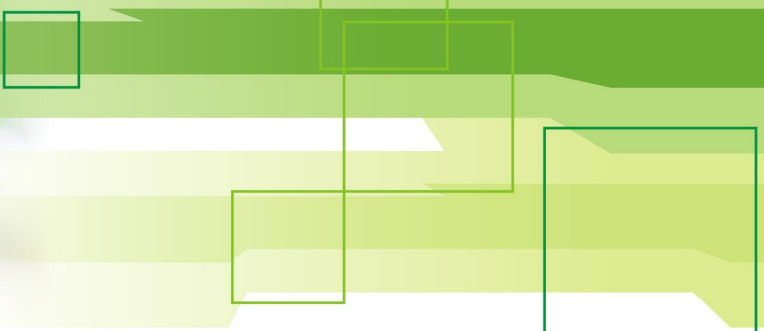


Rawalpindi Office

19, City Villas, Near High Court
Road, Rawalpindi
PABX / Fax: (051) 5595165

Registered Office and Factory

112-113, Phase V, Hattar Industrial
Estate Hattar, District Haripur
Khyber Pakhtunkhwa
Tel: (0995) 617720-23, 617347
Fax: (0995) 617074
www.ecopack.com.pk



- **Mission Statement**

To Systematically and cost effectively manufacture and supply consistently high 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.

Contents

- Company Information

- Directors' Report

- Condensed Interim Balance Sheet

- Condensed Interim Profit & Loss Account

- Condensed Interim Statement of Comprehensive Income

- Condensed Interim Statement of Changes in Equity

- Condensed Interim Cash Flow Statement

- Notes to the Condensed Interim Financial Information

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Hussain Jamil	Chairman/Chief Executive Officer
Mr. Shahid Jamil	
Mrs. Deborah Jamil	
Mrs. Ayesha Khan	
Ms. Laila Jamil	
Mr. Asad Ali Sheikh	
Mr. Mohammad Raza Chinoy	

AUDIT COMMITTEE

Mrs. Ayesha Khan	Chairperson	Non-Executive Director
Mr. Asad Ali Sheikh	Member	Non-Executive Director
Ms. Laila Jamil	Member	Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Muhammed Murtaza Raza

COMPANY SECRETARY

Mr. Muhammed Ali Adil

BANKERS

Askari Bank Limited
 Habib Bank Limited
 Allied Bank Limited
 JS Bank Limited
 Faysal Bank Limited

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
 Chartered Accountants

LEGAL ADVISOR

M/s. Ebrahim Hosain Advocate & Corporate Counsel

REGISTERED OFFICE AND FACTORY

112-113, Phase V, Hattar Industrial
 Estate Hattar, District Haripur
 Khyber Pakhtunkhwa
 Tel: (0995) 617720-23, 617347
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DIRECTORS ' REPORT

The board of Directors of Ecopack Limited is pleased to present the Directors' report along with the un-audited financial statements for the quarter ended September 30, 2011:

Overview:

The first quarter of 2011-12 has been the beginning of the turnaround for your company despite the overall economic slowdown and inflation. The floods impacted the sales in the Southern part of the country to some extent but the company managed through this problem by successfully implementing the margin led strategy. The company has effectively mitigated its local market risks by developing export markets for its products. The resin rates escalations were adequately managed by the resin rate pass through mechanism embedded in the pricing strategy. Your company is keeping a strict vigil on its inventory and receivables resulting in much improved business cycle.

Sales & Financial Highlights:

The Sales Revenue grew by 49% to Rs. 651.35 million in this quarter against the corresponding quarter last year. The main contributor towards this growth is preform sales which increased by 81.18% in value over same period last year. Consequently the Gross Profit of the Company has increased by 78.04% in value terms over last year. The home-pack of the beverage companies is gaining popularity in the masses as being the economical option for the consumers in the current inflationary environment.

In the first quarter 2011-12, your company's operating profit increased to 6.58% as compared to 2.31 % in the same period previous year. On the fiscal front, your company financial charges remained the same as in the corresponding period last year; Your Company has posted a net profit after tax of Rs. 10.9 million compared to a loss of Rs. 17.1 million and in same period previous year - a positive swing of Rs. 28 million.

The results are a clear indication that the company has moved to profitable growth after an extremely challenging year which was beset with floods, load shedding, high inflationary costs of raw materials, fuel, electricity, labour and packing materials.

Future Outlook:

PET bottle is still the dominating medium of packaging in the Carbonated Soft Drinks (CSD) industry. Single serve 300 ml and 500 ml (CSD) PET bottles have almost eliminated the non returnable glass bottles from the market. This trend is now being replicated in the ready to drink juice industry as well. PET bottles are growing at a substantial rate as the preferred medium of packaging due to ease of handling and transparent nature of the packaging where the consumer can visually see the product they are consuming. The prime focus of your company is on expanding the customer base locally and internationally in addition to providing flawless services to the existing clientele.

For and on behalf of the Board of Directors

Hussain Jamil

Chief Executive Officer

Dated: October 27, 2011

ECOPACK LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 30th SEPTEMBER, 2011

	Note	Sep 30, 2011 (Rupees in '000')	(AUDITED) June 30, 2011
NON-CURRENT ASSETS			
Property, plant and equipment		1,215,296	1,237,519
Security deposits		8,274	8,274
		1,223,569	1,245,793
CURRENT ASSETS			
Stores, spares and loose tools		42,656	51,423
Stock in trade		157,928	168,292
Trade debts		143,678	146,759
Loans and advances		20,305	43,549
Short term deposits, prepayments		10,001	8,500
Sales tax refundable		3,978	3,978
Taxation recoverable - net		20,026	24,669
Cash and bank balances		12,604	10,129
		411,176	457,299
TOTAL ASSETS		1,634,745	1,703,092
SHARE CAPITAL AND RESERVES			
Authorized Capital 50,000,000 (2010:50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital		229,770	229,770
Accumulated loss		(85,291)	(101,661)
		144,479	128,109
Surplus on revaluation of property, plant & equipment		237,156	240,988
NON-CURRENT LIABILITIES			
Long term loans		120,001	159,999
Liability against assets subject to finance lease		17,945	20,650
Deferred liabilities		159,360	161,653
		297,306	342,302
CURRENT LIABILITIES			
Trade and other payables		384,743	411,939
Accrued mark-up on loans		19,096	9,060
Short term borrowings - secured		362,630	391,028
Current portion of non-current liabilities		189,335	179,666
		955,805	991,693
TOTAL EQUITY AND LIABILITIES		1,634,745	1,703,092
CONTINGENCIES AND COMMITMENTS	6		

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

 CHIEF FINANCIAL OFFICER

 DIRECTOR

 CHIEF EXECUTIVE OFFICER

ECOPACK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,2011

	Note	JUL-SEP 2011 (Rupees in '000')	JUL-SEP 2010
Sales - net	7	651,349	436,850
Cost of sales	8	(589,647)	(401,934)
Gross profit		61,702	34,916
Distribution cost		(15,262)	(14,998)
Administrative expenses		(9,760)	(9,811)
Other operating income		6,237	3,753
		(18,785)	(21,056)
Profit from operations		42,917	13,860
Finance cost		(25,869)	(25,844)
Profit /(Loss) before taxation		17,048	(11,984)
Taxation		(6,574)	(5,209)
Profit / (Loss) after taxation		10,474	(17,193)
Profit / (Loss) per share - basic and diluted (in Rupees)		0.46	(0.75)

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

 CHIEF FINANCIAL OFFICER

 DIRECTOR

 CHIEF EXECUTIVE OFFICER

ECOPACK LIMITED
STATEMENT OF CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	JUL-SEP 2011	JUL-SEP 2010
	(Rupees in '000')	
Profit / (Loss) after taxation	10,474	(17,193)
Other Comprehensive Income	-	-
Total comprehensive income/ (loss) for the year transferred to equity	10,474	(17,193)

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

 CHIEF FINANCIAL OFFICER

 DIRECTOR

 CHIEF EXECUTIVE OFFICER

ECOPACK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	SHARE CAPITAL	UNAPPROPRIATED PROFIT	TOTAL
	----- (Rupees in '000) -----		
Balance as at July 01, 2010	229,770	(49,315)	180,455
Total comprehensive income for the Qtr ended September 30, 2010	-	(17,193)	(17,193)
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	4,431	4,431
Balance as at September 30 , 2010	<u>229,770</u>	<u>(62,077)</u>	<u>167,693</u>
Balance as at Oct 01 , 2010	229,770	(62,077)	167,693
Total comprehensive income for the Nine months ended June 30 2011	-	(62,550)	(62,550)
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	22,966	22,966
Balance as at June 30 , 2011	<u>229,770</u>	<u>(101,661)</u>	<u>128,109</u>
Balance as at July 01, 2011	229,770	(101,661)	128,109
Total comprehensive income for the quarter ended Sep 30, 2011	-	10,474	10,474
Transfer from surplus on revaluation of property, plant & equipment - net of deferred tax	-	5,895	5,895
Balance as at Sep 30 , 2011	<u>229,770</u>	<u>(85,291)</u>	<u>144,479</u>

CHIEF FINANCIAL OFFICER

DIRECTOR

CHIEF EXECUTIVE OFFICER

ECOPACK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	JUL-SEP 2011	JUL-SEP 2010
		(Rupees in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	89,619	57,103
Finance cost paid		(21,170)	(12,373)
Gratuity paid		(841)	(551)
Taxes paid		(1,851)	(1,763)
Net cash generated from operating activities		65,757	42,416
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,358)	(3,405)
Capital work-in-progress		(492)	2,578
Proceeds from disposal of Property, Plant & Equipment		-	685
Security deposits		-	-
Net cash used in investing activities		(1,850)	(142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(29,082)	(30,659)
Repayment of finance lease liability		(3,952)	(3,841)
Net cash used in financing activities		(33,034)	(34,500)
Net Increase in cash and cash equivalents		30,873	7,774
Cash and cash equivalents at the beginning of the year		(380,899)	(340,257)
Cash and cash equivalents at the end of the year		(350,026)	(332,483)

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

 CHIEF FINANCIAL OFFICER

 DIRECTOR

 CHIEF EXECUTIVE OFFICER

ECOPACK LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

1. STATUS AND NATURE OF BUSINESS

Ecopack Limited "the Company" was incorporated on August 25, 1991 as a private limited Company under Companies Ordinance, 1984. Subsequently, it was converted into a public limited Company on April 29, 1992 and thereafter, in March 1994 converted into a public listed Company. Its shares are listed on Karachi Stock Exchange.

The principal business activity of the Company is manufacture and sale of Polyethylene Terephthalate (PET) bottles and preforms for the market of Beverages and other liquid packaging industry. The Company has its manufacturing facility located at Hattar, province Khyber Pakhtunkhwa. The registered office of the Company has been shifted from Karachi, Sindh Province to Hattar, Khyber Pakhtunkhwa Province during the year.

2. BASIS OF PREPARATION

The interim financial information 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. The interim financial information have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

The comparative balance sheet presented in these interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2011, whereas the comparative profit and loss account, statement of changes in equity, statement of comprehensive income and cash flow statement are extracted from the unaudited interim financial information for the quarter ended September 30, 2010

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statement are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2011.

4. ESTIMATES AND JUDGEMENT

The preparation of Condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

5. PROPERTY, PLANT & EQUIPMENT
Addition during the period

	JUL-SEP 2011	AUDITED JUNE 2011
	(Rupees in '000')	
Factory building	-	-
Plant & Machinery	480	7,391
Factory equipments	755	3,124
Furniture and Fixture	-	85
Office equipment	72	542
Computer & Accessories	51	-
	1,358	11,142

6. CONTINGENCIES AND COMMITMENTS

Contingencies and commitments remained same during the quarter ended September 30, 2011 as disclosed in the audited in financial statement for the year ended June 30, 2011

	JUL-SEP 2011	JUL-SEP 2010
	(Rupees in '000')	
7. SALES		
Gross sales	755,566	506,734
Sales tax	(104,217)	(65,260)
Special Excise Duty	-	(3,837)
Sales commission/ return	-	(787)
	(104,217)	(69,885)
	651,349	436,850
8. COST OF SALES		
Raw material consumed	488,441	270,130
Packing material consumed	22,974	15,810
Salaries, wages & other benefits	24,676	21,324
Traveling & conveyance	326	1,014
Professional charges	55	128
Vehicle repair & maintenance	1,804	2,113
Rent, rate & taxes	2,091	4,204
Repair & maintenance	1,397	1,423
Communication charges	308	465
Printing, postage & stationery	409	310
Entertainment	142	187
Insurance	1,536	1,568
Electricity, gas & water	31,667	19,550
Freight, octroi & toll tax	762	900
Workers' Transportation	2,305	1,773
Depreciation	22,869	22,028
Store consumed	8,766	3,040
Lab testing	163	70
Courses and seminar fees	10	-
Miscellaneous	103	52
	610,803	366,089
Work-in-process - opening	58,023	102,009
Work-in-process - closing	(76,175)	(92,238)
	(18,152)	9,771
Cost of goods manufactured	592,651	375,860
Finished goods - opening	51,870	79,936
Finished goods - closing	(54,874)	(53,862)
	(3,004)	26,074
COST OF SALES	589,647	401,934

	JUL-SEP 2011	JUL-SEP 2010
	(Rupees in '000')	
9. CASH GENERATED FROM OPERATIONS		
Profit/(Loss) before taxation	17,048	(11,984)
Adjustment for non-cash charges and other items:		
Depreciation	24,072	23,188
Gain on disposal of property, plant & equipment	-	(149)
Provision for WPPF	-	-
Provision for gratuity	2,199	2,199
Finance cost	25,869	25,844
Working capital changes	9.1 20,432	18,006
	89,619	57,103
9.1 Working capital changes		
(Increase) / decrease in current assets :		
Stores, spares and loose tools	8,768	(3,982)
Stock in trade	10,364	25,547
Trade debts	3,081	17,399
Loans and advances	12,237	(4,272)
Short term deposits & prepayments	(1,501)	(6,387)
Other receivables	4,643	1,521
	37,591	29,826
Increase / (decrease) in current liabilities:		
Trade and other payables	(17,160)	(11,820)
	20,432	18,006

10. SEGMENT ANALYSIS

	Injection		Blowing		Total	
	Jul-Sep 2011	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2010
	(Rupees '000)		(Rupees '000)		(Rupees '000)	
Sales-net	345,601	330,873	305,748	246,101	651,349	436,850
Cost of sales	(318,642)	(321,341)	(270,458)	(220,719)	(589,099)	(401,934)
	26,959	9,533	35,290	25,383	62,250	34,916
Distribution cost	(8,389)	(8,601)	(7,421)	(6,397)	(15,810)	(14,998)
Administrative	(5,179)	(5,626)	(4,581)	(4,185)	(9,760)	(9,811)
	(13,567)	(14,227)	(12,003)	(10,582)	(25,570)	(24,810)
Operating profit	13,392	(4,694)	23,288	14,801	36,680	10,107

11. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on **October 27, 2011** 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, wherever necessary, for the purposes of comparison. The effect of reclassifications is not material.

 CHIEF FINANCIAL OFFICER

 DIRECTOR

 CHIEF EXECUTIVE OFFICER