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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. Asad Ali Sheikh | |

AUDIT COMMITTEE:

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

CHIEF FINANCIAL OFFICER:

Mr. Habib Ur Rehman Siddiqui

COMPANY SECRETARY:

Mr. Muhammad Ali Adil

BANKERS:

Askari Bank Limited
Habib Bank Limited
Allied Bank Limited
J.S. Bank 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. CDA Industrial Triangle
Kahuta Road,
Islamabad.
Ph: 051-5384566

REGISTERED OFFICE:

Suite # 206, Second Floor, The Plaza Block 9, KDA Scheme # 5.
Clifton Karachi. Tel: (021) 5361231-8 Fax: (021) 5361242
Email: headoffice@ecopack.com.pk

DIRECTORS' REPORT

The Board of Directors of the Company are pleased to present their report for the 9 month period ended 31st March 2008:

Sales:

your company's sales grew strongly during this 9 month period over the corresponding period in the last financial year - sales revenue increased by 44.45 % from Rs. 728.3 million to Rs. 1.052 billion. Bottle and Preform sales increased by 25.59 % and 225.72 % respectively reflecting a buoyant demand that continues to drive the PET Bottle industry which is closely harnessed to CSD in particular and all kinds of beverages in general. Although sales prices remained under pressure, strong growth in demand for the company's products helped toward mitigating some of the fixed costs in the face of growing inflation across the board.

To meet the increasing demand in the central and northern regions of the country for bottles and preforms, the company has successfully consolidated its plant and machinery for bottle blowing at the main Hattar Plant. This move will help cut costs substantially and is an important step toward achieving our target of being the best and low cost manufacturer of PET Bottles and Preforms in the market.

Financial Highlights:

Sharp rises in the cost of the company's raw materials especially PET Resin, driven by historically high oil prices, continued to take their toll on the company's profitability. The lag period in passing the costs on to customers especially in the winter quarter of January to March 2008 when demand is soft was a negative constraint.

Consequently Gross Profit in this period fell from 16.78 % to 11.78 % compared to the prior year corresponding period. Operating profit although lower in comparison was somewhat contained by cost-cutting and operational prudence. Financial costs rose by 37.72 % from Rs. 74.11 M to Rs. 102.06 million. This resulted in an after-tax loss of Rs. 39.98 M as compared to Rs. 20.475 M in the prior period.

Future Outlook:

With the soaring growth in the beverage and liquid packaging industry, your company's sales and demand for its products will continue to grow strongly. The challenge that your company's management has geared itself for is to become an efficient low-cost producer of PET bottles and preforms capable of enhancing value for its customers by delivering assured high quality and timely supply.

All the company's production assets are now close to optimum utilization as we enter the high summer sales quarter of April-June 2008. The larger foot-print achieved by your company with the project expansion last year has now come into full play and is expected to enable your company to retrieve the losses to date and inshallah post a profit. With a strong order-book in hand and upward adjustments in prices for cost increases in place, the last quarter of this financial year bodes to be a turn-around quarter.

As PET bottles become a preponderant part of the packaging mix for soft-drinks and other beverages, your company's role as a reliable quality supplier will ensure rising profitability in the near future.

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For & on Behalf of the Board of Director

Karachi
Dated: April 30, 2008

Ahsan Jamil
(Chief Executive Officer)

Condensed Balance Sheet

As at March 31, 2008

| | | (UN-AUDITED) MARCH 31, 2008 | (AUDITED) JUNE 30, 2007 |
|---|------|-----------------------------------|-------------------------------|
| | NOTE | (Rupees in '000) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant & Equipment | 5 | 1,080,572 | 1,061,394 |
| Long term security deposits | | 8,560 | 8,376 |
| Deferred Cost | | 2,825 | - |
| CURRENT ASSETS | | | |
| Stores, Spares and loose tools | | 44,819 | 77,277 |
| Stock in trade | | 444,025 | 386,420 |
| Trade debts - unsecured considered good | | 208,043 | 175,240 |
| Loans and advances | | 5,206 | 31,965 |
| Short term prepayments & deposits | | 6,157 | 6,042 |
| Other receivables | | 43,735 | 36,944 |
| Cash and bank balances | | 15,036 | 3,090 |
| | | <u>767,021</u> | <u>716,978</u> |
| TOTAL ASSETS | | 1,858,978 | 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 | | 66,727 | 95,392 |
| | | <u>296,497</u> | <u>325,162</u> |
| SURPLUS ON REVALUATION OF FIXED ASSETS | | 85,144 | 92,503 |
| NON-CURRENT LIABILITIES | | | |
| Loang term loans - Secured | | 432,526 | 525,296 |
| Liability against assets subject to finance lease | | 29,897 | 33,366 |
| Deferred liabilities | | 93,258 | 95,756 |
| | | <u>555,680</u> | <u>654,418</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 237,546 | 363,873 |
| Accrued mark-up on loans | | 24,963 | 25,482 |
| Short term finances | | 460,126 | 206,570 |
| Current portion of long term liabilities | | 177,983 | 102,825 |
| Taxation | | 21,039 | 15,915 |
| | | <u>921,658</u> | <u>714,666</u> |
| CONTINGENCIES AND COMMITMENTS | 6 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 1,858,978 | 1,786,749 |

The annexed notes form an integral part of these financial statements

CHAIRMAN

CHIEF EXECUTIVE OFFICER

Condensed Income For the Nine months

| Note | Total | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-----------|
| | Jul-Mar 08 Rs. | Jul-Mar 07 Rs. | Jan-Mar 08 Rs. | Jan-Mar 07 Rs. | |
| NET SALES | 7 | 1,052,056 | 728,298 | 332,753 | 203,603 |
| Less: Cost of goods sold | 8 | (928,117) | (606,627) | (294,082) | (191,309) |
| GROSS PROFIT | | 123,939 | 121,671 | 38,671 | 12,295 |
| Operating expenses: | | | | | |
| Administration | | (32,005) | (32,191) | (10,930) | (10,387) |
| Selling & distribution | | (40,301) | (32,700) | (13,510) | (10,134) |
| | | (72,306) | (64,891) | (24,440) | (20,522) |
| OPERATING PROFIT / (LOSS) | | 51,632 | 56,780 | 14,230 | (8,227) |
| Financial charges & others : | | | | | |
| Financial charges | | (102,064) | (74,112) | (35,853) | (27,364) |
| Exchange loss | | (59) | - | (59) | - |
| Workers' profit participation fund | | - | - | - | - |
| Other income | | 15,917 | 3,818 | 3,172 | 2,228 |
| | | (86,206) | (70,294) | (32,740) | (25,136) |
| PROFIT/(LOSS) BEFORE TAXATION | | (34,574) | (13,514) | (18,510) | (33,363) |
| Taxation - Current | | (5,124) | (3,650) | (1,525) | (1,019) |
| - Deferred | | (290) | (3,312) | - | - |
| | | (5,414) | (6,962) | (1,525) | (1,019) |
| PROFIT / (LOSS) AFTER TAXATION | | (39,988) | (20,475) | (20,035) | (34,381) |
| Earning per share - basic and diluted | | (1.74) | (0.89) | (0.87) | (1.45) |

The annexed notes form an integral part of these financial statements

Manufacturers of Quality PET Bottles and Preforms



Statement (Un-audited)
ended March 31, 2008

(Rupees in '000)

| Northern | | | | Southern | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Jul-Mar 08 Rs. | Jul-Mar 07 Rs. | Jan-Mar 08 Rs. | Jan-Mar 07 Rs. | Jul-Mar 08 Rs. | Jul-Mar 07 Rs. | Jan-Mar 08 Rs. | Jan-Mar 07 Rs. |
| 999,327 | 686,515 | 324,687 | 187,126 | 122,820 | 129,507 | 26,501 | 30,022 |
| (876,461) | (569,737) | (283,822) | (172,073) | (121,748) | (124,614) | (28,695) | (32,781) |
| 122,866 | 116,779 | 40,865 | 15,054 | 1,072 | 4,892 | (2,194) | (2,759) |
| (28,269) | (26,467) | (10,016) | (8,797) | (3,736) | (5,724) | (914) | (1,590) |
| (34,363) | (27,102) | (12,330) | (8,276) | (5,938) | (5,598) | (1,180) | (1,858) |
| (62,632) | (53,569) | (22,346) | (17,074) | (9,674) | (11,322) | (2,094) | (3,448) |
| 60,234 | 63,210 | 18,519 | (2,020) | (8,602) | (6,430) | (4,289) | (6,207) |

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CHAIRMAN

CHIEF EXECUTIVE OFFICER

Condensed Cash Flow Statement (Un-audited)
For the Nine months ended March 31, 2008

| | March 31, 2008 | March 31, 2007 |
|---|-------------------|-------------------|
| | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | (34,574) | (13,514) |
| Adjustment for non cash charges: | | |
| Depreciation | 57,207 | 45,495 |
| Gain on disposal of fixed assets | - | (290) |
| Provision for gratuity | 4,793 | 2,818 |
| Financial charges | 102,064 | 74,112 |
| | 164,063 | 122,135 |
| Cash flow from operating activities before working capital changes | 129,489 | 108,621 |
| (Increase) / Decrease in current assets : | | |
| Spares & loose tools | 32,459 | (2,966) |
| Stock in trade | (57,605) | (207,296) |
| Trade debts | (32,803) | 37,175 |
| Loans & advances | 26,760 | (17,727) |
| Short term prepayments & deposits | (115) | (1,551) |
| Other receivables | (2,097) | (21,969) |
| Net increase in current assets | (33,401) | (214,334) |
| Increase / (Decrease) in current liabilities: | | |
| Trade and other payables | (125,827) | 85,951 |
| Other payments: | | |
| Financial charges paid | (102,583) | (67,308) |
| Gratuity paid | (3,618) | (2,239) |
| WPPF paid | (500) | (4,554) |
| Taxes Paid | (4,695) | (8,776) |
| | (111,397) | (82,878) |
| Net cash (Outflow) / inflow from operating activities | (141,136) | (102,639) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (185,336) | (42,774) |
| Capital work-in-progress | 108,952 | (173,034) |
| Deffered Cost | (2,825) | |
| Long term security deposits | (184) | (138) |
| Proceeds from disposal of fixed assets | - | 481 |
| Net cash outflow from investing activities | (79,393) | (215,464) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loans obtained | 79,480 | 256,528 |
| Repayment of long term loans | (87,650) | (49,450) |
| Leases acquired | 2,048 | 9,266 |
| Finance lease repaid | (14,959) | (12,941) |
| Net cash outflow from financing activities | (21,081) | 203,403 |
| Net Increase in cash and cash equivalents | (241,610) | (114,700) |
| Cash and cash equivalents at the beginning of the period | (203,480) | (57,185) |
| Cash and cash equivalents at the end of the period | (445,090) | (171,885) |

The annexed notes form an integral part of these financial statements

 CHAIRMAN

 CHIEF EXECUTIVE OFFICER

Condensed Statement of Changes In Equity (Un-audited)
For the Nine months ended March 31, 2008

| | Share Capital | Unappropriated Profit | Total |
|---|------------------------------|--------------------------|----------------|
| | ----- (Rupees in '000) ----- | | |
| Balance as at July 01, 2006 - Restated | 164,121 | 145,698 | 309,819 |
| Issue of Bonus shares @ 40% | 65,648 | (65,648) | - |
| Net Loss from Jul 2006 to March 2007 | - | (20,475) | (20,475) |
| Net Profit from Apr 2007 to Jun 2007 | | 20,709 | 20,709 |
| Transfer from surplus on revaluation of fixed assets, current period - net of deferred tax | - | 15,109 | 15,109 |
| Balance as at July 01, 2007 | 229,770 | 95,392 | 325,162 |
| Net loss from Jul 2007 to Mar 2008 | - | (39,988) | (39,988) |
| Transfer from surplus on revaluation of fixed assets, current period - net of deferred tax | - | 11,323 | 11,323 |
| Balance as at March 31, 2008 | 229,770 | 66,727 | 296,497 |

The annexed notes form an integral part of these financial statements

 CHAIRMAN

 CHIEF EXECUTIVE OFFICER

Notes to the condensed interim financial statements
For the Nine month ended March 31, 2008

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 two manufacturing facilities are located in the province of NWFP at Hattar and in the Federal Capital Territory Islamabad at Kahuta. The Hattar and Islamabad Plants are strategically situated to serve Punjab and NWFP provinces being the major beverage markets of the country.

1.1 SEGMENT REPORTING

In addition to its existing manufacturing facility at Hattar the company started operation in July 2007 at new manufacturing facility installed at Kahuta, Islamabad. The segment reporting has been changed and now classified as northern segment and southern segment, as against Karachi and Hattar Segment Respectively

2. These condensed interim financial statements are un-audited but subject to limited scope review by auditors and have been prepared in accordance with the international accounting standard 34 " interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of Karachi Stock Exchange. These condensed interim financial statements should be read in connection with the financial statements of the company for the year ended June 30, 2007
3. The accounting policies adopted and methods of computation followed for the preparation of these financial statement are the same as those applied in preparing the financial statements for the year ended June 30, 2007

4. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements 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 expenses. However, actual results may differ from these estimates.

In preparing these condensed interim financial statements, 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 as at and for the year ended June 30, 2007

**March
2008** **June 30,
2007**

(Rupees in '000)

5. PROPERTY, PLANT & EQUIPMENT

**Additions in operating assets
during the period:**

| | | |
|-------------------|----------------|---------|
| Factory building | 649 | 5,571 |
| Plant & Machinery | 163,825 | 109,381 |
| Electrification | 7,412 | 6,765 |
| Piping work | 973 | 2,861 |
| Capital Spares | 6,601 | 9,549 |
| Others | 5,876 | 32,661 |
| | 185,336 | 166,788 |

6. CONTINGENCY AND COMMITMENTS

6.1 Contingency

There is no change in the contingency as already disclosed in the audited financial statements for the year ended June 30, 2007, except that the company has filed Appeals before Collector (Appeals) against order passed by Additional Collector (Customs) demanding Rs 2.123 million on account of Custom Duty , sales and income tax on raw material cleared from bonded warehouse at Hattar during 2005-06. The company do not foresee any liability arising on this account and in the opinion of its legal counsel the company has a good case on merit and expect the order to be set aside.

6.2 Commitments

| | | |
|-------------------|---------------|-------|
| Letters of credit | 13,087 | 3,672 |
|-------------------|---------------|-------|

7. NET SALES

| | Jul-Mar 08 | Jul-Mar 07 | Jan-Mar 08 | Jan-Mar 07 |
|-----------------------|-------------------|------------|-------------------|------------|
| Sales | 1,225,357 | 842,547 | 386,560 | 236,771 |
| Less : Sales discount | (585) | 2,982 | (412) | 2,335 |
| Sales tax | (157,295) | - | (49,899) | - |
| Special Excise Duty | (10,448) | 109,809 | (3,327) | 30,833 |
| Sales Commission | - | 1,457 | - | - |
| Sales return | (4,973) | - | (169) | - |
| | (173,301) | 114,249 | (53,807) | 33,168 |
| | 1,052,056 | 728,298 | 332,753 | 203,603 |

8. COST OF GOODS SOLD

| | Jul-Mar 08 | Jul-Mar 07 | Jan-Mar 08 | Jan-Mar 07 |
|-----------------------------------|------------|------------|------------|------------|
| Raw material consumed | 771,247 | 592,501 | 298,571 | 180,983 |
| Packing material consumed | 42,346 | 34,369 | 13,857 | 10,614 |
| Salaries, wages & other benefits | 55,657 | 42,507 | 18,010 | 13,696 |
| Travelling & conveyance | 1,974 | 1,149 | 575 | 32 |
| Professional charges | 319 | 403 | 103 | 359 |
| Vehicle repair & maintenance | 4,493 | 4,743 | 1,278 | 1,427 |
| Rent, rate & taxes | 20,305 | 10,858 | 7,365 | 3,868 |
| Repair & maintenance | 3,767 | 2,807 | 679 | 532 |
| Telephone | 1,044 | 1,010 | 308 | 275 |
| Printing, postage & stationery | 1,141 | 673 | 262 | 186 |
| Entertainment | 1,287 | 948 | 197 | 205 |
| Advertisement | 21 | 23 | 20 | 23 |
| Insurance | 2,146 | 1,271 | 844 | 438 |
| Medical | 896 | 654 | 254 | 14 |
| Electricity, gas & water | 62,327 | 55,547 | 21,289 | 15,987 |
| Freight, octroi & toll tax | 7,191 | 2,884 | 4,453 | 550 |
| Depreciation | 54,346 | 43,220 | 18,551 | 15,930 |
| Transportation factory workers | 2,695 | 2,727 | 914 | 975 |
| Consumable store | 17,590 | 12,842 | 7,112 | 2,741 |
| Lab tests | 426 | 411 | 94 | 20 |
| Courses & seminars fee | - | 2 | - | - |
| Miscellaneous | 82 | 56 | 82 | 14 |
| | 1,051,298 | 811,605 | 394,818 | 248,870 |
| Work in process | | | | |
| Opening | 156,406 | 57,256 | 116,311 | 139,507 |
| Closing | (185,948) | (192,739) | (185,948) | (192,739) |
| | (29,542) | (135,483) | (69,637) | (53,232) |
| COST OF GOODS MANUFACTURED | 1,021,757 | 676,122 | 328,210 | 195,638 |
| Finished goods | | | | |
| Opening | 71,643 | 46,568 | 134,183 | 111,734 |
| Closing | (165,282) | (116,063) | (165,282) | (116,063) |
| | (93,639) | (69,495) | (31,099) | (4,329) |
| COST OF GOODS SOLD | 928,117 | 606,627 | 294,082 | 191,309 |

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 30 th April 2008 by the board of Directors of the Company

10. GENERAL

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

CHAIRMAN

CHIEF EXECUTIVE OFFICER