Contents

COMPANY INFORMATION

Board of Directors

Towfiq Habib Chinoy - Chairman
(Non-Executive Director)
Syed Hyder Ali - Chief Executive & Managing Director
(Executive Director)
Rizwan Ghani
(Executive Director)
Jari Latvanen
(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)
Josef Meinrad Mueller
(Non-Executive Director)
Tariq Iqbal Khan
(Non-Executive Director)

Advisor
Syed Babar Ali

Chief Financial Officer
Khurram Raza Bakhtayari

Company Secretary
Adi J. Cawasji

Executive Committee

Syed Hyder Ali - Chairman
(Executive Director)
Rizwan Ghani - Member
(Executive Director)

Audit Committee

Tariq Iqbal Khan - Chairman
(Non-Executive Director)
Muhammad Aurangzeb - Member
(Independent Director)
Shamim Ahmad Khan - Member
(Non-Executive Director)
Syed Aslam Mehdi - Member
(Non-Executive Director)
Syed Shahid Ali - Member
(Non-Executive Director)
Adi J. Cawasji - Secretary
(Company Secretary)

System and Technology Committee

Rizwan Ghani - Chairman
(Executive Director)
Khurram Raza Bakhtayari - Member
(Chief Financial Officer)
Suleman Javed - Member
(Manager ERP)

Human Resource and Remuneration (HR & R) Committee

Towfiq Habib Chinoy - Chairman
(Non-Executive Director)
Syed Hyder Ali - Member
(Executive Director)
Shamim Ahmad Khan - Member
(Non-Executive Director)
Syed Aslam Mehdi - Member
(Non-Executive Director)
Tariq Iqbal Khan - Member
(Non-Executive Director)
Kaifee Siddiqui - Secretary
(Head of Human Resource)

Rating Agency: PACRA

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

Auditors
A.F. Ferguson & Co.
Chartered Accountants

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

Bankers & Lenders
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Deutsche Bank AG
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Meezan 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

Head Office & Works
Shahrah-e-Roomi,
P.O. Amer Sidhu,
Lahore - 54760, Pakistan
PABX : (042) 35811541-46
: (042) 35811191-93
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
: (051) 2806267
: (051) 2348308
: (051) 2348309
Fax : (051) 2348310

Zonal Sales Offices
Office No. 606, 6th Floor, United Mall,
Abdali Road, Multan, Pakistan
Tel : (061) 4584553

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

Shares Registrar
FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel Faran
Nursery, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi - 75400
PABX : (021) 34380101-105
Fax : (021) 34380106
Email : info.shares@famco.com.pk

Web Presence
www.packages.com.pk

DIRECTORS' REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to submit to its shareholders, the nine months report along with the condensed interim un-audited financial statements of the Company for the period ended September 30, 2015.

Financial and Operational Performance

The comparison of the un-audited financial results for the nine months ended September 30, 2015 as against September 30, 2014 is as follows:

	For the third quarter		Cumulative	
	July - Sep 2015	July - Sep 2014	**Jan - Sep 2015**	Jan - Sep 2014
	(Rupees in million)			
Net Sales	**3,710**	3,587	**12,094**	11,479
EBITDA - Operations	**530**	273	**2,005**	1,103
Depreciation and amortisation	**(139)**	(138)	**(427)**	(397)
EBIT - Operations	**391**	135	**1,578**	706
Finance costs	**(161)**	(186)	**(496)**	(602)
Other (expenses) / income - net	**(12)**	(2)	**(118)**	19
Investment income	**825**	417	**2,435**	2,371
Earnings before tax	**1,043**	364	**3,399**	2,494
Taxation	**(169)**	(28)	**(629)**	(307)
Earnings after tax	**874**	336	**2,770**	2,187
Basic earnings per share - Rupees	**9.69**	3.98	**31.49**	25.87

During the first nine months of 2015, the Company has achieved net sales of Rs. 12,094 million against net sales of Rs. 11,479 million of corresponding period of last year, representing sales growth of 5%. The operations have generated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of Rs. 2,005 million during the first nine months of 2015 against Rs. 1,103 million of corresponding period of year 2014, resulting in an increase of Rs. 902 million primarily due to prudent management of raw material costs, better product mix, lower fuel & energy costs, production efficiencies and improved working capital performance.

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

Consumer Products Division

Consumer Products Division has registered sales of Rs. 2,378 million during the first nine months of 2015 as compared to Rs. 2,005 million of corresponding period of 2014, representing sales growth of 19%. operating results of the Division have also improved by 3 times during first nine months of 2015 over corresponding values of 2014 resulting from revenue growth, improved capacity utilisation, operating cost control initiatives and overall lower fuel and energy costs.

Packaging Operations

Packaging Operations have achieved net sales of Rs. 9,471 million during first nine months of 2015 as compared to Rs. 9,451 million of corresponding period of year 2014. While Packaging Operations achieved sales growth of only 2%, operating results have improved by 62% over corresponding period of 2014 mainly due to improved product mix, operating cost control initiatives and overall lower fuel and energy costs.

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

	July - Sep 2015	July - Sep 2014	**Jan - Sep 2015**	Jan - Sep 2014
Consumer products produced - tons	**2,876**	2,032	**8,935**	7,202
Carton board & consumer products converted - tons	**8,532**	7,390	**27,710**	25,791
Plastics all sorts converted - tons	**4,053**	4,016	**12,298**	12,327

Conversion of Preference Shares

During the period, IFC exercised its right to convert 1,000,000 preference shares / convertible stock of Rs. 190 into 1,000,000 ordinary shares of Rs. 10 each. Consequently, the Company converted 2,000,000 preference shares / convertible stock during the period of which 1,000,000 shares pertain to the right exercised by IFC in the previous year.

Acquisition of operations of flexible packaging company in South Africa

During the nine months ended September 30, 2015, the Company completed its acquisition of the operations of a flexible packaging company in South Africa. The management believes that the acquisition shall be advantageous to its shareholders.

Future Outlook

As part of its diversification strategy, the Company will continue to explore investment opportunities. Despite rising competition in packaging business in Pakistan, the Company will continue to focus on improving shareholders' value through cost optimisation, investment in new technology and production efficiencies. The development of a high quality retail mall at the Company's Lahore site is currently underway and is on schedule for completion in 2016.

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, October 19, 2015

(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, October 19, 2015

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET
as at September 30, 2015

	Note	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (December 31, 2014: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (December 31, 2014: 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			
88,379,504 (December 31, 2014: 86,379,504) ordinary shares of Rs. 10 each		**883,795**	863,795
Reserves		**50,632,876**	44,766,414
Preference shares / convertible stock reserve		**1,309,682**	1,571,699
Accumulated profit		**3,285,041**	2,800,819
		56,111,394	50,002,727
NON-CURRENT LIABILITIES			
Long-term finances	6	**4,014,895**	4,228,815
Liabilities against assets subject to finance lease		**27,442**	25,685
Deferred income tax liabilities	7	**484,803**	292,841
Deferred liabilities		**204,886**	174,581
		4,732,026	4,721,922
CURRENT LIABILITIES			
Current portion of long term liabilities - secured		**206,019**	204,696
Finances under mark up arrangements - secured		**1,490,794**	1,262,596
Trade and other payables		**3,433,953**	3,144,680
Accrued finance costs		**304,984**	517,634
		5,435,750	5,129,606
CONTINGENCIES AND COMMITMENTS	8	**-**	-
		66,279,170	59,854,255

	Note	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**3,681,389**	3,685,677
Investment property		**150,504**	137,787
Intangible assets		**24,959**	37,652
Investments	11	**53,725,023**	47,304,365
Long-term loans and deposits		**53,921**	52,558
Retirement benefits		**93,475**	87,881
		57,729,271	51,305,920
CURRENT ASSETS			
Stores and spares		**514,161**	492,967
Stock-in-trade		**1,928,761**	2,230,500
Trade debts		**1,899,317**	1,527,372
Loans, advances, deposits, prepayments and other receivables		**1,725,808**	1,797,214
Income tax receivable	12	**2,379,356**	2,247,790
Cash and bank balances		**102,496**	252,492
		8,549,899	8,548,335
		66,279,170	59,854,255

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Rizwan Ghani Director

PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the quarter and nine months ended September 30, 2015

		Note	Quarter ended		Nine months ended	
			September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
			(Rupees in thousand)			
Local sales			**4,334,438**	4,163,162	**14,099,963**	13,390,016
Export sales			**8,354**	21,150	**24,918**	38,550
Gross sales			**4,342,792**	4,184,312	**14,124,881**	13,428,566
Less: Sales tax and excise duty			**626,617**	592,450	**2,009,407**	1,930,994
Commission			**5,714**	5,059	**21,044**	18,130
			632,331	597,509	**2,030,451**	1,949,124
Net Sales			**3,710,461**	3,586,803	**12,094,430**	11,479,442
Cost of sales		13	**(2,982,762)**	(3,083,746)	**(9,500,083)**	(9,802,565)
Gross profit			**727,699**	503,057	**2,594,347**	1,676,877
Administrative expenses			**(180,635)**	(206,246)	**(555,854)**	(559,865)
Distribution and marketing costs			**(156,039)**	(162,093)	**(460,043)**	(410,825)
Other operating expenses			**(91,814)**	(24,241)	**(290,432)**	(202,939)
Other operating income			**80,257**	22,165	**172,586**	221,882
Profit from operations			**379,468**	132,642	**1,460,604**	725,130
Finance costs			**(160,856)**	(185,773)	**(496,508)**	(602,064)
Investment income			**824,506**	417,477	**2,435,428**	2,371,215
Profit before taxation			**1,043,118**	364,346	**3,399,524**	2,494,281
Taxation		14	**(168,869)**	(28,253)	**(629,133)**	(307,149)
Profit for the period			**874,249**	336,093	**2,770,391**	2,187,132
Basic earnings per share	Rupees	15	**9.94**	3.98	**31.49**	25.87
Diluted earnings per share	Rupees	15	**8.89**	3.85	**28.03**	22.84

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

for the quarter and nine months ended September 30, 2015

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	(Rupees in thousand)			
Profit for the period	**874,249**	336,093	**2,770,391**	2,187,132
Other comprehensive income:				
Items that will not be re-classified to profit or loss				
Re-measurement of net defined benefit asset / liability	**-**	-	**5,160**	11,738
Tax effect	**-**	-	**(4,913)**	(3,875)
	-	-	**247**	7,863
Items that may be re-classified subsequently to profit or loss				
Surplus / (deficit) on re-measurement of available for sale financial assets	**1,634,864**	(2,773,429)	**4,010,524**	(547,387)
Total comprehensive income / (loss) for the period	**2,509,113**	(2,437,336)	**6,781,162**	1,647,608

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the nine months ended September 30, 2015

	Note	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	17	**2,347,388**	987,007
Finance cost paid		**(709,158)**	(742,475)
Taxes paid		**(573,650)**	(438,500)
Payments for accumulating compensated absences		**(13,037)**	(12,547)
Retirement benefits paid		**(7,575)**	(9,970)
Net cash generated / (used in) from operating activities		**1,043,968**	(216,485)
Cash flow from investing activities			
Fixed capital expenditure		**(446,689)**	(609,077)
Investments - net		**(2,410,134)**	-
Long-term loans and deposits - net		**(1,363)**	(1,141)
Proceeds from disposal of property, plant and equipment		**92,945**	95,938
Dividends received		**2,226,922**	2,261,737
Net cash (used in) / generated from investing activities		**(538,319)**	1,747,457
Cash flow from financing activities			
Re-payment of long-term finances - secured		**(100,000)**	(100,000)
Liabilities against assets subject to finance lease - net		**3,080**	2,077
Dividend paid		**(786,923)**	(675,074)
Net cash financing activities		**(883,843)**	(772,997)
Net (decrease) / increase in cash and cash equivalents		**(378,194)**	757,975
Cash and cash equivalents at the beginning of the period		**(1,010,104)**	(1,281,764)
Cash and cash equivalents at the end of the period	18	**(1,388,298)**	(523,789)

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the nine months ended September 30, 2015

	Share capital	Share premium	Fair value reserve	General reserve	Preference shares / convertible stock reserve	Accumulated profit	Total
	(Rupees in thousand)						
Balance as on December 31, 2013 (audited)	843,795	2,876,893	23,566,916	11,610,333	1,605,875	1,585,716	**42,089,528**
Appropriation of funds							
Transferred to general reserve	-	-	-	700,000	-	(700,000)	-
Final dividend for the year ended December 31, 2013 Rs. 8.00 per share	-	-	-	-	-	(675,036)	**(675,036)**
Conversion of preference shares / convertible stock into ordinary share	10,000	180,000	-	-	(74,849)	-	**115,151**
	10,000	180,000	-	-	(74,849)	(675,036)	**(559,885)**
Total comprehensive income for the period ended September 30, 2014							
Profit for the period	-	-	-	-	-	2,187,132	**2,187,132**
Other comprehensive income:							
Surplus on re-measurement of available for sale financial assets	-	-	(547,387)	-	-	-	**(547,387)**
Re-measurement of retirement benefit asset / liability - net	-	-	-	-	-	7,863	**7,863**
Total comprehensive income for the period	-	-	(547,387)	-	-	2,194,995	**1,647,608**
Balance as on September 30, 2014 (Un-audited)	853,795	3,056,893	23,019,529	12,310,333	1,531,026	2,405,675	**43,177,251**
Transaction with owners recognised directly in equity							
Conversion of preference shares / convertible stock into ordinary share capital (1,000,000 ordinary shares of Rs. 10 each)	10,000	175,938	-	-	40,673	-	**226,611**
	10,000	175,938	-	-	40,673	-	**226,611**
Total comprehensive income for the period ended December 31, 2014							
Profit for the period	-	-	-	-	-	349,172	**349,172**
Other comprehensive income:							
Surplus on re-measurement of available for sale financial assets	-	-	6,203,721	-	-	-	**6,203,721**
Re-measurement of retirement benefit asset / liability - net	-	-	-	-	-	45,972	**45,972**
Total comprehensive income for the period	-	-	6,203,721	-	-	395,144	**6,598,865**
Balance as on December 31, 2014 (audited)	863,795	3,232,831	29,223,250	12,310,333	1,571,699	2,800,819	**50,002,727**
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, 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 September 30, 2015							
Profit for the period	-	-	-	-	-	2,770,391	**2,770,391**
Other comprehensive income:							
Re-measurement of retirement benefit asset - net of tax	-	-	-	-	-	247	**247**
Surplus on re-measurement of available for sale financial assets	-	-	4,010,524	-	-	-	**4,010,524**
Total comprehensive income for the period	-	-	4,010,524	-	-	2,770,638	**6,781,162**
Balance as on September 30, 2015 (Un-audited)	883,795	3,588,769	33,233,774	13,810,333	1,309,682	3,285,041	**56,111,394**

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Rizwan Ghani Director

1. The Company and its activities

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

The Board of Directors in its meeting held on April 22, 2015 resolved to enter into 50/50 Joint Venture arrangement with Omya Group of Switzerland ('Omya Group') subject to fulfillment of certain conditions. Omya Group is a leading producer of industrial minerals - mainly fillers and pigments derived from calcium carbonate and dolomite - and a worldwide distributor of specialty chemicals. The Joint Venture intends to set up a state of the art production facility to supply a range of high quality ground calcium carbonate products specifically tailored to meet local and regional markets.

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. 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, 2014.

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, 2014 except for the adoption of new accounting policies as referred to in note 3.2.1.

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

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

3.2.1 Amendments to published standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning January 1, 2015 and their impact on these condense interim financial informations is given below:

Annual improvements 2012 applicable for annual periods beginning on or after January 01, 2015. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards: IFRS 2, 'Share-based payment', IFRS 3, 'Business Combinations', IFRS 8, 'Operating segments', IFRS 13, 'Fair value measurement', IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and IAS 39, 'Financial instruments – Recognition and measurement'. These amendments do not have a material impact on this condensed interim financial information.

Annual improvements 2013 applicable for annual periods beginning on or after January 01, 2015. The amendments include changes from the 2011-13 cycle of the annual improvements project that affect 4 standards: IFRS 1, 'First time adoption', IFRS 3, 'Business combinations', IFRS 13, 'Fair value measurement' and IAS 40, 'Investment property'. The application of this amendment does not have material impact on this condensed interim financial information.

IAS 19 (Amendments), 'Employee benefits' is applicable on accounting periods beginning on or after January 01, 2015. These amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The application of this amendment does not have material impact on this condensed interim financial information.

IFRS 11, 'Joint arrangements' is applicable on accounting periods beginning on or after January 01, 2015. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this amendment does not have material impact on this condensed interim financial information.

IFRS 12, 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this amendment does not have material impact on this condensed interim financial information.

IFRS 13, 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The application of this amendment does not have material impact on this 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)
IFRS 9, 'Financial instruments' - classification and measurement	July 1, 2015
Annual improvements 2014 which affect following standards: IFRS 5, 'Non-current assets held for sale and discontinued operations' IFRS 7, 'Financial instruments' IAS 19, 'Employee benefits' IAS 34, 'Interim financial reporting'	January 1, 2016
Amendments to IAS 16, 'Property,plant and equipment', and IAS 38, 'Intangible assets'	January 1, 2016
Amendments to IAS 27, 'Separate financial statements'	January 1, 2016
Amendment to IAS 1, 'Presentation of financial statements'	January 1, 2016
Amendment to IFRS 11, 'Joint arrangements'	January 1, 2016
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, Intangible assets', on depreciation and amortisation	January 1, 2016
IFRS 14 'Regulatory deferral accounts'	January 1, 2016
IFRS 15 'Revenue from contracts with customers'	January 1, 2017
Amendments to IFRS 9 'Financial instruments' - classification and measurement and general hedge accounting	January 1, 2018

4. Taxation

The provision for taxation for the half year ended September 30, 2015 has been made using the tax rates that would be applicable to expected total annual earnings.

5. Estimates

The preparation of interim financial statements 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, 2014, 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	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
Opening balance			
Local currency loans - secured		**2,300,000**	2,900,000
Preference shares / convertible stock - unsecured		**2,128,815**	2,470,577
		4,428,815	5,370,577
Loans repaid / settled during the period		**(100,000)**	(600,000)
Transfer to capital and reserves [1,000,000 shares (December 31, 2014: 3,000,000 shares)]	6.1	**(113,920)**	(341,762)
		4,214,895	4,428,815
Current portion shown under current liabilities		**(200,000)**	(200,000)
Closing balance		**4,014,895**	4,228,815

6.1 During the period, IFC exercised its right to convert 1,000,000 (December 31, 2014: 3,000,000) preference shares / convertible stock of Rs. 190 into 1,000,000 (December 31, 2014: 3,000,000) ordinary shares of Rs. 10 each. Consequently, the Company converted 2,000,000 (December 31, 2014: 2,000,000) preference shares / convertible stock during the period of which 1,000,000 (December 31, 2014: Nil) shares pertain to the right exercised by IFC in the previous year. Accordingly, the liability portion pertaining to 1,000,000 preference shares / convertible stock (December 31, 2014: 3,000,000) converted into ordinary shares has been transferred to capital and reserves.

7. The Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 666.955 million (December 31, 2014: Rs. 826.913 million) available to the Company under section 113 of the Income Tax Ordinance, 2001 ('Ordinance') in view of business profits of future periods, before these expire / lapse. Tax credits under section 113 of the Ordinance amounting to Rs. 203.917 million, Rs. 110.934 million, Rs. 175.30 million, Rs. 152.938 million and Rs. 23.866 million are set to lapse by the end of years ending on December 31, 2016, 2017, 2018, 2019 and 2020 respectively.

8. Contingencies and commitments

8.1 Contingencies

(i) Claims against the Company not acknowledged as debts Rs. 19.031 million (December 31, 2014: Rs. 18.062 million).

(ii) Post dated cheques not provided in the condensed interim financial information have been furnished by the Company in favor of the Collector of Customs against custom levies aggregated to Rs. 82.182 million (December 31, 2014: Rs. 86.546 million) in respect of goods imported.

(iii) Standby letter of credit issued in favor of Habib Bank Limited Bahrain USD 12.8 million (Equivalent to PKR 1,299.2 million) [December 2014: Nil] as referred to in note 11.1.1.

8.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 80.590 million (December 31, 2014: Rs. 51.002 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 140.286 million (December 31, 2014: Rs. 209.069 million).

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

	September 30, 2015	December 31, 2014
	Un-audited	Audited
	(Rupees in thousand)	
Not later than one year	**9,290**	15,494
Later than one year and not later than five years	**40,544**	42,829
	49,834	58,323

9. Dividends

Ordinary dividend relating to the year ended December 31, 2014 amounting to Rs. 786.416 million (December 31, 2013: Rs. 675.036 million) was declared during the period. The Company also paid preference dividend/return relating to the year ended December 31, 2014 amounting to Rs. 355.050 million (December 31, 2013: Rs 412.050 million) during the period.

10. Property, plant and equipment

	Note	**September 30, 2015**	December 31, 2014
		Un-audited	Audited
		(Rupees in thousand)	
Operating assets - at net book value			
Owned assets		**3,331,449**	3,400,833
Assets subject to finance lease		**32,048**	30,830
	10.1	**3,363,497**	3,431,663
Capital work-in-progress	10.2	**317,892**	254,014
		3,681,389	3,685,677

10.1 Operating assets

Opening net book value		**3,431,663**	3,298,912
Additions during the period	10.1.1	**367,162**	727,378
Disposals during the period at book value		**(23,773)**	(27,507)
Transferred to investment property		**-**	(50,572)
Depreciation charged during the period		**(411,555)**	(516,548)
		(435,328)	(594,627)
Closing net book value		**3,363,497**	3,431,663

10.1.1 Additions during the period / year

	Note	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
Freehold Land		**12,776**	19,731
Buildings on freehold land		**-**	20,485
Plant and machinery		**276,897**	540,565
Furniture and fixtures		**318**	91
Other equipment		**21,683**	78,951
Vehicles		**55,488**	67,555
		367,162	727,378

10.2 Capital work-in-progress

	Note	September 30, 2015	December 31, 2014
Civil works		**4,872**	41,084
Plant and machinery		**292,538**	207,041
Others		**20,482**	-
Advances		**-**	5,889
		317,892	254,014

11. Investments

	Note	September 30, 2015	December 31, 2014
Opening balance		**47,304,365**	41,048,030
Investments made in related parties during the period / year	11.1	**2,410,134**	600,000
Surplus on remeasurement of available for sale financial assets		**4,010,524**	5,656,335
Closing balance		**53,725,023**	47,304,365

11.1 Investments made in related parties during the period / year

	Note	September 30, 2015	December 31, 2014
Packages Construction (Private) Limited		**2,400,000**	600,000
Anemone Holdings Limited	11.1.1	**10,134**	-
		2,410,134	600,000

11.1.1 On January 5 2015, the Company incorporated a Special Purpose Vehicle ('SPV'), Anemone Holdings Limited ('AHL'), a wholly owned private limited company under the laws of Mauritius, and made an equity contribution in cash of USD 100,000 (Equivalent to PKR 10.134 million) on February 4, 2015. Subsequently, Flexible Packages Convertors Proprietary Limited ('FPC') was incorporated under the laws of South Africa as a wholly owned subsidiary of AHL. On June 1, 2015, FPC acquired operations of FlexCo Investments Proprietary Limited registered under the laws of South Africa (formerly named 'Flexible Packaging Convertors Proprietary Limited'), in lieu of cash consideration and 45% shares of FPC. This acquisition amount of USD 8.542 million was funded by AHL through a loan from Habib Bank Limited, Offshore Banking Unit, Bahrain ('HBL Bahrain') against a guarantee in the form of a Standby Letter of Credit (SBLC) issued by Habib Bank Limited Pakistan ('HBL Pakistan') in favor of HBL Bahrain. The SBLC is secured against pledge of Nestle Pakistan Limited shares owned by the Company. The primary source of debt financing will be dividends generated from operations of FPC. In the event that there is a shortfall between the dividends and obligations against the finance facility, this shortfall will be funded by Packages Limited.

As of September 30, 2015, an aggregate of 260,000 shares (December 2014: Nil) of Nestle Pakistan Limited having market value Rs. 2,651.740 million (December 2014: Nil) 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 8.1.

12. 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.

13. Cost of sales

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	Un-audited	Un-audited	**Un-audited**	Un-audited
	(Rupees in thousand)			
Materials consumed	**2,292,400**	2,223,644	**6,815,174**	6,937,516
Salaries, wages and amenities	**251,001**	240,330	**749,133**	725,911
Travelling	**7,436**	5,419	**17,231**	20,803
Fuel and power	**172,615**	300,948	**527,904**	831,636
Production supplies	**78,734**	85,352	**254,252**	259,581
Excise duty and sales tax	**913**	1,523	**1,564**	2,718
Rent, rates and taxes	**2,560**	16,744	**4,219**	139,217
Insurance	**10,401**	11,667	**29,069**	28,726
Repairs and maintenance	**85,110**	75,579	**240,827**	234,027
Packing expenses	**66,596**	58,127	**216,909**	196,896
Depreciation on property, plant and equipment	**124,974**	126,113	**386,612**	363,171
Amortisation of intangible assets	**2,433**	2,231	**7,300**	4,895
Technical fee and royalty	**4,629**	9,327	**11,735**	16,392
Other expenses	**44,593**	33,712	**128,823**	107,649
	3,144,395	3,190,716	**9,390,752**	9,869,138
Opening work-in-process	**181,470**	272,224	**211,699**	222,374
Closing work-in-process	**(184,993)**	(270,146)	**(184,993)**	(270,146)
Cost of goods produced	**3,140,872**	3,192,794	**9,417,458**	9,821,366
Opening stock of finished goods	**437,840**	435,949	**678,575**	526,196
Closing stock of finished goods	**(595,950)**	(544,997)	**(595,950)**	(544,997)
	2,982,762	3,083,746	**9,500,083**	9,802,565

13.1. Salaries, wages and amenities include Rs. 1.348 million (2014: Rs 0.438 million) paid to outgoing employees who opted for separation from Company's employment under Voluntary Separation Scheme.

14. Taxation

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	Un-audited	Un-audited	**Un-audited**	Un-audited
	(Rupees in thousand)			
Current	**139,953**	106,834	**442,084**	354,816
Deferred	**28,916**	(78,581)	**187,049**	(47,667)
	168,869	28,253	**629,133**	307,149

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.

15. Earnings per share

15.1 Basic earnings per share

		Quarter ended		Nine months ended	
		September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
		Un-audited	Un-audited	**Un-audited**	Un-audited
Profit for the period	Rupees in thousand	**874,249**	336,093	**2,770,391**	2,187,132
Weighted average number of ordinary shares	Numbers	**87,965,585**	84,530,796	**87,965,585**	84,530,796
Earnings per share	Rupees	**9.94**	3.98	**31.49**	25.87

15.2 Diluted earnings per share

		Quarter ended		Nine months ended	
		September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
		Un-audited	Un-audited	**Un-audited**	Un-audited
Profit for the period	Rupees in thousand	**874,249**	336,093	**2,770,391**	2,187,132
Return on preference shares / convertible stock - net of tax	Rupees in thousand	**68,334**	71,782	**202,773**	235,392
		942,583	407,875	**2,973,164**	2,422,524
Weighted average number of ordinary shares	Numbers	**87,965,585**	84,530,796	**87,965,585**	84,530,796
Weighted average number of notionally converted preference shares / convertible stock	Numbers	**18,100,761**	21,535,550	**18,100,761**	21,535,550
		106,066,346	106,066,346	**106,066,346**	106,066,346
Earnings per share	Rupees	**8.89**	3.85	**28.03**	22.84

16. Transactions with related parties

Relationship with the Company	Nature of transactions	Nine months ended September 30, 2015 Un-audited	Nine months ended September 30, 2014 Un-audited
		(Rupees in thousand)	
i. Subsidiaries	Purchase of goods and services	**685,321**	715,544
	Sale of goods and services	**25,182**	30,167
	Dividend income	**165,423**	91,487
	Rental and other income	**14,146**	12,851
	Management and technical fee	**15,604**	22,287
	Investment in equity	**2,410,134**	-
	Expenses incurred on behalf of subsidiaries	**245,614**	118,798
ii. Joint venture	Purchase of goods and services	**1,948,788**	2,048,885
	Sale of goods and services	**314,376**	120,777
	Rental and other income	**43,521**	33,202
	Purchase of property, plant & equipment	**158**	-
	Sale of property, plant & equipment	**77**	-
iii. Associates	Purchase of goods and services	**627,752**	826,366
	Sale of goods and services	**6,986**	11,083
	Insurance premium	**99,659**	72,808
	Commission earned	**2,722**	1,163
	Insurance claims received	**936**	544
	Rental and other income	**529**	379
	Sale of property, plant & equipment	**1,834**	-
	Dividend income	**65,110**	17,757
iv. Post employment benefit plans	Expense charged in respect of retirement benefit plans	**64,210**	71,838
v. Key management personnel	Salaries and other employee benefits	**67,292**	80,287

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

Period-end balances

	September 30, 2015 Un-audited	December 31, 2014 Audited
	(Rupees in thousand)	
Receivable from related parties		
Subsidiaries	**69,663**	372,414
Joint venture	**1,218,211**	1,220,571
Associates	**32,652**	2,614
Payable to related parties		
Subsidiaries	**99,479**	70,043
Joint venture	**273,632**	164,462
Associates	**75,994**	1,853
Retirement funds	**14,409**	13,237

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

17. Cash generated from operations

	Nine months ended	
	September 30, 2015	September 30, 2014
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before tax	**3,399,524**	2,494,281
Adjustments for:		
Depreciation on property, plant and equipment	**411,555**	383,138
Depreciation on investment property	**2,932**	2,716
Amortisation on intangible assets	**12,693**	10,965
Provision for accumulating compensated absences	**43,342**	36,513
Provision for retirement benefits	**7,141**	18,455
Net profit on disposal of property, plant and equipment	**(69,172)**	(78,140)
Exchange loss / (gain)	**29,328**	(778)
Finance costs	**496,508**	602,064
Provision for doubtful debts	**30,347**	2,525
(Write back) / provision for pending claims	**(56,384)**	7,763
Gain on re-measurement of derivative financial instruments	**-**	(27,272)
Provisions and unclaimed balances written back	**(20,155)**	(2,863)
Dividend income	**(2,435,428)**	(2,371,215)
Profit before working capital changes	**1,852,231**	1,078,152
Effect on cash flow due to working capital changes		
Increase in trade debts	**(345,908)**	(238,446)
(Increase) / decrease in stores and spares	**(21,194)**	46,942
Decrease in stock-in-trade	**301,739**	1,859
Decrease / (increase) in loans, advances, deposits, prepayments and other receivables	**226,735**	(289,153)
Increase in trade and other payables	**333,785**	387,653
	495,157	(91,145)
	2,347,388	987,007

18. Cash and cash equivalents

Cash and bank balances	**102,496**	149,202
Finances under mark up arrangements - secured	**(1,490,794)**	(672,991)
	(1,388,298)	(523,789)

19. 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, 2014.

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

20. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 19, 2015 by the Board of Directors of the Company.

21. Events after the balance sheet date

No material events occurred subsequent to September 30, 2015.

22. Corresponding figures

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

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

Packages Group
Condensed Consolidated Interim
Financial Information

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to submit the un-audited consolidated financial statements of the Group for the nine months ended September 30, 2015.

Group results

The comparison of the un-audited results for the nine months ended September 30, 2015 as against September 30, 2014 is as follows:

	Jan - Sep 2015	Jan - Sep 2014
	(Rupees in million)	
Net sales	**16,161**	14,217
Profit from operations	**2,015**	1,137
Share of profit / (loss) in associates and joint venture - net of tax	**142**	(6)
Investment income	**2,205**	2,280
Profit after tax	**3,029**	2,362

During the first half of 2015, Group has achieved net sales of Rs. 16,161 million against net sales of Rs. 14,217 million achieved during corresponding period of last year representing sales growth of 14% with an operating profit of Rs. 2,015 million compared to Rs. 1,137 million generated during the corresponding period of the year 2014 representing an increase of 878 million, i.e. 77%. 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.

During the nine months ended September 30, 2015, the Group completed its acquisition of the operations of a flexible packaging company in South Africa. The management believes that the acquisition shall be advantageous to its shareholders. This has added PKR 1,165 million in the net sales of the Group's operations in 2015.

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.

A brief review of the operational performance of the Group entities 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. 2,553 million during the first nine months of the year 2015 as compared to Rs. 2,379 million of the corresponding period of last year representing sales growth of 7%.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. 354 million during the first nine months of the year 2015 as against Rs. 249 million generated during corresponding period of last year representing growth of 42%. 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 nine months of 2015, the Company has achieved sales of SLR 1,306 million as compared to SLR 1,267 million of the corresponding period of last year. 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 171 million during the first nine months of the year 2015 as against SLR 117 million generated during corresponding period of 2014 representing growth of 46%. Moving forward, the Company will focus on improving operating results through product diversification and price rationalisation.

Bulleh Shah Packaging (Private) Limited

Bulleh Shah Packaging (Private) Limited is a non-listed private limited company. It is principally engaged in the manufacturing and conversion of paper & paperboard products. As part of management's strategy to overcome the power shortage and to secure uninterrupted power supply to the operations, the Company is in the process of installing a bio mass boiler which is expected to be in operation by end of 2015.

(Towfiq Habib Chinoy)
Chairman
Lahore, October 19, 2015

(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, October 19, 2015

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at September 30, 2015

	Note	**September 30, 2015 Un-audited**	December 31, 2014 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (December 31, 2014: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (December 31, 2014: 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			
88,379,504 (December 31, 2014: 86,379,504) ordinary shares of Rs. 10 each		**883,795**	863,795
Reserves		**50,471,219**	44,759,323
Preference shares / convertible stock reserve		**1,309,682**	1,571,699
Equity portion of short term loan from shareholder of the Parent Company	6	**9,700**	-
Accumulated profit		**3,963,501**	3,397,572
		56,637,897	50,592,389
NON CONTROLLING INTEREST		**1,074,087**	392,866
		57,711,984	50,985,255
NON-CURRENT LIABILITIES			
Long-term finances	7	**5,588,547**	4,428,836
Liabilities against assets subject to finance lease		**263,090**	25,685
Deferred income tax liabilities	8	**629,611**	437,000
Deferred liabilities		**277,847**	212,911
		6,759,095	5,104,432
CURRENT LIABILITIES			
Current portion of long-term liabilities - secured		**358,012**	271,370
Short-term loan from shareholder of the Parent Company	9	**490,300**	-
Finances under mark up arrangements - secured		**2,078,264**	1,607,583
Trade and other payables		**4,726,900**	3,561,912
Accrued finance cost		**326,704**	526,943
		7,980,180	5,967,808
CONTINGENCIES AND COMMITMENTS	10	**-**	-
		72,451,259	62,057,495

	Note	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**5,163,304**	4,186,396
Intangible assets		**657,228**	43,059
Investment property		**4,002,182**	1,166,414
Investments accounted for using the equity method	13	**13,525,749**	13,448,877
Other long-term investments	14	**37,233,411**	33,222,887
Long-term loans and deposits		**55,067**	53,361
Retirement benefits		**93,475**	87,881
		60,730,416	52,208,875
CURRENT ASSETS			
Stores and spares		**566,152**	549,505
Stock-in-trade		**3,035,301**	2,935,722
Trade debts		**3,152,935**	2,057,352
Loans, advances, deposits, prepayments and other receivables		**1,742,901**	1,504,559
Income tax receivable	15	**2,488,075**	2,341,185
Cash and bank balances		**735,479**	460,297
		11,720,843	9,848,620
		72,451,259	62,057,495

The annexed notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Rizwan Ghani
Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the quarter and nine months ended September 30, 2015

	Note	Quarter ended		Nine months ended	
		September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
		(Rupees in thousand)			
Local sales		**6,233,458**	5,081,735	**18,321,743**	16,045,108
Export sales		**49,088**	182,868	**183,259**	407,789
Gross Sales		**6,282,546**	5,264,603	**18,505,002**	16,452,897
Less: Sales tax and excise duty		**725,914**	686,032	**2,304,844**	2,205,211
Commission		**10,503**	10,616	**38,894**	31,001
		736,417	696,648	**2,343,738**	2,236,212
Net sales		**5,546,129**	4,567,955	**16,161,264**	14,216,685
Cost of sales	16	**(4,407,053)**	(3,901,883)	**(12,617,942)**	(11,928,985)
Gross profit		**1,139,076**	666,072	**3,543,322**	2,287,700
Administrative expenses		**(255,210)**	(240,919)	**(781,670)**	(666,318)
Distribution and marketing costs		**(251,088)**	(186,649)	**(619,746)**	(480,069)
Other operating expenses		**(99,174)**	(31,634)	**(316,807)**	(222,011)
Other operating income		**85,085**	11,457	**190,146**	217,699
Profit from operations		**618,689**	218,327	**2,015,245**	1,137,001
Finance costs		**(203,927)**	(208,479)	**(578,609)**	(671,902)
Investment income		**798,462**	417,477	**2,204,894**	2,279,728
Share of (loss) / profit of investments accounted for using the equity method - net of tax		**(27,440)**	93,899	**141,982**	(6,234)
Profit before taxation		**1,185,784**	521,224	**3,783,512**	2,738,593
Taxation		**(203,205)**	(62,303)	**(754,040)**	(376,825)
Profit for the period		**982,579**	458,921	**3,029,472**	2,361,768
Attributable to:					
Equity holders of the Parent Company		**897,487**	422,301	**2,852,098**	2,265,473
Non-controlling interest		**85,092**	36,620	**177,374**	96,295
		982,579	458,921	**3,029,472**	2,361,768
Earnings per share from operations attributable to equity holders of the Parent Company for the period					
Basic earnings per share					
From profit for the period Rupees	17	**10.20**	5.00	**32.42**	26.80
Diluted earnings per share					
From profit for the period Rupees	17	**9.11**	4.66	**28.80**	23.58

The annexed notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and nine months ended September 30, 2015

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	(Rupees	in	thousand)	
Profit for the period	**982,579**	458,921	**3,029,472**	2,361,768
Other comprehensive income				
Items that will not be re-classified to profit or loss				
Re-measurement of retirement benefits liability / (asset)	**-**	-	**5,160**	11,738
Tax effect	**-**	-	**(4,913)**	(3,875)
	-	-	**247**	7,863
Items that may be re-classified subsequently to profit or loss				
Exchange differences on translation of foreign subsidiaries	**(228,919)**	23,999	**(245,764)**	(14,182)
Other reserves relating to associates - net of tax	**-**	-	**-**	11,790
Surplus / (deficit) on re-measurement of available for sale financial assets	**1,634,864**	(2,773,429)	**4,010,524**	(547,387)
	1,405,945	(2,749,430)	**3,764,760**	(549,779)
Other comprehensive income / (loss) for the period	**1,405,945**	(2,749,430)	**3,765,007**	(541,916)
Total comprehensive income / (loss) for the period	**2,388,524**	(2,290,509)	**6,794,479**	1,819,852
Attributable to:				
Equity holders of the Parent Company	**2,393,084**	(2,332,151)	**6,708,303**	1,726,526
Non-controlling interest	**(4,560)**	41,642	**86,176**	93,326
	2,388,524	(2,290,509)	**6,794,479**	1,819,852

The annexed notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the nine months ended September 30, 2015

	Note	Nine months ended September 30, 2015	Nine months ended September 30, 2014
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	20	**2,620,905**	1,554,014
Finance cost paid		**(778,848)**	(808,766)
Taxes paid		**(713,232)**	(558,153)
Payments for accumulating compensated absences and staff gratuity		**(50,132)**	(13,141)
Retirement benefits paid		**(10,577)**	(9,970)
Net cash generated from operating activities		**1,068,116**	163,984
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired		**(968,700)**	-
Fixed capital expenditure		**(3,290,319)**	(804,045)
Net decrease in long-term loans and deposits		**9,775**	(1,322)
Proceeds from sale of property, plant and equipment		**98,011**	98,142
Dividends received		**2,061,498**	2,170,250
Net cash (used in) / generated from investing activities		**(2,089,735)**	1,463,025
Cash flow from financing activities			
Proceeds from long-term finances - secured		**1,417,840**	-
Repayment of long-term finances - secured		**(148,557)**	(133,352)
Short-term loan from Shareholder of the Parent Company		**500,000**	-
Repayment of liabilities against assets subject to finance lease		**(58,522)**	2,077
Dividend paid to equity holders of the Parent Company		**(786,923)**	(675,077)
Dividend paid to non-controlling interest		**(97,719)**	(62,205)
Net cash generated from / (used in) financing activities		**826,119**	(868,557)
Net (decrease) / increase in cash and cash equivalents		**(195,499)**	758,451
Cash and cash equivalents at the beginning of the period		**(1,147,286)**	(1,677,227)
Cash and cash equivalents at the end of the period	21	**(1,342,785)**	(918,776)

The annexed notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy Chairman	Syed Hyder Ali Chief Executive & Managing Director	Rizwan Ghani Director

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the nine months ended September 30, 2015

	Attributable to equity holders of the Parent Company										Non-controlling interest	Total Equity
	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Fair Value reserve	General reserve	Preference shares / convertible stock reserve	Other reserves relating to associates & Joint venture	Equity portion of short-term loan	Accumulated profit	Total		
	(Rupees in thousand)											
Balance as on December 31, 2013 (audited)	843,795	2,876,893	42,784	23,566,916	11,610,333	1,605,875	(29,109)	-	2,309,000	42,826,487	332,354	**43,158,841**
Appropriation of funds												
Transferred to general reserve	-	-	-	-	700,000	-	-	-	(700,000)	-	-	-
Transactions with owners recognised directly in equity												
Final dividend for the year ended December 31, 2013 Rs. 8 per share	-	-	-	-	-	-	-	-	(675,036)	(675,036)	-	**(675,036)**
Conversion of preference shares/convertible stock into ordinary shares capital (1,000,000 ordinary shares of Rs. 10 each)	10,000	180,000	-	-	-	(74,849)	-	-	-	115,151	-	**115,151**
Dividend relating to 2013 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(62,205)	**(62,205)**
Total transactions with owners, recognised directly in equity	10,000	180,000	-	-	-	(74,849)	-	-	(675,036)	(559,885)	(62,205)	**(622,090)**
Total comprehensive income for the period ended September 30, 2014												
Profit for the period	-	-	-	-	-	-	-	-	2,265,473	2,265,473	96,295	**2,361,768**
Other comprehensive income:												
Surplus on re-measurement of available for sale financial assets	-	-	-	(547,387)	-	-	-	-	-	(547,387)	-	**(547,387)**
Re-measurement of net defined benefit asset / liability - net of tax	-	-	-	-	-	-	-	-	7,863	7,863	-	**7,863**
Other reserves of investment accounted for under equity method	-	-	-	-	-	-	11,790	-	-	11,790	-	**11,790**
Exchange difference on translation of foreign subsidiary	-	-	(11,214)	-	-	-	-	-	-	(11,214)	(2,968)	**(14,182)**
Total comprehensive (loss) / income for the period	-	-	(11,214)	(547,387)	-	-	11,790	-	2,273,336	1,726,525	93,328	**1,819,852**
Balance as on September 30, 2014 (un-audited)	853,795	3,056,893	31,570	23,019,529	12,310,333	1,531,026	(17,319)	-	3,207,300	43,993,127	363,477	**44,356,603**
Transactions with owners, recognized directly in equity												
Dividend relating to 2013 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(734)	**(734)**
Conversion of preference shares / convertible stock into ordinary shares capital (2,000,000 ordinary shares of Rs. 10 each)	10,000	175,938	-	-	-	40,673	-	-	-	226,611	-	**226,611**
Total transactions with owners, recognised directly in equity	10,000	175,938	-	-	-	40,673	-	-	-	226,611	(734)	**225,877**
Total comprehensive income for the period ended December 31, 2014												
Profit for the period	-	-	-	-	-	-	-	-	144,498	144,498	33,341	**177,839**
Other comprehensive income:												
Exchange difference on translation of foreign subsidiary	-	-	(11,953)	-	-	-	-	-	-	(11,953)	(3,164)	**(15,117)**
Surplus on re-measurement of available for sale financial assets	-	-	-	6,203,721	-	-	-	-	-	6,203,721	-	**6,203,721**
Other reserves of investments accounted for under equity method	-	-	-	-	-	-	(9,389)	-	-	(9,389)	-	**(9,389)**
Re-measurement of net defined benefit asset / liability - net of tax	-	-	-	-	-	-	-	-	45,774	45,774	(53)	**45,721**
Total comprehensive (loss) / income for the period	-	-	(11,953)	6,203,721	-	-	(9,389)	-	190,272	6,372,651	30,124	**6,402,775**
Balance as on December 31, 2014 (audited)	863,795	3,232,831	19,617	29,223,250	12,310,333	1,571,699	(26,708)	-	3,397,572	50,592,389	392,867	**50,985,255**
Appropriation of funds												
Transferred to general reserve	-	-	-	-	1,500,000	-	-	-	(1,500,000)	-	-	-
Transactions with owners recognised directly in equity												
Dividend relating to 2014 paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(97,719)	**(97,719)**
Final dividend for the year ended December 31, 2014 - Rs. 9.00 per share	-	-	-	-	-	-	-	-	(786,416)	(786,416)	-	**(786,416)**
Acquisition of Subsidiary - Flexible Packages Convertors (Pvt) Limited	-	-	-	-	-	-	-	-	-	-	692,763	**692,763**
Equity portion of short-term loan from shareholder of the Parent Company (note - 6)	-	-	-	-	-	-	-	22,465	-	22,465	-	**22,465**
Interest during the period (note - 6)	-	-	-	-	-	-	-	(12,765)	-	(12,765)	-	**(12,765)**
Conversion of preference shares / convertible stock into ordinary shares capital (2,000,000 ordinary shares of Rs. 10 each)	20,000	355,938	-	-	-	(262,017)	-	-	-	113,921	-	**113,921**
Total transactions with owners, recognised directly in equity	20,000	355,938	-	-	-	(262,017)	-	9,700	(786,416)	(662,795)	595,044	**(67,751)**
Total comprehensive income for the period ended September 30, 2015												
Profit for the period	-	-	-	-	-	-	-	-	2,852,098	2,852,098	177,374	**3,029,472**
Other comprehensive income:												
Re-measurement of retirement benifits asset - net of tex	-	-	-	-	-	-	-	-	247	247	-	**247**
Surplus on re-measurement of available for sale financial assets	-	-	-	4,010,524	-	-	-	-	-	4,010,524	-	**4,010,524**
Exchange difference on translation of foreign subsidiary	-	-	(154,566)	-	-	-	-	-	-	(154,566)	(91,198)	**(245,764)**
Total comprehensive (loss) / income for the period	-	-	(154,566)	4,010,524	-	-	-	-	2,852,345	6,708,303	86,176	**6,794,479**
Balance as on September 30, 2015 (un-audited)	883,795	3,588,769	(134,949)	33,233,774	13,810,333	1,309,682	(26,708)	9,700	3,963,501	56,637,897	1,074,087	57,711,983

The annexed notes 1 to 26 form an integral part of this condensed consolidated interim financial information.

Towfiq Habib Chinoy	Syed Hyder Ali	Rizwan Ghani
Chairman	Chief Executive & Managing Director	Director

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

for the quarter and nine months ended September 30, 2015

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 and Anemone Holdings 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 Board of Directors of the Parent Company in its meeting held on April 22, 2015 resolved to enter into 50/50 Joint Venture arrangement with Omya Group of Switzerland ('Omya Group') subject to fulfillment of certain conditions. Omya Group is a leading producer of industrial minerals - mainly fillers and pigments derived from calcium carbonate and dolomite - and a worldwide distributor of specialty chemicals. The Joint Venture intends to set up a state of the art production facility to supply a range of high quality ground calcium carbonate products specifically tailored to meet local and regional markets.

2. Basis of preparation

This condensed consolidated interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed consolidated interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2014.

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, 2014 except for the adoption of new accounting policies as referred to in note 3.2.1.

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

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

3.2.1 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning January 01, 2015 and their impact on this condensed consolidated interim financial information is given below:

Annual improvements 2012 applicable for annual periods beginning on or after January 01, 2015. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards: IFRS 2, ‘Share-based payment’, IFRS 3, ‘Business Combinations’, IFRS 8, ‘Operating segments’, IFRS 13, ‘Fair value measurement’, IAS 16, ‘Property, plant and equipment’ and IAS 38, ‘Intangible assets’, Consequential amendments to IFRS 9, ‘Financial instruments’, IAS 37, ‘Provisions, contingent liabilities and contingent assets’, and IAS 39, 'Financial instruments – Recognition and measurement'. These amendments do not have a material impact on this condensed consolidated interim financial information.

Annual improvements 2013 applicable for annual periods beginning on or after January 01, 2015. The amendments include changes from the 2011-13 cycle of the annual improvements project that affect 4 standards: IFRS 1, ‘First time adoption’, IFRS 3, ‘Business combinations’, IFRS 13, ‘Fair value measurement' and IAS 40, 'Investment property'. The application of this amendment does not have material impact on this condensed consolidated interim financial information.

IAS 19 (Amendments), 'Employee benefits' is applicable on accounting periods beginning on or after January 01, 2015. These amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The application of this amendment does not have material impact on this condensed consolidated interim financial information.

IFRS 11, 'Joint arrangements' is applicable on accounting periods beginning on or after January 01, 2015. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The application of this amendment does not have material impact on this condensed consolidated interim financial information.

IFRS 12, 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The application of this amendment does not have material impact on this condensed consolidated interim financial information.

IFRS 13, 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2015. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The application of this amendment does not have material impact on this condensed consolidated 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)**
IFRS 9, 'Financial instruments' - classification and measurement	July 1, 2015
Annual improvements 2014 which affect following standards: IFRS 5, 'Non-current assets held for sale and discontinued operations' IFRS 7, 'Financial instruments' IAS 19, 'Employee benefits' IAS 34, 'Interim financial reporting'	January 1, 2016
Amendments to IAS 16, 'Property,plant and equipment', and ' IAS 38, 'Intangible assets'	January 1, 2016
Amendments to IAS 27, 'Separate financial statements'	January 1, 2016
Amendment to IAS 1, 'Presentation of financial statements'	January 1, 2016
Amendment to IFRS 11, 'Joint arrangements'	January 1, 2016
Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation	January 1, 2016
IFRS 14 'Regulatory deferral accounts'	January 1, 2016
IFRS 15 'Revenue from contracts with customers'	January 1, 2017
Amendments to IFRS 9 'Financial instruments' - classification and 'measurement and general hedge accounting	January 1, 2018

4. Taxation

The provision for taxation for the nine months ended September 30, 2015 has been made using the tax rates that would be applicable to expected total annual earnings.

5. Estimates

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

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2014, 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

	Note	September 30, 2015 Un-audited	December 31, 2014 Audited
		(Rupees in thousand)	
Equity portion of loan at initial recognition	9	22,465	-
Interest during the period	9	(12,765)	-
Closing balance		9,700	-

6.1 Interest free loan aggregating to Rs. 500 million from the shareholder of the Parent Company, as referred to in note 9 has been discounted at a rate of 10.10%, considered to be the rate for a similar instrument, to determine the fair value of the loan. The resulting gain on initial recognition has been classified directly in equity as a capital contribution of the shareholder of the Parent Company accompanying a loan at market terms. The interest on unwinding of the loan is consequently also taken directly in equity.

7. Long-term finances

	September 30, 2015 Un-audited	December 31, 2014 Audited
	(Rupees in thousand)	
Opening balance		
Local currency loans - secured	2,300,000	2,900,000
Term loan	266,695	266,695
Preference shares / convertible stock - unsecured	2,128,815	2,470,577
	4,695,510	5,637,272
Loans obtained during the period		
Local currency loans - secured	500,000	-
Foreign currency loans - secured	917,840	-
	6,113,350	5,637,272
Preference shares converted to ordinary shares	(113,921)	(341,762)
Loans repaid during the period		
Local currency loans - secured	(148,557)	(600,000)
	5,850,872	4,695,510
Current portion shown under current liabilities		
Local currency loans - secured	(262,325)	(266,674)
Closing balance	5,588,547	4,428,836

7.1 During the period, IFC exercised its right to convert 1,000,000 (December 31, 2014: 3,000,000) preference shares / convertible stock of Rs. 190 into 1,000,000 (December 31, 2014: 3,000,000) ordinary shares of Rs. 10 each. Consequently, the Group converted 2,000,000 (December 31, 2014: 2,000,000) preference shares / convertible stock during the period of which 1,000,000 (December 31, 2014: Nil) shares pertain to the right exercised by IFC in the previous year. Accordingly, the liability portion pertaining to 1,000,000 preference shares / convertible stock (December 31, 2014: 3,000,000) converted into ordinary shares has been transferred to capital and reserves.

8. The Parent Company has not adjusted the net deferred tax liability against aggregate tax credits of Rs. 666.955 million (December 31, 2014: Rs. 826.913 million) available to the Company under section 113 of the Income Tax Ordinance, 2001 ('Ordinance') in view of business profits of future periods, before these expire / lapse. Tax credits under section 113 of the Ordinance amounting to Rs. 203.917 million, Rs. 110.934 million, Rs. 175.30 million, Rs. 152.938 million and Rs. 23.866 million are set to lapse by the end of years ending on December 31, 2016, 2017, 2018, 2019 and 2020 respectively.

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

	Note	**September 30, 2015**	December 31, 2014
		Un-audited	Audited
		(Rupees in thousand)	
Loan is recognised in the balance sheet as follows:			
Gross proceeds of loan	9.1	**500,000**	-
Equity portion of loan at initial recognition		**(22,465)**	-
Fair value of the loan at initial recognition		**477,535**	-
Interest during the period		**12,765**	-
Closing balance		**490,300**	-

9.1 This loan has been obtained from Syed Babar Ali, shareholder of the Parent Company and is interest free. The loan is repayable on December 11, 2015 and has been carried at amortised cost using a market interest rate of 10.10% for a similar instrument.

10 Contingencies and commitments

10.1 Contingencies

(i) Claims against the Group not acknowledged as debts Rs. 19.031 million (December 31, 2014: Rs. 18.062 million).

(ii) Post dated cheques not provided in the condensed consolidated interim financial information have been furnished by the Parent Company in favor of the Collector of Customs against custom levies aggregated to Rs. 84.850 million (December 31, 2014: Rs. 100.337 million) in respect of goods imported.

(iii) Guarantees issued in favor of Excise and Taxation officer amounting to Rs. 0.660 million (December 31, 2014 : Rs. 1.485 million)

(iv) Guarantees to Director General of Customs amounting to Rs. 4.00 million (December 31, 2014: Nil)

(v) Standby letter of credit issued in favor of Habib Bank Limited Bahrain USD 12.8 million (Equivalent to PKR 1,299.2 million) [December 2014: Nil] as referred to in note 14.1.

10.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 2,338.087 million (December 31, 2014: Rs. 962.267 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 385.270 million (December 31, 2014: Rs. 227.594 million).

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

	September 30, 2015	December 31, 2014
	Un-audited	Audited
	(Rupees in thousand)	
Not later than one year	**48,095**	28,923
Later than one year and not later than five years	**235,323**	49,404
Later than five years	**182,753**	-
	466,171	78,327

11. Dividends

Ordinary dividend relating to the year ended December 31, 2014 amounting to Rs. 786.416 million (December 31, 2013: Rs. 675.036 million) was declared during the period. The Parent Company also paid preference dividend/return relating to the year ended December 31, 2014 amounting to Rs. 355.050 million (December 31, 2013: Rs. 412.050 million) during the period.

12. Property, plant and equipment

	Note	September 30, 2015	December 31, 2014
		Un-audited	Audited
		(Rupees in thousand)	
Operating assets - at net book value			
Owned assets		**4,129,784**	3,901,357
Assets subject to finance lease		**714,810**	30,830
	12.1	**4,844,594**	3,932,187
Capital work-in-progress	12.2	**318,710**	254,209
		5,163,304	4,186,396

12.1 Operating assets

	Note	September 30, 2015	December 31, 2014
Opening net book value		**3,932,187**	3,861,098
Additions during the period	12.1.1	**401,959**	777,632
Transfer in at book value - net		**1,140,802**	-
		5,474,948	4,638,730
Disposals during the period at book value		**(27,744)**	(29,177)
Transferred to investment property		**-**	(50,572)
Depreciation charged during the period		**(516,726)**	(601,036)
Exchange adjustment on opening book value - net		**(85,884)**	(25,758)
		(630,354)	(706,543)
Closing book value		**4,844,594**	3,932,187

12.1.1 Following is the detail of additions during the period

	September 30, 2015	December 31, 2014
Freehold land	**12,776**	19,731
Buildings on freehold land	**430**	21,267
Plant and machinery	**292,710**	546,398
Other equipment	**32,574**	102,880
Furniture and fixtures	**2,656**	6,887
Vehicles	**60,813**	80,469
	401,959	777,632

12.2 Capital work-in-progress

	Note	Un-audited September 30, 2014	Audited December 31, 2013
		(Rupees in thousand)	
Civil works		**4,872**	41,084
Plant and machinery		**293,356**	207,041
Others		**20,482**	195
Advances		**-**	5,889
		318,710	254,209

13. Investments accounted for using the equity method

	Note	Un-audited September 30, 2014	Audited December 31, 2013
Investments in associates	13.1	**3,689,437**	3,531,225
Investment in joint venture	13.2	**9,836,312**	9,917,652
		13,525,749	13,448,877

13.1 Investments in associates

	Note	Un-audited September 30, 2014	Audited December 31, 2013
Opening balance		**3,531,225**	3,662,998
Share of profit / (loss) from associates - net of tax		**223,322**	(120,420)
Share of other comprehensive income - net of tax		**-**	6,404
Dividends received during the period		**(65,110)**	(17,757)
Closing balance	13.1.1	**3,689,437**	3,531,225

13.1.1 In equity instruments of associated companies

	Un-audited September 30, 2014	Audited December 31, 2013
Quoted		
IGI Insurance Limited 13,022,093 (December 31, 2014: 13,022,093) fully paid ordinary shares of Rs. 10 each Market value - Rs. 2,619.524 million (December 31, 2014: Rs 3,523.518 million)	**1,302,159**	1,211,651
Tri-Pack Films Limited 10,000,000 (December 31, 2014: 10,000,000) fully paid ordinary shares of Rs. 10 each Market value - Rs. 1,796.700 million (December 31, 2014: Rs. 2,607.3 million)	**2,387,278**	2,319,574
IGI Investment Bank Limited 4,610,915 (December 31, 2014: 4,610,915) fully paid ordinary shares of Rs. 10 each Market value - Rs. 7.331 million (December 31, 2014: Rs 10.928 million)	**-**	-
	3,689,437	3,531,225

13.2 Investment in Joint Venture

	Un-audited September 30, 2014	Audited December 31, 2013
Opening balance	**9,917,652**	10,011,843
Share of loss from joint venture - net of tax	**(81,340)**	(90,188)
Share of other comprehensive income from joint venture - net of tax	**-**	(4,003)
Closing balance	**9,836,312**	9,917,652

14. Other long-term investments

	September 30, 2015 Un-audited	December 31, 2014 Audited
	(Rupees in thousand)	
Quoted		
Nestle Pakistan Limited 3,649,248 (December 31, 2014: 3,649,248) fully paid ordinary shares of Rs. 10 each Equity held 8.05% (December 31, 2014: 8.05%) Cost - Rs. 5,777.896 million (December 31, 2014: Rs. 5,777.896 million)	**37,218,680**	33,208,156
Unquoted		
Tetra Pak Pakistan Limited 1,000,000 (December 31, 2014: 1,000,000) fully paid non-voting shares of Rs. 10 each	**10,000**	10,000
Pakistan Tourism Development Corporation Limited 2,500 (December 31, 2014: 2,500) fully paid ordinary shares of Rs. 10 each	**25**	25
Orient Match Company Limited 1,900 (December 31, 2014: 1,900) fully paid ordinary shares of Rs. 100 each	**-**	-
Coca-Cola Beverages Pakistan Limited 500,000 (December 31, 2014: 500,000) fully paid ordinary shares of Rs. 10 each	**4,706**	4,706
	37,233,411	33,222,887

Nestle Pakistan Limited and Tetrapak 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.

14.1 On January 5, 2015, the Parent Company incorporated a Special Purpose Vehicle ('SPV'), Anemone Holdings Limited ('AHL'), a wholly owned private limited company under the laws of Mauritius, and made an equity contribution in cash of USD 100,000 (Equivalent to PKR 10. 134 million) on February 4, 2015. Subsequently, Flexible Packages Convertors Proprietary Limited ('FPC') was incorporated under the laws of South Africa as a wholly owned subsidiary of AHL. On June 1, 2015, FPC acquired operations of FlexCo Investments Proprietary Limited registered under the laws of South Africa (formerly named 'Flexible Packaging Convertors Proprietary Limited'), in lieu of cash consideration and 45% shares of FPC. This acquisition amount of USD 8.542 million was funded by AHL through a loan from Habib Bank Limited, Offshore Banking Unit, Bahrain ('HBL Bahrain') against a guarantee in the form of a Standby Letter of Credit (SBLC) issued by Habib Bank Limited Pakistan ('HBL Pakistan') in favour of HBL Bahrain. The SBLC is secured against pledge of Nestle Pakistan Limited shares owned by the Parent Company. The primary source of debt financing will be dividends generated from operations of FPC. In the event that there is a shortfall between the dividends and obligations against the finance facility, this shortfall will be funded by Parent Company.

The business combination has been accounted for by applying the purchase method. The cost of acquisition has been measured at the cash payment made by Anemone Holding Limited (AHL) against the purchase of shares. Identified assets acquired, liabilities, assumed or incurred have been carried at book value at the acquisition date. The excess of cost of acquisition over the book value of the Group's share of the identifiable net assets acquired has been translated at the closing exchange rate as goodwill under 'Intangible assets' amounting to PKR 627 million in the financial statements of the Group. This goodwill is provisional as management is in the process of determining the fair value of assets and liabilities.

As of September 30, 2015, an aggregate of 260,000 shares (December 2014: Nil) of Nestle Pakistan Limited having market value Rs. 2,651.740 million (December 2014: Nil) 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 10.1.

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

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

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

16. Cost of sales

	Quarter ended		Nine months ended	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
	Un-audited	Un-audited	**Un-audited**	Un-audited
	(Rupees in thousand)			
Materials consumed	**3,447,197**	2,800,341	**9,278,344**	8,626,002
Salaries, wages and amenities	**343,908**	283,097	**944,255**	846,568
Traveling and conveyance	**10,246**	8,145	**25,474**	28,239
Fuel and power	**212,779**	322,753	**610,205**	893,648
Production supplies	**94,999**	97,712	**293,495**	289,588
Excise duty and sales tax	**913**	1,523	**1,564**	2,718
Rent, rates and taxes	**2,560**	15,200	**4,219**	134,633
Insurance	**14,149**	12,409	**35,629**	30,933
Repairs and maintenance	**111,277**	91,944	**303,104**	277,920
Packing expenses	**90,099**	110,213	**279,685**	248,982
Depreciation on property, plant and equipment	**176,244**	143,260	**482,142**	419,542
Amortisation of intangible assets	**2,433**	2,231	**7,300**	4,895
Technical fee and royalty	**24,007**	22,400	**68,830**	60,398
Other expenses	**68,733**	50,940	**187,997**	150,028
	4,599,544	3,962,168	**12,522,243**	12,014,095
Opening work-in-process	**284,581**	425,933	**327,674**	342,748
Closing work-in-process	**(295,831)**	(375,861)	**(295,831)**	(375,861)
Cost of goods produced	**4,588,294**	4,012,240	**12,554,086**	11,980,982
Opening stock of finished goods	**524,313**	543,102	**769,410**	601,462
Closing stock of finished goods	**(705,554)**	(653,459)	**(705,554)**	(653,459)
	4,407,053	3,901,883	**12,617,942**	11,928,985

16.1 Salaries, wages and amenities include Rs. 1.348 million (2014: Rs. 0.438 million) paid to outgoing employees who opted for separation from Group's employment under Voluntary Separation Scheme.

		Quarter ended		**Nine months ended**	
		September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014
		Un-audited	Un-audited	**Un-audited**	Un-audited

17. Earnings per share

17.1 Basic earnings per share

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	**897,487**	422,301	**2,852,098**	2,265,473
Weighted average number of ordinary shares	Numbers	**87,965,585**	84,530,796	**87,965,585**	84,530,796
Earnings per share	Rupees	**10.20**	5.00	**32.42**	26.80

17.2 Diluted earnings per share

Profit for the period attributable to equity holders of the Parent Company	Rupees in thousand	**897,487**	422,301	**2,852,098**	2,265,473
Return on preference shares / convertible stock - net of tax	Rupees in thousand	**68,334**	71,782	**202,773**	235,392
		965,821	494,083	**3,054,871**	2,500,865
Weighted average number of ordinary shares	Numbers	**87,965,585**	84,530,796	**87,965,585**	84,530,796
Weighted average number of notionally converted preference shares / convertible stock	Numbers	**18,100,761**	21,535,550	**18,100,761**	21,535,550
		106,066,346	106,066,346	**106,066,346**	106,066,346
Diluted earnings per share	Rupees	**9.11**	4.66	**28.80**	23.58

18. Transactions with related parties

Relationship with the Group		Nature of transactions	Nine months ended September 30, 2015 Un-audited	September 30, 2014 Un-audited
			(Rupees in thousand)	
i	Associated Undertakings	Purchase of goods and services	**648,454**	841,348
		Sale of goods and services	**6,986**	11,083
		Dividend income	**65,110**	17,757
		Sale of property plant & equipment	**1,834**	-
		Insurance premium	**112,798**	84,188
		Rental and other income	**529**	379
		Insurance claim	**936**	544
		Commission earned	**3,205**	1,382
ii	Joint venture	Purchase of goods and services	**1,954,678**	2,054,092
		Sale of goods and services	**370,472**	175,958
		Rental and other income	**43,521**	33,202
		Sale of property plant & equipment	**77**	-
		Purchase of property plant & equipment	**158**	-
iii	Other related parties	Purchase of goods and services	**241,905**	198,855
		Sale of goods and services	**-**	703
		Royalty and technical fee - expense	**52,983**	46,707
		Rebate received	**-**	974
		Proceeds against loan from shareholder of the Parent Company	**500,000**	-
iv	Post employment benefit plans	Expenses charged in respect of retirement benefit plans	**79,699**	80,031
v	Key management personnel	Salaries and other employee benefits	**108,278**	102,331

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

Period-end balances

	September 30, 2015 Un-audited	December 31, 2014 Audited
	(Rupees in thousand)	
Receivable from related parties		
Associates	**33,183**	2,614
Joint venture	**1,225,936**	1,226,986
Other related parties	**3,984**	812
Payable to related parties		
Associates	**76,706**	1,973
Joint venture	**273,888**	164,823
Other related parties	**548,055**	50,060
Post employment benefit plans	**14,409**	13,237

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

19. Segment Information

	Packaging Division		Consumer Products Division		Ink Division		Real estate		General & Others		Total	
	September 30, 2015	September 30, 2014	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014	**September 30, 2015**	September 30, 2014
	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	**11,735,731**	10,373,662	**2,385,992**	2,005,065	**1,915,805**	1,757,939	**-**	-	**123,736**	79,814	**16,161,264**	14,216,480
Intersegment revenue	**332,912**	300,371	**6,331**	8,178	**637,497**	621,125	**-**	-	**86,173**	87,424	**1,062,913**	1,017,098
	12,068,643	10,674,033	**2,392,323**	2,013,243	**2,553,302**	2,379,064	**-**	-	**209,909**	167,238	**17,224,177**	15,233,578
Segment profit before tax	**1,300,935**	808,958	**378,095**	4,504	**354,062**	249,158	**(54,253)**	(1,239)	**1,890,380**	1,774,092	**3,869,219**	2,835,473
	September 30, 2015	December 31, 2014	**September 30, 2015**	December 31, 2014	**September 30, 2015**	December 31, 2014	**September 30, 2015**	December 31, 2014	**September 30, 2015**	December 31, 2014	**September 30, 2015**	December 31, 2014
	Un-audited	Audited	**Un-audited**	Audited	**Un-audited**	Audited	**Un-audited**	Audited	**Un-audited**	Audited	**Un-audited**	Audited
Segment assets	**8,363,937**	6,568,797	**1,495,364**	1,385,332	**1,447,846**	1,265,593	**4,319,815**	1,076,708	**1,504,622**	934,213	**17,131,584**	11,230,643

Reconciliation of profit

	September 30, 2015	September 30, 2014
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit for reportable segments	**3,869,219**	2,835,473
Profit / (loss) from associates and joint venture - net of tax	**141,982**	(6,234)
Intercompany consolidation adjustments	**(227,689)**	(90,646)
Profit before tax	**3,783,512**	2,738,593

20. Cash generated from operations

	Nine months ended	
	September 30, 2015	September 30, 2014
	Un-audited	Un-audited
	(Rupees in thousand)	
Profit before taxation	**3,783,512**	2,738,593
Adjustments for:		
Depreciation on property, plant and equipment	**516,726**	446,988
Depreciation on investment property	**2,128**	1,727
Amortisation on intangible assets	**14,071**	7,584
Provision for accumulating compensated absences and staff gratuity	**50,046**	43,548
Provision for doubtful debts	**31,132**	2,963
Provision for pending claims	**(57,504)**	7,763
Provision for retirement benefits	**10,143**	18,455
Provisions and unclaimed balances written back	**(20,155)**	(5,601)
Net profit on disposal of property, plant and equipment	**(70,267)**	(79,218)
Gain on de-recognition of derivative financial instruments	**-**	(27,272)
Exchange adjustments	**(213,570)**	772
Finance costs	**578,609**	671,902
Dividend income from other investments	**(2,204,894)**	(2,279,728)
Share of (profit) / loss of investments accounted for using the equity method	**(141,982)**	6,234
Profit before working capital changes	**2,277,995**	1,554,710
Effect on cash flow due to working capital changes		
(Increase) / decrease in stores and spares	**(16,647)**	47,533
Decrease / (Increase) in stock in trade	**213,534**	(38,856)
Increase in trade debts	**(485,196)**	(324,640)
Increase in loans, advances, deposits, prepayments and other receivables	**(82,213)**	(66,991)
Increase in trade and other payables	**713,432**	382,258
	342,910	(696)
	2,620,905	1,554,014

21. Cash and cash equivalents

	Nine months ended	
	September 30, 2015	September 30, 2014
	Un-audited	Un-audited
	(Rupees in thousand)	
Cash and bank balances	**735,479**	371,974
Finances under markup arrangements - secured	**(2,078,264)**	(1,290,750)
	(1,342,785)	(918,776)

22. 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 consolidated 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, 2014.

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

23. Detail of subsidiaries

Name of the subsidiaries	Accounting year end	Percentage of holding	Country of incorporation
Packages Lanka (Private) Limited	December 31	79.07%	Sri Lanka
DIC Pakistan Limited	December 31	54.98%	Pakistan
Packages Construction (Private) Limited	December 31	99.99%	Pakistan
Anemone Holdings Limited	December 31	100.00%	Mauritius

24. Date of authorisation for issue

This condensed consolidated interim financial information was authorised for issue on October 19, 2015 by the Board of Directors of the Parent Company.

25. Events after balance sheet date

No material events have occurred subsequent to September 30, 2015.

26. Corresponding figures

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. However, no significant re-classifications have been made.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Rizwan Ghani
Director