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



**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2009
(REVIEWED)**

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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.



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. Muhammed Ali Adil

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 the reviewed half yearly accounts alongwith the independent auditors report for the 6 month period ended 31st December 2009.

Overview:

The first half of the current fiscal year ending 31st December 2009 was a relatively much more stable year for the company compared to the corresponding period of the previous year. Your company's main raw material (PET Resin) remained stable and increased gradually on a low gradient unlike the prior year. Resin prices in the last year fell suddenly from Rs. 122 per kg to under Rs. 80 per kg in a span of less than 2 months primarily on the back of a sharp international crude oil price collapse from historic highs.

Your company's management was also very mindful of these sharp vagaries of the petro-chemical raw-materials chain and diligently monitored its inventory and production plan in line with its sales orders for preforms and Bottles. Prudent stock and receivables management ensured a 14% reduction in financial charges versus the same period last year. This has aided in carefully mitigating the risk of inventory loss and the benefits of these actions will be further evident in the results for the second half of the financial year.

Sales & Financial Highlights:

The sales in units terms increased by 3.5% over the same period last year. Sales revenue has decreased by 11% mainly due to lower PET resin prices this year as PET resin as a cost component is a major portion in the overall price of bottles /preforms. The GP percentage has also marginally increased reflecting improved pricing as compared to last year. The company's loss after tax decreased from PKR 57.66 million to PKR 40.89 million in comparison to the same 6-month period last year.

Future Outlook:

The company's Management & policy is focused on reducing its costs and passing through all inflationary cost increases through improved pricing. The approaching summer season of high sales of bottles and preforms will help towards bringing your company back into profits.

For & on behalf of the Board of Directors

*Karachi
Dated: February 23, 2010*

HUSSAIN JAMIL
(Chief Executive Officer)



INDEPENDENT AUDITOR'S REPORT
On Review of Condensed Interim Financial Information to the Members

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of ECO PACK Limited as at December 31, 2009 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34 "Interim Financial Reporting" as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2008 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

SCOPE OF REVIEW

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of interim financial information Performed by the Independent Auditor of the Entity". A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi
Dated: February 23, 2010

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner:
Muhammad Rafiq Dossani



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2009**

**Un-Audited
December 31,
2009**

**Audited
June 30,
2009**

NOTE (Rupees in '000)

ASSETS

NON-CURRENT ASSETS

Property, plant & equipment	5	1,262,028	1,271,094
Long term security deposits		10,724	7,022

CURRENT ASSETS

Stores, spares and loose tools		51,766	54,859
Stock in trade		291,148	231,836
Trade debts - unsecured considered good		62,256	221,211
Loans and advances		21,389	16,241
Short term prepayments & deposits		6,953	5,075
Other receivables		70,227	42,672
Cash and bank balances		1,397	817
		505,136	572,711

TOTAL ASSETS		1,777,888	1,850,827
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EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorized Share Capital			
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		(81,170)	(49,646)
		148,600	180,124

**SURPLUS ON REVALUATION
OF PROPERTY, PLANT AND EQUIPMENT**

		203,966	213,329
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NON-CURRENT LIABILITIES

Long term finance - Secured		355,535	407,807
Liabilities against assets subject to finance lease		40,745	25,206
Long term payables		-	5,192
Deferred liabilities		147,601	151,106
		543,881	589,311

CURRENT LIABILITIES

Trade and other payables		353,786	376,442
Accrued mark-up on loans		32,510	32,592
Short term borrowings		343,895	333,956
Current portion of long term liabilities		122,852	100,315
Taxation		28,398	24,758
		881,441	868,063

CONTINGENCIES AND COMMITMENTS	6	-	-
TOTAL EQUITY AND LIABILITIES		1,777,888	1,850,827

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

NOTE	Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008	
(Rupees in '000)					
Sales - Net	7	745,609	835,658	200,671	230,515
Cost of sales	8	(666,338)	(747,571)	(193,977)	(228,624)
Gross Profit		79,271	88,087	6,694	1,891
Operating expenses:					
Administrative		(19,551)	(20,808)	(10,059)	(9,547)
Distribution cost		(26,025)	(30,646)	(8,335)	(11,651)
		(45,576)	(51,454)	(18,394)	(21,198)
Operating Profit / (Loss)		33,695	36,633	(11,700)	(19,307)
Finance cost		(82,636)	(96,408)	(39,613)	(50,703)
Exchange loss		(584)	(36)	(584)	165
Workers' profit participation fund		-	-	156	-
Other income		7,238	2,143	6,484	651
		(75,982)	(94,301)	(33,557)	(49,887)
Loss before taxation		(42,287)	(57,668)	(45,257)	(69,194)
Taxation - Current		(3,641)	-	(1,014)	-
- Deferred		5,041	-	2,521	-
		1,400	-	1,507	-
Loss after taxation		(40,887)	(57,668)	(43,750)	(69,194)
Loss per share		(1.78)	(2.51)	(1.90)	(3.01)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2009**

	Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	(Rupees in '000)			
Loss for the Period	(40,887)	(57,668)	(43,750)	(69,194)
Other comprehensive income -Surplus on revaluation of Property, plant and Equipment - net of tax	9,363	7,543	4,681	3,772
Total comprehensive income For the Period transferred to equity	<u>(31,524)</u>	<u>(50,125)</u>	<u>(39,069)</u>	<u>(65,422)</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2009

December 31, 2009 **December 31, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	(Rupees in '000)	
Loss before taxation		(42,287)	(57,668)
Adjustments:			
Depreciation		48,067	40,379
Gain on disposal of property, plant & equipment		(86)	(103)
Exchange loss		584	36
Provision for gratuity		3,120	5,475
Financial charges		82,636	96,408
		<u>134,321</u>	<u>142,195</u>
Cash flows from operating activities before working capital changes		92,034	84,527
(Increase) / Decrease in current assets :			
Stores, spares and loose tools		3,093	(5,602)
Stock in trade		(59,312)	(76,510)
Trade debts		158,955	161,556
Loans & advances		(5,148)	(184)
Short term prepayments & deposits		(1,878)	(3,299)
Other receivables		(20,482)	(5,843)
Net decrease / (increase) in current assets		75,228	70,118
Increase / (Decrease) in current liabilities:			
Trade and other payables		(27,853)	(40,738)
Finance cost paid		(83,302)	(82,854)
Gratuity paid		(1,583)	(6,973)
Taxes Paid		(7,072)	(3,814)
		<u>(91,957)</u>	<u>(93,641)</u>
Net cash generated from operating activities		47,452	20,266
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(14,223)	(25,778)
Disposal Proceeds		331	180
Capital work-in-progress		(1,589)	(1,264)
Long term security deposit		(3,702)	-
Net cash used in investing activities		(19,183)	(26,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		(32,457)	(193,000)
Finance lease repaid		(5,171)	(5,858)
Net cash used in financing activities		(37,628)	(198,858)
Net decreased in cash and cash equivalents		(9,359)	(205,454)
Cash and cash equivalents at the beginning of the period		(333,139)	(163,548)
Cash and cash equivalents at the end of the period	9	<u>(342,498)</u>	<u>(369,002)</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	SHARE CAPITAL	UNAPPROPRIATED PROFIT/(LOSS)	TOTAL
	(Rupees in '000)		
Balance as at July 01, 2008	229,770	25,820	255,590
Total comprehensive income for the half year ended December 31, 2008	-	(50,125)	(50,125)
Balance as at December 31, 2008	<u>229,770</u>	<u>(24,305)</u>	<u>205,465</u>
Balance as at January 01, 2009	229,770	(24,305)	205,465
Total comprehensive income for the half year ended June 30, 2009	-	(25,341)	(25,341)
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
Total comprehensive income for the half year ended December 31, 2009	-	(31,524)	(31,524)
Balance as at December 31, 2009	<u>229,770</u>	<u>(81,170)</u>	<u>148,600</u>

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

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 sell of Poly Ethylene Terephthalat (PET) bottles and preforms for beverage and other liquid packaging industry. Company has two manufacturing facilities, located at Hattar in NWFP and at Kahuta in Federal Capital Territory Islamabad.

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, 2009. The figures for the half year ended December 31, 2009 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

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, 2009, 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 half year ended December 31, 2008.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of these interim financial information are the same as those applied in preparation of the preceding published financial statements of the Company for the year ended June 30, 2009.

Adoption of new accounting standard

International Accounting Standard (IAS) -1 (Revised), "Presentation of financial statements" (effective from January 1, 2009), was issued in September 2007. According to the revised standard, those items of income and expense that are not recognized in the profit and loss account, and non-owner changes in equity should be recognized through a separate statement titled as "statement of comprehensive income". The revised standard requires an entity to opt for presenting such items of income and expense either in (a) single statement ('statement of comprehensive income'), or (b) two statements (a separate 'income statement' and 'statement of comprehensive income').



The Company, with effect from July 1, 2009, has adopted IAS - 1 (Revised 2007) and accordingly the items of income and expense that are not recognized in the profit and loss account and non-owner changes in equity are to be included in the 'statement of comprehensive income'. Accordingly, the Company has presented two statements in this interim financial statements i.e. a condensed interim profit and loss account and condensed interim statement of comprehensive income.

In addition to above, following new standards and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2009 and are also relevant for the Company. However, the adoption of these new standards and amendments to standards did not have any significant impact on the financial information of the Company:

- IAS 19 (Amendment), 'Employee benefits'
- IAS 23 (Amendment), 'Borrowing costs'
- IAS 36 (Amendment), 'Impairment of assets'
- IAS 38 (Amendment), 'Intangible assets'
- IAS 39 (Amendment), 'Financial instruments: Recognition and measurement'

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2009, but are not currently relevant to the Company:

- IFRS 2 (Amendment), 'Share based payment'
- IAS 27 (Revised), 'Consolidated and separate financial statements'
- IAS 28 (Amendment), 'Investment in associates'
- IFRIC 13, 'Customers loyalty programmes'
- IFRIC 15, 'Agreement for the construction of real estate'
- IFRIC 16, 'Hedges of a net investment in a foreign operation'

4. ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the 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 preceding published annual financial statements of the Company as at and for the year ended June 30, 2009.

5 PROPERTY, PLANT & EQUIPMENT

5.1 Additions in property, plant & equipment during the period	December 31 2009	June 30, 2009
	————— (Rupees in '000) —————	
Factory building	1,960	1,685
Plant & Machinery		
- Local	25	381
- Imported	25,764	6,198
Injection mould	4,094	3,569
Blow mould	-	3,323
Capital spares	3,999	15,936
Electrification	59	1,573
Equipment and other items	1,757	15,726
	<u>37,658</u>	<u>48,391</u>

5.2 During the period, assets costing Rs 626,570 having net book value of Rs 244,511 were disposed off for Rs.331,000.

6 CONTINGENCIES AND COMMITMENTS

Contingencies

Contingencies remain same as at December 31,2009 as disclosed in the audited financial statements for the year ended June 30,2009.

	December 31 2009	June 30, 2009
	————— (Rupees in '000) —————	
Commitments		
Letters of credit	-	29,042

7 NET SALES

	For the Half year ended		For the Quarter ended	
	Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	————— (Rupees in '000) —————			
Sales	873,417	981,281	236,258	273,108
Less :				
Sales tax	(112,855)	(133,940)	(30,953)	(37,271)
1 % Special Excise Duty	(7,054)	(8,371)	(1,935)	(2,329)
Sales Comm./Disc./Return	(7,899)	(3,312)	(2,699)	(2,993)
	<u>(127,808)</u>	<u>(145,623)</u>	<u>(35,587)</u>	<u>(42,593)</u>
	<u>745,609</u>	<u>835,658</u>	<u>200,671</u>	<u>230,515</u>

8 COST OF SALES

	For the Half year ended		For the Quarter ended	
	Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	(Rupees in '000)			
Raw material consumed	552,948	652,041	233,791	254,764
Packing material consumed	27,873	31,497	9,037	11,530
Salaries, wages & other benefits	40,595	42,312	18,732	20,437
Traveling & conveyance	1,638	717	856	383
Professional charges	28	230	10	85
Vehicle repair & maintenance	4,319	4,447	1,882	2,196
Rent, rate & taxes	10,242	12,558	4,272	4,810
Repair & maintenance	4,282	1,836	2,646	1,154
Communication Charges	849	553	462	322
Printing, postage & stationery	489	661	216	380
Entertainment	1,138	1,169	767	1,000
Advertisement	3	7	3	6
Insurance	2,577	1,336	1,892	681
Medical	758	602	393	23
Electricity, gas & water	40,922	39,091	14,066	15,047
Freight, octroi & toll tax	1,070	3,828	443	1,185
Depreciation	45,777	38,346	22,665	16,643
Transportation	2,724	2,382	1,371	1,218
Consumable store	18,296	12,341	9,553	5,346
Lab tests	373	406	113	214
	756,901	846,360	323,170	337,424
Work in process				
Opening	71,132	87,180	47,057	95,956
Closing	(186,428)	(221,672)	(186,428)	(221,672)
	(115,296)	(134,492)	(139,371)	(125,716)
COST OF GOODS MANUFACTURED	641,605	711,868	183,799	211,708
Finished goods				
Opening	63,714	145,017	49,159	126,230
Closing	(38,981)	(109,314)	(38,981)	(109,314)
	24,733	35,703	10,178	16,916
COST OF SALES	666,338	747,571	193,977	228,624

9 CASH & CASH EQUIVALENT

	December 31 2009	December 31, 2008
		(Rupees in '000)
Cash and bank balances	1,397	23
Short term borrowings	(343,895)	(369,025)
	(342,498)	(369,002)

10. SEGMENT REPORTING

	INJECTION			BLOWING		
	For the Half year ended		For the Quarter ended	For the Half year ended		For the Quarter ended
	Jul-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Jul-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	(Rupees in '000)					
Sales - Net	145,436	174,493	41,372	54,157	600,173	176,357
Cost of sales	(128,837)	(156,944)	(36,055)	(46,423)	(537,501)	(182,201)
Gross Profit	16,599	17,549	5,317	7,734	62,672	1,377
Operating expenses:						
Administrative	(3,815)	(4,345)	(2,002)	(2,104)	(15,736)	(7,443)
Distribution cost	(5,076)	(6,399)	(1,698)	(2,618)	(20,949)	(9,033)
	(8,891)	(10,744)	(3,700)	(4,722)	(36,685)	(16,476)
Operating Profit / (Loss)	7,708	6,805	1,617	3,013	25,987	(22,320)
					29,828	(13,317)



11 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on February 23, 2010 by the Board of Directors of the Company.

12 GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER