,825
Taxation	18,242	15,915
	654,432	714,666

#### CONTINGENCIES AND COMMITMENTS

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#### TOTAL EQUITY AND LIABILITIES

1,736,283 1,786,749

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

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

## CONDENSED PROFIT & LOSS FOR THE QUARTER

	Note	TOTAL	
		Jul-Sep 07 Rs.	Jul-Sep 06 Rs.
<b>NET SALES</b>	5	<b>465,081</b>	271,836
Cost of sales	6	<b>(407,707)</b>	(219,450)
<b>GROSS PROFIT</b>		<b>57,374</b>	52,386
Operating expenses:			
Administration		<b>(10,200)</b>	(10,546)
Selling & distribution		<b>(16,994)</b>	(12,071)
		<b>(27,194)</b>	(22,617)
<b>OPERATING PROFIT</b>		<b>30,180</b>	29,769
Financial cost		<b>(31,821)</b>	(23,557)
Workers' profit participation fund		<b>(253)</b>	(347)
Other income	7	<b>6,699</b>	728
		<b>(25,375)</b>	(23,176)
<b>PROFIT BEFORE TAXATION</b>		<b>4,805</b>	6,593
Taxation - Current		<b>(2,326)</b>	(1,359)
- Deferred		<b>(290)</b>	(4,067)
		<b>(2,616)</b>	(5,426)
<b>PROFIT AFTER TAXATION</b>		<b>2,189</b>	1,168
Earning per share - basic and diluted		<b>0.10</b>	0.05

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

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CHIEF EXECUTIVE OFFICER

Manufacturers of Quality PET Bottles and Preforms



**ACCOUNT ( UN-AUDITED )**  
**ENDED SEPTEMBER 30, 2007**

( Rupees in '000 )

NORTHERN		SOUTHERN	
Jul-Sep 07 Rs.	Jul-Sep 06 Rs.	Jul-Sep 07 Rs.	Jul-Sep 06 Rs.
539,634	258,307	61,976	50,416
(486,323)	(209,973)	(57,913)	(46,363)
53,311	48,334	4,063	4,053
(8,841)	(8,590)	(1,359)	(1,956)
(13,683)	(9,744)	(3,311)	(2,327)
(22,524)	(18,334)	(4,670)	(4,283)
30,787	30,000	(607)	(203)

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DIRECTOR



## CONDENSED CASH FLOW STATEMENT FOR THE QUARTER ENDED SEPTEMBER 30, 2007

September 30, September 30,  
2007 2006  
( Rupees in '000)

	September 30, 2007	September 30, 2006
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,805	6,593
Adjustment for :		
Depreciation	18,424	14,598
Provision for WPPF	253	347
Provision for gratuity	1,598	946
Financial charges	31,821	23,557
	52,095	39,449
<b>Cash flow from operating activities before working capital changes</b>	<b>56,901</b>	<b>46,042</b>
<b>(Increase) / Decrease in current assets :</b>		
Spares & loose tools	13,852	(26,240)
Stock in trade	125,096	(55,501)
Trade debts	(63,869)	2,396
Loans & advances	25,660	2,275
Short term prepayments & deposits	(2,708)	(1,736)
Other receivables	(42,997)	(5,733)
Net (increase) / decrease in current assets	55,035	(84,539)
<b>Increase / (Decrease) in current liabilities:</b>		
Trade & other payables	(158,603)	86,131
<b>Payments made:</b>		
Financial cost paid	(34,706)	(22,526)
Gratuity paid	(806)	(136)
WPPF paid	(503)	(5,300)
Taxes Paid	(390)	(4,091)
	(36,406)	(32,053)
Net cash (outflow) / inflow from operating activities	(83,074)	15,581
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(24,457)	8
Long term security deposits increased	(184)	
Net cash generated / (used) in investing activities	(24,642)	8
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans obtained	75,000	-
Repayment of long term loans	(16,950)	(13,717)
Leases acquired	2,048	560
Payment of finance lease liabilities	(4,816)	(4,293)
Net cash generated / (used) in financing activities	55,282	(17,450)
Net Increase in cash and cash equivalents	(52,434)	(1,861)
Cash and cash equivalents at the beginning of the period	(203,480)	(57,185)
Cash and cash equivalents at the end of the period	(255,914)	(59,046)

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

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

Manufacturers of Quality PET Bottles and Preforms



**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

	Share Capital	Reserves	Total
	-----	<i>(Rupees in '000)</i>	-----
Balance as at July 01, 2006 - Restated	164,121	145,698	309,819
Issue of Bonus shares @ 40%	65,648	(65,648)	-
Net profit from Jul 2006 to Sep 2006	-	1,168	1,168
Net loss from Oct 2006 to Jun 2007		(934)	(934)
Transfer from surplus on revaluation of fixed assets.	-	15,109	15,109
<b>Balance as at June 30, 2007</b>	<b>229,770</b>	<b>95,392</b>	<b>325,162</b>
Net profit from Jul 2007 to Sep 2007	-	2,189	2,189
Transfer from surplus on revaluation of fixed assets, current period - net of deferred tax	-	3,777	3,777
<b>Balance as at September 30, 2007</b>	<b>229,770</b>	<b>101,358</b>	<b>331,128</b>

The annexed notes form an integral part of these financial statements

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CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

**1. STATUS AND NATURE OF BUSINESS**

The company was incorporated on 25 August 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 at Karachi Stock Exchange. The principal activity of the company is to manufacture and sale of Poly Ethylene Terephthalat (PET) bottles and preforms for beverage and non-beverage industry. The company is the market leader in PET bottle manufacturing for the beverage industry in Pakistan. Its three manufacturing facilities are located in the province of Sindh at Karachi, in the province of NWFP at Hattar and in the Federal Capital Territory Islamabad at Kahota. The Hattar and Islamabad Plants are strategically situated to serve Punjab and NWFP provinces being the major beverage markets of the country.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These accounts have been prepared in accordance with the requirements of International Accounting Standard (IAS-34) "Interim Financial Reporting".

The accounting policies adopted and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2007.

**3. CONTINGENCIES AND COMMITMENTS**

Contingency remains same during the quarter ended September 30, 2007 as disclosed in the audited financial statements for the year ended June 30, 2007

	September 30, 2007	June 30, 2007
	( Rupees in '000)	
<b>3.1 Commitments</b>		
Letters of credit	37,768	3,672

**4. INTERSEGMENT SALES & PURCHASES**

- Inter-segment sales and purchases have been eliminated from total.
- Inter-segment business is recorded at cost.

September 30, September 30,  
 2007 2006  
 ( Rupees in '000)

**5. NET SALES**

Sales	<b>541,647</b>	312,612
Sales tax	<b>(69,178)</b>	(40,775)
Special excise duty	<b>(4,636)</b>	-
Sales return	<b>(2,752)</b>	-
	<b>(76,566)</b>	(40,775)
	<b>465,081</b>	271,837

**6. COST OF GOODS SOLD**

Raw material consumed	<b>258,697</b>	189,063
Packing material consumed	<b>18,522</b>	11,810
Salaries, wages & other benefits	<b>19,641</b>	13,744
Travelling & conveyance	<b>853</b>	677
Professional charges	<b>198</b>	286
Vehicle repair & maintenance	<b>1,659</b>	1,605
Rent, rate & taxes	<b>8,261</b>	3,192
Repair & maintenance	<b>2,347</b>	1,962
Telephone	<b>373</b>	365
Printing, postage & stationery	<b>684</b>	237
Entertainment	<b>210</b>	198
Insurance	<b>640</b>	430
Medical	<b>394</b>	37
Electricity, gas & water	<b>25,046</b>	21,620
Freight, octroi & toll tax	<b>1,484</b>	592
Depreciation	<b>17,544</b>	13,858
Transportation factory workers	<b>890</b>	861
Consumable store	<b>6,174</b>	5,006
Lab tests	<b>122</b>	317
Miscellaneous	<b>39</b>	22
	<b>363,776</b>	265,879
Work in process		
Opening	<b>156,406</b>	57,256
Closing	<b>(81,199)</b>	(61,664)
	<b>75,207</b>	(4,407)
<b>COST OF GOODS MANUFACTURED</b>	<b>438,984</b>	261,472
Finished goods		
Opening	<b>71,643</b>	46,568
Closing	<b>(102,919)</b>	(88,589)
	<b>(31,277)</b>	(42,022)
<b>COST OF GOODS SOLD</b>	<b>407,707</b>	219,450

**7. OTHER INCOME**

This includes amount of company's claim payable by the supplier of a new plant imported during the year in accordance with the terms of agreements reached between the supplier and company to compensate for the shortfall in standard level of efficiency during trial run. The plant commenced operation during July 2007.

**8. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on October 19, 2007 by the Board of Directors of the Company.

**9. GENERAL**

Figures have been rounded- off to the nearest thousand of rupees.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR