



Half Yearly Report

For the Half Year ended 30 June 2011



PAKGEN POWER LIMITED

(Formerly AES Pak Gen Company Limited)

CONTENTS

Pakgen Power Limited (Formerly AES Pak Gen Company Limited)
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Company Profile	2
Directors' Report	3
Auditors' Report to the Members	
on Review of Condensed Interim Financial Information	5
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	10
Selected Notes to the Condensed Interim Financial Information	11

COMPANY PROFILE

THE COMPANY

Pakgen Power Limited (“the Company”) [formerly AES Pak Gen Company Limited] was incorporated in Pakistan on 22 June 1995 under the Companies Ordinance, 1984. The registered office is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station (“the Complex”) having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan.

BOARD OF DIRECTORS

Mian Hassan Mansha	Chairman
Mr. Shahid Zulfiqar Khan	Chief Executive Officer
Mr. Mark Nicholas Cutis	
Mr. Omar Liaqat	
Mr. Aurangzeb Feroz	
Mr. Kamran Rasool	
Mr. Khalid Qadeer Qureshi	
Mr. Mahmood Akhtar	
Mr. Samir Hammami	Alternate Director

AUDIT COMMITTEE

Mr. Aurangzeb Feroz	Chairman
Mr. Mark Nicholas Cutis	
Mr. Mahmood Akhtar	

CHIEF FINANCIAL OFFICER

Mr. Khalid Qadeer Qureshi

COMPANY SECRETARY

Mr. Khalid Mahmood Chohan

BANKERS OF THE COMPANY

Habib Bank Limited
 United Bank Limited
 Allied Bank Limited
 National Bank of Pakistan
 Bank Alfalah Limited
 Faysal Bank Limited
 Askari Bank Limited
 Habib Metropolitan Bank Limited
 NIB Bank Limited
 MCB Bank Limited
 Bank Islami Pakistan Limited

AUDITOR OF THE COMPANY

Riaz Ahmad & Co.
 Chartered Accountants

LEGAL ADVISOR OF THE COMPANY

Mr. M. Aurangzeb Khan
 Advocate High Court

REGISTERED OFFICE

53-A, Lawrence Road,
 Lahore-Pakistan
 UAN: 042-111-11-33-33

HEAD OFFICE

1-B, Aziz Avenue, Gulberg-V,
 Lahore- Pakistan
 Tel: 042-35717090-96
 Fax: 042-35717239

SHARE REGISTRAR

Central Depository Company of Pakistan Limited
 CDC House, 99-B, Block-B, S.M.C.H.S
 Shahra-e-Faisal, Karachi-74400
 Tel: (92-21) 111-111-500
 Fax: (92-21) 34326053

PLANT

Mehmood Kot, Muzaffargarh,
 Punjab - Pakistan.

DIRECTORS' REPORT

The Directors of Pakgen Power Limited (Formerly AES Pak Gen Company Limited) "the Company" are pleased to present their report together with operational and financial results of your Company duly reviewed by statutory auditors for the Half year ended 30 June 2011.

Your Company is engaged in power generation with a dependable capacity of 348.600 MW furnace oil fired power plant against a gross capacity of 365 MW. The Sole purchaser of the power is Water and Power Development Authority (WAPDA). We report that during the period under review power plant by achieving all the operating standards dispatched 823,363 MWH of electricity as compared with 1,093,469 MWH dispatched during the corresponding six months of the previous financial year. Resultantly the capacity factor remained at 54.30% as against 72.20% demonstrated in the comparable six months of the previous financial year.

Operation Financial Results:

The financial results of the Company for the half year ended 30 June 2011 are as follows:

Financial Highlights	HALF YEAR ENDED	
	30 JUNE 2011	30 JUNE 2010
Revenue (Rs '000')	13,420,700	14,047,011
Gross profit (Rs '000')	1,492,489	1,807,519
Gross profit ratio to revenue (%)	11.12%	12.87%
Pre-tax profit (Rs '000')	1,120,530	806,117
After tax profit (Rs '000')	1,107,320	802,496
After tax profit ratio to revenue (%)	8.25%	5.71%
Earnings per share (Rs)	2.98	2.16

The Company has posted after tax profit of Rs. 1,107.320 million as against Rs 802.496 million earned in the comparative period. The net profits of the Company demonstrated the Earning Per Share of Rs. 2.98 as against Rs. 2.16 earned per share in the previous period despite several negative factors effecting profitability.

With respect to auditors qualification, insurance claim has been lodged which is in the process of approval by the Insurance company. As soon as insurance claim is finalized, rehabilitation / repair expenses and gain or loss on de-recognition of damaged property, plant, equipment and inventory will be recognized in the financial statements.

Our customer WAPDA remains unable to meet its obligations to the Company in accordance with the Power Purchase Agreement (PPA) which are secured under a sovereign guarantee of GOP. As on 30 June 2011 an amount of Rupees 8.685 billion is outstanding against WAPDA of this Rupees 3.617 billion is classified overdue. In addition, WAPDA has failed to provide a Letter of Credit for Rupees 2.159 billion as required under the PPA. Despite frequent follow-up with the concerned Ministry of GOP it is regretted there has been no improvement in the situation and this has resulted in irregular supply of fuel which has affected Plant Operations.

Listing of the Company

The Company has been listed on Karachi and Lahore Stock Exchanges with effect from July 21, 2011 through Offer for Sale of 51,691,660 Shares @ of PKR 19/- per share.

Dividend Distribution

The Company continues to honor its commitment of safeguarding the shareholders' interests and takes immense pleasure in informing you that the Board in their meeting held on March 08, 2011 has already declared 1st Interim Cash Dividend @ of PKR 1/- per share (i.e. 10%) and as per Offer for Sale Document for listing of the Company, its date of entitlement has been fixed as 26 August 2011.

The Board is further pleased to announce 2nd Interim Cash Dividend @ of PKR 4/- per share (i.e. 40 %) for the half year ended June 30, 2011 for which the date of entitlement has been fixed as 26 August 2011.

Acknowledgement

We wish to thank our valuable shareholders, WAPDA, financial institutions, lenders, Pakistan State Oil and other suppliers for their trust and faith in the Company and their valuable support that enabled the Company to achieve better results.

We also appreciate the management for establishing a modern and motivating working climate and promoting high levels of performance in all areas of the power plant. We also take this opportunity to thank our executives and staff members for their consistent support, hardworking and commitment for delivering remarkable results and we wish for their long life relationship with the Company.

For and on behalf of the Board of Directors



(Shahid Zulfiqar Khan)
Chief Executive Officer
Lahore: 12 August, 2011

AUDITORS' REPORT TO THE MEMBERS

ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of PAKGEN POWER LIMITED (FORMERLY AES PAK GEN COMPANY LIMITED) as at 30 June 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists 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.

Basis for Qualified Conclusion

The operations of the Company were disrupted by floods in Pakistan during the year ended 31 December 2010. Loss of capacity revenue and all other costs incurred for rehabilitation work upto the reporting date have been recorded as insurance claim receivable (Note 8.1 to the condensed interim financial information). We have been informed by the management that the insurance claim has been lodged which is in the process of approval by the insurance company. Therefore, rehabilitation / repair expenses and gain or loss on de-recognition of damaged property, plant, equipment and inventory have not been recorded in the condensed interim profit and loss account as the management is of the view that it will be recognized on final settlement of insurance claim by the insurance company.

Qualified Conclusion

Based on our review, except for the matter referred in the preceding paragraph, 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 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the condensed interim profit and loss account for the quarter ended 30 June 2011 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 30 June 2011. The figures of the condensed interim profit and loss account for the half year and quarter ended 30 June 2010 have not been reviewed by any firm of chartered accountants.



RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Syed Mustafa Ali

Lahore: 12 August, 2011

CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2011

	Note	Un-audited 30 June 2011 (Rupees in thousand)	Audited 31 December 2010
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 400,000,000 (31 December 2010: 400,000,000) ordinary shares of Rupees 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital 372,081,591 (31 December 2010: 372,081,591) ordinary shares of Rupees 10 each		3,720,816	3,720,816
Capital reserve		116,959	116,959
Revenue reserve		10,649,554	9,914,316
		14,487,329	13,752,091
CURRENT LIABILITIES			
Trade and other payables	5	1,629,268	867,400
Accrued mark-up		130,104	120,791
Short-term borrowings		4,607,299	4,580,489
		6,366,671	5,568,680
Total liabilities		6,366,671	5,568,680
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		20,854,000	19,320,771

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

	Note	Un-audited 30 June 2011 (Rupees in thousand)	Audited 31 December 2010
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	7,501,764	7,603,814
Long-term security deposit		15	15
		7,501,779	7,603,829
CURRENT ASSETS			
Stores, spare parts and other consumables		425,420	123,203
Fuel stock		453,651	426,878
Trade debts		8,685,346	6,277,775
Advances and short-term prepayments		1,438,968	1,706,534
Interest accrued		1,548	6,384
Other receivables	8	651,651	1,008,259
Sales tax recoverable		588,925	579,136
Cash and bank balances		1,106,712	1,588,773
		13,352,221	11,716,942
TOTAL ASSETS		20,854,000	19,320,771


DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2011

	Note	Half Year Ended		Quarter Ended	
		30 June	30 June	30 June	30 June
		2011	2010	2011	2010
		(Rupees in thousand)		(Rupees in thousand)	
REVENUE		13,420,700	14,047,011	6,775,857	7,087,054
COST OF SALES	9	(11,928,211)	(12,239,492)	(6,120,515)	(6,385,159)
GROSS PROFIT		1,492,489	1,807,519	655,342	701,895
ADMINISTRATIVE EXPENSES		(69,142)	(160,388)	(36,594)	(129,661)
OTHER OPERATING EXPENSES		(12,962)	(157,034)	(12,602)	(494)
		1,410,385	1,490,097	606,146	571,740
OTHER OPERATING INCOME		35,760	9,660	7,970	5,454
PROFIT FROM OPERATIONS		1,446,145	1,499,757	614,116	577,194
FINANCE COST		(325,615)	(693,640)	(157,722)	(149,628)
PROFIT BEFORE TAXATION		1,120,530	806,117	456,394	427,566
TAXATION		(13,210)	(3,621)	(3,799)	(2,149)
PROFIT AFTER TAXATION		1,107,320	802,496	452,595	425,417
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,107,320	802,496	452,595	425,417
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		2.98	2.16	1.22	1.14

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2011

	Note	30 June 2011	30 June 2010
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,120,530	806,117
Adjustment for non cash charges and other items:			
Depreciation		171,207	168,765
Provision for gratuity		3,089	2,715
Provision for employee stock option expenses		-	675
Provision for long-term compensation		-	549
Provision for doubtful debts		12,062	-
Interest income		(33,733)	(7,980)
Finance cost		325,615	266,333
Loss on changes in fair value of derivative financial instrument (NEC)		-	427,307
Cash flows from operating activities before working capital changes		1,598,770	1,664,481
(Increase) / decrease in current assets:			
Stores, spare parts and other consumables		(302,217)	(30,059)
Fuel stock		(26,773)	184,028
Trade debts		(2,419,633)	(1,532,326)
Advances and short-term prepayments		269,716	(262,060)
Other receivables		356,609	(175,187)
Sales tax recoverable		(9,789)	(45,310)
		(2,132,087)	(1,860,914)
Increase trade and other payables		445,598	143,893
Cash used in operations		(87,719)	(52,540)
Finance cost paid		(316,302)	(185,286)
Interest income received		38,569	7,001
Income tax paid		(15,361)	(9,111)
Gratuity paid		(3,089)	-
Net cash used in operating activities		(383,902)	(239,936)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(69,157)	(56,915)
Net cash used in investing activities		(69,157)	(56,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		-	(113,126)
Dividends paid		(55,812)	(1,096,500)
Net cash used in financing activities		(55,812)	(1,209,626)
Net decrease in cash and cash equivalents		(508,871)	(1,506,477)
Cash and cash equivalents at beginning of the period		(2,991,716)	(1,830,238)
Cash and cash equivalents at end of the period	10	(3,500,587)	(3,336,715)

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2011

	SHARE CAPITAL	RESERVES			TOTAL EQUITY
		Capital	Revenue		
		Retained payments reserve	Employee stock option	Un- appropriated profit	
(-----Rupees in thousand -----)					
Balance as at 31 December 2009 (audited)	3,720,816	116,959	2,246	9,752,433	13,592,454
Interim dividend for the period ended 30 June 2010 @ Rupees 2.95 per share	-	-	-	(1,096,500)	(1,096,500)
Total comprehensive income for the period ended 30 June 2010	-	-	-	802,496	802,496
Balance as at 30 June 2010 (Un-audited)	3,720,816	116,959	2,246	9,458,429	13,298,450
Interim dividend for the period ended 31 December 2010 @ Rupees 0.75 per share	-	-	-	(279,061)	(279,061)
Total comprehensive income for the period ended 31 December 2010	-	-	-	734,948	734,948
Discontinuation of employee stock option scheme	-	-	(2,246)	-	(2,246)
Balance as at 31 December 2010 (audited)	3,720,816	116,959	-	9,914,316	13,752,091
Interim dividend for the period ended 30 June 2011 @ Rupee 1 per share	-	-	-	(372,082)	(372,082)
Total comprehensive income for the period ended 30 June 2011	-	-	-	1,107,320	1,107,320
Balance as at 30 June 2011 (Un-audited)	3,720,816	116,959	-	10,649,554	14,487,329

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 30 JUNE 2011

1. THE COMPANY AND ITS OPERATIONS

Pakgen Power Limited ("the Company") [formerly AES Pak Gen Company Limited] was incorporated in Pakistan on 22 June 1995 under the Companies Ordinance, 1984. The principal activities of the Company are to build, own, operate and maintain an oil fired power station ("the Complex") having gross capacity of 365 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. The registered office of the Company is situated at 53-A, Lawrence Road, Lahore. Legal status of the Company was changed from private unlimited company to public limited company on 12 July 2010 and the name of the Company was changed from AES Pak Gen Company Limited to Pakgen Power Limited on 22 November 2010.

- 1.1 During the period, the following shareholders of the Company have divested their holdings in the Company through Private Placement and offer for sale to public through listing of the Company's ordinary shares on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited. Consequently, the Listing Regulations of the Karachi and Lahore Stock Exchanges are now applicable to the Company.

Name of shareholder	No. of Shares
Mian Hassan Mansha	4,135,187
Nishat Mills Limited	16,541,382
Adamjee Insurance Company Limited	4,135,346
Security General Insurance Company Limited	1,033,836
Stanhope Investments	15,507,545
Engen (Private) Limited	10,338,364
	<hr/>
	51,691,660

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and is being submitted to shareholders, as required by the Section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the six months period ended 30 June 2011 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 31 December 2010.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are same as applied in the preparation of the preceding audited annual financial statements of the Company for the year ended 31 December 2010.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards 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. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual financial statements of the Company for the year ended 31 December 2010.

5. TRADE AND OTHER PAYABLES

This includes subscription of Rupees 542.167 million received in bank accounts of the Company against private placement and offer for sale of ordinary shares of the Company to general public up to the reporting date. This amount is payable to those existing shareholders of the Company who have divested their holdings in the Company. Names of those shareholders are given in note 1.1 to the condensed interim financial information.

6. CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2010.

	Un-audited 30 June 2011 (Rupees in thousand)	Audited 31 December 2010
7. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 7.1)	7,322,106	7,431,027
Capital work-in-progress (Note 7.2)	179,658	172,787
	7,501,764	7,603,814
7.1 Operating fixed assets		
Opening book value	7,431,027	7,681,802
Add: Cost of addition during the period / year (Note 7.1.1)	62,286	87,876
Less: Depreciation charged during the period / year	(171,207)	(338,651)
Closing book value	7,322,106	7,431,027
7.1.1 Cost of additions		
Buildings on freehold land	13,209	1,102
Plant and machinery	49,077	59,673
Vehicles	-	5,311
Office equipment	-	306
Electric equipment and appliances	-	21,484
	62,286	87,876
7.2 Capital work-in-progress		
Advances for purchase of land	-	1,594
Buildings	-	1,472
Plant and machinery	179,658	169,721
	179,658	172,787

	Un-audited 30 June 2011 (Rupees in thousand)	Audited 31 December 2010
8. OTHER RECEIVABLES		
Receivable from WAPDA - workers' profit participation fund	430,237	374,210
Receivable from WAPDA - workers' welfare fund	106,233	83,823
Receivable from insurance company (Note 8.1)	69,793	550,073
Others	45,388	153
	651,651	1,008,259

8.1 Receivable from insurance company

Loss of capacity revenue and other rehabilitation costs (Note 8.1.1)	919,793	550,073
Less: Advance payments by the insurance company	(850,000)	-
	69,793	550,073

- 8.1.1** This represents amount recognized as receivable from the insurance company against loss of capacity revenue for the period from 04 August 2010 to 05 November 2010 due to floods and all other costs incurred for rehabilitation work upto to the reporting date after taking into account deductibles as per insurance policy. This amount does not represent the total cost of rehabilitation works as the repair works at the plant site are still in progress.

	Un-audited Half Year Ended		Un-audited Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	(Rupees in thousand)		(Rupees in thousand)	
9. COST OF SALES				
Fuel consumed	11,585,707	11,892,566	5,945,748	6,217,309
Operation and maintenance costs (Note 9.1)	124,218	125,483	64,593	53,861
Insurance cost	50,183	59,506	25,308	32,475
Depreciation	167,526	161,937	84,289	81,514
Others	577	-	577	-
	11,928,211	12,239,492	6,120,515	6,385,159

9.1 Operation and maintenance costs

Power station salaries, wages and other allowances	43,787	45,915	22,708	25,183
Repair and maintenance	5,428	7,141	4,375	2,124
Stores and spare parts consumed	35,057	38,749	18,261	11,553
Electricity consumed in-house	39,277	32,811	19,060	14,476
Oil handling charges	669	867	189	525
	124,218	125,483	64,593	53,861

	Un-audited Half Year Ended	
	30 June 2011 (Rupees in thousand)	30 June 2010
10. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,106,712	383,721
Short-term borrowings	(4,607,299)	(3,720,436)
	<u>(3,500,587)</u>	<u>(3,336,715)</u>

11. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated undertakings, other related group companies and key management personnel. Transactions with related parties include expenses charged between these companies. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in this condensed interim financial information are as follows:

Relationship with the Company	Nature of transaction	Un-audited Half Year Ended		Un-audited Quarter Ended	
		30 June 2011 (Rupees in thousand)	30 June 2010	30 June 2011 (Rupees in thousand)	30 June 2010
Associated undertakings	Insurance premium	8,283	-	1,625	-
	Share of expenses	96,644	71,046	43,312	37,157
	Share of rental income	711	832	343	432
Key management personnel	Salaries and other employee benefits	9,604	8,593	4,765	4,233
		Un-audited 30 June 2011 (Rupees in thousand)		Audited 31 December 2010	

Period / year end balances:

Payable to associated undertakings	-	107,249
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12. EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Company at their meeting held on 12 August 2011 has proposed an interim cash dividend for the half year ended 30 June 2011 of Rupees 5 per share. This includes interim cash dividend of Rupees 1 per share which has already been proposed by the Board of Directors in their meeting held on 08 March 2011. However, the declaration of interim cash dividend of Rupees 4 per share has been considered as a non-adjusting event under International Accounting Standard (IAS) 10 'Events after the Reporting Period' and has not been recognized in this condensed interim financial information.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors of the Company and authorized for issue on 12 August 2011.

14. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual financial statements of the Company for the year ended 31 December 2010.

15. CORRESPONDING FIGURES

In order to comply with requirements of International Accounting Standard 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

16. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR



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