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COMPANY INFORMATION

Board of Directors

Towfiq Habib Chinoy
(Chairman)
(Non-Executive Director)

Syed Hyder Ali
(Chief Executive & Managing Director)
(Executive Director)

Asghar Abbas
(Executive Director)

Jari Latvanen
(Non-Executive Director)

Josef Meinrad Mueller
(Non-Executive Director)

Muhammad Aurangzeb
(Independent Director)

Shamim Ahmad Khan
(Non-Executive Director)

Syed Aslam Mehdi
(Non-Executive Director)

Syed Shahid Ali
(Non-Executive Director)

Tariq Iqbal Khan
(Non-Executive Director)

Advisor

Syed Babar Ali

Chief Financial Officer

Khurram Raza Bakhtayari

Company Secretary

Adi J. Cawasji

Rating Agency

PACRA

Credit Rating

Long-Term : AA
Short-Term : A1+

Auditors

A.F. Ferguson & Co.
(Chartered Accountants)

Legal Advisors

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

Shares Registrar

FAMCO Associates (Pvt.) Ltd
8-F, Next to Hotel Faran
Nursery, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi-75400

PABX : (021) 34380101
: (021) 34380105
: (021) 34384621-3

Fax : (021) 34380106

Email : info.shares@famco.com.pk

Bankers & Lenders

Conventional

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Deutsche Bank A.G.
Habib Bank Limited
Habib Metropolitan Bank Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
NIB Bank Limited
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
The Bank of Tokyo - Mitsubishi UFJ, Limited
United Bank Limited

Islamic

Dubai Islamic Bank Pakistan Limited
Meezan Bank Limited

Head Office & Works

Shahrah-e-Roomi,
P.O. Amer Sidhu,
Lahore - 54760, Pakistan
PABX : (042) 35811541-46
Fax : (042) 35811195

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) 35378650-51
: (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) 2348307-9
: (051) 2806267
Fax : (051) 2348310

Zonal Sales Offices

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

2nd Floor Sitara Tower,
Bilal chowk, Civil Lines, Faisalabad - Pakistan
Tel : (041) 2602415
Fax : (041) 2629415

Web Presence

www.packages.com.pk

DIRECTORS' REPORT FOR THE HALF YEAR ENDED JUNE 30, 2016

The Directors of Packages Limited are pleased to submit to its shareholders, the half yearly report along with the condensed interim un-audited financial statements of the Company for the half year ended June 30, 2016.

Financial and Operational Performance

The comparison of the un-audited financial results for the half year ended June 30, 2016 as against June 30, 2015 is as follows:

	For the second quarter		Cumulative	
	Apr - June 2016	Apr - June 2015	Jan - June 2016	Jan - June 2015
	(R u p e e s i n m i l l i o n)			
Net Sales	4,008	4,077	8,591	8,384
EBITDA - operations	597	824	1,459	1,476
Depreciation and amortisation	(146)	(145)	(294)	(289)
EBIT - operations	451	679	1,165	1,187
Finance costs	(173)	(167)	(282)	(336)
Other (expenses) / income - net	(88)	(51)	(161)	(106)
Investment income	1,748	675	3,127	1,611
Earnings before tax	1,938	1,136	3,849	2,356
Taxation	(401)	(250)	(720)	(460)
Earnings after tax	1,537	886	3,129	1,896
Basic earnings per share - Rupees	17.26	10.09	35.15	21.61

During the first half of 2016, the Company has achieved net sales of Rs. 8,591 million against net sales of Rs. 8,384 million of corresponding period of last year, representing sales growth of 2.5%. However, the overall volume growth has been 8% which has been offset by price discounts passed onto the customers of the packaging division on the back of deflationary trends in the raw material and fuel and power costs.

The Operations have generated Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 1,459 million during the half year under review against Rs. 1,476 million of corresponding period of year 2015. The EBITDA is almost same as last year due to deflationary prices trends, increased advertisement expense on consumer products and overall decrease in sales to tobacco industry.

A brief review of the operations of the Company's business divisions is as follows:

Consumer Products Division

Consumer Products Division has registered net sales of Rs. 1,989 million during the first half of 2016 as

compared to Rs. 1,776 million of corresponding period of 2015, representing sales growth of 12%. Operating results of the Division are lower by 15% during first half of 2016 over corresponding values of 2015 mainly due to increased advertisement expense.

Packaging Operations

Packaging Operations have achieved net sales of Rs. 6,503 million during first half of 2016 as compared to Rs. 6,508 million in corresponding period of year 2015. This is due to price discounts that have been passed onto customers on the back of deflationary trends in raw material and fuel and power costs. Operating results have improved by 4% over corresponding period of 2015 on comparable basis. The Company has invested at the end of the previous year in a new offset printing line having double coating capability to remain abreast of improved technological developments. This line has been installed and has begun production to service fast growing consumer products of the food industry.

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

	<u>Jan - June 2016</u>	<u>Jan - June 2015</u>
Consumer Products produced - tons	7,778	6,059
Carton Board & Consumer Products converted - tons	19,587	19,178
Plastics all sorts converted - tons	8,670	8,245

Conversion of Preference Shares

During the period, IFC exercised its right to convert 1,000,000 (December 31, 2015: 1,000,000) preference shares / convertible stock of Rs. 190 into 1,000,000 (December 31, 2015: 1,000,000) ordinary shares of Rs. 10 each. Consequently, the Company converted 1,000,000 (December 31, 2015: 2,000,000) preference shares / convertible stock during the period. Accordingly, the liability portion pertaining to 1,000,000 preference shares / convertible stock (December 31, 2015: 1,000,000) converted into ordinary shares has been transferred to capital and reserves.

Redemption of Preference Shares

During the period, IFC also exercised its right to redeem 500,000 (December 31, 2015: Nil) preference shares / convertible stock of Rs. 190 each into cash. The redemption price was mutually agreed between the Company and IFC at Rs. 595 per share aggregating to Rs. 297.5 million and the redemption was done in compliance with section 85 of the Companies' Ordinance, 1984. Accordingly, the Company has transferred an amount of Rs. 95 million from retained earnings to 'Capital redemption reserve'.

Investment in associated company - Tri-Pack Films Limited

The Company has subscribed to the right shares offered by its associated company, Tri-Pack Films Limited during the quarter ended March 31, 2016 investing Rs. 367 million. Tri-Pack Films Limited has endeavored to reduce its reliance on debt through the rights issue, reducing both debt and creditors' financing, thus saving the interest expense. Your Company believes that this will yield positive returns for the Company in the long term.

Real estate development - Packages Mall

The Company's development of a high quality retail mall at its Lahore land through its subsidiary, Packages


Construction (Private) Limited is underway and is expected to be completed within this calendar year.

Future Outlook

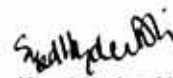
As part of its diversification strategy, the Company will continue to explore investment opportunities. Despite rising competition in packaging business, the Company will continue to focus on improving shareholders' value by increasing and diversifying revenue and customer base, investment in new technology and production efficiencies.

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 18, 2016



(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, August 18, 2016

30 جون 2016 کو ختم ہونے والی ششماہی کے لئے ڈائریکٹرز کی رپورٹ

بیکینجز لمیٹڈ کے ڈائریکٹرز اپنے حصہ داران کو ششماہی رپورٹ بشمول 30 جون 2016 کو ختم ہونے والی ششماہی کے لئے کمپنی کے مجموعی عبوری غیر آڈٹ شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالیاتی اور کاروباری کارکردگی

30 جون 2016 کو ختم ہونے والی ششماہی کے لئے غیر آڈٹ شدہ مالیاتی نتائج 30 جون 2015 کے برخلاف درج ذیل کے مطابق ہیں۔

اپریل - جون 2016	اپریل - جون 2015	جنوری - جون 2016	جنوری - جون 2015	
روپے ملین میں	روپے ملین میں	روپے ملین میں	روپے ملین میں	
4,008	4,077	8,591	8,384	مجموعی فروخت
597	824	1,459	1,476	EBITDA - آپریٹس
(146)	(145)	(294)	(289)	فرضوگی اور کساد بازاری
451	679	1,165	1,187	ای بی آئی ٹی - آپریٹس
(173)	(167)	(282)	(336)	مالیاتی اخراجات
(88)	(51)	(161)	(106)	دیگر (اخراجات) / آمدنی - خالص
1,748	675	3,127	1,611	سرمایہ کار آمدنی
1,938	1,136	3,849	2,356	آمدنی قبل از ٹیکس
(401)	(250)	(720)	(460)	ٹیکسشن
1,537	886	3,129	1,896	آمدنی بعد از ٹیکس
17.26	10.09	35.15	21.61	بنیادی آمدنی فی شیئر - روپے

2016 کی پہلی ششماہی کے دوران کمپنی نے 8,591 ملین روپے کی مجموعی فروخت حاصل کی جبکہ اس کے برخلاف گزشتہ سال کی اس مدت میں 8,384 ملین روپے کی مجموعی فروخت حاصل کی تھی جس سے 2 فیصد کی بہتری ظاہر ہوتی ہے تاہم شرح نمو کا مجموعی حجم 8 فیصد رہا تھا جو کہ خام مال اور ایندھن کی بجلی کے اخراجات میں ذی فلیڈیٹری (Deflationary) رجحانات واپس آجانے پر ہیکٹیجنگ ڈویژن کے صارفین کے لئے نرخوں میں رعایت کی وجہ سے کم ہوا۔

آپریٹس نے زیر جائزہ ششماہی کے دوران 1,459 ملین روپے کی آمدنی قبل از ٹیکس، فرضوگی اور کساد بازاری (EBITDA) حاصل کیا جو کہ سال 2015 کی اس مدت میں 1,476 ملین روپے تھا۔ آمدنی قبل از ٹیکس، فرضوگی اور کساد بازاری (EBITDA) ذی فلیڈیٹری نرخوں کے رجحانات بڑھتے ہوئے ایشیائی اخراجات اور تباہی کی صنعت کے لئے فروخت میں مجموعی کمی کے باعث لگ بھگ گزشتہ سال جیسے ہی رہے۔

کمپنی کے کاروباری ڈویژن کی کارکردگی کا مختصر جائزہ درج ذیل کے مطابق ہے:

ایشیائی صارف کا ڈویژن:

ایشیائی صارف کے ڈویژن میں 2016 کی پہلی ششماہی کے دوران 1,989 ملین کی فروخت رجسٹرڈ کی گئی جو کہ 2015 کی اس مدت کے دوران 1,776 ملین روپے تھی اور اس طرح فروخت میں 12 فیصد کا اضافہ ہوا۔ ڈویژن کے آپریٹنگ نتائج 2016 کی پہلی ششماہی کے دوران 2015 کی اسی مدت کے مقابلے میں 15 فیصد کم رہے جس کی بنیادی وجہ تیسری لاگت میں اضافہ تھا۔

ہیکٹیونگ کا کاروبار

ہیکٹیونگ کے کاروبار میں 2016 کی پہلی ششماہی کے دوران 6,503 ملین روپے کی مجموعی فروخت حاصل کی گئی جبکہ اس کے برخلاف 2015 کی اس مدت میں یہ رقم 6,508 ملین روپے تھی۔ اس کی وجہ زرخوں میں وہ رعایت تھی جو صارفین کو خام مال اور ایجنس اور پاور اخراجات میں کمی کے رجحانات کے پیش نظر منظور کی گئی تھی۔ آپریٹنگ نتائج 2015 کی اسی مدت کے مقابلے میں سال رواں کی اس ششماہی کے دوران 4 فیصد بہتر ہوئے۔ کمپنی نے گزشتہ سال کے آخر میں ایک نئے آفسیٹ پریٹنگ لائن میں سرمایہ کاری کی جو بہترین ٹیکنالوجی کی صلاحیت کے باعث ڈبل کوٹنگ کی اہلیت کا حامل تھا۔ اس پریٹنگ لائن کو نصب کیا جا چکا ہے اور اس نے فوڈ انڈسٹری کی انتہائی تیزی سے بڑھتی ہوئی ایشیائی صارف کی ضرورت پوری کرنے کے لئے پیداوار بھی شروع کر دی ہے۔ زیرجا مدت کے لئے پیداوار کے اعداد و شمار بشمول گزشتہ سال کی اس مدت کا تقابل درج ذیل کے مطابق ہے۔

جنوری - جون 2015	جنوری - جون 2016	
6,059	7,778	تیار کی گئی ایشیائی صارف - ٹن
19,178	19,587	کارڈن بورڈ اور ایشیائی صارف منتقل کردہ - ٹن
8,245	8,670	پلاسٹک تمام اقسام کی منتقل کردہ - ٹن

ترجمی شیئرز کی منتقلی

اس مدت کے دوران آئی ایف سی نے 1,000,000 (31 دسمبر 2015: 1,000,000) ترجمی شیئرز/190 روپے کے قابل منتقل اسٹاک کو 1,000,000 (31 دسمبر 2015: 1,000,000) ہر ایک -/10 روپے مالیت کے عمومی شیئرز میں منتقل کرنے کا اپنا اختیار استعمال کیا۔ بعد ازاں کمپنی نے 1,000,000 (31 دسمبر 2015: 2,000,000) ترجمی شیئرز/قابل منتقل اسٹاک اس مدت کے دوران منتقل کیا۔ اس کے مطابق 1,000,000 ترجمی شیئرز/قابل منتقل اسٹاک (31 دسمبر 2015: 1,000,000) سے متعلق مالی ذمے داری کا حصہ عمومی شیئرز میں منتقل کر کے سرمایہ اور اثاثہ جات کے لئے منتقل کر دیا گیا۔

ترجمی شیئرز کا انفکاک

اس مدت کے دوران آئی ایف سی نے 500,000 (31 دسمبر 2015: کچھ نہیں) ترجمی شیئرز/190 روپے کے قابل منتقل اسٹاک کو نقد میں تبدیل کرنے کے استحقاق کو استعمال کیا۔ انفکاک کے نرخ کمپنی اور آئی ایف سی کے درمیان باہمی اتفاق سے 595 روپے فی شیئر مجموعی طور پر 297.5 ملین روپے طے کئے گئے تھے اور انفکاک کمپنیز آرڈیننس 1984 کی دفعہ 85 کے مطابق مکمل کیا گیا۔ اس کے مطابق کمپنی نے 95 ملین روپے کی ایک رقم موجودہ آمدنیوں میں سے "کمپنیل ری ڈیمپشن ریڈرڈ" میں منتقل کی۔

مشکل کمپنی میں سرمایہ کاری - ٹرائی پیک فلز لمیٹڈ

کمپنی نے اپنی مشکل کمپنی ٹرائی پیک فلز لمیٹڈ کے 31 مارچ 2016 کو ختم ہونے والی سرمایہ کے دوران رائٹ شیئر سبسکرائب کئے۔ ٹرائی پیک فلز نے کوششیں کیں کہ رائٹ ایشو کے ذریعے قرضے پر اس کا انحصار کم کر کے قرضوں اور کریڈیٹرز کی فنانسنگ کو کم کیا جائے تاکہ سود کے اخراجات کو بچایا جاسکے۔ آپ کی کمپنی اس امر پر یقین رکھتی ہے کہ اس کارروائی سے کمپنی کے منافع جات پر طویل مدت کے لئے مثبت اثرات مرتب ہوں گے۔

ریٹیل اسٹیٹ ڈیولپمنٹ - ہیکٹیونگ مال

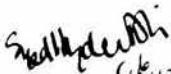
کمپنی اپنے ذیلی ادارے ہیکٹیونگ کنسٹرکشن (پرائیویٹ) لمیٹڈ کے ذریعے لاہور میں اپنی اراضی پر ایک اعلیٰ معیار کا ریشیل مال تعمیر کر رہی ہے جو زیر تکمیل ہے اور ممکنہ طور پر اسی سال کے اندر مکمل کر لیا جائے گا۔


مستقبل پر ایک نظر

کمپنی اپنی مختلف سمتوں میں جاری حکمت عملی کے حصہ کے طور پر سرمایہ کاری کے لئے مواقع تلاش کرنے کا سلسلہ جاری رکھے گی۔ پیکیجنگ برنس میں بڑھتے ہوئے مقابلے کے باوجود کمپنی شیئرز ہولڈرز کے فوائد میں بہتری پر توجہ دینے کے لئے نئی ٹیکنالوجی اور پیداواری کارکردگی کے شعبوں میں سرمایہ کاری کے ذریعے صارفین کا دائرہ کار بڑھانے پر خصوصی توجہ دے گی۔

کمپنی کا عملہ اور صارفین

ہم اپنی کمپنی کے ملازمین کی پر عزم جدوجہد اور اپنے صارفین کی جانب سے ہم پر کئے جانے والے مستقل اعتماد پر انہیں خراج تحسین پیش کرتے ہیں۔


(سید حیدر علی)
چیف ایگزیکٹو اور پیکیجنگ ڈائریکٹر
لاہور، 18 اگست، 2016


(توفیق حبیب چٹائے)
چیئر مین
لاہور، 18 اگست، 2016

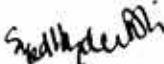
PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
as at June 30, 2016

	Note	June 30, 2016 <u>Un-audited</u>	December 31, 2015 <u>Audited</u>
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (December 31, 2015: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
22,000,000 (December 31, 2015: 22,000,000) 10% non-voting preference shares / convertible stock of Rs. 190 each		4,180,000	4,180,000
Issued, subscribed and paid up capital			
89,379,504 (December 31, 2015: 88,379,504) ordinary shares of Rs. 10 each		893,795	883,795
Reserves		41,826,675	41,878,330
Preference shares / convertible stock reserve	6	1,198,609	1,309,682
Accumulated profit		3,754,469	3,714,566
		47,673,548	47,786,373
NON-CURRENT LIABILITIES			
Long term finances	6	3,272,587	3,729,181
Liabilities against assets subject to finance lease		23,637	27,653
Deferred income tax liabilities	7	350,830	246,120
Retirement benefits		41,054	40,425
Deferred liabilities		225,138	201,576
		3,913,246	4,244,955
CURRENT LIABILITIES			
Current portion of long term liabilities - secured		578,024	392,285
Finances under mark up arrangements - secured	8	1,106,776	884,481
Trade and other payables		2,684,189	3,278,124
Accrued finance costs		156,859	349,282
		4,525,848	4,904,172
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		56,112,642	56,935,500

	Note	June 30, 2016 <u>Un-audited</u>	December 31, 2015 <u>Audited</u>
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	4,273,324	3,804,477
Investment property		105,827	155,426
Intangible assets		12,267	20,729
Investments	11	43,539,561	44,997,518
Long term loans and deposits	12	39,923	39,247
		<u>47,970,902</u>	<u>49,017,397</u>
CURRENT ASSETS			
Stores and spares		434,552	488,061
Stock-in-trade		1,787,723	1,780,177
Trade debts		1,748,983	1,781,022
Loans, advances, deposits, prepayments and other receivables		941,572	1,346,088
Income tax receivable	13	3,127,664	2,421,015
Cash and bank balances	14	101,246	101,740
		<u>8,141,740</u>	<u>7,918,103</u>
		<u>56,112,642</u>	<u>56,935,500</u>

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


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

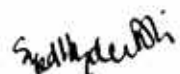
PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

for the quarter and half year ended June 30, 2016

	Note	Quarter ended		Half year ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
(Rupees in thousand)					
Local sales		4,674,203	4,763,893	10,038,750	9,765,525
Export sales		7,411	2,674	13,348	16,564
Gross sales		4,681,614	4,766,567	10,052,098	9,782,089
Less: Sales tax and excise duty		667,171	681,706	1,445,996	1,382,790
Commission		6,762	7,589	15,163	15,330
		673,933	689,295	1,461,159	1,398,120
Net Sales	15	4,007,681	4,077,272	8,590,939	8,383,969
Cost of sales	16	(3,112,958)	(3,066,848)	(6,496,262)	(6,517,320)
Gross profit		894,723	1,010,424	2,094,677	1,866,649
Administrative expenses		(223,524)	(199,800)	(450,029)	(375,219)
Distribution and marketing costs		(220,323)	(131,785)	(479,308)	(304,004)
Other operating expenses		(152,310)	(100,357)	(298,883)	(198,618)
Other income	17	64,370	49,193	137,740	92,329
Profit from operations		362,936	627,675	1,004,197	1,081,137
Finance costs		(172,621)	(166,966)	(281,563)	(335,652)
Investment income	18	1,747,611	675,497	3,126,705	1,610,922
Profit before taxation		1,937,926	1,136,206	3,849,339	2,356,407
Taxation	19	(401,269)	(250,334)	(719,872)	(460,264)
Profit for the period		1,536,657	885,872	3,129,467	1,896,143
Basic earnings per share	Rupees 20	17.26	10.09	35.15	21.61
Diluted earnings per share	Rupees 20	15.06	9.00	30.54	19.14

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


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director

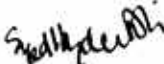

Asghar Abbas
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and half year ended June 30, 2016

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(R u p e e s i n t h o u s a n d)			
Profit for the period	1,536,657	885,872	3,129,467	1,896,143
Other comprehensive income / (loss):				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of retirement benefit asset	(5,516)	5,160	(5,516)	5,160
Tax effect	1,655	(4,913)	1,655	(4,913)
	(3,861)	247	(3,861)	247
<i>Items that may be reclassified subsequently to profit or loss</i>				
Surplus / (deficit) on remeasurement of available for sale financial assets	1,115,757	(817,432)	(1,824,624)	2,375,660
Other comprehensive income / (loss) for the period - net of tax	1,111,896	(817,185)	(1,828,485)	2,375,907
Total comprehensive income for the period	2,648,553	68,687	1,300,982	4,272,050

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


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the half year ended June 30, 2016

	Share capital	Share premium	Fair value reserve	Preference shares / convertible stock reserve	Capital Redemption reserve	General reserve	Accumulated profit	Total
	(R u p e e s i n t h o u s a n d)							
Balance as on December 31, 2014 (audited)	863,795	3,232,831	29,223,250	1,571,699	-	12,310,333	2,800,819	50,002,727
Appropriation of funds								
Transferred to general reserves	-	-	-	-	-	1,500,000	(1,500,000)	-
Total transactions with owners, recognised directly in equity								
Final dividend for the year ended December 31, 2014 Rs. 9.00 per share	-	-	-	-	-	-	(786,416)	(786,416)
Conversion of preference shares / convertible stock into ordinary share capital (2,000,000 ordinary shares of Rs. 10 each)	20,000	355,938	-	(262,017)	-	-	-	113,921
Total comprehensive income for the period ended June 30, 2015								
Profit for the period	-	-	-	-	-	-	1,896,143	1,896,143
Other comprehensive income:								
Surplus on remeasurement of available for sale financial assets	-	-	2,375,660	-	-	-	-	2,375,660
Remeasurement of retirement benefit asset	-	-	-	-	-	-	247	247
Total comprehensive income for the period	-	-	2,375,660	-	-	-	1,896,390	4,272,050
Balance as on June 30, 2015 (Un-audited)	883,795	3,588,769	31,598,910	1,309,682	-	13,810,333	2,410,793	53,602,282
Total comprehensive income for the period ended December 31, 2015								
Profit for the period	-	-	-	-	-	-	1,399,273	1,399,273
Other comprehensive income:								
Deficit on remeasurement of available for sale financial assets	-	-	(7,119,682)	-	-	-	-	(7,119,682)
Remeasurement of retirement benefit asset	-	-	-	-	-	-	(95,500)	(95,500)
Total comprehensive (loss) / income for the period	-	-	(7,119,682)	-	-	-	1,303,773	(5,815,909)
Balance as on December 31, 2015 (audited)	883,795	3,588,769	24,479,228	1,309,682	-	13,810,333	3,714,566	47,786,373
Appropriation of funds								
Transferred to general reserve	-	-	-	-	-	1,500,000	(1,500,000)	-
Total transactions with owners, recognised directly in equity								
Final dividend for the year ended December 31, 2015 Rs. 15.00 per share	-	-	-	-	-	-	(1,340,693)	(1,340,693)
Conversion of preference shares / convertible stock into ordinary share capital (1,000,000 ordinary shares of Rs. 10 each)	10,000	177,969	-	(74,049)	-	-	-	113,920
Redemption of preference shares / convertible stock (500,000 preference shares of Rs. 190 each)	-	-	-	(37,024)	95,000	-	(245,010)	(187,034)
Total comprehensive income for the period ended June 30, 2016								
Profit for the period	-	-	-	-	-	-	3,129,467	3,129,467
Other comprehensive income:								
Deficit on remeasurement of available for sale financial assets	-	-	(1,824,624)	-	-	-	-	(1,824,624)
Remeasurement of retirement benefit asset	-	-	-	-	-	-	(3,861)	(3,861)
Total comprehensive income for the period	-	-	(1,824,624)	-	-	-	3,125,606	1,300,982
Balance as on June 30, 2016 (Un-audited)	893,795	3,766,738	22,654,604	1,198,609	95,000	15,310,333	3,754,469	47,673,548

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


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

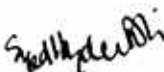
PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

for the half year ended June 30, 2016

	Note	Half year ended	
		June 30, 2016	June 30, 2015
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	22	1,172,550	1,870,644
Finance cost paid		(420,481)	(659,065)
Taxes paid		(1,320,156)	(405,832)
Payments for accumulating compensated absences		(12,390)	(9,264)
Retirement benefits paid		(8,439)	(7,575)
Net cash (used in) / generated from operating activities		(588,916)	788,908
Cash flow from investing activities			
Fixed capital expenditure		(731,249)	(184,560)
Investments - net		(366,667)	(1,910,134)
Long term loans and deposits - net		(676)	939
Proceeds from disposal of property, plant and equipment		79,533	30,366
Dividends received		3,126,705	1,610,922
Net cash generated from / (used in) investing activities		2,107,646	(452,467)
Cash flow from financing activities			
Re-payment of long term finances - secured		(100,000)	(100,000)
Redemption of preference shares		(297,500)	-
Liabilities against assets subject to finance lease - net		(3,086)	(2,414)
Dividend paid		(1,340,933)	(786,908)
Net cash used in financing activities		(1,741,519)	(889,322)
Net decrease in cash and cash equivalents		(222,789)	(552,881)
Cash and cash equivalents at the beginning of the period		(782,741)	(1,010,104)
Cash and cash equivalents at the end of the period	23	(1,005,530)	(1,562,985)

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


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

for the half year ended June 30, 2016

1. The Company and its activities

Packages Limited ('the Company') is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in the manufacture and sale of packaging materials and tissue products. The registered office of the Company is situated at 4th Floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office and factory is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

The Company also holds investment in companies engaged in the manufacture and sale of inks, flexible packaging material, paper, paperboard and corrugated boxes, biaxially oriented polypropylene (BOPP) film and cast polypropylene (CPP) film, and companies engaged in insurance and real estate business.

2. Basis of preparation

This condensed 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. The figures for the half year ended June 30, 2016 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, 2015.

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, 2015 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 this condensed interim financial information covering annual periods, beginning on or after the following dates:

3.2.1 Amendments to published standards effective in current year

There were certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Interpretations which became effective during the period but are not considered to be relevant and are, therefore, not disclosed in this condensed interim financial information except for the amendments as explained below:

Annual improvements 2014 applicable for annual periods beginning on or after January 01, 2016. The amendments include changes from the 2012-14 cycle of the annual improvements project that affect 4 standards: IFRS 5, 'Non current assets held for sale and discontinued operations' regarding methods of disposal, IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts, IAS 19, 'Employee benefits' regarding discount rates and IAS 34, 'Interim financial reporting' regarding disclosure of information. The application of these amendments do not have a material impact on this condensed interim financial information.

Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016, subject to EU endorsement. The application of this amendment does not have a material impact on this condensed interim financial information.

Amendments to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are applicable on accounting periods beginning on or after January 01, 2016. IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The application of these amendments do not have a material impact on this condensed interim financial information.

IAS 27 (Amendments), 'Separate financial statements' are applicable on accounting periods beginning on or after January 1, 2016. These allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Company has decided to continue with its existing accounting policy.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' are applicable on accounting periods beginning on or after January 01, 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The application of these amendments do not have a material impact on this condensed interim financial information.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' are applicable on accounting periods beginning on or after January 01, 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The application of these amendments do not have a material impact on this condensed interim financial information.

Amendments to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation is applicable on accounting periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment specify the appropriate accounting treatment for such acquisitions. The application of these amendments do not have a material impact on this condensed interim financial information.

3.2.2 Standards, amendments and interpretations to existing standards not yet effective

Standards or Interpretations	Effective date (accounting periods beginning on or after)
Amendments to IAS 7, 'Statement of cash flows'	January 01, 2017
Amendments to IAS 12, 'Income taxes'	January 01, 2017
Amendments to IFRS 2, 'Share based payments'	January 01, 2018
Amendments to IFRS 15, 'Revenue from contracts with customers'	January 01, 2018
IFRS 9, 'Financial instruments'	January 01, 2018
IFRS 14 'Regulatory deferral accounts'	January 01, 2017
IFRS 15, 'Revenue from contracts with customers'	January 01, 2018
IFRS 16, 'Leases'	January 01, 2019

4. Taxation

The provision for taxation for the half year ended June 30, 2016 has been made using the tax rates that would be applicable to expected total annual earnings.

5. Estimates

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements 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, 2015, 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, 2016 Un-audited	December 31, 2015 Audited
(Rupees in thousand)			
These are composed of:			
Local currency loan - secured	6.1	2,000,000	2,100,000
Preference shares / convertible stock - unsecured	6.2	1,844,015	2,014,895
		<u>3,844,015</u>	<u>4,114,895</u>
Current portion shown under current liabilities	6.1	(571,428)	(385,714)
		<u>3,272,587</u>	<u>3,729,181</u>

6.1 This includes local currency loan of Rs. 2,000 million (December 31, 2015: Rs. 2,000 million) availed from Meezan Bank Limited as per arrangements permissible under Shariah. Out of the total outstanding amount, two installments aggregating Rs. 571.428 million are due before June 30, 2017.

6.2 Preference shares / convertible stock - unsecured

	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
(Rupees in thousand)			
Opening balance		2,014,895	2,128,815
Transfer to capital and reserves [1,000,000 shares (December 31, 2015: 1,000,000 shares)] - for conversion into ordinary shares	6.2.1	(113,920)	(113,920)
Extinguishment of liability upon redemption of preference shares [500,000 shares (December 31, 2015: Nil)]	6.2.2	(56,960)	-
Closing balance		<u>1,844,015</u>	<u>2,014,895</u>

6.2.1 During the period, IFC exercised its right to convert 1,000,000 (December 31, 2015: 1,000,000) preference shares / convertible stock of Rs. 190 into 1,000,000 (December 31, 2015: 1,000,000) ordinary shares of Rs. 10 each. Consequently, the Company converted 1,000,000 (December 31, 2015: 2,000,000) preference shares / convertible stock during the period. Accordingly, the liability portion pertaining to 1,000,000 preference shares / convertible stock (December 31, 2015: 1,000,000) converted into ordinary shares has been transferred to capital and reserves.

6.2.2 During the period, IFC exercised its right to redeem 500,000 (December 31, 2015: Nil) preference shares / convertible stock of Rs. 190 into cash. The redemption price was mutually agreed between the Company and IFC at Rs. 595 per share aggregating to Rs. 297.5 million. Consequently, the liability portion of Rs. 56.96 million was extinguished along with the equity portion of Rs. 37.024 million. The redemption consideration of Rs. 595 per share has been allocated to liability and equity portion in the same manner as was used for separation of these components at the time of initial recognition at the prevailing market rates.

The fair value of the liability component at redemption is calculated by discounting cash flows at a rate of approximately 8.6 percent till perpetuity which represents the rate of similar instrument with no associated equity component. The premium paid on redemption of liability component of Rs. 53.505 million has been recognised in the profit and loss account and included in finance costs while that on equity component of Rs. 150.010 million has been directly charged to retained earnings. Further, in order to comply with section 85 of the Companies' Ordinance, 1984, the Company has transferred an amount of Rs. 95 million from retained earnings to 'Capital redemption reserve'.

7. The Divisional Bench of Sindh High Court in an order dated May 7, 2013 in case of another company has interpreted section 113(2)(c) of the Income Tax Ordinance, 2001 ('Ordinance') in the manner that the benefit of carry forward of minimum tax paid is not available, if otherwise no tax was payable by the company due to taxable loss.

Taking a prudent view on the matter the Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 314.854 million (December 31, 2015: Rs. 314.854 million) available under section 113 of the Ordinance. Tax credits under section 113 of the Ordinance amounting to Rs. 203.917 million and Rs. 110.934 million are set to lapse by the end of years ending on December 31, 2016 and 2017 respectively.

8. This includes Nil (December 31, 2015: Rs. 76.676 million) placed under permissible Shariah modes.

9. Contingencies and commitments

9.1 Contingencies

- (i) Claims against the Company not acknowledged as debts Rs. 20.41 million (December 31, 2015: Rs. 18.946 million).
- (ii) Post dated cheques not provided in the financial information have been furnished by the Company in favor of the Collector of Customs against custom levies aggregating to Rs. 41.521 million (December 31, 2015: 69.148 million) in respect of goods imported.
- (iii) Standby letter of credit issued by Habib Bank Limited Pakistan ('HBL Pakistan') in favor of Habib Bank Limited Bahrain ('HBL Bahrain') on behalf of the Company USD 11.422 million (Equivalent to PKR 1,194.715 million) (December 31, 2015: USD 11.770 million (Equivalent to PKR 1,232.781 million).

9.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 119.107 million (December 31, 2015: Rs. 295.519 million).
- (ii) Letters of credit and contracts other than for capital expenditure Rs. 297.779 million (December 31, 2015: Rs. 223.465 million).

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

		June 30, 2016	December 31, 2015
	Note	Un-audited	Audited
(Rupees in thousand)			
Not later than one year		7,499	10,597
Later than one year and not later than five years		31,115	37,259
		<u>38,614</u>	<u>47,856</u>

10. Property, plant and equipment

Operating assets - at net book value			
Owned assets	10.1	3,502,442	3,540,012
Assets subject to finance lease		31,809	35,248
	10.2	<u>3,534,251</u>	<u>3,575,260</u>
Capital work-in-progress	10.3	739,073	229,217
		<u>4,273,324</u>	<u>3,804,477</u>

10.1 A portion of the land on which the Company's Lahore plant is situated is on lease from the Government of Punjab since the past 60 years. The term of this lease has expired in December 2015 and the Company has filed an application with the relevant authorities for its renewal.

10.2 Operating assets

		June 30, 2016	December 31, 2015
	Note	Un-audited	Audited
(Rupees in thousand)			
Opening net book value		3,575,260	3,431,663
Additions during the period / year	10.2.1	222,487	721,274
Transferred from investment property		47,296	-
		269,783	721,274
Disposals during the period / year at book value		(27,989)	(26,074)
Transferred to investment property		-	(6,074)
Depreciation charged during the period / year		(282,803)	(545,529)
		(310,792)	(577,677)
Closing net book value		<u>(3,534,251)</u>	<u>(3,575,260)</u>

10.2.1 Additions during the period / year

Freehold land	2,334	26,641
Buildings on freehold land	1,346	2,376
Plant and machinery	142,872	577,516
Other equipment	37,631	38,187
Furniture and fixtures	205	1,651
Vehicles	38,099	74,903
	<u>222,487</u>	<u>721,274</u>

10.3 Capital work-in-progress

	June 30, 2016	December 31, 2015
Note	Un-audited	Audited
	(Rupees in thousand)	
Civil works	37,109	11,229
Plant and machinery	657,374	194,137
Advance for procurement of land	19,293	17,593
Advances to suppliers	25,297	6,258
	<u>739,073</u>	<u>229,217</u>

11. Investments

Opening balance		44,997,518	47,304,365
Investments made in related parties during the period / year	11.1	366,667	2,437,175
Deficit on remeasurement of available for sale financial assets during the period / year		(1,824,624)	(4,744,022)
Closing balance		<u>43,539,561</u>	<u>44,997,518</u>

11.1 Investments made in related parties during the period / year

Anemone Holdings Limited		-	36,675
CalciPack (Private) Limited		-	500
Packages Construction (Private) Limited		-	2,400,000
Tri-Pack Films Limited	11.1.1	366,667	-
		<u>366,667</u>	<u>2,437,175</u>

11.1.1 This represents purchase of 2,933,333 ordinary shares of Rs. 10 each through right subscription.

11.2 As of June 30, 2016, an aggregate of 410,000 shares (December 31, 2015: 310,000) of Nestle Pakistan Limited having market value Rs. 2,993 million (December 31, 2015: Rs. 2,418 million) were pledged in favor of Habib Bank Limited Pakistan against issuance of standby letter of credit in favor of HBL Bahrain as referred to in note 9.1.

12. This includes a markup bearing unsecured loan given to Sui Northern Gas Pipelines Limited (SNGPL). Outstanding amount of loan is Rs. 32.8 million (December 31, 2015: Rs. 32.8 million) including a short term portion of Rs. 16.4 million (December 31, 2015: Rs. 16.4 million) classified under current assets.

13. The Income Tax department has amended the deemed order for the tax year 2014 raising tax demand of Rs. 606.325 million which is currently stayed by the Commissioner Inland Revenue upon partial payment of Rs. 50 million by the Company. In this Order, among other issues, the income tax department has not accepted the Company's contention for non-taxation of the transfer of paper & paperboard and corrugated business segments to Bulleh Shah Packaging (Private) Limited under section 97 of the Income Tax Ordinance, 2001. Such transfer has been taxed as capital gain on the value of assets transferred. The matter is currently being contested before the Commissioner (Appeals).

Further, certain other disallowances effectively reducing available tax losses by Rs. 793 million, have also been made by the department in respect of tax years 2010 to 2013, through orders framed during the period. These are currently being contested before the Commissioner (Appeals).

The Company has not made any provision against the above demand or disallowances as the management is confident that the ultimate outcome of the appeals would be in favor of the Company, inter alia on the basis of the advice of the independent tax consultant and the relevant law and the facts.

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. This includes Rs. 4.263 million (December 31, 2015: Rs. 1.970 million) placed under permissible Shariah modes. Balances with banks include Rs. 57.023 million (December 31, 2015: Rs. 78.299 million) placed in interest bearing saving accounts.

Packaging Division	Cosumer Products Division	General & Others	Total
Un-audited	Un-audited	Un-audited	Un-audited

(R u p e e s i n t h o u s a n d)

15. Net sales

Half year ended June 30, 2016

Local sales	7,486,289	2,420,709	131,752	10,038,750
Export sales	3,998	9,350	-	13,348
Gross sales	7,490,287	2,430,059	131,752	10,052,098
Less: Sales tax and excise duty	987,312	426,023	32,661	1,445,996
Commission	-	15,163	-	15,163
	987,312	441,186	32,661	1,461,159
Net sales	6,502,975	1,988,873	99,091	8,590,939

Half year ended June 30, 2015

Local sales	7,492,943	2,153,292	119,290	9,765,525
Export sales	2,347	14,217	-	16,564
Gross sales	7,495,290	2,167,509	119,290	9,782,089
Less: Sales tax and excise duty	987,064	376,550	19,176	1,382,790
Commission	-	15,330	-	15,330
	987,064	391,880	19,176	1,398,120
Net sales	6,508,226	1,775,629	100,114	8,383,969

16. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n t h o u s a n d)			
Materials consumed	2,132,898	2,149,343	4,477,771	4,522,774
Salaries, wages and amenities	313,996	237,955	604,886	498,132
Travelling	7,785	5,577	12,300	9,795
Fuel and power	135,154	186,710	267,516	355,289
Production supplies	99,385	85,091	222,557	175,518
Excise duty and sales tax	247	559	551	651
Rent, rates and taxes	7,632	1,241	16,448	1,659
Insurance	8,397	9,702	16,603	18,668
Repairs and maintenance	98,989	76,964	179,800	155,717
Packing expenses	73,686	76,023	160,322	150,313
Depreciation on owned assets	131,372	131,950	262,438	261,080
Depreciation on assets subject to finance lease	1,249	236	1,567	558
Amortisation of intangible assets	2,434	2,434	4,867	4,867
Technical fee and royalty	16,160	3,912	19,326	7,106
Other expenses	42,201	44,846	97,678	84,229
	3,071,585	3,012,543	6,344,630	6,246,356
Opening work-in-process	159,883	202,096	210,945	211,699
Closing work-in-process	(151,157)	(181,470)	(151,157)	(181,470)
Cost of goods produced	3,080,311	3,033,169	6,404,418	6,276,585
Opening stock of finished goods	479,394	471,519	538,591	678,575
Closing stock of finished goods	(446,747)	(437,840)	(446,747)	(437,840)
	3,112,958	3,066,848	6,496,262	6,517,320

17. Other income

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Interest on saving accounts	5,664	643
Interest on loan to SNGPL	123	182
Rental income from investment property	39,433	34,275
Profit on disposal of property, plant and equipment	53,543	14,872
Scrap sales	36	40
Management and technical fee from related party	16,473	10,311
Insurance commission from related party	4,231	1,347
Provisions and unclaimed balances written back	9,736	20,155
Others	8,501	10,504
	137,740	92,329

18. Investment income

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
DIC Pakistan Limited	135,090	96,252
IGI Insurance Limited	52,088	39,066
Nestle Pakistan Limited	328,432	328,432
Packages Lanka (Private) Limited	97,095	69,172
Tetra Pak Pakistan Limited	2,464,000	1,078,000
Tri-Pack Films Limited	50,000	-
	<u>3,126,705</u>	<u>1,610,922</u>

19. Taxation

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)			
Current	427,903	165,201	613,506	302,131
Deferred	(26,634)	85,133	106,366	158,133
	<u>401,269</u>	<u>250,334</u>	<u>719,872</u>	<u>460,264</u>

Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

20. Earnings per share

		Quarter ended		Half year ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		Un-audited	Un-audited	Un-audited	Un-audited
		(Rupees in thousand)			
20.1 Basic earnings per share					
Profit for the period	Rupees in thousand	1,536,657	885,872	3,129,467	1,896,143
Weighted average number of ordinary shares	Numbers	89,044,340	87,755,195	89,044,340	87,755,195
Earnings per share	Rupees	17.26	10.09	35.15	21.61
20.2 Diluted earnings per share					
Profit for the period	Rupees in thousand	1,536,657	885,872	3,129,467	1,896,143
Return on preference shares / convertible stock - net of tax	Rupees in thousand	60,545	69,092	109,150	134,439
		<u>1,597,202</u>	<u>954,964</u>	<u>3,238,617</u>	<u>2,030,582</u>
Weighted average number of ordinary shares	Numbers	89,044,340	87,755,195	89,044,340	87,755,195
Weighted average number of notionally converted preference shares / convertible stock	Numbers	16,997,282	18,311,151	16,997,282	18,311,151
		<u>106,041,622</u>	<u>106,066,346</u>	<u>106,041,622</u>	<u>106,066,346</u>
Earnings per share	Rupees	15.06	9.0	30.54	19.14

21. Transactions with related parties

Relationship with the Company	Nature of transactions	Half year ended	
		June 30, 2016	June 30, 2015
		Un-audited	Un-audited
(Rupees in thousand)			
i. Subsidiaries	Purchase of goods and services	486,724	467,279
	Sale of goods and services	56,947	19,374
	Investment in equity	-	1,910,134
	Dividend income	232,185	165,423
	Rental income	12,157	9,006
	Management and technical fee	16,473	10,311
	Expenses incurred on behalf of subsidiaries	193,414	170,423
ii. Joint venture	Purchase of goods and services	1,274,658	1,416,193
	Sale of goods and services	36,122	63,718
	Rental income and others	31,737	31,149
	Sale of property, plant & equipment	9,781	77
iii. Associates	Purchase of goods and services	491,709	433,811
	Sale of goods and services	1,058	4,036
	Insurance premium	69,833	68,970
	Commission earned	4,231	1,347
	Insurance claims received	32	800
	Rental income and other income	523	619
	Dividend income	102,088	39,066
	Sale of property, plant & equipment	-	1,834
	Investment in equity	366,667	-
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	46,103	43,240
v. Key management personnel	Salaries and other employee benefits	55,954	45,700

All transactions with related parties have been carried out on mutually agreed terms and conditions. There are no transactions with key management personnel other than under the terms of employment.

Period-end balances

	June 30, 2016	December 31, 2015
	Un-audited	Audited
	(Rupees in thousand)	
Receivable from related parties		
Subsidiaries	81,402	80,294
Joint venture	515,245	1,059,344
Associates	10,147	10,656
Payable to related parties		
Subsidiaries	80,377	89,347
Joint venture	130,616	232,766
Associates	59,431	58,485
Post employment benefit plans	15,762	14,590

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

22. Cash generated from operations

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	3,849,339	2,356,407
Adjustments for:		
Depreciation on property, plant and equipment	282,803	277,992
Depreciation on investment property	2,303	1,960
Amortisation on intangible assets	8,462	8,465
Provision for accumulating compensated absences	35,952	29,251
Provision for retirement benefits	3,552	7,141
Net profit on disposal of property, plant and equipment	(53,543)	(14,872)
Exchange loss	800	13,000
Finance costs	281,563	335,652
Provision for doubtful debts	21,170	30,347
Reversal of provision against pending claims	(32,357)	(56,384)
Provisions and unclaimed balances written back	(9,736)	(20,156)
Dividend income	(3,126,705)	(1,610,922)
Profit before working capital changes	1,263,603	1,357,881
Effect on cash flow due to working capital changes		
Decrease / (increase) in trade debts	43,226	(274,691)
Decrease in stores and spares	53,509	22,798
(Increase) / decrease in stock-in-trade	(7,546)	423,437
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(161,580)	287,809
(Decrease) / increase in trade and other payables	(18,662)	53,410
	(91,053)	512,763
	<u>1,172,550</u>	<u>1,870,644</u>

23. Cash and cash equivalents

Cash and bank balances	101,246	68,021
Finances under mark up arrangements - secured	(1,106,776)	(1,631,006)
	<u>(1,005,530)</u>	<u>(1,562,985)</u>

24. 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, 2015.

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

25. Date of authorisation for issue

This condensed interim financial information was authorised for issue on August 18, 2016 by the Board of Directors of the Company.

26. Events after the balance sheet date

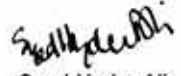
No material events have occurred subsequent to June 30, 2016.

27. 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 reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

**Packages Group
Condensed Consolidated Interim
Financial Information**

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2016

The Directors of Packages Limited are pleased to submit the un-audited consolidated financial statements of the Group for the half year ended June 30, 2016.

Group results

The comparison of the un-audited results for the half year ended June 30, 2016 as against June 30, 2015 is as follows:

	Jan - June 2016	Jan - June 2015
(Rupees in million)		
Net sales from operations	12,285	10,615
EBIT - operations	1,615	1,509
Share of profit in associates and joint venture - net of tax	270	169
Investment income	2,792	1,406
Profit after tax	3,328	2,047

During the first half of 2016, Group has achieved net sales of Rs. 12,285 million against net sales of Rs. 10,615 million achieved during corresponding period of last year representing sales growth of 16% with an operating profit of Rs. 1,615 million compared to Rs. 1,509 million generated during the corresponding period of the year 2015 representing an increase of 7%. This increase in operating profit is attributable to revenue growth, initiatives taken to further improve working capital cycle, lower fuel and energy costs and operational efficiencies.

Investment income has increased by Rs. 1,386 million during the first half of 2016 over corresponding values of 2015 that is due to improved performance of group companies and timing difference of declaration of dividend of investee companies.

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

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. 1,868 million during the first half of the year 2016 as compared to Rs. 1,686 million of the corresponding period of last year representing sales growth of 11%. This sales growth coupled with prudent management of raw material costs has helped in improved operating results of the Company as it has generated profit before tax of Rs. 293 million during the first half of the year 2016 as against Rs. 237 million generated during corresponding period of 2015 representing growth of 24%. 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. During the first half of 2016, the Company has achieved sales of SLR 956 million as compared to SLR 865 million of the corresponding period of last year representing sales growth of 11%. This increase in sales growth, waste reduction efforts and reduced fuel prices have helped in improving operating results of the Company as the Company has generated profit before tax of SLR 149 million during the first half of the year 2016 as against SLR 104 million generated during corresponding period of 2015. Moving forward, the Company's focus will remain on improving operating results through product diversification and price rationalisation.


Bulleh Shah Packaging (Private) Limited

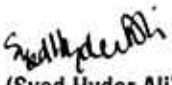
Bulleh Shah Packaging (Private) Limited is private limited company. It is principally engaged in the manufacturing and conversion of paper and paperboard products. The entity started its commercial operations in April 2013 upon transfer of Paper and Paperboard and Corrugated businesses from Packages Limited. The Company has achieved sales of Rs. 8,611 million during the first half of the year 2016 as compared to Rs. 8,284 million of the corresponding period of last year representing sales growth of 4%. The Company has generated profit before tax of Rs. 59 million during the first first half of the year 2016 as against loss of Rs. 99 million generated during corresponding period of 2015. This is primarily through prudent controls of raw materials.

Flexible Packages Convertors (Pty) Limited

Flexible Packages Convertors (Pty) Limited is private limited company based in South Africa. It is principally engaged in the manufacture of flexible packaging material. The company completed its acquisition of the operations of the business in June 2015. The company has achieved net sales revenue of ZAR 230 million with profit before tax of ZAR 10.3 million for the half year ended June 30, 2016.

The Group's development of a high quality retail mall at its Lahore land is currently underway and is on schedule for completion in 2016.


(Towfiq Habib Chinoy)
Chairman
Lahore, August 18, 2016


(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, August 18, 2016

روپے تھا اور یوں فروخت میں 11 فیصد اضافہ حاصل کیا گیا۔ فروخت میں یہ مثبت بہتری خام مال کے ضیاع میں کمی اور ایندھن کے نرخوں میں کمی آنے کے باعث ممکن ہو سکی جس سے کمپنی کے آپریٹنگ نتائج میں بہتری لانے میں مدد ملی جیسا کہ کمپنی نے سال 2016 کی پہلی ششماہی کے دوران 149 ملین سری لنکن روپے کا قتل از ٹیکس منافع حاصل کیا گیا جو 2015 کی اسی مدت کے دوران 104 ملین سری لنکن روپے تھا۔ آئندہ بھی کمپنی کی توجہ مصنوعات میں توسیع اور نرخوں کو مناسب سطح پر لانے کے ذریعے آپریٹنگ نتائج بہتر بنانے پر رہے گی۔

بلیسہ شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ

بلیسہ شاہ پیکیجنگ (پرائیویٹ) لمیٹڈ ایک پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر پیپر اور پیپر بورڈ مصنوعات کی تیاری اور منتقلی میں مصروف عمل ہے۔ ادارے نے اپنا کمرشل آپریشنز اپریل 2013 میں پیکیجنگ لمیٹڈ سے پیپر اور پیپر بورڈ اور کور و گلیفڈ بزنس کی منتقلی کے بعد شروع کیا تھا۔ کمپنی نے سال 2016 کی پہلی ششماہی کے دوران 8,611 ملین روپے کی فروخت حاصل کی جبکہ گزشتہ سال کی اس مدت میں 8,287 ملین روپے کی فروخت حاصل ہوئی تھی اور یوں 4 فیصد اضافہ ظاہر ہوتا ہے۔ کمپنی نے سال 2016 کی پہلی ششماہی کے دوران 59 ملین روپے کا قتل از ٹیکس منافع حاصل کیا برخلاف 99 ملین روپے کا خسارہ جو 2015 کی اس مدت کے دوران حاصل کیا گیا تھا جس کی وجہ خام مال پر سخت کنٹرول ہے۔

فلیکس ایبل پیکیجنگ کورپوریشنز (پروپرائیٹری) لمیٹڈ

فلیکس ایبل پیکیجنگ کورپوریشنز (پروپرائیٹری) لمیٹڈ جنوبی افریقہ میں قائم ایک پرائیویٹ لمیٹڈ کمپنی ہے۔ یہ بنیادی طور پر فلیکس ایبل پیکیجنگ سامان کی تیاری میں سرگرم عمل ہے۔ کمپنی نے کاروبار کے آپریشنز کا حصول جون 2015 میں مکمل کیا۔ کمپنی نے 30 جون 2016 کو ختم ہونے والی ششماہی کے لئے 230 ملین زید اے آر کا ریونیو اور 10.3 ملین زید اے آر کا قتل از ٹیکس منافع حاصل کیا۔

گروپ کی جانب سے موجودہ طور پر لاہور میں اس کی اراضی پر ایک نئی معیار کے رہنمائی کی تعمیر جاری ہے اور یہ شیڈول کے مطابق 2016 ہی میں مکمل کر لیا جائے گا۔

سید حیدر علی
(سید حیدر علی)

چیف ایگزیکٹو اور شیڈولنگ ڈائریکٹر

لاہور، 18 اگست، 2016

توفیق حبیب چنائے

چیرمین

لاہور، 18 اگست، 2016

30 جون 2016 کو ختم ہونے والی ششماہی کے لئے مجموعی مالیاتی حسابات پر ڈائریکٹرز کی رپورٹ

ٹیکسیز لمیٹڈ کے ڈائریکٹرز 30 جون 2016 کو ختم ہونے والی ششماہی کے لئے گروپ کے غیر آڈٹ شدہ مجموعی مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔
گروپ کے نتائج
30 جون 2016 کو ختم ہونے والی ششماہی کے لئے غیر آڈٹ شدہ مالیاتی نتائج بمقابلہ 30 جون 2015 درج ذیل کے مطابق ہیں۔

جنوری - جون 2015	جنوری - جون 2016	
		روپے ملین میں
10,615	12,285	کاروبار سے حاصل فروخت کی خالص رقم
1,509	1,615	ای بی آئی ٹی - آپریشنز
169	270	منسلک اداروں اور مشترکہ کاروبار میں نفع کا خالص از نیٹس حصہ
1,406	2,792	سرمایہ کاری سے آمدنی
2,047	3,328	منافع بعد از ٹیکس

2016 کی پہلی ششماہی کے دوران گروپ نے 12,285 ملین روپے کی خالص فروخت حاصل کی جبکہ اس کے برخلاف گزشتہ سال کی اس مدت کے دوران 10,615 ملین روپے کی خالص فروخت حاصل کی گئی تھی جس سے فروخت کی شرح میں 16 فیصد اضافہ ظاہر ہوتا ہے اس کے ساتھ 1,615 ملین روپے کا منافع حاصل ہوا جو کہ سال 2015 کی اس مدت کے دوران 1,509 ملین روپے تھا جس سے 7 فیصد اضافہ واضح ہوتا ہے۔ کاروباری منافع میں یہ اضافہ ریویو میں بہتری، سرمایہ کے استعمال کے لئے کئے جانے والے بہتری کے اقدامات، ایندھن اور توانائی کے اخراجات میں کمی اور کاروباری کفایت شعاری کے باعث ممکن ہوا۔

2016 کی پہلی ششماہی کے دوران سرمایہ کاری کی آمدنی میں 2015 کی اسی مدت کی مالیت کے مقابلے میں 1,386 ملین روپے کا اضافہ ہوا جو کہ گروپ کی کمپنیوں کی کارکردگی میں بہتری اور سرمایہ کار کمپنیوں کے منافع منقسمہ کے اعلان کے اوقات الگ الگ ہونے کے باعث ممکن ہو سکا۔

گروپ کے ذیلی اداروں کی آپریشنل کارکردگی کا ایک مختصر جائزہ درج ذیل کے مطابق ہے:

ڈی آئی سی پاکستان

دوران یہ رقم 1,686 ملین روپے تھی جو فروخت کی شرح میں 11 فیصد بہتری کو ظاہر کرتی ہے۔ فروخت کے ضمن میں یہ اضافہ خام مال کی مالیت کے بہتر انتظام کے ساتھ کمپنی کے آپریٹنگ نتائج کی بہتری میں بھی معاون رہا اور اس کے نتیجے میں سال 2016 کی پہلی ششماہی کے دوران 293 ملین روپے کا منافع قبل از ٹیکس حاصل ہوا جو کہ 2015 کی اس مدت کے دوران 237 ملین روپے تھا اور اس طرح 24 فیصد بہتر شرح نمو ظاہر ہوتی ہے۔ آئندہ بھی کمپنی آپریٹنگ اخراجات پر سخت ترین کنٹرول، مصنوعات میں توسیع، نرخوں کو مناسب سطح پر لانے اور ورکنگ سرمائے کے بہترین استعمال کے ذریعے آپریٹنگ نتائج مثبت بنانے پر توجہ مرکوز کرنے کا سلسلہ جاری رکھے گی۔

ٹیکسیز انکا (پرائیویٹ) لمیٹڈ

ٹیکسیز انکا (پرائیویٹ) لمیٹڈ سری لنکا میں قائم ٹیکسیز لمیٹڈ کا ایک ذیلی ادارہ ہے۔ یہ ابتدائی طور پر پلگڈ اور ٹیکسیٹنگ سولوشنز کے کاروبار میں مصروف عمل ہے۔ 2016 کی پہلی ششماہی کے دوران کمپنی نے 956 ملین سری لنکن روپے کی فروخت حاصل کی جبکہ اس کے مقابلے میں گزشتہ سال کی اس مدت میں یہ حجم 865 ملین سری لنکن

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
as at June 30, 2016

	June 30, 2016	December 31, 2015
Note	Un-audited	Audited
	(Rupees in thousand)	
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital		
150,000,000 (December 31, 2015: 150,000,000) ordinary shares of Rs. 10 each	1,500,000	1,500,000
22,000,000 (December 31, 2015: 22,000,000) 10% non-voting preference shares / convertible stock of Rs. 190 each	4,180,000	4,180,000
Issued, subscribed and paid up capital		
89,379,504 (December 31, 2015: 88,379,504) ordinary shares of Rs. 10 each	893,795	883,795
Reserves	41,605,886	41,606,293
Preference shares / convertible stock reserve	1,198,609	1,309,682
Equity portion of short term loan from shareholder of the Parent Company	74,003	46,596
Accumulated profit	4,419,265	4,316,773
	48,191,558	48,163,139
NON-CONTROLLING INTEREST	1,692,662	929,138
	49,884,219	49,092,277
NON-CURRENT LIABILITIES		
Long term finances	7,872,990	5,762,485
Liabilities against assets subject to finance lease	182,141	192,374
Deferred tax	848,217	693,332
Retirement benefits	41,054	40,425
Deferred liabilities	283,409	248,256
	9,227,811	6,936,872
CURRENT LIABILITIES		
Current portion of long term liabilities - secured	789,080	551,640
Short term loan from shareholder of the Parent Company - unsecured	475,212	478,110
Finances under mark up arrangements - secured	1,676,623	1,183,699
Trade and other payables	4,130,359	4,784,041
Accrued finance cost	213,264	367,612
Provision for taxation	1,939	27,323
	7,286,477	7,392,425
CONTINGENCIES AND COMMITMENTS	-	-
	66,398,507	63,421,574

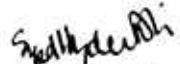
	Note	June 30, 2016 Un-audited	December 31, 2015 Audited
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	6,275,228	5,538,426
Intangible assets		151,377	150,437
Investment property		8,149,438	5,110,248
Investments accounted for under equity method	13	14,152,518	13,620,616
Other long term investments	14	26,654,241	28,478,865
Long term loans and deposits	15	45,404	40,384
		55,428,206	52,938,976


CURRENT ASSETS

Stores and spares		483,014	539,550
Stock-in-trade		2,789,043	2,715,346
Trade debts		3,070,937	2,874,022
Loans, advances, deposits, prepayments and other receivables		1,015,038	1,369,863
Income tax receivable	16	3,317,520	2,542,123
Cash and bank balances	17	294,748	441,694
		10,970,300	10,482,598
		66,398,507	63,421,574

The annexed notes 1 to 30 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the quarter and half year ended June 30, 2016

	Note	Quarter ended		Half year ended	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
(Rupees in thousand)					
Local sales		6,621,655	6,114,950	13,867,432	12,088,285
Export sales		62,108	63,274	124,342	134,171
Gross sales		6,683,763	6,178,224	13,991,774	12,222,456
Less: Sales tax and excise duty		788,723	787,986	1,675,553	1,578,931
Commission		14,255	15,284	30,955	28,391
		802,978	803,270	1,706,508	1,607,322
Net sales		5,880,785	5,374,954	12,285,266	10,615,134
Cost of sales	18	(4,579,873)	(4,055,203)	(9,344,843)	(8,210,888)
Gross profit		1,300,912	1,319,751	2,940,423	2,404,246
Administrative expenses		(326,775)	(294,814)	(686,719)	(526,460)
Distribution and marketing costs		(297,445)	(171,358)	(639,177)	(368,658)
Other operating expenses		(167,099)	(111,778)	(324,396)	(217,633)
Other operating income	19	93,487	68,411	182,617	105,061
Profit from operations		603,080	810,211	1,472,748	1,396,556
Finance costs		(231,368)	(191,189)	(360,589)	(374,682)
Investment income	20	1,560,433	636,432	2,792,432	1,406,432
Share of profit of investments accounted for using the equity method - net of tax		33,062	298,829	270,250	169,422
Profit before taxation		1,965,207	1,554,283	4,174,841	2,597,728
Taxation		(503,706)	(319,613)	(846,907)	(550,835)
Profit for the period		1,461,501	1,234,670	3,327,934	2,046,893
Attributable to:					
Equity holders of the Parent Company		1,397,974	1,182,857	3,192,056	1,954,611
Non-controlling interest		63,527	51,813	135,878	92,282
		1,461,501	1,234,670	3,327,934	2,046,893
Earnings per share attributable to equity holders of the Parent Company					
Basic earnings per share	Rupees 21	15.70	13.48	35.85	22.27
Diluted earnings per share	Rupees 21	13.75	11.80	31.13	19.70

The annexed notes 1 to 30 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and half year ended June 30, 2016

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(R u p e e s i n t h o u s a n d)			
Profit for the period	1,281,041	1,234,670	3,327,934	2,046,893
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of retirement benefit asset	(5,516)	5,160	(5,516)	5,160
Tax effect	1,655	(4,913)	1,655	(4,913)
	(3,861)	247	(3,861)	247
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange difference on translation of foreign subsidiary	(31,697)	(12,117)	95,448	(16,845)
Share of other comprehensive loss of investments accounted for under equity method - net of tax	(2,927)	-	(2,927)	-
Surplus / (deficit) on remeasurement of available for sale financial assets	1,115,757	(817,432)	(1,824,624)	2,375,660
	1,081,132	(829,549)	(1,732,103)	2,358,815
Other comprehensive income for the period	1,077,271	(829,302)	(1,735,964)	2,359,062
Total comprehensive income for the period	2,358,312	405,368	1,591,971	4,405,955
Attributable to:				
Equity holders of the Parent Company	2,310,325	354,111	1,414,819	4,315,219
Non-controlling interest	47,987	51,257	177,151	90,736
	2,358,312	405,368	1,591,971	4,405,955

The annexed notes 1 to 30 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) for the half year ended June 30, 2016

	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	Capital Redemption Reserve	Other reserves relating to associates & Joint venture	Equity portion of short term loan	Accumulated profit	Total		
Balance as on December 31, 2014 (audited)	63,795	1,020,289	18,617	28,222,250	12,760,220	1,571,088	-	(26,700)	-	3,267,572	38,538,381	302,868	58,398,556
Appropriation of funds transferred to general reserve	-	-	-	-	1,500,000	-	-	-	-	(1,500,000)	-	-	-
Transactions with owners recognized directly in equity													
Conversion of preference shares/convertible stock into ordinary shares capital (2,000,000 ordinary shares of Rs. 10 each)	20,000	355,000	-	-	-	(282,917)	-	-	-	-	83,021	-	113,820
Final dividend for the year ended December 31, 2014 @ Rs. 6 per share	-	-	-	-	-	-	-	-	-	(786,419)	(786,419)	-	(786,419)
Non-controlling interests on acquisition of subsidiary Package Connectors (Proprietary) Limited	-	-	-	-	-	-	-	-	-	-	-	894,106	894,106
Equity portion of short term loan from shareholder of the parent company (note-5)	-	-	-	-	-	-	-	-	21,444	-	21,444	-	21,444
Dividend relating to 2014 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(57,716)	(57,716)
Total transactions with owners, recognized directly in equity	20,000	355,000	-	-	-	(282,917)	-	-	21,444	(786,419)	(691,657)	336,390	(54,849)
Total comprehensive income for the period ended June 30, 2015	-	-	-	-	-	-	-	-	-	1,954,011	1,954,011	82,292	2,040,000
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on remeasurement of available for sale financial assets	-	-	-	2,375,000	-	-	-	-	-	-	2,375,000	-	2,375,000
Reassessment of net defined benefit asset / liability - net of tax	-	-	-	-	-	-	-	-	-	247	247	-	247
Exchange difference on translation of foreign subsidiary	-	-	(15,290)	-	-	-	-	-	-	-	(15,290)	(1,946)	(16,846)
Total comprehensive income for the period	-	-	(15,290)	2,375,000	-	-	-	-	-	1,954,011	4,719,211	80,292	4,485,855
Balance as on June 30, 2015 (un-audited)	83,795	1,396,789	4,327	30,597,250	13,760,220	1,308,082	-	(26,700)	21,444	3,064,014	34,718,527	1,000,888	55,338,624
Share of other reserves of investments accounted for under equity method	-	-	-	-	-	-	-	4,307	-	-	4,307	-	4,307
Transactions with owners, recognized directly in equity													
Dividend relating to 2014 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,800	1,800
Non-controlling interests on acquisition of subsidiary Package Connectors (Proprietary) Limited	-	-	-	-	-	-	-	-	-	-	-	7,000	7,000
Equity portion of short term loan from shareholder of the parent company (note-5)	-	-	-	-	-	-	-	-	25,152	-	25,152	-	25,152
Total transactions with owners, recognized directly in equity	-	-	-	-	-	-	-	-	25,152	-	25,152	18,500	44,000
Total comprehensive income for the period ended December 31, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment of retirement benefit asset / liability net of tax	-	-	-	-	-	-	-	-	-	-	(65,574)	(146)	(66,010)
Exchange difference on translation of foreign subsidiary	-	-	(140,513)	-	-	-	-	-	-	-	(140,513)	(73,025)	(417,130)
Deficit on measurement of available for sale financial assets	-	-	-	(1,103,000)	-	-	-	-	-	-	(1,103,000)	-	(7,116,882)
Other comprehensive income of investments accounted for under equity method	-	-	-	-	-	-	-	(15,131)	-	-	(15,131)	-	(15,131)
Total comprehensive income for the period	-	-	(140,513)	(1,103,000)	-	-	-	(15,131)	-	1,290,798	(6,112,917)	(74,027)	(6,298,864)
Balance as on December 31, 2015 (audited)	83,795	1,396,789	(291,186)	29,494,250	13,760,220	1,308,082	-	(22,342)	46,596	4,364,712	48,605,118	1,024,888	60,002,277
Appropriation of funds transferred to general reserve	-	-	-	-	1,500,000	-	-	-	-	(1,500,000)	-	-	-
Transactions with owners recognized directly in equity													
Conversion of preference shares/convertible stock into ordinary shares capital (1,000,000 ordinary shares of Rs. 10 each)	10,000	173,000	-	-	-	(74,400)	-	-	-	-	81,200	-	113,800
Dividend relating to 2015 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(162,020)	(162,020)
Final dividend for the year ended December 31, 2015 - @ Rs. 15.00 per share	-	-	-	-	-	-	-	-	-	(1,340,000)	(1,340,000)	-	(1,340,000)
Redemption of preference shares / convertible stock (500,000 preference shares of Rs. 100 each)	-	-	-	-	-	(33,000)	93,000	-	-	(245,000)	(169,000)	-	(187,000)
Equity portion of short term loan from shareholder of the holding company of reorganization	-	-	-	-	-	-	-	-	27,407	-	27,407	-	27,407
Interest acquired in subsidiary Package Constructors (Pvt) Limited by Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	750,000	750,000
Total transactions with owners, recognized directly in equity	10,000	173,000	-	-	-	(74,400)	93,000	-	27,407	(1,585,000)	(1,368,400)	586,977	(860,420)
Total comprehensive income for the period ended June 30, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income:	-	-	-	-	-	-	-	-	-	-	-	-	-
Reassessment of retirement benefit asset - net of tax	-	-	-	-	-	-	-	-	-	-	(3,081)	-	(3,081)
Deficit on measurement of available for sale financial assets	-	-	-	(1,024,000)	-	-	-	-	-	-	(1,024,000)	-	(1,024,000)
Other reserves of investments accounted for under equity method	-	-	-	-	-	-	-	(267)	-	-	(267)	-	(267)
Exchange difference on translation of foreign subsidiary	-	-	94,075	-	-	-	-	-	-	-	94,075	41,570	135,645
Total comprehensive income for the period	-	-	94,075	(1,024,000)	-	-	-	(267)	-	3,188,195	1,614,818	17,191	1,501,917
Balance as on June 30, 2016 (un-audited)	93,795	2,569,789	(166,809)	28,470,250	15,260,220	1,333,682	93,000	(23,349)	74,003	4,402,907	49,195,554	1,042,079	60,694,214

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director

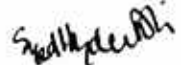

Asghar Abbas
Director

PACKAGES LIMITED
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the half year ended June 30, 2016

	Note	Half year ended	
		June 30, 2016	June 30, 2015
		Un-audited	Un-audited
(Rupees in thousand)			
Cash flow from operating activities			
Cash generated from operations	24	1,381,112	2,067,050
Finance cost paid		(590,479)	(698,575)
Taxes paid		(1,491,148)	(483,106)
Payments for accumulating compensated absences and staff gratuity		(12,390)	(10,264)
Retirement benefits paid		(8,439)	(9,400)
Net cash (used in) / generated from operating activities		(721,344)	865,705
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(968,700)
Fixed capital expenditure		(4,028,061)	(2,012,275)
Investments - net		(366,667)	-
Net (increase) / decrease in long term loans and deposits		(5,020)	879
Proceeds from sale of property, plant and equipment		91,655	34,398
Dividends received		2,792,433	1,445,498
Net cash used in investing activities		(1,515,660)	(1,500,200)
Cash flow from financing activities			
Proceeds from long term finances - secured		2,707,033	894,080
Proceeds received by Non-controlling interest on interest acquisition in subsidiary		750,000	-
Redemption of preference shares capital		(297,500)	-
Repayment of long-term finances - secured		(100,000)	(136,052)
Short term loan from Shareholder of the Parent Company		-	500,000
Liabilities against assets subject to finance lease - net		42,099	(4,747)
Dividend paid to equity holders of the Parent Company		(1,340,870)	(786,908)
Dividend paid to non-controlling interest		(163,628)	(97,719)
Net cash generated from financing activities		1,597,134	368,654
Net decrease in cash and cash equivalents		(639,870)	(265,841)
Cash and cash equivalents at the beginning of the period		(742,005)	(1,147,286)
Cash and cash equivalents at the end of the period	25	(1,381,875)	(1,413,127)

The annexed notes 1 to 30 form an integral part of this condensed consolidated interim financial information.


Towfiq Habib Chinoy
Chairman


Syed Hyder Ali
Chief Executive & Managing Director


Asghar Abbas
Director

PACKAGES GROUP
NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)

for the half year ended June 30, 2016

1. Legal status and nature of business

Packages Limited (the Parent Company) and its subsidiaries, DIC Pakistan Limited, Packages Lanka (Private) Limited, Packages Construction (Private) Limited, Anemone Holdings Limited and Flexible Packages Converters (Proprietary) 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 Group also holds investment in companies engaged in the manufacture and sale of paper, paperboard and corrugated boxes, biaxially oriented polypropylene (BOPP) film and cast polypropylene (CPP) film, plastic and companies engaged in insurance business.

The registered office of the Group is situated at 4th Floor, the Forum, Suite No. 416 - 422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan. Head office is located at Shahrah-e-Roomi, P.O. Amer Sidhu, Lahore, Pakistan.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 ('the Ordinance') and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

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, 2015 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

There were certain new standards, amendments to the approved accounting standards and new interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Interpretations which became effective during the period but are not considered to be relevant and are, therefore, not disclosed in this condensed interim financial information except for the amendments as explained below:

Annual improvements 2014 applicable for annual periods beginning on or after January 01, 2016. The amendments include changes from the 2012-14 cycle of the annual improvements project that affect 4 standards: IFRS 5, 'Non current assets held for sale and discontinued operations' regarding methods of disposal, IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts, IAS 19, 'Employee benefits' regarding discount rates and IAS 34, 'Interim financial reporting' regarding disclosure of information. The application of these amendments do not have a material impact on the condensed interim financial information.

Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative. These amendments are part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016, subject to EU endorsement. The application of this amendment does not have a material impact on the condensed interim financial information.

Amendments to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets' are applicable on accounting periods beginning on or after January 01, 2016. IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The application of these amendments do not have a material impact on the condensed interim financial information.

IAS 27 (Amendments), 'Separate financial statements' are applicable on accounting periods beginning on or after January 1, 2016. These allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Group has decided to continue with its existing accounting policy.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' are applicable on accounting periods beginning on or after January 01, 2016. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The application of these amendments do not have a material impact on the condensed interim financial information.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' are applicable on accounting periods beginning on or after January 01, 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The application of these amendments do not have a material impact on the condensed interim financial information.

Amendments to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation is applicable on accounting periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment specify the appropriate accounting treatment for such acquisitions. The application of these amendments do not have a material impact on the condensed interim financial information.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective

Standards or Interpretations	Effective date (accounting periods beginning on or after)
Amendments to IAS 7, 'Statement of cash flows'	January 01, 2017
Amendments to IAS 12, 'Income taxes'	January 01, 2017
Amendments to IFRS 2, 'Share based payments'	January 01, 2018
Amendments to IFRS 15, 'Revenue from contracts with customers'	January 01, 2018
IFRS 9, 'Financial instruments'	January 01, 2018
IFRS 14 'Regulatory deferral accounts'	January 01, 2017
IFRS 15, 'Revenue from contracts with customers'	January 01, 2018
IFRS 16, 'Leases'	January 01, 2019

4. Taxation

The provision for taxation for the half year ended June 30, 2016 has been made using the tax rates that would be applicable to expected total annual earnings.

5. Estimates

The preparation of this condensed interim 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 expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Groups'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, 2015, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in Note 4.

6. Equity portion of short term loan from shareholder of the Parent Company

This represents equity portion of interest free short term loan from shareholder of the holding company as referred in note 9. As per the original loan agreement it was repayable on June 10, 2016. On June 11, 2016 the terms of the loan were modified and tenure of the loan was extended. According to the revised terms, the loan is now repayable on December 31, 2016. The gain of Rs. 27.407 million from renegotiation is classified directly in equity as a capital contribution of the shareholder of the holding company.

	Note	June 30, 2016	December 31, 2015
		Un-audited	Audited
(Rupees in thousand)			
Opening balance		46,596	-
Equity portion of loan at initial recognition	9	-	71,302
Equity portion of loan at renegotiation		27,407	-
Interest during the period	9	-	(24,706)
Closing balance		<u>74,003</u>	<u>46,596</u>

7. Long-term finances

		June 30, 2016	December 31, 2015
		Un-audited	Audited
(Rupees in thousand)			
These are composed of:			
Local currency loans - secured			
Term finance loan		-	100,000
Long term finance facility	7.1	2,000,000	2,000,000
Term loan		155,977	188,991
Term finance facility		3,425,376	985,950
Foreign currency loan secured		1,081,441	921,360
		6,662,794	4,196,301
Preference shares / convertible stock unsecured	7.2	1,844,015	2,014,895
		8,506,809	6,211,196
Current portion shown under current liabilities			
Term finance loan		-	(100,000)
Long term finance facility		(571,428)	(285,714)
Term loan		(62,391)	(62,997)
		(633,819)	(448,711)
Closing balance		7,872,990	5,762,485

7.1 This includes local currency loan of Rs. 2,000 million (December 31, 2015: Rs. 2,000 million) availed from Meezan Bank Limited as per arrangements permissible under Shariah. Out of the total outstanding amount, two installments aggregating Rs. 571.428 million are due before June 30, 2017.

7.2 Preference shares / convertible stock - unsecured

Opening balance		2,014,895	2,128,815
Transfer to capital and reserves [1,000,000 shares (December 31, 2015: 1,000,000 shares)] - for conversion into ordinary shares	7.2.1	(113,920)	(113,920)
Extinguishment of liability upon redemption of preference shares [500,000 shares (December 31, 2015: Nil)]	7.2.2	(56,960)	-
Closing balance		1,844,015	2,014,895

7.2.1 During the period, IFC exercised its right to convert 1,000,000 (December 31, 2015: 1,000,000) preference shares / convertible stock of Rs. 190 into 1,000,000 (December 31, 2015: 1,000,000) ordinary shares of Rs. 10 each. Consequently, the Parent Company converted 1,000,000 (December 31, 2015: 2,000,000) preference shares / convertible stock during the period. Accordingly, the

liability portion pertaining to 1,000,000 preference shares / convertible stock (December 31, 2015: 1,000,000) converted into ordinary shares has been transferred to capital and reserves.

- 7.2.2 During the period, IFC exercised its right to redeem 500,000 (December 31, 2015: Nil) preference shares / convertible stock of Rs. 190 into cash. The redemption price was mutually agreed between the Parent Company and IFC at Rs. 595 per share aggregating to Rs. 297.5 million. Consequently, the liability portion of Rs. 56.96 million was extinguished along with the equity portion of Rs. 37.024 million. The redemption consideration of Rs. 595 per share has been allocated to liability and equity portion in the same manner as was used for separation of these components at the time of initial recognition at the prevailing market rates.

The fair value of the liability component at redemption is calculated by discounting cash flows at a rate of approximately 8.6 percent till perpetuity which represents the rate of similar instrument with no associated equity component. The premium paid on redemption of liability component of Rs. 53.505 million has been recognised in the profit and loss account and included in finance costs while that on equity component of Rs. 150.010 million has been directly charged to retained earnings. Further, in order to comply with section 85 of the Companies' Ordinance, 1984, the Parent Company has transferred an amount of Rs. 95 million from retained earnings to 'Capital redemption reserve'.

8. The Divisional Bench of Sindh High Court in an order dated May 7, 2013 in case of another company has interpreted section 113(2)(c) of the Income Tax Ordinance, 2001 ('Ordinance') in the manner that the benefit of carry forward of minimum tax paid is not available, if otherwise no tax was payable by the company due to taxable loss.

Taking a prudent view on the matter the Parent Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 314.854 million (December 31, 2015: Rs. 314.854 million) available under section 113 of the Ordinance. Tax credits under section 113 of the Ordinance amounting to Rs. 203.917 million and Rs. 110.934 million are set to lapse by the end of years ending on December 31, 2016 and 2017 respectively.

9. **Short term loan from shareholder of the Parent Company - unsecured**

	June 30, 2016	December 31, 2015
	Un-audited	Audited
	(Rupees in thousand)	
Loan is recognised in the balance sheet as follows:		
Opening balance	478,110	-
Gross proceeds of loan	-	600,000
Equity portion of loan at initial recognition	-	(46,596)
Equity portion of loan at renegotiation	(27,407)	-
	450,703	553,404
Repayment during the year	-	(100,000)
Interest during the period	24,509	24,706
Closing balance	475,212	478,110

- 9.1 This loan has been obtained from Syed Babar Ali, shareholder of the Parent Company and is interest free. The loan was originally repayable on June 10, 2016. The subsidiary, Packages Construction (Private) Limited, renegotiated the loan during the period and it is now payable on December 31, 2016.

10. This includes Rs. 38.820 million (December 31, 2015 : Rs. 133.119 million) placed under permissible Shariah modes.

11. Contingencies and commitments

11.1 Contingencies

- (i) Claims against the Group not acknowledged as debts Rs. 20.410 million (December 31, 2015: Rs. 20.077 million)
- (ii) Post dated cheques not provided in the condensed interim financial information have been furnished by the Group in favor of the Collector of Customs against custom levies aggregated to Rs. 44.177 million (December 31, 2015: Rs. 72.248million) in respect of goods imported.
- (iii) Guarantees issued in favor of Excise and Taxation officer amounting to Rs. 1.624 million (December 31, 2015: Rs. 0.660 million)
- (iv) Guarantees to Director General Customs amounting to Rs. 15 million (December 31, 2015: Nil)
- (v) Standby letter of credit issued by Habib Bank Limited Pakistan ('HBL Pakistan') in favor of Habib Bank Limited Bahrain ('HBL Bahrain') on behalf of the Parent Company USD 11.422 million (Equivalent to PKR 1,194.715 million) (December 2015: USD 11.770 million (Equivalent to PKR 1,232.781 million))

11.2 Commitments in respect of

- (i) Letters of credit and contracts for capital expenditure Rs. 1,968.958 million (December 31, 2015: Rs. 2,875.358 million)
- (ii) Letters of credit and contracts other than for capital expenditure Rs. 439.886 million (December 31, 2015: Rs. 237.869 million)
- (iii) The amount of future payments under operating leases and the period in which these payments will become due are as follows:

Note	June 30, 2016	December 31, 2015
	Un-audited	Audited
	(Rupees in thousand)	
Not later than one year	61,979	75,987
Later than one year and not later than five years	231,119	288,672
Later than five years	119,177	212,751
	412,275	577,410

12. Property, plant and equipment

Operating assets - at net book value		
Owned assets	4,811,062	4,643,490
Assets subject to finance lease	719,075	657,575
	12.2 5,530,137	5,301,065
Capital work-in-progress	12.3 745,091	237,361
	6,275,228	5,538,426

12.1 A portion of the land on which the Parent Company's Lahore plant is situated is on lease from the Government of Punjab since the past 60 years. The term of this lease has expired in December 2015 and the Parent Company has filed an application with the relevant authorities for its renewal.

12.2 Operating assets

		June 30, 2016	December 31, 2015
	Note	Un-audited	Audited
(Rupees in thousand)			
Opening net book value		5,301,065	3,932,187
Additions during the period / year	12.2.1	510,766	2,152,601
Transfer in at book value net		47,296	-
		5,859,127	6,084,788
Disposals during the period / year at book value		(38,110)	(30,945)
Transferred out		-	(6,074)
Depreciation charged during the period / year		(411,342)	(719,606)
Exchange adjustment on opening book value - net		120,462	(27,098)
		(328,990)	(783,723)
Closing book value		5,530,137	5,301,065

12.2.1 Following is the detail of additions during the period / year

Freehold land	2,334	26,641
Buildings on freehold land	1,477	3,216
Buildings on leasehold land	-	23,439
Plant and machinery	407,241	1,844,702
Other equipment	49,959	112,903
Furniture and fixtures	3,503	21,657
Vehicles	46,252	120,043
	510,766	2,152,601

12.3 Capital work-in-progress

Civil works	37,109	11,229
Plant and machinery	663,394	202,281
Advance to suppliers	25,296	6,258
Advance for procurement of land	19,292	17,593
	745,091	237,361

13. Investments accounted for using the equity method

Investments in associates	13.1	4,235,942	3,773,974
Investment in joint venture	13.2	9,916,576	9,846,642
		14,152,518	13,620,616

13.1 Investments in associates

Opening balance		3,773,974	3,531,225
Interest acquired in associate - Tri-pack Films Limited		366,667	-
Share of profit from associates - net of tax		197,389	304,931
Share of other comprehensive income - net of tax		-	(6,069)
Share of other reserves of associates		-	8,997
Dividends received during the period		(102,088)	(65,110)
Closing balance	13.1.1	4,235,942	3,773,974

13.1.1 In equity instruments of associated companies

	June 30, 2016	December 31, 2015
	Un-audited	Audited
	(Rupees in thousand)	
Quoted		
IGI Insurance Limited		
13,022,093 (December 31, 2015: 13,022,093) fully paid ordinary shares of Rs. 10 each Equity held 10.61% (2015: 10.61%) Market value - Rs. 2,484.875 million (December 31, 2015: Rs. 3,080.636 million)	1,284,083	1,313,389
Tri-Pack Films Limited		
12,933,333 (December 31, 2015: 10,000,000) fully paid ordinary shares of Rs. 10 each Equity held 33.33% (2015: 33.33%) Market value - Rs. 2,352.443 million (December 31, 2015: Rs. 2,466.8 million)	2,951,859	2,460,585
IGI Investment Bank Limited		
4,610,915 (December 31, 2015: 4,610,915) fully paid ordinary shares of Rs. 10 each Equity held 2.17% (2015: 2.17%) Market value - Rs. 5.763 million (December 31, 2015: Rs 7.239 million)	-	-
	<u>4,235,942</u>	<u>3,773,974</u>
13.2 Investment in joint ventures		
Opening balance	9,846,642	9,917,652
Cost of investment	-	10,799
Share of profit / (loss) from joint venture - net of tax	72,861	(72,008)
Share of other comprehensive loss from joint venture - net of tax	(2,927)	(9,062)
Dividend received	-	(739)
Closing balance	9,916,576	9,846,642
13.2.1 Investment in equity instruments of joint ventures - unquoted		
Bulleh Shah Packaging (Private) Limited		
709,718,013 (2015: 709,718,013) fully paid ordinary shares of Rs. 10 each Equity held 65 % (2015: 65%)	9,904,728	9,836,339
Plastic Extrusions (Proprietary) Limited		
500 (2015: 500) Fully paid ordinary shares of ZAR 1 each	11,848	10,303
Equity held 50 % (2015: 50%)	<u>9,916,576</u>	<u>9,846,642</u>

14. Other long term investments

	June 30, 2016	December 31, 2015
Note	Un-audited	Audited
	(Rupees in thousand)	
Quoted		
Nestle Pakistan Limited		
3,649,248 (December 31, 2015: 3,649,248) fully paid ordinary shares of Rs. 10 each		
Equity held 8.05% (December 31, 2015: 8.05%)	26,639,510	28,464,134
Cost - Rs. 5,778.896 million (December 31, 2015: Rs. 5,778.896 million)	14.1&14.2	
Unquoted		
Tetra Pak Pakistan Limited		
1,000,000 (December 31, 2015: 1,000,000) fully paid non-voting shares of Rs. 10 each	14.1	10,000
Pakistan Tourism Development Corporation Limited		
2,500 (December 31, 2015: 2,500) fully paid ordinary shares of Rs. 10 each		25
Orient Match Company Limited		
1,900 (December 31, 2015: 1,900) fully paid ordinary shares of Rs. 100 each		-
Coca-Cola Beverages Pakistan Limited		
500,000 (December 31, 2015: 500,000) fully paid ordinary shares of Rs. 10 each		4,706
	26,654,241	28,478,865

14.1 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.

14.2 As of June 30, 2016, an aggregate of 410,000 shares (December 31, 2015: 310,000) of Nestle Pakistan Limited having market value Rs. 2,993 million (December 31, 2015: Rs. 2,418 million) were pledged in favor of Habib Bank Limited Pakistan against issuance of standby letter of credit in favor of HBL Bahrain as referred to in note 11.1.

15. This includes a markup bearing unsecured loan given to Sui Northern Gas Pipelines Limited (SNGPL). Outstanding amount of loan is Rs. 32.8 million (December 31, 2015: Rs. 32.8 million) including a short term portion of Rs. 16.4 million (December 31, 2015: Rs. 16.4 million) classified under current assets.

16. The Income Tax department has amended the deemed order for the tax year 2014 raising tax demand of Rs. 606.325 million which is currently stayed by the Commissioner Inland Revenue upon partial payment of Rs. 50 million by the Parent Company. In this Order, among other issues, the income tax department has not accepted the Parent Company's contention for non-taxation of the transfer of paper & paperboard and corrugated business segments to joint venture, Bulleh Shah Packaging (Private) Limited, under section 97 of the Income Tax Ordinance, 2001. Such transfer has been taxed as capital gain on the value of assets transferred. The matter is currently being contested before the Commissioner (Appeals).

Further, certain other disallowances effectively reducing available tax losses by Rs. 793 million, have also been made by the department in respect of tax years 2009 to 2013, through orders framed during the period. These are currently being contested before the Commissioner (Appeals).

The Parent Company has not made any provision against the above demand or disallowances as the management is confident that the ultimate outcome of the appeals would be in favor of the Parent Company, inter alia on the basis of the advice of the independent tax consultant and the relevant law and the facts.

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 Parent 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 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.

17. This includes Rs. 4.263 million (December 31, 2015: Rs. 1.970 million) placed under permissible Shariah modes. Balances with banks include Rs. 143.108 million (December 31, 2015: Rs. 135.742 million) placed in interest bearing saving accounts.

18. Cost of sales

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n t h o u s a n d)			
Materials consumed	3,284,813	2,927,519	6,649,884	5,831,146
Salaries, wages and amenities	409,565	296,522	801,612	600,347
Travelling and conveyance	10,267	8,874	16,603	15,228
Fuel and power	168,474	212,719	332,566	397,426
Production supplies	118,446	96,721	257,767	198,496
Excise duty and sales tax	247	559	551	651
Rent, rates and taxes	8,779	1,241	18,722	1,659
Insurance	12,673	11,715	22,718	21,480
Repairs and maintenance	129,117	97,655	231,342	191,827
Packing expenses	102,659	96,388	218,465	189,586
Depreciation on property, plant and equipment	176,946	160,530	352,577	305,898
Amortisation of intangible assets	2,434	2,434	4,867	4,867
Depreciation on assets subject to finance lease	13,305	-	25,192	-
Technical fee and royalty	48,996	25,587	75,487	44,823
Other expenses	68,746	62,839	149,497	119,264
	4,555,467	4,001,303	9,157,850	7,922,698
Opening work-in-process	274,042	309,765	324,838	327,674
Closing work-in-process	(269,251)	(284,581)	(269,251)	(284,581)
Cost of goods produced	4,560,258	4,026,487	9,213,437	7,965,791
Opening stock of finished goods	585,001	553,029	696,792	769,410
Closing stock of finished goods	(565,386)	(524,313)	(565,386)	(524,313)
	4,579,873	4,055,203	9,344,843	8,210,888

19. Other income

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Interest on saving accounts	13,285	3,195
Interest on loan to SNGPL	123	182
Rental income from investment property	31,784	25,878
Profit on disposal of property, plant and equipment	53,745	15,811
Scrap sales	6,867	7,518
Management and technical fee from related party	16,473	-
Insurance commission from related party	4,627	1,733
Provisions and unclaimed balances written back	11,220	21,234
Rebate income	20,097	4,339
Others	24,396	25,171
	182,617	105,061

20. Investment income

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Nestle Pakistan Limited	328,432	328,432
Tetra Pak Pakistan Limited	2,464,000	1,078,000
	<u>2,792,432</u>	<u>1,406,432</u>

21 Earnings per share

	Quarter ended		Half year ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Un-audited	Un-audited	Un-audited	Un-audited
	(R u p e e s i n t h o u s a n d)			

21.1 Basic earnings per share

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	1,397,974	1,182,857	3,192,056	1,954,611
Weighted average number of ordinary shares	Numbers	89,044,340	87,755,195	89,044,340	87,755,195
Earnings per share	Rupees	15.70	13.48	35.85	22.27

21.2 Diluted earnings per share

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	1,397,974	1,182,857	3,192,056	1,954,611
Return on preference shares / convertible stock - net of tax	Rupees in thousand	60,545	69,092	109,150	134,439
		<u>1,458,519</u>	<u>1,251,949</u>	<u>3,301,206</u>	<u>2,089,050</u>
Weighted average number of ordinary shares	Numbers	89,044,340	87,755,195	89,044,340	87,755,195
Weighted average number of notionally converted preference shares / convertible stock	Numbers	16,997,282	18,311,151	16,997,282	18,311,151
		<u>106,041,622</u>	<u>106,066,346</u>	<u>106,041,622</u>	<u>106,066,346</u>
Diluted earnings per share	Rupees	13.75	11.80	31.13	19.70

22. Transactions with related parties

Relationship with the Group	Nature of transactions	Half year ended	
		June 30, 2016	June 30, 2015
		Un-audited	Un-audited
(Rupees in thousand)			
i Associated undertakings	Purchase of goods and services	505,832	449,132
	Sale of goods and services	1,058	4,036
	Dividend income	102,088	39,066
	Sale of property plant & equipment	-	1,834
	Insurance premium	83,085	79,919
	Rental and other income	523	619
	Insurance claims received	32	800
	Commission earned	4,626	1,733
	Investment in equity	366,667	-
	Share capital issued	750,000	-
ii Joint venture	Purchase of goods and services	1,286,646	1,419,847
	Sale of goods and services	151,815	102,330
	Rental and other income	31,737	31,149
	Sale of property plant & equipment	9,781	77
iii Other related parties	Purchase of goods and services	49,031	133,187
	Royalty and technical fee - expense	39,709	34,804
	Rebate received	-	-
	Proceeds against loan from shareholder of the Parent Company	-	500,000
iv Post employment benefit plans	Expenses charged in respect of retirement benefit plans	58,274	53,493
v Key management personnel	Salaries and other employee benefits	100,472	73,776

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

Period-end balances

	June 30, 2016	December 31, 2015
	Un-audited	Audited
(Rupees in thousand)		
Receivable from related parties		
Associates	16,664	19,531
Joint venture	555,777	1,092,315
Other related parties	4,182	677
Payable to related parties		
Associates	61,814	60,806
Joint venture	134,942	233,529
Other related parties	16,786	65,360
Post employment benefit plans	15,762	14,590

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

23. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Real estate		General & Others		Total	
	Six months ended		Six months ended		Six months ended		Six months ended		Six months ended		Six months ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	(Rupees in thousand)											
Revenue from external customers	8,750,968	7,452,340	1,988,873	1,775,457	1,446,334	1,287,051	-	-	99,091	100,298	12,285,266	10,615,134
Intersegment revenue	224,743	241,145	5,728	-	421,924	399,384	-	-	38,522	60,579	690,917	701,109
	8,975,711	7,693,485	1,994,601	1,775,457	1,868,258	1,686,435	-	-	137,613	160,865	12,976,183	11,316,243
Segment profit before tax	1,057,150	862,841	302,317	334,958	293,191	237,580	(49,130)	(40,532)	2,638,602	1,235,294	4,242,127	2,629,951
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Segment assets	8,412,040	8,449,722	1,585,975	1,427,990	1,474,270	1,310,250	3,014,398	5,107,501	1,885,357	1,145,445	16,182,040	17,440,898

Reconciliation of profit

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	4,242,127	2,629,951
Profit / (loss) from associates and joint venture - net of tax	168,162	130,356
Intercompany consolidation adjustments	(235,448)	(162,579)
Profit before tax	4,174,841	2,597,728

24. Cash generated from operations

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	4,174,841	2,597,728
Adjustments for:		
Depreciation on property, plant and equipment	411,342	332,102
Depreciation on investment property	1,641	1,206
Amortisation on intangible assets	9,788	9,384
Provision for accumulating compensated absences and staff gratuity	47,543	36,103
Exchange adjustments on translation of foreign subsidiaries	(39,562)	5,622
Provision for doubtful debts	21,170	30,998
Reversal of provision against pending claims	(32,357)	(56,384)
Provision for retirement benefits	3,552	8,966
Provisions and unclaimed balances written back	(9,736)	(21,235)
Net profit on disposal of property, plant and equipment	(53,545)	(14,933)
Exchange loss	800	13,000
Finance costs	360,589	374,682
Dividend income from other investments	(2,792,433)	(1,406,432)
Share of profit of investments accounted for using the equity method	(270,250)	(169,422)
Profit before working capital changes	1,833,383	1,741,385
Effect on cash flow due to working capital changes		
Decrease in stores and spares	56,536	30,772
(Increase) / decrease in stock in trade	(73,697)	354,922
Increase in trade debts	(185,728)	(397,607)
Increase in loans, advances, deposits, prepayments and other receivables	(211,272)	(37,426)
(Decrease) / increase in trade and other payables	(38,110)	375,004
	(452,271)	325,665
	1,381,112	2,067,050

25. Cash and cash equivalents

	Half year ended	
	June 30, 2016	June 30, 2015
	Un-audited	Un-audited
	(Rupees in thousand)	
Cash and bank balances	294,748	678,918
Finances under markup arrangements - secured	(1,676,623)	(2,092,045)
	<u>(1,381,875)</u>	<u>(1,413,127)</u>

26. 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, 2015.

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

27. Detail of subsidiaries

Name of the subsidiaries

	Accounting year end	Percentage of holding	Country of incorporation
Anemone Holdings Limited	December 31	100.00%	Mauritius
Calcipack (Private) Limited	December 31	100.00%	Pakistan
DIC Pakistan Limited	December 31	54.98%	Pakistan
Flexible Packages Converters (Proprietary) Limited	February 28	55.00%	South Africa
Packages Construction (Private) Limited	December 31	80.13%	Pakistan
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka

28. Date of authorisation for issue

This condensed consolidated interim financial information was authorised for issue on August 18, 2016 by the Board of Directors of the Parent Company.

29. Events after balance sheet date

No material events have occurred subsequent to June 30, 2016.

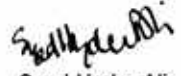
30. Corresponding figures

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 reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.



Towfiq Habib Chinoy
Chairman



Syed Hyder Ali
Chief Executive & Managing Director



Asghar Abbas
Director