Contents

COMPANY INFORMATION

Board of Directors
Towfiq Habib Chinoy - Chairman
(Non-Executive Director)
Syed Hyder Ali - Chief Executive & Managing Director
(Executive Director)
Khalid Yacob
(Executive Director)
Mats Nordlander
(Non-Executive Director)
Muhammad Aurangzeb
(Independent Director)
Shahid Aziz Siddiqui
(Non-Executive Director)
Shamim Ahmad Khan
(Non-Executive Director)
Syed Aslam Mehdi
(Executive Director)
Syed Shahid Ali
(Non-Executive Director)
Tariq Iqbal Khan
(Non-Executive Director)

Advisor
Syed Babar Ali

Company Secretary
Adi J. Cawasji

Executive Committee
Syed Hyder Ali - Chairman
(Executive Director)
Syed Aslam Mehdi - Member
(Executive Director)
Khalid Yacob - Member
(Executive Director)

Audit Committee
Shahid Aziz Siddiqui - Chairman
(Non-Executive Director)
Mats Nordlander - Member
(Non-Executive Director)
Muhammad Aurangzeb - Member
(Independent Director)
Shamim Ahmad Khan - Member
(Non-Executive Director)
Syed Aslam Mehdi - Member
(Executive Director)
Syed Shahid Ali - Member
(Non-Executive Director)
Adi J. Cawasji - Secretary
(Company Secretary)

Business Strategy Committee
Syed Hyder Ali - Chairman
(Executive Director)
Syed Aslam Mehdi - Member
(Executive Director)
Khalid Yacob - Member
(Executive Director)

System and Technology Committee
Syed Aslam Mehdi - Chairman
(Executive Director)
Khalid Yacob - Member
(Executive Director)
Suleman Javed - Member

Human Resource and Remuneration (HR & R) Committee
Towfiq Habib Chinoy - Chairman
(Non-Executive Director)
Shahid Aziz Siddiqui - Member
(Non-Executive Director)
Shamim Ahmad Khan - Member
(Non-Executive Director)
Syed Hyder Ali - Member
(Executive Director)
Syed Aslam Mehdi - Member
(Executive Director)

Rating Agency: PACRA

Company Rating
Long-Term: AA
Short-Term: A1+

Auditors
A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors
Hassan & Hassan - Lahore
Orr, Dignam & Co. - Karachi

Bankers & Lenders
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
BankIslami Pakistan Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Silk Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
The Bank of Tokyo - Mitsubishi UFJ, Limited
United Bank Limited

Head Office & Works
Shahrah-e-Roomi,
P.O. Amer Sidhu,
Lahore - 54760, Pakistan
PABX : (042) 35811541-46
: (042) 35811191-94
Fax : (042) 35811195
: (042) 35820147

Offices

Registered Office & Regional Sales Office
4th Floor, The Forum
Suite No. 416 - 422, G-20, Block 9,
Khayaban-e-Jami, Clifton,
Karachi-75600, Pakistan
PABX : (021) 35874047-49
: (021) 35378650-52
: (021) 35831618, 35833011
Fax : (021) 35860251

Regional Sales Office
2nd Floor, G.D. Arcade
73-E, Fazal-ul-Haq Road, Blue Area,
Islamabad-44000, Pakistan
PABX : (051) 2276765
: (051) 2276768
: (051) 2278632
Fax : (051) 2829411

Zonal Sales Offices
C-2, Hassan Arcade Nusrat Road,
Multan Cantt. - 60000, Pakistan
Tel & Fax: (061) 4504553

9th Floor State Life Building,
2 - Liaquat Road,
Faisalabad, Pakistan
Tel : (041) 2540842
Fax : (041) 2540815

Shares Registrar
FAMCO Associates (Pvt) Limited
8-F, Next to Hotel Faran,Nursery
Block-6, P.E.C.H.S.
Shahrah -e- Fasial
Karachi.
PABX : (021) 34380101-2
Fax : (021) 34380106
Email : info.shares@famco.com.pk

Web Presence
www.packages.com.pk

DIRECTORS' REPORT FOR THE HALF YEAR ENDED JUNE 30, 2013

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to submit to its shareholders, the six monthly report along with the condensed interim un-audited financial statements of the Company for the half year ended June 30, 2013.

Financial and Operational Performance

The comparison of the un-audited results for the half year ended June 30, 2013 as against June 30, 2012 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2013	Apr - June 2012 Re-stated and Represented	**Jan - June 2013**	Apr - June 2012 Re-stated and Represented
Financial - Rupees in million				
Continuing Operations				
Sales	4,421	2,999	8,085	5,726
Less: Imported raw materials transferred at cost to Discontinued Operations	(1,028)	-	(1,028)	-
Net Sales from Operations	**3,393**	**2,999**	**7,057**	**5,726**
EBITDA - Operations	**279**	**311**	**756**	**493**
Depreciation & amortisation	(112)	(96)	(217)	(166)
EBIT - Operations	**167**	**215**	**539**	**327**
Finance costs	(208)	(120)	(400)	(237)
Other operating income/(expenses) - net	76	152	26	172
Investment income	587	87	1,233	675
Reversal of impairment charged on investments	-	252	-	252
Earnings before tax	**622**	**586**	**1,398**	**1,189**
Taxation	(220)	(173)	(342)	(307)
Earnings after tax - Continuing Operations	**402**	**413**	**1,056**	**882**
Basic Earnings per share - Rupees	**4.76**	**4.90**	**12.51**	**10.46**
Discontinued Operations				
Loss after tax	(153)	(267)	(152)	(538)
Basic loss per share -Rupees	(1.82)	(3.17)	(1.80)	(6.38)

Continuing Operations

Continuing Operations comprise of Consumer Products Division and Packaging Operations including Folding Cartons and Flexible Packaging.

During the first half of 2013, Continuing Operations have achieved net sales of Rs. 7,057 million against net sales of Rs. 5,726 million of corresponding period of last year. This sale excludes Rs. 1,028 million of imported materials on behalf of Discontinued Operations and transferred to them at cost.

The Operations have generated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 756 million during the first half of 2013 against Rs. 493 million of corresponding period of 2012 resulting in an increase of Rs. 263 million mainly due to revenue growth, better product mix, production efficiencies and timely price rationalization. The EBITDA for the second quarter 2013 is lower by Rs. 32 million as compared to second quarter 2012 mainly on account of higher advertisement cost in consumer products division of Rs. 83 million which is expected to improve company's market share in coming months.

Consumer Products Division

Consumer Products Division has registered sales of Rs. 1,390 million during first half of 2013 as compared to Rs. 914 million of corresponding period of 2012 representing sales growth of 52%. Operating results of the Division have also improved by Rs. 80 million during first half of 2013 over corresponding values of 2012 as arising from revenue growth, improved capacity utilization and operating cost control initiatives. The Company has also substantially regained its market share after re-commencement of own conversion operations through its effective marketing strategies.

Packaging Operations

Packaging Operations have achieved net sales of Rs. 5,476 million during first half of 2013 as compared to Rs. 4,641 million of corresponding period of 2012 representing sales growth of 18%. Operating results of the Operations have also improved by Rs. 192 million contributed by revenue growth, better product mix, production efficiencies and higher capacity utilisation.

The production statistics for the period under review along with its comparison with the corresponding period are as follows:

	Apr - June 2013	Apr - June 2012	**Jan - June 2013**	Jan - June 2012
Consumer Products produced-tons	**2,402**	2,516	**4,957**	3,886
Carton Board & Consumer Products converted-tons	**7,634**	6,971	**16,342**	13,843
Plastics all sorts converted-tons	**3,536**	3,532	**7,682**	6,824

The finance cost has increased by Rs. 163 million during the first half of 2013 over corresponding values of 2012 due to Long term finance facility of Rs. 2,000 million availed towards the end of 2012 to finance investment and expansion projects as well as improved working capital financing requirements.

Investment income has increased by Rs. 558 million during first half of 2013 over corresponding values of 2012 that is indicative of improved operational performance of the investee companies.

During the current period, the Company has also changed its accounting policy in respect of recognition of actuarial losses arising from retirement benefit plans in pursuance of amendments in International Accounting Standard 19 'Employee Benefits' that are effective from financial years beginning on or after January 1, 2013; that now requires an entity to recognize actuarial losses on net funding basis. The Company has applied this change in accounting policy retrospectively in accordance with applicable financial reporting standards and recognized a charge of Rs. 168.548 million net of taxes to the opening balance of accumulated profit/(loss) and retirement benefits including pension fund and gratuity fund as referred to in note 3.2.1 to the financial statements for the period ended June 30, 2013.

Discontinued Operations

Paper & Paperboard and Corrugated businesses have been recognized as Discontinued Operations with respect to Packages Limited in these financial statements in accordance with applicable financial reporting framework.

Your Company has completed the transfer of assets and related obligations of its Paper & Paperboard and Corrugated businesses "Discontinued Operations" to its 100% wholly owned subsidiary "Bulleh Shah Packaging (Private) Limited [Formerly Bulleh Shah Paper Mill (Private) Limited] 'BSPL' during the first half of 2013 against issuance of shares. Furthermore, the Company has also injected cash equity into BSPL to finance its investment project.

After implementation of Joint Venture Agreement with Stora Enso A.B of Sweden, your Company now holds 65% equity in BSPL. Stora Enso has made direct equity investment of US$ 38.95M in BSPL and is also actively providing technical expertise to further streamline the paper & board and corrugated packaging operations.

As part of management's strategy to overcome the power shortage and to supply uninterrupted power to the operations, the contract for bio-mass boiler has been signed which is expected to be in operation during first half of 2015.

Change in Board of Directors

During the current year, there has been a change in the Board of Directors of the Company as Mr. Wazir Ali Khoja, nominee of National Investment Trust Limited, resigned from the Board of Directors of the Company on June 06, 2013 and Mr. Tariq Iqbal Khan has been nominated by National Investment Trust Limited in his place on the Board of Directors of the Company.

The Board wishes to place on record its appreciation of the services rendered by Mr. Wazir Ali Khoja during the tenure of his office and welcomes Mr. Tariq Iqbal Khan who will hold office for the remainder of the term of Mr. Wazir Ali Khoja in whose place he is appointed.

Future Outlook

Despite rising raw material prices, electricity and gas shortages, your Company will continue its focus to improve shareholder's value through tight cost control, product and process optimization, price rationalization and efficient working capital management.

The management is also at an advanced due-diligence stage of alternate power solution for its Lahore operations to provide competitive uninterrupted power supply. We remain confident that the Company shall be able to maintain its market leadership.

Company's Staff and Customers

We wish to record our appreciation of the commitment of our employees to the Company and continued patronage of our customers.

(Towfiq Habib Chinoy)
Chairman
Lahore, August 26, 2013

(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, August 26, 2013

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Packages Limited as at June 30, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this 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 June 30, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2013.

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 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.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2013 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A. F. Ferguson & Co.
Chartered Accountants
Lahore, August 26, 2013

Engagement partner : Asad Aleem Mirza

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
as at June 30, 2013

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited and Re-stated
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (December 31, 2012: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (December 31, 2012: 22,000,000) 10 % non-voting cumulative preference shares / convertible stock of Rs. 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital			
84,379,504 (December 31, 2012: 84,379,504) ordinary shares of Rs. 10 each		**843,795**	843,795
Reserves		**34,218,784**	31,075,416
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Accumulated profit / (loss)		**996,890**	(2,837,327)
		37,665,344	30,687,759
NON-CURRENT LIABILITIES			
Long-term finances	6	**5,270,577**	4,470,577
Deferred income tax liabilities	7	**231,622**	255,052
Retirement benefits		**33**	306,808
Deferred liabilities		**122,338**	121,061
		5,624,570	5,153,498
CURRENT LIABILITIES			
Current portion of long-term finances - secured		**200,000**	1,000,000
Finances under mark up arrangements - secured		**2,691,815**	808,942
Derivative financial instruments	8	**87,772**	164,559
Trade and other payables		**3,275,524**	1,977,498
Accrued finance costs		**351,573**	530,501
		6,606,684	4,481,500
Liabilities of disposal group classified as held for sale	9	**-**	5,669,197
CONTINGENCIES AND COMMITMENTS	10	**-**	-
		49,896,598	45,991,954

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited and Re-stated
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**3,425,209**	3,459,115
Investment property		**72,211**	25,473
Intangible assets		**37,703**	41,411
Investments		**37,212,670**	20,795,660
Long-term loans and deposits		**77,384**	97,105
Retirement benefits		**6,067**	-
		40,831,244	24,418,764
CURRENT ASSETS			
Stores and spares		**505,709**	461,625
Stock-in-trade		**2,484,741**	1,909,807
Trade debts		**2,387,639**	2,279,915
Loans, advances, deposits, prepayments and other receivables		**1,619,106**	412,866
Income tax receivable	13	**1,818,376**	1,603,306
Cash and bank balances		**249,783**	362,380
		9,065,354	7,029,899
Assets of disposal group classified as held for sale	9	**-**	14,543,291
		49,896,598	45,991,954

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the quarter and half year ended June 30, 2013

	Note	Quarter ended		Half year ended	
		June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
		Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
		(Rupees in thousand)			
Local sales		**5,115,071**	3,556,746	**9,341,031**	6,807,880
Export sales		**10,277**	18,779	**29,718**	29,856
Gross sales		**5,125,348**	3,575,525	**9,370,749**	6,837,736
Less: Sales tax		**698,865**	572,181	**1,274,534**	1,105,771
Commission		**6,021**	4,778	**11,707**	6,361
		704,886	576,959	**1,286,241**	1,112,132
Net Sales		**4,420,462**	2,998,566	**8,084,508**	5,725,604
Cost of sales	14	**(3,906,994)**	(2,626,169)	**(6,933,793)**	(5,084,560)
Gross profit		**513,468**	372,397	**1,150,715**	641,044
Administrative expenses		**(173,202)**	(67,400)	**(312,706)**	(154,755)
Distribution and marketing costs		**(183,603)**	(89,282)	**(309,336)**	(158,331)
Other operating expenses		**(32,911)**	(2,906)	**(94,902)**	(15,027)
Other operating income		**118,610**	154,618	**131,277**	186,589
Profit from operations		**242,362**	367,427	**565,048**	499,520
Finance costs		**(207,948)**	(119,951)	**(399,904)**	(237,076)
Investment income		**587,440**	86,807	**1,232,810**	674,777
Reversal of impairment charged on investments		**-**	252,018	**-**	252,018
Profit before taxation		**621,854**	586,301	**1,397,954**	1,189,239
Taxation	15	**(219,979)**	(172,822)	**(341,968)**	(306,807)
Profit for the period from Continuing operations		**401,875**	413,479	**1,055,986**	882,432
Loss for the period from Discontinued Operations	9	**(153,366)**	(267,408)	**(151,839)**	(538,524)
Profit for the period		**248,509**	146,070	**904,147**	343,908
Basic earnings / (loss) per share					
From Continuing Operations Rupees	16	**4.76**	4.90	**12.51**	10.46
From Discontinued Operations Rupees	16	**(1.82)**	(3.17)	**(1.80)**	(6.38)
From Profit for the period Rupees		**2.94**	1.73	**10.71**	4.08
Diluted earnings / (loss) per share					
From Continuing Operations Rupees	16	**4.41**	4.66	**11.48**	9.84
From Discontinued Operations Rupees	16	**(1.82)**	(3.17)	**(1.80)**	(6.38)
From Profit for the period Rupees		**2.59**	1.49	**9.68**	3.46

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and half year ended June 30, 2013

	Quarter ended		Half year ended	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
	Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
	(Rupees in thousand)			
Profit for the period	**248,509**	146,070	**904,147**	343,907
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Surplus / (deficit) on re-measurement of available for sale financial assets	**2,645,888**	(1,577,021)	**6,443,368**	1,524,438
Re-measurement of net defined benefit asset / liability - net of tax	**9,778**	(25,628)	**9,778**	(25,628)
	2,655,666	(1,602,649)	**6,453,146**	1,498,810
Items that may be reclassified subsequently to profit or loss	**-**	-	**-**	-
Total comprehensive income / (loss) for the period	**2,904,175**	(1,456,579)	**7,357,293**	1,842,717

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the half year ended June 30, 2013

	Share capital	Share premium	Fair value reserve	General reserve	Preference shares / convertible stock reserve	Accumulated (loss) / profit	Total
	(Rupees		in		thousand)		
Balance as on December 31, 2011 (audited)	843,795	2,876,893	9,141,841	16,160,333	1,605,875	(1,080,744)	**29,547,993**
Effect of change in accounting policy (note - 3.2.1)	-	-	-	-	-	(312,440)	**(312,440)**
Balance as on December 31, 2011 (audited and re-stated)	843,795	2,876,893	9,141,841	16,160,333	1,605,875	(1,393,184)	**29,235,553**
Appropriation of funds							
Transferred to profit and loss account	-	-	-	(1,250,000)	-	1,250,000	**-**
Transactions with owners							
Final dividend for the year ended December 31, 2011 Rs. 1.50 per share	-	-	-	-	-	(126,569)	**(126,569)**
Profit for the period - restated	-	-	-	-	-	343,907	**343,907**
Other comprehensive income							
Surplus on re-measurement of available for sale financial assets	-	-	1,524,438	-	-	-	**1,524,438**
Re-measurement of net defined benefit asset / liability (note - 3.2.1) - net of tax - re-stated	-	-	-	-	-	(25,628)	**(25,628)**
Total comprehensive income for the period	-	-	1,524,438	-	-	318,279	**1,842,717**
Balance as on June 30, 2012 (un-audited and re-stated)	843,795	2,876,893	10,666,279	14,910,333	1,605,875	48,526	**30,951,701**
Loss for the period - re-stated	-	-	-	-	-	(2,860,226)	**(2,860,226)**
Other comprehensive income							
Surplus on re-measurement of available for sale financial assets	-	-	2,621,911	-	-	-	**2,621,911**
Re-measurement of net defined benefit asset / liability (note - 3.2.1) - net of tax - restated	-	-	-	-	-	(25,627)	**(25,627)**
Total comprehensive loss for the period	-	-	2,621,911	-	-	(2,885,853)	**(263,942)**
Balance as on December 31, 2012 (audited and re-stated)	843,795	2,876,893	13,288,190	14,910,333	1,605,875	(2,837,327)	**30,687,759**
Appropriation of funds							
Transferred to profit and loss account	-	-	-	(3,300,000)	-	3,300,000	**-**
Transactions with owners							
Final dividend for the year ended December 31, 2012 Rs. 4.50 per share	-	-	-	-	-	(379,708)	**(379,708)**
Profit for the period	-	-	-	-	-	904,147	**904,147**
Other comprehensive income							
Surplus on re-measurement of available for sale financial assets	-	-	6,443,368	-	-	-	**6,443,368**
Re-measurement of net defined benefit asset / liability - net of tax (note - 3.2.1)	-	-	-	-	-	9,778	**9,778**
Total comprehensive income for the period	-	-	6,443,368	-	-	913,925	**7,357,293**
Balance as on June 30, 2013	843,795	2,876,893	19,731,558	11,610,333	1,605,875	996,890	**37,665,344**

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the half year ended June 30, 2013

	Note	Half year ended June 30, 2013 Un-audited	Half year ended June 30, 2012 Un-audited and Re-stated
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	18	**833,445**	228,271
Finance cost paid		**(832,693)**	(931,310)
Taxes paid		**(341,335)**	(470,035)
Payments for accumulating compensated absences		**(72,266)**	(15,780)
Retirement benefits paid		**(314,727)**	(36,570)
Net cash used in operating activities		**(727,576)**	(1,225,424)
Cash flow from investing activities			
Fixed capital expenditure		**(319,548)**	(668,739)
Investments - net		**(1,815,034)**	4
Net decrease / (increase) in long-term loans and deposits		**1,121**	(1,048)
Proceeds from disposal of property, plant and equipment		**12,520**	19,932
Dividends received		**1,232,810**	674,764
Net cash (used in) / generated from investing activities		**(888,131)**	24,913
Cash flow from financing activities			
Proceeds from long term finances - secured		**1,000,000**	-
Repayment of long term finances - secured		**(1,000,000)**	(98,809)
Dividend paid		**(379,763)**	(123,333)
Net cash used in financing activities		**(379,763)**	(222,142)
Net decrease in cash and cash equivalents		**(1,995,470)**	(1,422,653)
Cash and cash equivalents at the beginning of the period		**(5,546,562)**	(620,551)
Cash and cash equivalents transferred to the subsidiary		**5,100,000**	-
Cash and cash equivalents at the end of the period	19	**(2,442,032)**	(2,043,204)

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

1. The Company and its activities

Packages Limited ('The Company') is a public limited company incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is principally engaged in the manufacture and sale of Paper, Packaging materials and Tissue products.

The Company entered into 50/50 Joint Venture Agreement (the "JV Agreement") on September 17, 2012 with 'Stora Enso OYJ Group' ('Stora Enso') of Finland in its wholly owned subsidiary Bulleh Shah Packaging (Private) Limited [formerly Bulleh Shah Paper Mill (Private) Limited] ('BSPL'). The Joint Venture includes Paper & Paperboard and Corrugated business operations at Kasur and Karachi and involves initial equity participation of Stora Enso of 35% by way of subscription of right shares with a commitment to increase the shareholding to 50% at a later stage subject to certain conditions being met. The agreed value for 100% of the Joint Venture Company is USD 107.5 million on a cash and debt free basis with additional equity to be subscribed by Stora Enso through right shares in the Joint Venture Company of USD 17.5 million, based on the financial results of second half of 2012 and first half of 2013. Packages Limited shall continue to hold minimum 50% ownership and future profits of the Joint Venture.

Pursuant to the Agreement, the Company, during the period, transferred the assets and corresponding liabilities of its Kasur and Karachi operations to BSPL alongwith certain cash contribution. Upon subscription by Stora Enso in BSPL, the Company has derecognised its investment in BSPL owing to loss of control and recognised an investment in jointly controlled entity, with Stora Enso as the joint venture partner.

As a result, the Company's operations have been divided into Continuing and Discontinued Operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, 'Non-current assets held for sale and Discontinued Operations'. Paper and Paperboard and Corrugated businesses have been classified as Discontinued Operations because these form part of the Joint Venture. Continuing Operations include Consumer Products Division and Packaging operations Including Folding Cartons and Flexible Packaging businesses.

Moreover, the Company also closed down its Paper and Paperboard operations in Lahore, in addition to the above mentioned transaction, during the prior year.

The Paper and Paperboard operations in Lahore have also been classified as a Discontinued Operation as reflected in note 8 of these financial statements, in accordance with the requirements of IFRS 5. This has not been classified as held for sale as it does not meet the criteria for being classified as held for sale under IFRS 5.

The figures of the prior period have been represented in accordance with the requirements of IFRS 5, wherever relevant.

2. Basis of preparation

This condensed interim financial information is unaudited and 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. The figures for the half year ended June 30, 2013 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2012.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended December 31, 2012 except for the adoption of new accounting policies as referred to in note 3.2.1.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning January 1, 2013 and their impact on these condensed interim financial information is given below:

Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments has no material impact on the Company's condensed interim financial information.

IFRS 1 (Amendments), 'First time adoption', on government loans is applicable on accounting periods beginning on or after January 1, 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008. The application of these amendments has no material impact on the Company's condensed interim financial information.

IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The application of these amendments has no material impact on the Company's condensed interim financial information.

IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 1, 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. This IFRS is under consideration of the relevant

Committee of the Institute of Chartered Accountants of Pakistan. The application of these amendments has no material impact on the Company's condensed interim financial information.

IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The application of this standard has no material impact on the Company's condensed interim financial information.

IFRS 13 - 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The application of this standard has no material impact on the Company's condensed interim financial information.

IAS 1 (Amendments), 'Financial statement presentation' regarding other comprehensive income. This is applicable on accounting periods beginning on or after July 1, 2012. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendments do not address which items are presented in OCI. The application of this standard has no material impact on the Company's condensed interim financial information.

IAS 19 (revised) 'Employee benefits'. IAS 19 (revised) amends the accounting for employment benefits. The Company has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Company has been in the following areas:

The standard requires past service cost to be recognised immediately in profit or loss account. Since there are no unrecognised past service costs there is no impact of this provision on the condensed interim financial information of the Company.

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determine the discount rate; this continues to reflect the yield on high-quality corporate bonds. The effect has been that the income statement charge for the period has decreased by Nil (June 30, 2012: Rs. 71.465 million)

There is a new term ''re-measurements''. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

Retirement benefits obligation as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at January 1, 2012 by increasing the retirement benefits obligation by Rs. 480.678 million and December 31, 2012 by increasing the retirement benefits obligation by Rs. 259.306 million.

Due to the restatement, basic and diluted earnings per share for the half year ended June 30, 2012 have increased by Rs. 0.85 per share and Rs. 0.23 per share respectively.

The effect of the change in accounting policy on the statement of cash flows was immaterial.

IAS 27 (Revised 2011), 'Separate financial statements' is applicable on accounting periods beginning on or after January 1, 2013. It includes the provisions on separate financial statements that are left after the control provisions of IAS 27 which have been included in the new IFRS 10. The application of this standard has no material impact on the Company's condensed interim financial statements.

IAS 28 (Revised 2011), 'Associates and joint ventures' is applicable on accounting periods beginning on or after January 1, 2013. It includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The application of this standard has no material impact on the Company's condensed interim financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 1, 2013 or later periods, but the Company has not early adopted them:

IFRS 9 - 'Financial instruments' - classification and measurement. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. The application of these amendments has no material impact on the Company's condensed interim financial statements.

IAS 32 (Amendment), 'Financial Instruments: Presentation' is applicable on accounting periods beginning on or after January 1, 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Company shall apply this amendment from January 1, 2014 and does not expect to have a material impact on its condensed interim financial statements.

4. Taxation

The provision for taxation for the half year ended June 30, 2013 has been made using the tax rate that would be applicable to expected total annual earnings.

5. Estimates

The preparation of 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 expense. Actual results may differ from these estimates.

In preparing these 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 financial statements for the year ended December 31, 2012, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in Note 4.

6. Long term finances

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited
		(Rupees in thousand)	
Opening balance			
Local currency loans - secured		**3,000,000**	6,485,714
Preference shares / convertible stock - unsecured		**2,470,577**	2,470,577
		5,470,577	8,956,291
Loans obtained during the period			
Local currency loans - secured	6.1	**1,000,000**	2,000,000
		6,470,577	10,956,291
Loans repaid during the period			
Local currency loans - secured	6.1	**(1,000,000)**	(5,485,714)
		5,470,577	5,470,577
Current portion shown under current liabilities		**(200,000)**	(1,000,000)
Closing balance		**5,270,577**	4,470,577

6.1 During the current period, the Company has prepaid its Term Finance Loan of Rs. 1,000 million availed from Bank Al-Habib Limited having Bank Al-Habib Limited own source component of Rs. 578 million and State Bank of Pakistan's long-term finance facility component of Rs. 422 million using long-term loan of Rs. 1,000 million obtained from Bank Al-Habib Limited. This loan is secured by a ranking charge of Rs. 1,273 million over present and future fixed assets of the Company located at Lahore excluding land and buildings. It carries markup at the rate of six months KIBOR plus 0.65 percent per annum and is repayable in 10 equal semi annual installments starting on November 19, 2013 and ending on May 19, 2018.

7. The Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs 566.842 million (2012: Rs. 566.842 million) and Rs. 261.474 million (2012: Rs. 261.474 million) available to the Company under section 113 and section 65B of the Income Tax Ordinance, 2001 ('Ordinance') respectively and unused tax losses of Rs. 132.163 (2012: Nil) in view of the management's estimate that the Company may not be able to offset these against tax liability arising in respect of relevant business profits of future periods, before these expire / lapse. Tax credits under section 113 of the Ordinance amounting to Rs. 68.813 million, Rs. 183.823 million, Rs. 203.917 million and Rs. 110.289 million are set to lapse by the end of years ending on December 31, 2014, 2015, 2016 and 2017 respectively. Tax credit under section 65B of the Ordinance amounting to Rs. 190.334 million and Rs. 71.140 million shall lapse by the end of years ending on December 31, 2013 and 2014 respectively.

8. Derivative financial instruments
Liability in respect of arrangements under the JV Agreement

This represents amount in respect of arrangements under the JV Agreement between the Company and Stora Enso referred to in note 1; which provide Stora Enso the right, in case certain conditions specified in the JV Agreement are not met, and obligates Stora Enso, in case certain conditions specified in the JV Agreement are met, to subscribe to the share capital of BSPL. A key condition of such right and obligation relates to the envisaged Joint Venture achieving specified EBITDA, to which the subscription price is also linked. At recognition, it was included in the loss recognized on re-measurement of the disposal group classified as held for sale in the previous year's annual financial statements. The gain on re-measurement of this derivative during the current period has been included in other operating income of continuing operations.

9. Disposal group classified as held for sale and Discontinued Operations

9.1 Assets and liabilities of disposal group classified as held for sale

	Note	**June 30, 2013**	December 31, 2012
		Un-audited	Audited
		(Rupees in thousand)	
Assets classified as held for sale			
Operating assets	9.1.1	**-**	10,249,450
Capital work-in-progress		**-**	162,365
Intangible assets		**-**	10,021
Stores and spares		**-**	695,153
Stock-in-trade		**-**	3,426,302
Total assets of the disposal group		**-**	14,543,291
Liabilities directly associated with assets classified as held for sale			
Deferred income tax liabilities		**-**	551,513
Short term finances - secured		**-**	5,100,000
Other payables		**-**	17,684
Total liabilities of the disposal group		**-**	5,669,197
Total net assets of the disposal group		**-**	8,874,094

9.1.1 Operating assets

	Note	**June 30, 2013**	December 31, 2012
Opening balance		**10,249,450**	-
Assets of disposal group classified as held for sale as at September 30, 2012		**-**	14,672,768
Net book value of additions / transfers in		**113,580**	32,402
Net book value of deletions / transfers out		**(1,176)**	(1,591)
		10,361,854	14,703,579
Loss recognized on the re-measurement of assets of disposal group	9.1.2	**-**	(4,454,129)
		10,361,854	10,249,450
Assets transferred out to BSPL during the period		**(10,361,854)**	-
		-	10,249,450

9.1.2 Loss recognised on the re-measurement of assets of disposal group

This represents the difference between the carrying values of net assets to be transferred to BSPL and the estimated fair value thereof in the form of Company's interest in the envisaged Joint Venture, net of the amount as described in note 8.

9.2 Commitments in respect of disposal group classified as held for sale

(i) Letters of credit and contracts for capital expenditure Nil (2012: Rs. 2.242 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 22.324 million (2012: Rs. 369.488 million).

(iii) The amount of future payments under operating leases and the period in which these payments shall become due are as follows:

	June 30, 2013	December 31, 2012
	Un-audited	Audited
	(Rupees in thousand)	
Not later than one year	**-**	346
Later than one year and not later than five years	**-**	268
	-	614

9.3 Profit and loss account - Discontinued Operations

	Paper & Paperboard and Corrugated business operations at Kasur and Karachi		Paper & Paperboard operations at Lahore		Total	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012
	Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
	(Rupees in thousand)					
Local sales	**2,946,539**	5,010,616	**-**	67,618	**2,946,539**	5,078,234
Export sales	**7,213**	13,083	**-**	-	**7,213**	13,083
Gross sales	**2,953,752**	5,023,699	**-**	67,618	**2,953,752**	5,091,317
Less: Sales tax	**381,310**	682,342	**-**	2,322	**381,310**	684,664
Commission	**-**	28	**-**	-	**-**	28
	381,310	682,370	**-**	2,322	**381,310**	684,692
	2,572,442	4,341,329	**-**	65,296	**2,572,442**	4,406,625
Sales to Continuing operations	**448,623**	988,266	**-**	-	**448,623**	988,266
	3,021,065	5,329,595	**-**	65,296	**3,021,065**	5,394,891
Cost of sales	**(2,786,881)**	(5,233,547)	**-**	(217,571)	**(2,786,881)**	(5,451,118)
Gross profit / (loss)	**234,184**	96,048	**-**	(152,275)	**234,184**	(56,227)
Administrative expenses	**(85,274)**	(143,743)	**(294)**	(32,602)	**(85,568)**	(176,345)
Distribution and marketing costs	**(61,569)**	(83,115)	**(197)**	(13,402)	**(61,766)**	(96,517)
Other operating expenses	**-**	-	**-**	(106)	**-**	(106)
Other operating income	**2,290**	3,865	**39,882**	7,762	**42,172**	11,627
Profit / (loss) from operations	**89,631**	(126,945)	**39,391**	(190,623)	**129,022**	(317,568)
Finance cost	**(253,861)**	(477,365)	**-**	(3,506)	**(253,861)**	(480,871)
(Loss) / profit before tax from Discontinued Operations	**(164,230)**	(604,310)	**39,391**	(194,129)	**(124,839)**	(798,439)
Taxation	**(26,000)**	191,970	**(1,000)**	67,945	**(27,000)**	259,915
(Loss) / profit for the period from Discontinued Operations	**(190,230)**	(412,340)	**38,391**	(126,184)	**(151,839)**	(538,524)

9.4 Cash flows from Discontinued Operations

	Paper & Paperboard and Corrugated business operations at Kasur and Karachi		Paper & Paperboard operations at Lahore		Total	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012
	Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
Cash flows from operating activities	**324,278**	(466,865)	**169,685**	121,726	**493,963**	(345,139)
Cash flows from investing activities	**(20,371)**	(48,554)	**11,971**	2,481	**(8,400)**	(46,073)
Cash flows from financing activities	**-**	(98,809)	**-**	-	**-**	(98,809)
Total cash flows	**303,907**	(614,228)	**181,656**	124,207	**485,563**	(490,021)

10. Contingencies and commitments

10.1 Contingencies

(i) Claims against the Company not acknowledged as debts Rs. 21.175 million (December 31, 2012: Rs. 25.860 million).

(ii) Post dated cheques not provided in the condensed interim financial information have been furnished by the Company in favor of the Collector of Customs against custom levies aggregated to Rs. 445.649 million (December 31, 2012: Rs. 217.102 million) in respect of goods imported.

10.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 71.869 million (December 31, 2012: Rs. 81.017 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 371.782 million (December 31, 2012: Rs. 618.740 million).

(iii) The amount of future payments under operating leases and ijarah financing and the period in which these payments will become due are as follows:

	June 30, 2013	December 31, 2012
	Un-audited	Audited
	(Rupees in thousand)	
Not later than one year	**153,387**	170,192
Later than one year and not later than five years	**351,013**	495,581
	504,400	665,773

11. Dividends

Ordinary dividend relating to the year ended December 31, 2012 amounting to Rs. 379.708 million (December 31, 2011: Rs. 126.569 million) was declared during the period. The Company also paid preference dividend / return relating to the year ended December 31, 2012 amounting to Rs. 412.050 million (December 31, 2011: Rs. 412.050 million) during the period.

12. Property, plant and equipment

		June 30, 2013	December 31, 2012
		Un-audited	Audited
	Note	**(Rupees in thousand)**	
Operating assets	12.1	**3,304,803**	3,068,122
Capital work-in-progress	12.2	**120,406**	390,993
		3,425,209	3,459,115

12.1 Operating assets

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited
		(Rupees in thousand)	
Opening book value		**3,068,122**	18,220,375
Additions during the period	12.1.1	**526,807**	848,486
Transfer in at book value - net		**-**	2,841
Classified as held for disposal	9.1.1	**-**	(14,672,768)
Disposals during the period (at book value)		**(11,966)**	(88,322)
Classified as held for sale		**(20,395)**	-
Transferred to investment property		**(47,674)**	-
Depreciation charged during the period		**(210,091)**	(1,242,490)
		(290,126)	(1,330,812)
Closing book value		**3,304,803**	3,068,122

12.1.1 Following is the detail of additions during the period

Buildings on freehold land	**-**	8,236
Buildings on leasehold land	**169,042**	3,072
Plant and machinery	**196,528**	711,401
Other equipment	**123,335**	56,443
Vehicles	**37,902**	69,334
	526,807	848,486

12.2 Capital work-in-progress

Civil works	**22,998**	172,830
Plant and machinery and others [including in transit Rs. Nil (2012: Rs. 95.562 million)]	**90,518**	197,731
Others	**820**	246
Advances	**6,070**	20,186
	120,406	390,993

13. In 1987, the Income Tax Officer (ITO) re-opened the Company's assessments for the accounting years ended December 31, 1983 and 1984 disallowing primarily tax credit given to the Company under section 107 of the Income Tax Ordinance, 1979. The tax credit amounting to Rs 36.013 million on its capital expenditure for these years was refused on the grounds that such expenditure represented an extension of the Company's undertaking which did not qualify for tax credit under this section in view of the Company's location. The assessments for these years were revised by the ITO on these grounds and taxes reassessed were adjusted against certain sales tax refunds and the tax credits previously determined by the ITO and set off against the assessments framed for these years.

The Company had filed an appeal against the revised orders of the ITO before the Commissioner of Income Tax (Appeals) [CIT (A)], Karachi. The Commissioner has, in his order issued in 1988, held the assessments reframed by the ITO for the years 1983 and 1984 presently to be void and of no legal effect. The ITO has filed an appeal against the Commissioner's order with the Income Tax Appellate Tribunal (ITAT). The ITAT has in its order issued in 1996 maintained the order of CIT (A). The assessing officer after the receipt of the appellate order passed by CIT (A), has issued notices under section 65 of the Income Tax Ordinance, 1979 and the Company has filed a writ petition against the aforesaid notices with the High Court of Sindh, the outcome of which is still pending.

The amount recoverable Rs. 36.013 million represents the additional taxes paid as a result of the disallowance of the tax credits on reframing of the assessments.

14. Cost of sales

		Quarter ended		Half year ended	
		June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
		Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
	Note	(Rupees in		thousand)	
Materials consumed		**2,687,794**	1,834,451	**4,858,843**	3,675,476
Salaries, wages and amenities	14.1	**224,771**	193,889	**455,369**	377,626
Travelling		**5,469**	5,975	**12,542**	11,857
Fuel and power		**225,952**	220,549	**464,924**	415,839
Production supplies		**64,856**	62,446	**135,358**	109,609
Excise duty and sales tax		**1,976**	429	**2,790**	460
Rent, rates and taxes		**66,957**	81,906	**134,782**	164,019
Insurance		**8,024**	5,697	**16,636**	12,390
Repairs and maintenance		**76,388**	81,835	**148,742**	148,465
Packing expenses		**81,092**	43,880	**81,092**	43,880
Depreciation on property, plant and equipment		**95,594**	78,606	**191,169**	154,153
Amortisation of intangible assets		**1,234**	-	**1,234**	-
Technical fee and royalty		**1,045**	15,741	**3,764**	17,033
Other expenses		**15,582**	(6,802)	**51,641**	28,238
		3,556,734	2,618,602	**6,558,886**	5,159,045
Opening work-in-process		**265,590**	216,473	**245,126**	246,344
Closing work-in-process		**(195,720)**	(257,051)	**(195,720)**	(257,051)
Cost of goods produced		**3,626,604**	2,578,024	**6,608,292**	5,148,338
Opening stock of finished goods		**763,493**	524,812	**808,604**	412,889
Closing stock of finished goods		**(483,103)**	(476,667)	**(483,103)**	(476,667)
		3,906,994	2,626,169	**6,933,793**	5,084,560

14.1. Salaries, wages and amenities include Rs 9.072 million (2012: Rs 88.355 million) paid to outgoing employees who opted for separation from Company's employment under Voluntary Separation Scheme.

15. Taxation

	Quarter ended		Half year ended	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
	Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
	(Rupees in		thousand)	
Current				
Current year	**47,382**	(97,635)	**94,000**	66,500
Prior years	**-**	10,412	**-**	10,412
	47,382	(87,223)	**94,000**	76,912
Deferred	**172,597**	260,045	**247,968**	229,895
	219,979	172,822	**341,968**	306,807

16. Earnings / (loss) per share

		Quarter ended		Half year ended	
		June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
		Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
16.1 Basic earnings per share - Continuing operations					
Profit for the period	Rupees in thousand	**401,875**	413,479	**1,055,986**	882,432
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Earnings per share	Rupees	**4.76**	4.90	**12.51**	10.46
16.2 Basic loss per share - Discontinued Operations					
Loss for the period	Rupees in thousand	**(153,366)**	(267,408)	**(151,839)**	(538,524)
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Loss per share	Rupees	**(1.82)**	(3.17)	**(1.80)**	(6.38)
16.3 Diluted earnings per share - Continuing operations					
Profit for the period	Rupees in thousand	**401,875**	413,479	**1,055,986**	882,432
Return on preference shares / convertible stock - net of tax	Rupees in thousand	**65,677**	80,588	**161,142**	161,589
		467,552	494,067	**1,217,128**	1,044,021
Weighted average number of ordinary shares	Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Weighted average number of notionally converted preference shares / convertible stock	Numbers	**21,686,842**	21,686,842	**21,686,842**	21,686,842
		106,066,346	106,066,346	**106,066,346**	106,066,346
Earnings per share	Rupees	**4.41**	4.66	**11.48**	9.84

16.4 Diluted loss per share - Discontinued Operations

The diluted loss per share of Discontinued Operations is the same as basic loss per share of Discontinued Operations as there are no convertible instruments attributable to the Discontinued Operations.

17. Transactions with related parties

Relationship with the Company	Nature of transactions	Half year ended June 30, 2013 Un-audited	Half year ended June 30, 2012 Un-audited and Re-stated
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	**774,808**	391,964
	Sale of goods and services	**701,967**	10,617
	Assets and liabilities transferred	**9,973,642**	-
	Investment	**-**	9
	Dividend income	**29,524**	51,279
	Rental income	**16,183**	6,738
	Management & Technical Fee	**9,777**	10,346
ii. Joint venture	Purchase of goods and services	**115,002**	-
	Sale of goods and services	**536,040**	-
	Rental income	**4,778**	-
iii. Associates	Purchase of goods and services	**462,569**	392,819
	Sale of goods and services	**17,218**	51,222
	Insurance premium	**84,419**	105,386
	Commission earned	**2,935**	2,575
	Insurance claims received	**63,552**	229,820
	Dividend income	**111,838**	235,515
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	**63,464**	(36,309)
v. Key management personnel	Salaries and other employee benefits	**44,059**	40,395

All transactions with related parties have been carried out on mutually agreed terms and conditions.

Period-end balances

	June 30, 2013 Un-audited	December 31, 2012 Audited
	(Rupees in thousand)	
Receivable from related parties		
Subsidiaries	**32,372**	18,546
Joint venture	**1,994,600**	-
Associates	**41,953**	101,877
Payable to related parties		
Subsidiaries	**57,977**	75,421
Joint venture	**817,588**	-
Associates	**90,891**	95,948
Post employment benefit plans	**12,738**	15,788

These are in the normal course of business and are interest free.

18. Cash generated from operations

	Half year ended	
	June 30, 2013	June 30, 2012
	Un-audited	Un-audited and Re-stated
	(Rupees in thousand)	
Profit before tax	**1,273,115**	390,800
Adjustments for:		
Depreciation on property, plant and equipment	**210,091**	834,588
Depreciation on investment property	**934**	823
Amortisation on intangible assets	**5,709**	4,476
Provision for accumulating compensated absences	**37,371**	15,704
Provision for / (reversal of) retirement benefits	**16,927**	(50,911)
Net profit on disposal of property, plant and equipment	**(554)**	(6,254)
Gain on sale of short-term investments	**-**	(13)
Finance costs	**653,765**	717,949
Reversal of impairment charged on investments	**-**	(252,018)
Gain on re-measurement of derivative financial instruments	**(76,787)**	-
Dividend income	**(1,232,810)**	(674,764)
Profit before working capital changes	**887,761**	980,380
Effect on cash flow due to working capital changes		
Increase in trade debts	**(107,724)**	(521,011)
Increase in stores and spares	**(87,708)**	(166,619)
Decrease / (increase) in stock-in-trade	**455,139**	(380,373)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	**(309,129)**	42,010
(Decrease) / increase in trade and other payables	**(4,894)**	273,884
	(54,316)	(752,109)
	833,445	228,271

19. Cash and cash equivalents

Cash and bank balances	**249,783**	254,966
Finances under mark up arrangements - secured	**(2,691,815)**	(2,298,170)
	(2,442,032)	(2,043,204)

20. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at December 31, 2012.

There have been no significant changes in the risk management policies since the year end.

21. Date of authorisation for issue

This condensed interim financial information was authorised for issue on August 26, 2013 by the Board of Directors of the Company.

22. Events after the balance sheet date

No material events have occurred subsequent to June 30, 2013.

23. Corresponding figures

In order to comply with the 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 annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and 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 and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made except for re-statement made in accordance with IAS 19 (revised) and re-presenting the results of Discontinued Operations in accordance with IFRS 5 as reflected in notes 3.2.1 and 9 respectively to these condensed financial statements.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

Packages Group
Condensed Consolidated Interim
Financial Information

DIRECTORS' REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2013

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to present the un-audited condensed consolidated interim financial statements of the Group for the half year ended June 30, 2013.

Group results

The comparison of the un-audited results for the half year ended June 30, 2013 as against June 30, 2012 is as follows:

	Jan - June 2013	Jan - June 2012 Re-stated and Represented
	(Rupees in million)	
Continuing Operations:		
Invoiced Sales - net	**9,221**	6,970
Less: Imported materials transferred at Cost to joint venture	**(460)**	-
Net Sales from operations	**8,761**	6,970
Profit from operations	**751**	639
Share of profit of associates and joint venture	**151**	186
Investment income	**1,091**	388
Profit after tax	**1,119**	872
Discontinued Operations:		
Loss after tax	**(105)**	(539)

Continuing Operations

During the first half of 2013, Continuing Operations have achieved net sales of Rs. 8,761 million against net sales of Rs. 6,970 million achieved during corresponding period of last year indicating sales growth of 26%. This sale excludes Rs. 460 million of wood pulps imported on behalf of "Bulleh Shah Packaging (Private) Limited [Formerly Bulleh Shah Paper Mill (Private) Limited] 'BSPL' and transferred to it at cost subsequent to its recognition as jointly controlled entity.

Continued Operations have achieved Profit from operations of Rs. 751 million during the first half of 2013 as against that of Rs. 639 million achieved during corresponding period of the year 2012 representing an increase of Rs. 112 million i.e. 18%.

Investment income has also increased by Rs. 703 million during first half of 2013 over corresponding values of 2012 that is indicative of improved operational performance of the investee companies.

During the current period, the Group has also changed its accounting policy in respect of recognition of actuarial losses arising from retirement benefit plans in pursuance of amendments in International Accounting Standard 19 'Employee Benefits' that are effective from financial years beginning on or after January 1, 2013; that now requires an entity to recognize actuarial losses on net funding basis. The Group has applied this change in accounting policy retrospectively in accordance with applicable financial reporting standards and recognised a charge of Rs. 168.548 million net of taxes to the opening balance of accumulated profit/(loss) and retirement benefits including pension fund and gratuity fund as referred to in note 3.2.1 to these financial statements for the period ended June 30, 2013.

Discontinued Operations

The Parent Company has recognised its Paper & Paperboard and Corrugated businesses as Discontinued Operations in accordance with applicable financial reporting framework and has completed the transfer of assets and related obligations of these businesses to its 100% wholly owned subsidiary “Bulleh Shah Packaging (Private) Limited [Formerly Bulleh Shah Paper Mill (Private) Limited] 'BSPL' during the first half of 2013 against the issuance of shares. Furthermore, the Parent Company has also injected cash equity into BSPL to finance its investment project.

After implementation of Joint Venture (JV) Agreement with Stora Enso A.B of Sweden, Packages Limited now holds 65% equity in BSPL. Stora Enso has made direct equity investment of US$ 38.95M in BSPL and is also actively providing technical expertise to further streamline the paper & board and corrugated packaging operations.

The financial results of BSPL have been consolidated into the Group financials as a 100% wholly owned subsidiary in accordance with applicable financial reporting framework till May 31, 2013; when Stora Enso injected direct equity investment into BSPL under the JV Agreement. Thereafter, BSPL has been recognised as a jointly controlled entity and its subsequent financial results have been accounted for under equity method as permitted under applicable financial reporting framework.

A brief review of the operational performance of the Group entities is as follows:

BULLEH SHAH PACKAGING (PRIVATE) LIMITED

Bulleh Shah Packaging (Private) Limited is a non-listed private limited company. It is principally engaged in the manufacturing and conversion of Paper & Paperboard products. The entity has started its commercial operations in April 2013 upon transfer of Paper & Paperboard and Corrugated businesses from Packages Limited. The Company has achieved sales of Rs. 3,316 million during the period ended June 30, 2013 with profit before tax of Rs. 135 million that is indicative of stabilising mill operations and timely price rationalisation with customers. As part of management's strategy to overcome the power shortage and to supply uninterrupted power to the operations, the Company has also signed the contract for bio-mass boiler which is expected to be in operation during first half of 2015. The Management will also continue its focus on tighter cost controls and operational efficiencies to further improve the Company's operating results during the remaining half of the year.

DIC PAKISTAN LIMITED

DIC Pakistan Limited is a non-listed public limited subsidiary of Packages Limited. It is principally engaged in manufacturing, processing and selling of industrial inks. The Company has achieved net sales of Rs. 1,280 million during first half of the year 2013 as compared to Rs. 1,056 million of the corresponding period of last year representing sales growth of 21%. The Company has generated profit before tax of Rs. 126 million during first half of the year 2013 as against Rs. 64 million generated during corresponding period of 2012. Moving forward, the Company will continue its focus on improving operating results through tighter operating cost control, product diversification, price rationalisation and better working capital management.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited is a Sri Lanka based subsidiary of Packages Limited. It is primarily engaged in production of flexible packaging solutions. The Company has achieved turnover of SLR. 800 million during first half of the year 2013 as compared to SLR. 743 million of corresponding period of last year. The Company has generated profit before tax of SLR. 31 million during first half of 2013 as compared to SLR. 64 million of corresponding period of 2012. This decline in profit is mainly attributable to increase in depreciation charge and finance cost by SLR. 21 million and SLR. 20 million respectively resulting from capitalisation of new printing line towards the end of the year 2012. With installation of new printing line, the management is confident of consolidating its market share in the increasingly competitive local market and will be able to recover investment costs through enhanced sales.

(Towfiq Habib Chinoy)
Chairman
Lahore, August 26, 2013

(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, August 26, 2013

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
as at June 30, 2013

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited and Re-stated
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (December 31, 2012: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (December 31, 2012: 22,000,000) 10% non-voting cumulative preference shares / convertible stock of Rs. 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital			
84,379,504 (December 31, 2012: 84,379,504) ordinary shares of Rs 10 each		**843,795**	843,795
Reserves		**34,235,363**	31,091,857
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Accumulated profit / (loss)		**1,578,142**	(2,325,639)
		38,263,175	31,215,888
NON-CONTROLLING INTEREST		**286,242**	252,201
		38,549,417	31,468,089
NON-CURRENT LIABILITIES			
Long-term finances	6	**5,592,269**	4,687,220
Deferred income tax liabilities	7	**394,433**	420,052
Retirement benefits		**8,688**	315,336
Deferred liabilities		**136,334**	133,360
		6,131,724	5,555,968
CURRENT LIABILITIES			
Current portion of long-term finances - secured	6	**200,000**	1,000,000
Finances under mark up arrangements - secured		**3,216,989**	1,251,463
Trade and other payables		**3,484,210**	2,162,205
Derivative financial instruments	8	**87,772**	164,559
Accrued finance cost		**357,574**	543,187
		7,346,545	5,121,414
Liabilities of disposal group classified as held for sale	17	**-**	5,669,197
CONTINGENCIES AND COMMITMENTS	9	**-**	-
		52,027,686	47,814,668

	Note	June 30, 2013 Un-audited	December 31, 2012 Audited and Re-stated
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	**3,988,195**	4,020,733
Intangible assets		**45,473**	50,053
Investment property		**48,848**	2,108
Investments accounted for using the equity method	12	**13,618,893**	3,612,013
Other long-term investments	13	**23,731,194**	17,287,826
Long-term loans and deposits		**78,102**	97,747
Retirement benefits		**6,067**	-
Deferred income tax asset		**11,691**	13,654
		41,528,463	25,084,134
CURRENT ASSETS			
Stores and spares		**554,954**	507,521
Stock-in-trade		**3,228,018**	2,484,123
Trade debts		**2,860,981**	2,667,931
Loans, advances, deposits, prepayments and other receivables		**1,680,560**	446,758
Income tax receivable	14	**1,881,476**	1,664,333
Cash and bank balances		**293,234**	416,577
		10,499,223	8,187,243
Assets of disposal group classified as held for sale	17	**-**	14,543,291
		52,027,686	47,814,668

The annexed notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

for the quarter and half year ended June 30, 2013

	Note	Quarter ended June 30, 2013 Un-audited	Quarter ended June 30, 2012 Un-audited Re-stated and Represented	Half year ended June 30, 2013 Un-audited	Half year ended June 30, 2012 Un-audited Re-stated and Represented
		(Rupees in thousand)			
Continuing operations					
Local sales		**5,074,855**	4,166,404	**10,032,487**	8,097,572
Export sales		**424,901**	48,212	**551,024**	65,453
Gross Sales		**5,499,756**	4,214,616	**10,583,511**	8,163,025
Less: Sales tax and excise duty		**708,530**	602,742	**1,349,590**	1,186,109
Commission		**6,472**	2,998	**12,572**	6,769
		715,002	605,740	**1,362,162**	1,192,878
Net sales		**4,784,754**	3,608,876	**9,221,349**	6,970,147
Cost of sales	15	**(4,110,162)**	(3,163,322)	**(7,756,791)**	(6,085,691)
Gross profit		**674,592**	445,554	**1,464,558**	884,456
Administrative expenses		**(204,448)**	(83,227)	**(377,238)**	(210,331)
Distribution and marketing costs		**(205,053)**	(107,499)	**(350,548)**	(193,406)
Other operating expenses		**(37,271)**	(5,466)	**(104,079)**	(19,856)
Other operating income		**103,795**	152,357	**118,098**	177,748
Profit from operations		**331,615**	401,719	**750,791**	638,611
Finance costs		**(234,211)**	(110,369)	**(447,941)**	(269,827)
Investment income		**475,448**	12	**1,091,448**	387,982
Reversal of impairment charged on investments	16	**-**	278,733	**-**	278,733
Share of profit of investments accounted for using the equity method		**94,915**	74,836	**150,896**	185,923
Profit before taxation		**667,767**	644,931	**1,545,194**	1,221,422
Taxation					
Group		**(245,614)**	(257,717)	**(382,167)**	(285,530)
Associates		**(23,947)**	(31,688)	**(44,488)**	(64,381)
		(269,561)	(289,405)	**(426,655)**	(349,911)
Profit for the period from Continuing Operations		**398,206**	355,526	**1,118,539**	871,511
Discontinued Operations					
Loss for the period from Discontinued Operations	17.3	**(106,974)**	(267,408)	**(105,447)**	(538,524)
Profit for the period		**291,232**	88,118	**1,013,092**	332,987
Attributable to:					
Equity holders of the Parent Company		**270,830**	76,974	**971,315**	308,191
Non-controlling interest		**20,402**	11,144	**41,777**	24,796
		291,232	88,118	**1,013,092**	332,987
Combined earnings per share from Continuing and Discontinued Operations attributable to equity holders of the Parent Company during the year					
Combined basic earnings / (loss) per share					
From Continuing Operations — Rupees	18	**4.48**	4.08	**12.76**	10.03
From Discontinued Operations — Rupees	18	**(1.27)**	(3.17)	**(1.25)**	(6.38)
From Profit for the period — Rupees		**3.21**	0.91	**11.51**	3.65
Combined diluted earnings / (loss) per share					
From Continuing Operations — Rupees	18	**4.18**	4.00	**11.67**	9.51
From Discontinued Operations — Rupees	18	**(1.27)**	(3.17)	**(1.25)**	(6.38)
From Profit for the period — Rupees		**2.91**	0.83	**10.42**	3.13

The annexed notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and half year ended June 30, 2013

	Quarter ended		Half year ended	
	June 30, 2013 Un-audited	June 30, 2012 Un-audited Re-stated and Represented	**June 30, 2013 Un-audited**	June 30, 2012 Un-audited Re-stated and Represented
	(Rupees in thousand)			
Profit after taxation	291,232	88,118	1,013,092	332,987
Other comprehensive income				
Exchange differences on translation of foreign subsidiary	**(634)**	(25,582)	**174**	(47,026)
Other reserves relating to associates - net of tax	**-**	(10,349)	**-**	1,761
Re-measurement of net defined benefit asset / liability	**12,174**	(25,628)	**12,174**	(25,628)
Surplus / (deficit) on re-measurement of available for sale financial assets	**2,645,888**	(1,577,021)	**6,443,368**	1,524,438
Other comprehensive income / (loss) for the period	**2,657,428**	(1,638,580)	**6,455,716**	1,453,545
Total comprehensive income / (loss) for the period	**2,948,660**	(1,550,462)	**7,468,808**	1,786,532
Attributable to:				
Equity holders of the Parent Company	**2,928,391**	(1,556,251)	**7,426,995**	1,771,579
Non-controlling interest	**20,269**	5,789	**41,813**	14,953
	2,948,660	(1,550,462)	**7,468,808**	1,786,532
Total comprehensive income / (loss) attributable to equity holders of the Parent Company arising from:				
Continuing operations	**3,035,365**	(1,288,843)	**7,532,442**	2,310,103
Discontinued Operations	**(106,974)**	(267,408)	**(105,447)**	(538,524)
	2,928,391	(1,556,251)	**7,426,995**	1,771,579

The annexed notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the half year ended June 30, 2013

	Attributable to equity holders of the Parent Company									Non-controlling interest	Total Equity
	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Fair Value reserve	General reserve	Preference shares / convertible stock reserve	Other reserves relating to associates	Accumulated (loss) / profit	Total		
	(Rupees in thousand)										
Balance as on December 31, 2011 (audited)	843,795	2,876,893	22,916	9,141,841	16,160,333	1,605,875	(17,511)	(1,283,904)	29,350,238	225,047	29,575,285
Effect of change in accounting policy (note - 3.2.1)	-	-	-	-	-	-	-	(312,440)	(312,440)	-	(312,440)
Balance as on December 31, 2011 (audited and restated)	843,795	2,876,893	22,916	9,141,841	16,160,333	1,605,875	(17,511)	(1,596,344)	29,037,798	225,047	29,262,845
Appropriation of funds											
Transferred to consolidated profit and loss account	-	-	-	-	(1,250,000)	-	-	1,250,000	-	-	-
Transactions with owners											
Final Dividend for the year ended December 31, 2011 Rs 1.5 per share	-	-	-	-	-	-	-	(126,569)	(126,569)	-	(126,569)
Dividend relating to 2011 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(28,795)	(28,795)
Profit for the period - restated	-	-	-	-	-	-	-	308,191	308,191	24,796	332,987
Other comprehensive income											
Surplus on re-measurement of available for sale financial assets	-	-	-	1,524,438	-	-	-	-	1,524,438	-	1,524,438
Remeasurement of net defined benefit asset / liability (note - 3.2.1) - net of tax - restated	-	-	-	-	-	-	-	(25,628)	(25,628)	-	(25,628)
Other comprehensive income	-	-	(37,183)	-	-	-	1,761	-	(35,422)	(9,844)	(45,266)
Total comprehensive income	-	-	(37,183)	1,524,438	-	-	1,761	282,563	1,771,579	14,953	1,786,531
Balance as on June 30, 2012 (unaudited and restated)	843,795	2,876,893	(14,267)	10,666,279	14,910,333	1,605,875	(15,750)	(190,350)	30,682,808	211,204	30,894,012
Loss for the period - restated	-	-	-	-	-	-	-	(2,109,662)	(2,109,662)	32,928	(2,076,734)
Other comprehensive income											
Surplus on re-measurement of available for sale financial assets	-	-	-	2,621,911	-	-	-	-	2,621,911	-	2,621,911
Remeasurement of net defined benefit asset / liability (note - 3.2.1) - net of tax - restated	-	-	-	-	-	-	-	(25,627)	(25,627)	-	(25,627)
Other comprehensive income	-	-	30,708	-	-	-	15,750	-	46,458	8,130	54,588
Total comprehensive income for the period	-	-	30,708	2,621,911	-	-	15,750	(2,135,289)	533,080	41,058	574,138
Transactions with owners											
Dividend relating to 2011 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(61)	(61)
Balance as on December 31, 2012 (audited and restated)	843,795	2,876,893	16,441	13,288,190	14,910,333	1,605,875	-	(2,325,639)	31,215,888	252,201	31,468,089
Appropriation of funds											
Transferred to consolidated profit and loss account	-	-	-	-	(3,300,000)	-	-	3,300,000	-	-	-
Transactions with owners											
Final Dividend for the year ended December 31, 2012 Rs. 4.50 per share	-	-	-	-	-	-	-	(379,708)	(379,708)	-	(379,708)
Dividend relating to 2012 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(7,772)	(7,772)
Profit for the period	-	-	-	-	-	-	-	971,315	971,315	41,777	1,013,092
Other comprehensive income											
Remeasurement of net defined benefit asset / liability - net of tax (note - 3.2.1)	-	-	-	-	-	-	-	12,174	12,174	-	12,174
Surplus on re-measurement of available for sale financial assets	-	-	-	6,443,368	-	-	-	-	6,443,368	-	6,443,368
Other comprehensive income	-	-	138	-	-	-	-	-	138	36	174
Total comprehensive income for the period	-	-	138	6,443,368	-	-	-	983,489	7,426,995	41,813	7,468,808
Balance as on June 30, 2013 (un-audited)	843,795	2,876,893	16,579	19,731,558	11,610,333	1,605,875	-	1,578,142	38,263,175	286,242	38,549,417

The annexed notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Syed Aslam Mehdi
Chairman	Chief Executive & Managing Director	Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the half year ended June 30, 2013

	Note	Half year ended June 30, 2013 Un-audited	Half year ended June 30, 2012 Un-audited and Re-stated
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	21	**838,532**	321,742
Finance cost paid		**(893,176)**	(965,313)
Taxes paid		**(403,440)**	(511,463)
Payments for accumulating compensated absences		**(72,448)**	(14,929)
Retirement benefits paid		**(312,370)**	(36,570)
Net cash used in operating activities		**(842,902)**	(1,206,533)
Cash flow from investing activities			
Fixed capital expenditure		**(365,520)**	(719,758)
Investments - net		**(1,815,035)**	13
Net decrease / (increase) in long-term loans and deposits		**1,045**	(1,024)
Proceeds from sale of property, plant and equipment		**12,743**	20,657
Dividends received		**1,203,286**	623,485
Net cash used in investing activities		**(963,481)**	(76,627)
Cash flow from financing activities			
Proceeds from long-term finances - secured		**1,105,049**	35,893
Repayment of long-term finances - secured		**(1,000,000)**	(98,809)
Dividend paid		**(379,763)**	(123,333)
Dividend paid to non-controlling interest		**(7,772)**	(28,795)
Net cash used in financing activities		**(282,486)**	(215,044)
Net decrease in cash and cash equivalents		**(2,088,869)**	(1,498,204)
Cash and cash equivalents at the beginning of the period		**(5,934,886)**	(969,907)
Cash and cash equivalents transferred		**5,100,000**	-
Cash and cash equivalents at the end of the period	22	**(2,923,755)**	(2,468,111)

The annexed notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director

PACKAGES GROUP
NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
for the quarter and half year ended June 30, 2013

1. Legal status and nature of business

Packages Limited (the Parent Company) and its subsidiaries, DIC Pakistan Limited, Packages Lanka (Private) Limited and Packages Construction (Private) Limited (together, 'the Group') are engaged in the following businesses:

Packaging: Representing manufacture and sale of packing materials and tissue products
Inks: Representing manufacture and sale of finished and semi finished inks.
Construction: Representing all type of construction activities and development of real estate.

The Parent Company entered into 50/50 Joint Venture Agreement (the "JV Agreement") on September 17, 2012 with 'Stora Enso OYJ Group' ('Stora Enso') of Finland in its wholly owned subsidiary Bulleh Shah Packaging (Private) Limited [formerly Bulleh Shah Paper Mill (Private) Limited] ('BSPL'). The Joint Venture includes Paper & Paperboard and Corrugated business operations at Kasur and Karachi and involves initial equity participation of Stora Enso of 35% by way of subscription of right shares with a commitment to increase the shareholding to 50% at a later stage subject to certain conditions being met. The agreed value for 100% of the Joint Venture Company is USD 107.5 million on a cash and debt free basis with additional equity to be subscribed by Stora Enso through right shares in the Joint Venture Company of USD 17.5 million, based on the financial results of second half of 2012 and first half of 2013. Packages Limited shall continue to hold minimum 50% ownership and future profits of the Joint Venture.

Pursuant to the Agreement, the Parent Company, during the period, transferred the assets and corresponding liabilities of its Kasur and Karachi operations to BSPL alongwith certain cash contribution. Upon subscription by Stora Enso in BSPL, the Parent Company has derecognised its investment in BSPL owing to loss of control and recognised an investment in jointly controlled entity, with Stora Enso as the joint venture partner. Consequently, the Joint Venture is being accounted for using the equity method in the Group's condensed consolidated interim financial statements.

As a result, the Group's operations have been divided into Continuing and Discontinued Operations in accordance with the requirements of International Financial Reporting Standard (IFRS) 5, 'Non-current assets held for sale and Discontinued Operations'. Paper and Paperboard and Corrugated businesses have been classified as Discontinued Operations because these form part of the Joint Venture. Continuing operations include Packaging operations including Folding Cartons and Flexible Packaging, Consumer Products, Inks and Construction businesses.

Moreover, the Parent Company also closed down its Paper and Paperboard operations in Lahore, in addition to the above mentioned transaction, during the prior year.

The Paper and Paperboard operations in Lahore have also been classified as a discontinued operation as reflected in note 17 of these financial statements, in accordance with the requirements of IFRS 5. This has not been classified as held for sale as it does not meet the criteria for being classified as held for sale under IFRS 5.

The figures of the prior period have been represented in accordance with the requirements of IFRS 5, wherever relevant.

2. Basis of preparation

This condensed consolidated interim financial information is un-audited and 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 consolidated interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2012.

3. Significant accounting policies

3.1 The accounting policies adopted for the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended December 31, 2012 except for the adoption of new accounting policies as referred to in note 3.2.1.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Group's financial statements covering annual periods, beginning on or after the following dates:

3.2.1 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning January 1, 2013 and their impact on this condensed consolidated interim financial information is given below:

Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments has no material impact on the Group's financial statements.

IFRS 1 (Amendments), 'First time adoption', on government loans is applicable on accounting periods beginning on or after January 1, 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008. The application of these amendments has no material impact on the Group's financial statements.

IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The application of these amendments has no material impact on the Group's financial statements.

IFRS 11 - 'Joint arrangements' is applicable on accounting periods beginning on or after January 1, 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of these amendments has no material impact on the Group's financial statements.

IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The application of this standard has no material impact on the Group's financial statements.

IFRS 13 - 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 1, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The application of this standard has no material impact on the Group's financial statements.

IAS 1 (Amendments), 'Financial statement presentation' regarding other comprehensive income. This is applicable on accounting periods beginning on or after July 01, 2012. The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendments do not address which items are presented in OCI. The application of this standard has no material impact on the Group's financial statements.

IAS 19 (revised) 'Employee benefits'. IAS 19 (revised) amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

"The standard requires past service cost to be recognised immediately in profit or loss account. Since there are no unrecognised past service costs there is no impact of this provision on the condensed interim financial information of the Group.

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determine the discount rate; this continues to reflect the yield on high-quality corporate bonds. The effect has been that the income statement charge for the period has decreased by Nil (June 30, 2012: Rs. 71.465 million)

There is a new term ''remeasurements''. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.

'Retirement benefits obligation' as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at January 1, 2012 by increasing the retirement benefits obligation by Rs. 480.678 million and December 31, 2012 by increasing the retirement benefits obligation by Rs. 259.306 million.

Due to the restatement, basic and diluted earnings per share for the half year ended June 30, 2012 have increased by Rs. 0.84 per share and Rs. 0.32 per share respectively.

The effect of the change in accounting policy on the statement of cash flows was immaterial."

IAS 27 (Revised 2011), 'Separate financial statements' is applicable on accounting periods beginning on or after January 1, 2013. It includes the provisions on separate financial statements that are left after the control provisions of IAS 27 which have been included in the new IFRS 10. The application of this standard has no material impact on the Group's financial statements.

IAS 28 (Revised 2011), 'Associates and joint ventures' is applicable on accounting periods beginning on or after January 1, 2013. It includes the requirements for associates and joint ventures that have to be equity accounted following the issue of IFRS 11. The application of this standard has no material impact on the Group's financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after January 1, 2013 or later periods, but the Group has not early adopted them:

IFRS 9 - 'Financial instruments' - classification and measurement. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. The application of these amendments has no material impact on the Group's financial statements.

IAS 32 (Amendment), 'Financial Instruments: Presentation' is applicable on accounting periods beginning on or after January 1, 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The Group shall apply this amendment from January 1, 2014 and does not expect to have a material impact on its financial statements.

4. The provision for taxation for the half year ended June 30, 2013 has been made using the tax rate that would be applicable to expected total annual earnings.

5. "The preparation of interim consolidated financial information 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 expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2012, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in Note 4."

6. Long-term finances

	Un-audited June 30, 2013	Audited December 31, 2012
	(Rupees in thousand)	
Opening balance		
Local currency loans - secured	**3,216,643**	6,485,714
Preference shares / convertible stock - unsecured	**2,470,577**	2,470,577
	5,687,220	8,956,291
Loans obtained during the period		
Local currency loans - secured	**1,105,049**	2,216,643
	6,792,269	11,172,934
Loans repaid during the period		
Local currency loans - secured	**(1,000,000)**	(5,485,714)
	5,792,269	5,687,220
Current portion shown under current liabilities		
Local currency loans - secured	**(200,000)**	(1,000,000)
Closing balance	**5,592,269**	4,687,220

6.1 During the current period, the Parent Company has prepaid its Term Finance Loan of Rs. 1,000 million availed from Bank Al-Habib Limited having Bank Al-Habib Limited own source component of Rs. 578 million and State Bank of Pakistan's long-term finance facility component of Rs. 422 million using long-term loan of Rs. 1,000 million obtained from Bank Al-Habib Limited. This loan is secured by a ranking charge of Rs. 1,273 million over present and future fixed assets of the Parent Company located at Lahore excluding land and buildings. It carries markup at the rate of six months KIBOR plus 0.65 percent per annum and is repayable in 10 equal semi annual installments starting on November 19, 2013 and ending on May 19, 2018.

7. The Parent Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 566.842 million (2012: Rs. 566.842 million) and Rs. 261.474 million (2012: Rs. 261.474 million) available to the Parent Company under section 113 and section 65B of the Income Tax Ordinance, 2001 ('Ordinance') respectively and unused tax losses of Rs.132.163 (2012: Nil) in view of the management's estimate that the Parent Company may not be able to offset these against tax liability arising in respect of relevant business profits of future periods, before these expire / lapse. Tax credits under section 113 of the Ordinance amounting to Rs. 68.813 million, Rs. 183.823 million, Rs. 203.917 million and Rs. 110.289 million are set to lapse by the end of years ending on December 31, 2014, 2015, 2016 and 2017 respectively. Tax credit under section 65B of the Ordinance amounting to Rs. 190.334 million and Rs. 71.140 million shall lapse by the end of years ending on December 31, 2013 and 2014 respectively.

8. Derivative financial instruments

Liability in respect of arrangements under the JV Agreement

This represents amount in respect of arrangements under the JV Agreement between the Parent Company and Stora Enso referred to in note 1; which provide Stora Enso the right, in case certain conditions specified in the JV Agreement are not met, and obligates Stora Enso, in case certain conditions specified in the JV Agreement are met, to subscribe to the share capital of BSPL. A key condition of such right and obligation relates to the envisaged Joint Venture achieving specified EBITDA, to which the subscription price is also linked. At recognition, it was included in the loss recognized on re-measurement of the disposal group classified as held for sale in the previous year's annual financial statements. The gain on remeasurement of this derivative during the current period has been included in other operating income of continuing operations.

9. Contingencies and commitments

9.1 Contingencies

(i) Claims against the Group not acknowledged as debts Rs. 21.75 million (December 31, 2012: Rs. 25.860 million).

(ii) Post dated cheques not provided in the condensed consolidated interim financial information have been furnished by the Parent Company in favor of the Collector of Customs against custom levies aggregated to Rs. 445.649 million (December 31, 2012 : Rs. 217.102 million) in respect of goods imported.

(iii) Guarantee issued in favor of Habib Bank Limited amounting to Rs. 108.176 million (December 2012 : Nil)

(iv) Guarantees to Director General of Customs amounting to Rs. 4.442 million (December 2012: Nil)

9.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 71.869 million (December 31, 2012: Rs. 81.017 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 429.051 million (December 31, 2012: Rs. 661.831 million).

(iii) The amount of future payments under operating leases and Ijarah financing and the period in which these payments will become due are as follows:

	Un-audited	Audited
	June 30, 2013	December 31, 2012
	(Rupees in thousand)	
Not later than one year	**166,661**	180,796
Later than one year and not later than five years	**367,864**	507,544
	534,525	688,340

10. Dividends

Ordinary dividend relating to the year ended December 31, 2012 amounting to Rs. 379.708 million (December 31, 2011: Rs. 126.569 million) was declared during the period by the Parent Company. The Parent Company also paid preference dividend / return relating to the year ended December 31, 2012 amounting to Rs. 412.050 million (December 31, 2011: Rs. 412.050 million) during the period.

11. Property, plant and equipment

		Un-audited	Audited
		June 30, 2013	December 31, 2012
	Note	**(Rupees in thousand)**	
Operating asset	11.1	**3,834,506**	3,629,740
Capital work-in-progress	11.2	**153,689**	390,993
		3,988,195	4,020,733

11.1 Operating assets

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		(Rupees in thousand)	
Opening book value		**3,629,740**	3,054,879
Additions during the period	11.1.1	**541,495**	1,096,626
Transfer in		**-**	4,446
Exchange adjustment on opening cost		**(4,038)**	(2,242)
		537,457	1,098,830
		4,167,197	4,153,709
Assets disposed/ written off during the period (at book value)		**(12,381)**	(87,465)
Classified as held for sale		**(20,395)**	-
Transferred to investment property		**(47,674)**	-
Depreciation charged during the period		**(254,273)**	(444,809)
Exchange adjustment on opening accumulated depreciation		**2,032**	8,305
		(332,691)	(523,969)
Closing book value		**3,834,506**	3,629,740

11.1.1 Following is the detail of additions during the period

Buildings on freehold land	**-**	16,328
Buildings on leasehold land	**169,042**	3,072
Plant and machinery	**199,717**	883,094
Other equipment	**130,377**	116,603
Furniture and fixtures	**1,073**	5,754
Vehicles	**41,286**	71,775
	541,495	1,096,626

11.2 Capital work-in-progress

Civil works	**22,998**	172,830
Plant and machinery and others [including in transit Rs. Nil (December 31, 2012: Rs. 95.652 million)]	**123,801**	197,731
Others	**820**	246
Advances	**6,070**	20,186
	153,689	390,993

12. Investments accounted for using the equity method

Investments in associates	12.1	**3,596,705**	3,612,013
Investment in joint venture	12.2	**10,022,188**	-
		13,618,893	3,612,013

12.1 Investments in associates

Opening balance		**3,612,013**	3,028,921
Profit for the period before taxation		**122,046**	288,552
Provision for taxation		**(25,516)**	(95,628)
		96,530	192,924
		3,708,543	3,221,845
Other comprehensive income		**-**	17,511
Dividends received during the period		**(111,838)**	(259,191)
Reversal of impairment on investments in associates		**-**	631,848
		(111,838)	390,168
Closing balance	12.1.1	**3,596,705**	3,612,013

12.1.1 In equity instruments of associated companies

	Un-audited June 30, 2013	Audited December 31, 2012
	(Rupees in thousand)	
Quoted		
IGI Insurance Limited		
11,838,267 (2012: 11,838,267) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 1,704.710 million (2012: Rs. 1,139.788 million)	**1,120,930**	1,104,860
Tri-Pack Films Limited		
10,000,000 (2012: 10,000,000) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 2,020 million (2012: Rs. 1,920 million)	**2,472,334**	2,496,271
IGI Investment Bank Limited		
4,610,915 (2012: 4,610,915) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 8.760 million (2012: Rs. 10.882 million)	**3,441**	10,882
	3,596,705	3,612,013

12.2 Investment in Joint Venture

	Un-audited June 30, 2013	Audited December 31, 2012
Opening balance	**-**	-
Interest in subsidiary transferred to interest in Joint Venture		
Cost	**9,973,651**	-
Reserves	**38,657**	-
	10,012,308	-
Profit for the period before taxation	**28,850**	-
Provision for taxation	**(18,970)**	-
	9,880	-
Closing balance	**10,022,188**	-

13. Other long-term investments

	Un-audited June 30, 2013	Audited December 31, 2012
Quoted		
Nestle Pakistan Limited		
3,649,248 (2012: 3,649,248) fully paid ordinary shares of Rs. 10 each		
Equity held 8.05% (2012: 8.05%)	**23,716,463**	17,273,095
Market value - Rs. 23,716.463 million (2012: Rs. 17,273.095 million)		
Unquoted		
Tetra Pak Pakistan Limited		
1,000,000 (2012: 1,000,000) fully paid non-voting shares of Rs. 10 each	**10,000**	10,000
Pakistan Tourism Development Corporation Limited		
2,500 (2012: 2,500) fully paid ordinary shares of Rs. 10 each	**25**	25
Orient Match Company Limited		
1,900 (2012: 1,900) fully paid ordinary shares of Rs. 100 each	**-**	-
Coca-Cola Beverages Pakistan Limited		
500,000 (2012: 500,000) fully paid ordinary shares of Rs. 10 each	**4,706**	4,706
	23,731,194	17,287,826

Nestle Pakistan Limited and Tetra Pak Pakistan Limited are associated undertakings under the Companies Ordinance 1984. However, for the purpose of measurement, these have been classified as available for sale investments as the group does not have a significant influence over their operations.

14. In 1987, the Income Tax Officer (ITO) re-opened the Parent Company's assessments for the accounting years ended December 31, 1983 and 1984 disallowing primarily tax credit given to the Group under section 107 of the Income Tax Ordinance, 1979. The tax credit amounting to Rs. 36.013 million on its capital expenditure for these years was refused on the grounds that such expenditure represented an extension of the Parent Company's undertaking which did not qualify for tax credit under this section in view of the Parent Company's location. The assessments for these years were revised by the ITO on these grounds and taxes reassessed were adjusted against certain sales tax refunds and the tax credits previously determined by the ITO and set off against the assessments framed for these years.

The Parent Company had filed an appeal against the revised orders of the ITO before the Commissioner of Income Tax (Appeals) [CIT(A)], Karachi. The Commissioner has, in his order issued in 1988, held the assessments reframed by the ITO for the years 1983 and 1984 presently to be void and of no legal effect. The ITO has filed an appeal against the Commissioner's order with the Income Tax Appellate Tribunal (ITAT). The ITAT has in its order issued in 1996 maintained the order of CIT(A). The assessing officer after the receipt of the appellate order passed by CIT (A), has issued notices under section 65 of the Income Tax Ordinance, 1979 and the Parent Company has filed a writ petition against the aforesaid notices with the High Court of Sindh, the outcome of which is still pending.

The amount recoverable Rs. 36.013 million represents the additional taxes paid as a result of the disallowance of the tax credits on reframing of the assessments.

15. Cost of sales

		Quarter ended		**Half year ended**	
		June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
		Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
	Note	(Rupees in thousand)			
Materials consumed		**2,772,299**	2,244,251	**5,432,857**	4,470,357
Salaries, wages and amenities	15.1	**259,442**	224,989	**524,815**	437,026
Travelling and conveyance		**6,551**	6,678	**14,063**	13,547
Fuel and power		**254,943**	238,467	**517,260**	452,311
Production supplies		**72,182**	68,529	**150,053**	122,789
Excise duty and sales tax		**1,976**	429	**2,790**	460
Rent, rates and taxes		**65,411**	81,014	**131,771**	162,187
Insurance		**8,757**	5,890	**17,790**	13,019
Repairs and maintenance		**89,450**	96,359	**172,356**	176,566
Packing expenses		**108,841**	56,818	**108,841**	66,571
Depreciation on property, plant and equipment		**115,244**	89,835	**230,031**	176,298
Amortisation of intangible assets		**1,234**	-	**1,234**	-
Technical fee and royalty		**14,671**	39,242	**31,047**	36,742
Other expenses		**15,203**	2,750	**77,368**	52,418
		3,786,204	3,155,251	**7,412,276**	6,180,291
Opening work-in-process		**358,513**	307,145	**338,842**	326,022
Closing work-in-process		**(306,891)**	(340,848)	**(306,891)**	(340,848)
Cost of goods produced		**3,837,826**	3,121,548	**7,444,227**	6,165,465
Opening stock of finished goods		**812,964**	570,977	**853,192**	449,429
Closing stock of finished goods		**(540,628)**	(529,203)	**(540,628)**	(529,203)
		4,110,162	3,163,322	**7,756,791**	6,085,691

15.1 Salaries, wages and amenities include Rs. 9.072 million (2012: Rs. 88.355 million) paid to outgoing employees who opted for separation from Company's employment under Voluntary Separation Scheme.

16. This represents reversal of impairment loss on investment in shares of IGI Investment Bank Limited and IGI Insurance Limited based on assessment of recoverable amount. The recoverable amount is equal to fair value which has been determined with reference to the active market value.

17. Disposal group classified as held for sale and Discontinued Operations

17.1 Assets and liabilities of disposal group classified as held for sale

	Note	**Un-audited June 30, 2013**	Audited December 31, 2012
		(Rupees in thousand)	
Assets classified as held for sale			
Operating assets	17.1.1	**-**	10,249,450
Capital work-in-progress		**-**	162,365
Intangible assets		**-**	10,021
Stores and spares		**-**	695,153
Stock-in-trade		**-**	3,426,302
Total assets of the disposal group		**-**	14,543,291
Liabilities directly associated with assets classified as held for sale			
Deferred income tax liabilities		**-**	551,513
Short term finances - secured		**-**	5,100,000
Other payables		**-**	17,684
Total liabilities of the disposal group		**-**	5,669,197
Total net assets of the disposal group		**-**	8,874,094

17.1.1 Operating Assets

	Note	**June 30, 2013**	December 31, 2012
Opening Balance		**10,249,450**	-
Assets of disposal group classified as held for sale as at September 30, 2012		**-**	14,672,768
Net book value of additions / transfers in		**113,580**	32,402
Net book value of deletions / transfers out		**(1,176)**	(1,591)
		10,361,854	14,703,579
Loss recognized on the re-measurement of assets of disposal group	17.1.2	**-**	(4,454,129)
		10,361,854	10,249,450
Assets transferred out to BSPL during the period		**(10,361,854)**	-
		-	10,249,450

17.1.2 Loss recognised on the re-measurement of assets of disposal group

This represents the difference between the carrying values of net assets to be transferred to BSPL and the estimated fair value thereof in the form of Parent Company's interest in the envisaged joint venture, net of the amount as described in note 8.

17.2 Commitments in respect of disposal group classified as held for sale

(i) Letters of credit and contracts for capital expenditure Rs. Nil (2012: Rs. 2.242 million).
(ii) Letters of credit and contracts other than for capital expenditure Rs. 22.324 million (2012: Rs. 369.488 million).

(iii) The amount of future payments under operating leases and the period in which these payments shall become due are as follows:

	Un-audited	Audited
	June 30, 2013	December 31, 2012
	(Rupees in thousand)	
Not later than one year	**-**	346
Later than one year and not later than five years	**-**	268
	-	614

17.3 Profit and loss account - Discontinued Operations

	Paper & Paperboard and Corrugated business operations at Kasur and Karachi		**Paper & Paperboard operations at Lahore**		**Total**	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012
	Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
Local sales	**5,054,752**	5,010,616	**-**	67,618	**5,054,752**	5,078,234
Export sales	**8,926**	13,083	**-**	-	**8,926**	13,083
Gross Sales	**5,063,678**	5,023,699	**-**	67,618	**5,063,678**	5,091,317
Less: Sales tax	**666,755**	682,342	**-**	2,322	**666,755**	684,664
Commission	**-**	28	**-**	-	**-**	28
	666,755	682,370	**-**	2,322	**666,755**	684,692
	4,396,923	4,341,329	**-**	65,296	**4,396,923**	4,406,625
Sales to continuing operations	**448,623**	988,266	**-**	-	**448,623**	988,266
	4,845,546	5,329,595	**-**	65,296	**4,845,546**	5,394,891
Cost of sales	**(4,371,938)**	(5,233,547)	**-**	(217,571)	**(4,371,938)**	(5,451,118)
Gross profit / (loss)	**473,608**	96,048	**-**	(152,275)	**473,608**	(56,227)
Administrative expenses	**(214,575)**	(143,743)	**(294)**	(32,602)	**(214,869)**	(176,345)
Distribution and marketing costs	**(96,753)**	(83,115)	**(197)**	(13,402)	**(96,950)**	(96,517)
Other operating expenses	**(4,089)**	-	**-**	(106)	**(4,089)**	(106)
Other operating income	**3,200**	3,865	**39,882**	7,762	**43,082**	11,627
Profit / (loss) from operations	**161,391**	(126,945)	**39,391**	(190,623)	**200,782**	(317,568)
Finance cost	**(259,622)**	(477,365)	**-**	(3,506)	**(259,622)**	(480,871)
(Loss) / profit before tax from Discontinued Operations	**(98,231)**	(604,310)	**39,391**	(194,129)	**(58,840)**	(798,439)
Taxation	**(45,607)**	191,970	**(1,000)**	67,945	**(46,607)**	259,915
(Loss) / profit for the period from Discontinued Operations	**(143,838)**	(412,340)	**38,391**	(126,184)	**(105,447)**	(538,524)

17.4 Cash flows from Discontinued Operations

Cash flows from operating activities	**227,086**	(466,865)	**169,685**	121,726	**396,771**	(345,139)
Cash flows from investing activities	**(143,883)**	(48,554)	**11,971**	2,481	**(131,912)**	(46,073)
Cash flows from financing activities	**-**	(98,809)	**-**	-	**-**	(98,809)
Total cash flows	**83,203**	(614,228)	**181,656**	124,207	**264,859**	(490,021)

18. Combined earnings / (loss) per share

		Quarter ended		Half year ended	
		June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012
		Un-audited	Un-audited Re-stated and Represented	**Un-audited**	Un-audited Re-stated and Represented
18.1 Basic earnings per share - Continuing Operations					
Profit for the period from Continuing operations attributable to equity holders of the parent company	- Rupees in thousand	**377,804**	344,382	**1,076,762**	846,715
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Earnings per share	- Rupees	**4.48**	4.08	**12.76**	10.03
18.2 Basic Loss per share - Discontinued Operations					
Loss for the period from Discontinued Operations attributable to equity holders of the parent company	- Rupees in thousand	**(106,974)**	(267,408)	**(105,447)**	(538,524)
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Loss per share	- Rupees	**(1.27)**	(3.17)	**(1.25)**	(6.38)
18.3 Diluted earnings per share - Continuing Operations					
Profit for the period from Continuing operations attributable to equity holders of the parent company	- Rupees in thousand	**377,804**	344,382	**1,076,762**	846,715
Return on preference shares / convertible stock	- Rupees in thousand	**65,677**	80,588	**161,142**	161,589
		443,481	424,970	**1,237,904**	1,008,304
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Weighted average number of notionally converted preference shares / convertible stock	- Numbers	**21,686,842**	21,686,842	**21,686,842**	21,686,842
		106,066,346	106,066,346	**106,066,346**	106,066,346
Combined diluted earnings per share	- Rupees	4.18	4	11.67	9.51

18.4 Diluted earnings / (loss) per share - Discontinued Operations

The diluted loss per share of Discontinued Operations is the same as basic loss per share of Discontinued Operations as there are no convertible instruments attributable to the Discontinued Operations.

19. Transactions with related parties

Relationship with the Group	Nature of transactions	Half year ended June 30, 2013 Un-audited	Half year ended June 30, 2012 Un-audited Re-stated and Represented
		(Rupees in thousand)	
i. Associated Undertakings			
	Purchase of goods & services	**464,466**	392,819
	Sale of goods & services	**25,124**	51,222
	Dividend income	**111,838**	235,515
	Insurance premium	**150,181**	111,676
	Insurance claim received	**96,084**	229,820
	Commission earned	**3,594**	2,911
ii Joint Venture			
	Purchase of goods and services	**115,002**	-
	Sale of goods and services	**536,040**	-
	Rental income	**4,778**	-
iii Other related parties			
	Purchase of goods & services	**111,123**	92,968
	Sale of goods & services	**22,269**	24,252
	Royalty and technical fee - expense	**24,701**	19,317
iv Post employment benefit plans			
	Expenses charged in respect of retirement benefit plans	**79,233**	(32,096)
v Key management personnel			
	Salaries and other employee benefits	**86,543**	50,211

All transactions with related parties have been carried out on commercial terms and conditions.

Period-end balances

	Un-audited June 30, 2013	Audited December 31, 2012
	(Rupees in thousand)	
Receivable from related parties		
Associates	**41,953**	101,877
Joint Venture	**1,994,600**	-
Other related parties	**1,913**	15,809
Payable to related parties		
Associates	**91,427**	127,951
Joint Venture	**817,588**	-
Other related parties	**33,915**	18,720
Post employment benefit plans	**12,738**	15,788

These are in the normal course of business and are interest free.

20. Segment Information

	Continuing operations								Sub Total		Discontinued Operations	
	Packaging Division		Consumer Products Division		Ink Division		General & Others		Continuing Operations		Paper & Paperboard and Corrugator	
	June 30, 2013	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012	**June 30, 2013**	June 30, 2012
		Represented		Represented		Represented		Represented		Represented		Represented
	(Rupees in thousand)											
Revenue from external customers	**6,089,977**	5,176,693	**1,372,092**	913,523	**935,760**	709,169	**823,520**	170,762	**9,221,349**	6,970,147	**4,396,923**	4,406,625
Intersegment revenue	**241,967**	157,151	**22,934**	6,352	**344,301**	347,047	**565,448**	98,903	**1,174,650**	609,453	**448,623**	988,266
	6,331,944	5,333,844	**1,395,026**	919,875	**1,280,061**	1,056,216	**1,388,968**	269,665	**10,395,999**	7,579,600	**4,845,546**	5,394,891
Segment profit / loss before tax	**540,356**	413,411	**16,588**	55,167	**125,878**	64,281	**862,108**	764,162	**1,544,930**	1,297,021	**(58,840)**	(798,439)
	June 30, 2013	December 31, 2012	**June 30, 2013**	December 31, 2012	**June 30, 2013**	December 31, 2012	**June 30, 2013**	December 31, 2012	**June 30, 2013**	December 31, 2012	**June 30, 2013**	December 31, 2012
Segment assets	**6,406,974**	6,493,184	**1,312,794**	1,125,111	**1,088,952**	943,436	**2,082,681**	1,351,375	**10,891,401**	9,913,106	**-**	14,533,270

Reconciliation of profit

	June 30, 2013	June 30, 2012
		Represented
	(Rupees in thousand)	
Profit / (loss) for reportable segments	**1,544,930**	1,297,021
Income from investments held under equity method	**39,058**	(22,877)
Intercompany consolidation adjustments	**(38,794)**	(52,722)
Profit before tax	**1,545,194**	1,221,422

21. Cash generated from operations

	Half year ended	
	June 30, 2013	June 30, 2012
	Un-audited	Un-audited and Re-stated
	(Rupees in thousand)	
Profit before taxation including Discontinued Operations	**1,486,354**	422,983
Adjustments for:		
Depreciation on property, plant and equipment	**254,273**	860,623
Depreciation on investment property	**934**	163
Amortisation on intangible assets	**4,580**	5,855
Provision for accumulating compensated absences and staff gratuity	**39,250**	13,508
Exchange Adjustments	**2,180**	(25,018)
Provision for retirement benefits	**17,093**	(50,911)
Net profit on disposal of property, plant and equipment	**(362)**	(6,297)
Gain on sale of short term investment	**-**	(13)
Gain on re-measurement of derivative financial instruments	**(76,787)**	-
Finance costs	**707,563**	750,699
Reversal of impairment charged on investments	**-**	(278,733)
Dividend income from other investments	**(1,091,448)**	(387,970)
Share of profit of investments accounted for using the equity method	**(189,563)**	(185,923)
Profit before working capital changes	**1,154,067**	1,118,966
Effect on cash flow due to working capital changes		
Increase in stores and spares	**(91,057)**	(165,699)
Decrease / (increase) in stock in trade	**286,178**	(418,041)
Increase in trade debts	**(193,050)**	(552,366)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	**(336,691)**	40,621
Increase in trade and other payables	**19,085**	298,261
	(315,535)	(797,224)
	838,532	321,742

22. Cash and cash equivalents

	Half year ended	
	June 30, 2013	June 30, 2012
	Un-audited	Un-audited and Re-stated
	(Rupees in thousand)	
Cash and bank balances	293,234	276,312
Finances under markup arrangements - secured	(3,216,989)	(2,744,423)
	(2,923,755)	(2,468,111)

23. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2012.

There have been no changes in the risk management policies since the year end.

24. Detail of subsidiaries

Name of the subsidiaries	**Accounting year end**	**Percentage of holding**	**Country of incorporation**
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka
DIC Pakistan Limited	December 31	54.98%	Pakistan
Packages Construction (Private) Limited	December 31	99.99%	Pakistan
Bulleh Shah Packaging (Private) Limited [uptil May 31, 2013] *[formerly Bulleh Shah Paper Mill (Private) Limited]*	December 31	100.00%	Pakistan

25. Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on August 26, 2013 by the Board of Directors of the Parent Company.

26. Events after balance sheet date

No material events have occurred subsequent to June 30, 2013.

27. Corresponding figures

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made except for restatement made in accordance with IAS 19 (revised) and representing the results of Discontinued Operations in accordance with IFRS 5 as reflected in notes 3.2.1 and 17 respectively to these condensed financial statements.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Syed Aslam Mehdi Director