Contents

Company information	2
Directors' report	4
Condensed interim balance sheet	6
Condensed interim profit and loss account	8
Condensed interim statement of comprehensive income	9
Condensed interim cash flow statement	10
Condensed interim statement of changes in equity	11
Notes to and forming part of the condensed interim financial information	12
Packages Group condensed consolidated interim financial information	20
Directors' report	21
Condensed consolidated interim balance sheet	22
Condensed consolidated interim profit and loss account	24
Condensed consolidated interim statement of comprehensive income	25
Condensed consolidated interim cash flow statement	26
Condensed consolidated interim statement of changes in equity	27
Notes to and forming part of the condensed consolidated interim financial information	28

COMPANY INFORMATION

Board of Directors
Towfiq Habib Chinoy
(Chairman)
Syed Hyder Ali
(Chief Executive & Managing Director)
Khalid Yacob
Matti Ilmari Naakka
Muhammad Aurangzeb
Shahid Aziz Siddiqui
Shamim Ahmad Khan
Syed Aslam Mehdi
Syed Shahid Ali
Wazir Ali Khoja
Ali Aslam
(Alternate to Matti Ilmari Naakka)

Advisor
Syed Babar Ali

Company Secretary
Adi J. Cawasji

Executive Committee

Syed Hyder Ali	- Chairman
Syed Aslam Mehdi	- Member
Khalid Yacob	- Member

Audit Committee

Shamim Ahmad Khan *(Non-Executive Director)*	- Chairman
Matti Ilmari Naakka *(Non-Executive Director)*	- Member
Muhammad Aurangzeb *(Non-Executive Director)*	- Member
Syed Shahid Ali *(Non-Executive Director)*	- Member
Wazir Ali Khoja *(Non-Executive Director)*	- Member
Syed Aslam Mehdi *(Executive Director)*	- Member
Adi J. Cawasji	- Secretary

Business Strategy Committee

Syed Hyder Ali	- Chairman
Syed Aslam Mehdi	- Member
Khalid Yacob	- Member

System and Technology Committee

Syed Aslam Mehdi	- Chairman
Khalid Yacob	- Member
Suleman Javed	- Member

Remuneration and Appointments Committee

Towfiq Habib Chinoy	- Chairman
Syed Hyder Ali	- Member
Syed Aslam Mehdi	- Member
Asma Javed	- Secretary

Rating Agency: PACRA

Company Rating: AA

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
Bank Islami Pakistan Limited
Barclays Bank PLC, Pakistan
Citibank N.A.
Deutsche Bank A.G.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
International Finance Corporation (IFC)
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo - Mitsubishi UFJ, Limited
The Royal Bank of Scotland Limited
United Bank Limited

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

Factories

Kasur Factory
Bulleh Shah Paper Mill (BSPM)
10-km Kasur Kot Radhakishan Road,
District Kasur, Pakistan
Tel. : (049) 2717335 - 43
Fax : (049) 2717220

Karachi Factory
Plot No. 6 & 6/1, Sector 28,
Korangi Industrial Area,
Karachi-74900, Pakistan
Tel. : (021) 35045320, 35045310
Fax : (021) 35045330

Registered Office & Regional Sales Office

Registered 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) 2276765
: (051) 2276768
: (051) 2278632
Fax : (051) 2829411
: (051) 2806267

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

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

Uzair Enterprises
Teer Chowk Bhuta Road,
Sukkur - 65200, Pakistan
Tel. & Fax: (071) 5616138

M. Hamza Traders
15-D Gul Plaza, Opp: Charsadda Bus Stand,
Peshawar-25000, Pakistan
Cell : 0301-8650486
Tel. : (091) 2043719

Haq Brothers
Tehsil Road, Jhelum-49600, Pakistan
Cell : 0321-5332095
: 0333-5179706

Shares Registrar
FAMCO Associates (Pvt.) Limited
1st Floor, State Life Building No. 1-A
I. I. Chundrigar Road,
Karachi-74000, Pakistan
PABX : (021) 32420755
: (021) 32427012
: (021) 32425467
Fax : (021) 32426752

Web Presence
www.packages.com.pk

DIRECTORS' REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

بسم الله الرحمن الرحيم

The Directors of Packages Limited take pleasure in presenting to its shareholders, the nine months report together with the un-audited financial statements of the Company for the period ended September 30, 2010.

Financial and Operational Performance

The comparison of the un-audited results for the period ended September 30, 2010 as against September 30, 2009 is as follows:

	For the third quarter		**Cumulative**	
	July - Sep 2010	July - Sep 2009	**Jan - Sep 2010**	Jan - Sep 2009
Financial - Rupees in million				
Net sales - local	4,254	3,248	13,286	9,693
Net sales - export	329	188	1,058	414
EBITDA - operations	**321**	**425**	**1,169**	**726**
Depreciation & amortization	(383)	(341)	(1,147)	(958)
EBIT - operations	**(62)**	**84**	**22**	**(232)**
Finance costs	(302)	(310)	(898)	(979)
Other operating income / (expense) - net	62	65	179	131
Impairment loss	-	-	-	(1,794)
Dividend income	97	116	854	277
Gain on sale of long-term investment	-	-	-	8,867
(Loss) / earnings before tax	**(205)**	**(45)**	**157**	**6,270**
Taxation	49	89	(34)	(2,060)
(Loss) / earnings after tax	**(156)**	**44**	**123**	**4,210**
(Loss) / earnings per share - basic - Rupess	**(1.85)**	**0.52**	**1.46**	**49.90**

During the nine months of 2010, your Company has achieved local sales growth of 37% and export sales growth of approximately 2.5 times over the corresponding period. As a result, the Company has generated EBITDA of Rs. 1,169 million against that of Rs. 726 million earned during corresponding period of 2009. The dividend income has also grown by Rs. 577 million representing improved earnings from investments. Operating results for the third quarter of 2010 remained under pressure as the Company managed to generate EBITDA of Rs. 321 million compared to Rs. 425 million of Q3 - 2009 mainly due to increase in raw material consumption and higher fuel costs resulting from gas shortages.

Production Statistics

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

	July - Sep 2010	July - Sep 2009	**Jan - Sep 2010**	Jan - Sep 2009
Paper and paperboard produced - tons	**43,927**	50,394	**133,636**	125,846
Paper and paperboard converted - tons	**22,288**	22,558	**73,145**	67,476
Plastics all sorts converted - tons	**2,682**	2,568	**8,185**	7,621

A review of the operations of different business units is as follows:

Packaging Operations

The Packaging Operations have registered external sales of Rs. 7,711 million during the nine months of 2010 as compared to Rs. 6,264 million of the corresponding period representing sales growth of 23%

with a growth in EBITDA of Rs. 360 million. These are due to reduction in operating costs, wastage control and product price rationalization.

Paper & Board Operations

During the first nine months of 2010, external revenue of Paper and Board Division has almost doubled over the corresponding period. The Division has generated external sales of Rs. 5,575 million (including export sales of Rs. 980 million) with EBITDA of Rs. 62 million as compared to 2009 external sales of Rs. 2,901 million with EBITDA of Rs. 22 million. Operating profits of the Division have not been improved considerably due to a number of factors mainly unplanned gas and power shut down and sale of imported wood free paper at dumping prices in the local market. The products of Paper Machine (PM-7) writing and printing paper are facing unfair competition from imported paper that is being sold at dumping prices thereby adversely impacting profit margins of the production line. The Paper Machine (PM-6) is currently operating at its name plate capacity but its margins are adversely affected by higher consumption of furnace oil caused by natural gas shortages.

The Company is taking a number of initiatives to improve Division's operating margins including alternate energy options, increasing waste paper collection points for continuous raw material availability and enhancing Paper Machine (PM-6) production capacity to cater to growing product demand and diversifying product range. The Company is also taking steps for imposition of regulatory duty on import of writing and printing paper at dumping prices.

Consumer Products

The Consumer Products Division has achieved sales of Rs. 1,337 million during the nine months of 2010 as compared to Rs. 1,214 million of the corresponding period of last year representing sales growth of 10% with corresponding EBITDA growth of Rs. 25 million.

Future Outlook

In the remaining part of the year 2010, your Company will continue its focus to improve profitability through product mix and process optimization, price rationalization and efficient working capital management.

Change in Board of Directors

Subsequent to September 30, 2010, there is a change in the Board of Directors of the Company as Mr. Mujeeb Rashid has resigned from the Board of Directors of the Company on October 22, 2010 and Board has resolved to appoint Mr. Muhammad Aurangzeb on the Board of Directors of the Company. The Board wishes to place on record its appreciation of the services rendered by Mr. Mujeeb Rashid during the tenure of his office and welcomes Mr. Muhammad Aurangzeb who will hold office for the remainder of the term of Mr. Mujeeb Rashid in whose place he is appointed. Board has also appointed Mr. Muhammad Aurangzeb as a non-executive member on the Audit Committee. With the induction of Mr. Muhammad Aurangzeb on the Audit Committee, the number of Audit Committee members has been increased to six with five members being non-executive.

Corporate Social Responsibility

Being a socially responsible corporate, your Company and its employees have collectively donated approximately Rs. 5.39 million for immediate relief and rehabilitation of persons affected by the recent floods across the country.

Company's Staff and Customers

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

(Towfiq Habib Chinoy)	**(Syed Hyder Ali)**
Chairman	Chief Executive & Managing Director
Lahore, October 22, 2010	Lahore, October 22, 2010

PACKAGES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
as at September 30, 2010

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2009: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (2009: 22,000,000) 10 % non-voting cumulative preference shares / convertible stock of Rs.190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital 84,379,504 (2009: 84,379,504) ordinary shares of Rs. 10 each		**843,795**	843,795
Reserves		**22,486,585**	17,099,138
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Unappropriated profit		**716,915**	3,868,099
		25,653,170	23,416,907
NON-CURRENT LIABILITIES			
Long-term finances	5	**7,970,577**	7,970,577
Deferred liabilities		**2,392,840**	2,477,852
		10,363,417	10,448,429
CURRENT LIABILITIES			
Finances under mark up arrangements - secured		**135,450**	86,496
Trade and other payables		**1,934,232**	1,656,197
		2,069,682	1,742,693
CONTINGENCIES AND COMMITMENTS	6	**-**	-
		38,086,269	35,608,029

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**18,224,561**	19,161,332
Intangible assets		**59**	137
Investment property		**53,193**	55,335
Capital work-in-progress	8	**322,147**	65,578
Investments		**10,486,849**	8,099,401
Long-term loans and deposits		**141,373**	139,577
Retirement benefits		**100,892**	107,900
		29,329,074	27,629,260
CURRENT ASSETS			
Stores and spares		**1,006,603**	870,951
Stock-in-trade		**3,777,901**	4,102,396
Trade debts		**2,006,047**	1,752,216
Loans, advances, deposits, prepayments and other receivables		**1,168,177**	797,486
Cash and bank balances		**798,467**	455,720
		8,757,195	7,978,769
		38,086,269	35,608,029

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

PACKAGES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
for the quarter and nine months ended September 30, 2010

	Note	Quarter ended		Nine months ended	
		September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
		(Rupees in thousand)			
Local sales		**5,093,698**	3,855,781	**15,793,784**	11,507,037
Export sales		**333,848**	189,409	**1,075,189**	420,149
		5,427,546	4,045,190	**16,868,973**	11,927,186
Less: Sales tax and excise duty		**836,759**	604,258	**2,496,636**	1,803,718
Commission		**7,901**	5,087	**28,298**	16,893
		844,660	609,345	**2,524,934**	1,820,611
		4,582,886	3,435,845	**14,344,039**	10,106,575
Cost of sales	9	**(4,379,948)**	(3,141,795)	**(13,504,172)**	(9,694,696)
Gross profit		**202,938**	294,050	**839,867**	411,879
Administrative expenses		**(121,165)**	(102,571)	**(381,185)**	(339,332)
Distribution and marketing costs		**(143,588)**	(107,223)	**(437,025)**	(304,315)
Other operating expenses		**11,255**	898	**(15,728)**	(1,923,723)
Other operating income		**46,090**	63,953	**157,299**	261,438
(Loss) / profit from operations		**(4,470)**	149,107	**163,228**	(1,894,053)
Finance costs		**(301,938)**	(309,920)	**(897,816)**	(978,992)
Investment income		**101,996**	115,832	**891,931**	9,143,345
(Loss) / profit before taxation		**(204,412)**	(44,981)	**157,343**	6,270,300
Taxation		**48,706**	89,000	**(34,294)**	(2,060,000)
(Loss) / profit after taxation		**(155,706)**	44,019	**123,049**	4,210,300
(Loss) / earnings per share					
basic - Rupees	10	**(1.85)**	0.52	**1.46**	49.90
diluted - Rupees	10	**(1.85)**	0.52	**1.46**	48.15

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and nine months ended September 30, 2010

	Quarter ended		Nine months ended	
	September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
	(Rupees in thousand)			
(Loss) / profit after taxation	**(155,706)**	44,019	**123,049**	4,210,300
Other comprehensive income				
Surplus / (deficit) on remeasurement of available for sale financial assets	**785,282**	394,082	**2,387,447**	(487,284)
Impairment loss transferred to profit and loss account	**-**	-	**-**	1,793,990
Other comprehensive income for the period - net of tax	**785,282**	394,082	**2,387,447**	1,306,706
Total comprehensive income for the period	**629,576**	438,101	**2,510,496**	5,517,006

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

PACKAGES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
for the nine months ended September 30, 2010

	Note	**Nine months ended**	
		September 30, 2010	September 30, 2009
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	12	**1,306,015**	341,115
Finance cost paid		**(590,108)**	(1,157,629)
Taxes paid		**(415,869)**	(206,281)
Payments for accumulating compensated absences		**(13,797)**	(6,757)
Retirement benefits paid		**(24,919)**	(22,109)
Net cash generated from / (used in) operating activities		**261,322**	(1,051,661)
Cash flow from investing activities			
Fixed capital expenditure		**(480,971)**	(918,896)
Net increase in long-term loans and deposits		**(1,796)**	(1,213)
Proceeds from sale of property, plant and equipment		**21,634**	18,960
Dividends received		**765,023**	276,595
Investment		**-**	(10,000)
Proceeds from disposal of non-current assets classified as held-for-sale		**-**	7,865,000
Net cash generated from investing activities		**303,890**	7,230,446
Cash flow from financing activities			
Payment of long-term finances - secured		**-**	(7,354,400)
Issuance of preference shares / convertible stock - net		**-**	4,076,452
Dividend paid		**(271,418)**	-
Net cash used in financing activities		**(271,418)**	(3,277,948)
Net increase in cash and cash equivalents		**293,794**	2,900,837
Cash and cash equivalents at the beginning of the period		**369,223**	(2,388,631)
Cash and cash equivalents at the end of the period	13	**663,017**	512,206

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

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

PACKAGES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the nine months ended September 30, 2010

	Share capital	Share premium	Fair value reserve	General reserve	Preference shares / convertible stock reserve	Unappro- priated profit / (loss)	Total
	(Rupees in thousand)						
Balance as on December 31, 2008 (audited)	843,795	2,876,893	(912,624)	13,660,333	-	(195,825)	**16,272,572**
Equity component of preference shares / convertible stock (net of transaction costs)	-	-	-	-	1,605,875	-	**1,605,875**
Total comprehensive income for the period	-	-	1,306,706	-	-	4,210,300	**5,517,006**
Balance as on September 30, 2009 (un-audited)	843,795	2,876,893	394,082	13,660,333	1,605,875	4,014,475	**23,395,453**
Total comprehensive income for the period	-	-	167,830	-	-	(146,376)	**21,454**
Balance as on December 31, 2009 (audited)	843,795	2,876,893	561,912	13,660,333	1,605,875	3,868,099	**23,416,907**
Tansferred from profit and loss account	-	-	-	3,000,000	-	(3,000,000)	**-**
Final Dividend for the year ended December 31, 2009 Rs. 3.25 per share	-	-	-	-	-	(274,233)	**(274,233)**
Total comprehensive income for the period	-	-	2,387,447	-	-	123,049	**2,510,496**
Balance as on September 30, 2010 (un-audited)	843,795	2,876,893	2,949,359	16,660,333	1,605,875	716,915	**25,653,170**

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Towfiq Habib Chinoy
Chairman

Syed Hyder Ali
Chief Executive & Managing Director

Syed Aslam Mehdi
Director

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

for the quarter and nine months ended September 30, 2010

1. The company and its activities

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

2. Basis of preparation

This condensed interim financial information is un-audited and has been prepared and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of Karachi, Lahore and Islamabad stock exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'. 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, 2009.

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, 2009 except for the adoption of new accouting 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 Standards, amendments to published standards and interpretations that are effective in current period and are relevant to the company

- IAS 1 (amendment), ‘Presentation of financial statements’. The amendment is part of the IASB’s annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of this amendment has no material impact on the company's financial statements.

- IAS 27 (revised), ‘Consolidated and separate financial statements’, requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in income statement. The application of this revised standard has no material impact on the company's financial statements.

- IAS 38 (amendment), 'Intangible assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The application of this amendment has no material impact on the company's financial statements.

- IAS 39 (amendment), 'Cash flow hedge accounting'. This amendment provides clarification when to recognise gains or losses on hedging instruments as a reclassification adjustments in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to income statement in the period in which the hedged forecast cash flow affects income statement. The application of this amendment has no material impact on the company's financial statements.

- IFRS 3 (revised), 'Business combinations' is effective from July 1, 2009. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non controlling interest in the acquiree at fair vale or at the non controlling interest's proportionate share of the acquiree's net assets. All acquisition related costs should be expensed. The application of this revised standard has no material impact on the company's financial statements.

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The application of this amendment has no material impact on the company's financial statements.

3.2.2 Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the company

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the company, as it has not made any non-cash distributions.

- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the company, as it has not received any assets from customers.

3.2.3 The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial period beginning 1 January 2010 and have not been early adopted:

- IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The company has not yet decided when to adopt IFRS 9.

- Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.

- 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted.

- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

4. The provision for taxation for the nine months ended September 30, 2010 has been made using the tax rate that would be applicable to expected total annual earnings.

5. Long-term finances

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Opening Balance		
Local currency loans - secured	**5,500,000**	10,500,000
Foreign currency loan - secured	**-**	2,354,400
Preference shares / Convertible Stock - unsecured	**2,470,577**	-
	7,970,577	12,854,400
Add: Loans obtained during the period		
Preference shares / Convertible Stock - unsecured	**-**	2,470,577
	7,970,577	15,324,977
Less: Loans repaid during the period		
Local currency loan - secured	**-**	5,000,000
Foreign currency loan - secured	**-**	2,354,400
	-	7,354,400
Closing Balance	**7,970,577**	7,970,577

6. Contingencies and commitments

6.1 Contingencies

(i) Claims against the company not acknowledged as debts Rs. 16.725 million (December 31, 2009: Rs. 15.802 million).

(ii) Against a sales tax refund aggregating Rs. 12.827 million determined by the Sales Tax Officer (STO) on the basis of the orders of the Appellate Assistant Commissioner (AAC) for the assessment years 1977-78 through 1980-81 and recognised in the accounts in 1985, the STO filed an appeal in 1986 with the Income Tax Appellate Tribunal (ITAT) against the Orders of the AAC for these years. The orders of the AAC were based on a decision already given by the ITAT on the company's appeal for application of a lower rate of sales tax on self consumed material for earlier years. Pending the outcome of the appeal filed by STO no adjustment has been made for the refunds recognised in the accounts as the management is of the view that the appeal of the STO will not be upheld by the ITAT.

(iii) Post dated cheques not provided in the condensed interim financial information have been furnished by the company in favour of the Collector of Customs against custom levies aggregated to Rs.89.144 million (December 31, 2009: Rs.27.305 million) in respect of goods imported.

(iv) 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 management is of the view that outcome shall be in favour of the company.

6.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 980.267 million (December 31, 2009: Rs. 6.967 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs. 588.176 million (December 31, 2009: Rs. 418.044 million).

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

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
		(Rupees in thousand)	
Not later than one year		**398,599**	230,527
Later than one year and not later than five years		**1,240,887**	1,180,215
Later than five years		**218**	129,661
		1,639,704	1,540,403

7. Property, plant and equipment

	Note		
Opening book value		**19,161,332**	11,285,293
Add: Additions during the period	7.1	**224,404**	9,264,591
Less: Disposals during the period (at book value)		**12,545**	10,210
Adjustment / transferred to investment property (at book value)		**3,703**	58,217
Depreciation charged during the period		**1,144,927**	1,320,125
		1,161,175	1,388,552
Closing book value		**18,224,561**	19,161,332

7.1 Following is the detail of additions during the period

Property, plant and equipment

Freehold land	**5,836**	8,470
Building on freehold land	**8,730**	1,270,560
Plant and machinery	**123,422**	7,835,880
Other equipment	**44,106**	89,550
Furniture and fixtures	**354**	3,944
Vehicles	**41,956**	56,187
	224,404	9,264,591

8. Capital work-in-progress

Civil works	**4,426**	12,928
Plant and machinery	**178,508**	52,494
Advances	**137,344**	-
Others	**1,869**	156
	322,147	65,578

9. Cost of sales

	Quarter ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
	(Rupees in thousand)			
Opening work-in-process	**174,197**	153,026	**145,140**	205,551
Materials consumed	**2,768,660**	2,241,562	**7,602,933**	6,256,633
Salaries, wages and amenities	**280,372**	224,773	**872,139**	633,746
Fuel and power	**732,558**	541,209	**2,156,842**	1,474,749
Production supplies	**100,542**	104,970	**331,256**	283,143
Excise duty and sales tax	**295**	240	**1,448**	628
Rent, rates and taxes	**75,839**	40,430	**145,466**	120,873
Insurance	**19,198**	21,849	**57,189**	59,904
Repairs and maintenance	**139,290**	106,944	**376,944**	312,299
Packing expenses	**25,889**	25,942	**88,725**	74,074
Depreciation on property, plant and equipment	**375,970**	334,471	**1,127,002**	938,456
Amortization on intangible assets	**4**	4	**13**	13
Technical fee and royalty	**4,893**	2,408	**10,949**	7,031
Other expenses	**50,379**	50,250	**151,494**	144,307
	4,748,086	3,848,078	**13,067,540**	10,511,407
Less: Closing work-in-process	**170,835**	154,956	**170,835**	154,956
Cost of goods produced	**4,577,251**	3,693,122	**12,896,705**	10,356,451
Opening stock of finished goods	**1,230,217**	1,423,778	**2,034,987**	1,313,350
Cost of goods available for sale	**5,807,468**	5,116,900	**14,931,692**	11,669,801
Less: Closing stock of finished goods	**1,427,520**	1,975,105	**1,427,520**	1,975,105
	4,379,948	3,141,795	**13,504,172**	9,694,696

10. Earnings / (loss) per share

10.1 Basic earnings / (loss) per share

		Quarter ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
(Loss) / profit for the period	- Rupees in thousand	**(155,706)**	44,019	**123,049**	4,210,300
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
(Loss) / earnings per share	- Rupees	**(1.85)**	0.52	**1.46**	49.90

10.2 Diluted earnings / (loss) per share

		Quarter ended September 30, 2010	Quarter ended September 30, 2009	Nine months ended September 30, 2010	Nine months ended September 30, 2009
(Loss) / profit for the period	- Rupees in thousand	**(155,706)**	44,019	**123,049**	4,210,300
Add: Return on preference shares / convertible stock - net of tax	- Rupees in thousand	**90,650**	69,974	**268,995**	69,974
		(65,056)	113,993	**392,044**	4,280,274
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Add: Weighted average number of notionally converted preference shares / convertible stock	- Numbers	**21,686,842**	4,515,616	**21,686,842**	4,515,616
		106,066,346	88,895,120	**106,066,346**	88,895,120
(Loss) / earnings per share	- Rupees	**(0.61)**	1.28	**3.70**	48.15

The effect of the conversion of the preference shares / convertible stock into ordinary shares is anti-dilutive, accordingly the diluted EPS is restricted to the basic EPS except for corresponding year to date EPS value of 2009.

11. Transactions with related parties

Relationship with the Company	Nature of transactions	Nine months ended September 30, 2010	Nine months ended September 30, 2009
		(Rupees in thousand)	
i. Subsidiaries			
	Purchase of goods & services	**459,969**	436,272
	Sale of goods & services	**15,739**	12,710
	Sale of property, plant & equipment	**-**	280
	Dividend income	**57,065**	-
	Rental income	**8,831**	8,029
	Management & Technical fee - income	**15,047**	17,470
ii. Associated undertakings			
	Purchase of goods & services	**328,232**	206,356
	Sale of goods & services	**22,765**	21,578
	Dividend income	**123,511**	75,886
	Insurance claims	**434**	4,560
	Insurance premium	**91,031**	84,633
	Lease rental paid	**38**	-
	Purchase of property, plant & equipment	**950**	-
iii. Other related parties			
	Purchase of goods & services	**29,758**	49,735
	Sale of goods & services	**4,331,606**	2,180,735
	Dividend income	**673,970**	200,709
	Rental income	**22,194**	23,725
	Finance cost	**-**	54
	Purchase of investment	**1,153,252**	-
	Sale of investment	**1,164,837**	-
	Rental expenses	**-**	1,716
iv. Post employment benefit plans	Expense charged in respect of retirement benefits plans	**94,415**	78,303
v. Key management personnel	Salaries and other employee benefits	**35,530**	39,132

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

Period-end balances

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Receivable from related parties	**381,699**	413,318
Payable to related parties	**57,690**	72,952

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

12. Cash generated from operations

	Nine months ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Profit before tax	**157,343**	6,270,300
Adjustments for:		
Depreciation on property, plant and equipment	**1,144,927**	956,649
Amortization on intangible assets	**78**	78
Depreciation on investment property	**2,141**	1,636
Impairemet loss recognised on available for sale investment	**-**	1,793,991
Provision for accumulating compensated absences	**53,785**	36,116
Gain on sale of non-current assets classified as held-for-sale	**-**	(8,866,750)
Retirerment benefits - net	**31,927**	(1,846)
Net profit on disposal of property, plant and equipment	**(9,090)**	(9,360)
Finance costs	**897,816**	978,992
Dividend income	**(854,547)**	(276,595)
Profit before working capital changes	**1,424,380**	883,211
Effect on cash flow due to working capital changes		
Increase in trade debts	**(253,831)**	(92,793)
Increase in stores and spares	**(131,949)**	(39,391)
Decrease / (increase) in stock-in-trade	**324,495**	(679,994)
Increase in loans, advances, deposits, prepayments and other receivables	**(142,340)**	(114,854)
Increase in trade and other payables	**85,260**	384,936
	(118,365)	(542,096)
	1,306,015	341,115

13. Cash and cash equivalents

Cash and bank balances	**798,467**	834,133
Finances under mark up arrangement - secured	**(135,450)**	(321,927)
	663,017	512,206

14. Date of authorisation for issue

This condensed interim financial information was authorised for issue on October 22, 2010 by the Board of Directors of the company.

15. 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, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

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

Packages Group
Condensed Consolidated Interim
Financial Information

DIRECTORS' REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010

بسم الله الرحمن الرحيم

The Directors of Packages Limited are pleased to present the un-audited consolidated financial statements of the Group for the nine months ended September 30, 2010.

Group results

The comparison of the un-audited results for the nine months ended September 30, 2010 as against nine months ended September 30, 2009 is as follows:

	Jan - Sep 2010	Jan - Sep 2009
	(Rupees in million)	
Invoiced Sales - Net	**15,962**	11,453
Profit from operations - excluding impairment loss	**438**	146
Share of profit of associates	**167**	140
Profit before tax (excluding capital gains & impairment loss)	**374**	(503)

During the current period, the Group's sales increased by 39% over the corresponding period of 2009 generating profit from operations of Rs. 438 million as compared to Rs. 146 million for the corresponding period of 2009. This growth reflects increased capacity utilisation and better product mix offered by the Parent Company, however, revenue growth has not fully transformed into operational profit due to unplanned gas and power shortages during the current period thereby increasing consumption of furnace oil and impacting operating margins.

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

DIC PAKISTAN LIMITED

DIC Pakistan Limited has achieved sales of Rs. 1,203 million during the nine months of 2010 as compared to Rs. 1,151 million of the corresponding period representing 5% top line growth. The Company has managed to generate profit before tax of Rs. 98 million in 2010 as against that of Rs. 110 million generated during corresponding period of last year. This decline in profitability is mainly due to increase in international raw material prices that has been partially managed through efficient working capital management. Moving forward, the management is fully confident of improving its operating margins through effective price rationalisation and tighter operating cost control.

PACKAGES LANKA (PRIVATE) LIMITED

Packages Lanka (Private) Limited has achieved sales of SLR 1,078 million during nine months of 2010 as compared to SLR 838 million for the corresponding period of 2009 representing sales growth of 29%. This sales growth along with operating cost optimisation has enabled the Company to generate profit before tax of SLR 170 million during the nine months of 2010 as compared to SLR 83 million of corresponding period of 2009. Moving forward, the Company is fully focused towards maintaining its growth momentum through revenue growth and operational efficiencies.

(Towfiq Habib Chinoy)
Chairman
Lahore, October 22, 2010

Syed Hyder Ali

(Syed Hyder Ali)
Chief Executive & Managing Director
Lahore, October 22, 2010

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
as at September 30, 2010

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (2009: 150,000,000) ordinary shares of Rs. 10 each		**1,500,000**	1,500,000
22,000,000 (2009: 22,000,000) 10% non-voting cumulative preference shares / convertible stock of Rs. 190 each		**4,180,000**	4,180,000
Issued, subscribed and paid up capital 84,379,504 (2009: 84,379,504) ordinary shares of Rs. 10 each		**843,795**	843,795
Reserves		**22,601,168**	17,192,193
Preference shares / convertible stock reserve		**1,605,875**	1,605,875
Unappropriated profit		**886,998**	4,003,965
		25,937,836	23,645,828
NON CONTROLLING INTEREST		**226,435**	209,635
		26,164,271	23,855,463
NON-CURRENT LIABILITIES			
Long-term finances	5	**7,970,577**	7,970,577
Liabilities against assets subject to finance lease		**-**	8,015
Deferred liabilities		**2,570,799**	2,655,862
		10,541,376	10,634,454
CURRENT LIABILITIES			
Current portion of long-term liabilities		**-**	11,532
Finances under mark up arrangements - secured		**540,130**	430,508
Trade and other payables		**2,045,982**	1,768,021
Provision for taxation		**54,414**	29,600
		2,640,526	2,239,661
CONTINGENCIES AND COMMITMENTS	6	**-**	-
		39,346,173	36,729,578

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**18,700,774**	19,624,165
Intangible assets		**14,456**	16,605
Investment property		**26,866**	28,020
Assets subject to finance lease		**-**	29,381
Capital work-in-progress	8	**322,341**	65,578
Investments	9	**10,349,692**	7,971,556
Long-term loans and deposits		**141,945**	139,901
Retirement benefits		**100,892**	107,900
		29,656,966	27,983,106
CURRENT ASSETS			
Stores and spares		**1,031,755**	898,383
Stock-in-trade		**4,272,102**	4,483,990
Trade debts		**2,306,235**	2,031,990
Loans, advances, deposits, prepayments and other receivables		**1,248,513**	834,796
Cash and bank balances		**830,602**	497,313
		9,689,207	8,746,472
		39,346,173	36,729,578

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.

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

PACKAGES GROUP

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

for the quarter and nine months ended September 30, 2010

	Note	Quarter ended		Nine months ended	
		September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
		(Rupees in thousand)			
Local sales		**5,654,951**	4,346,338	**17,506,665**	12,962,786
Export sales		**344,710**	194,210	**1,116,012**	437,809
		5,999,661	4,540,548	**18,622,677**	13,400,595
Less: Sales tax and excise duty		**880,714**	642,172	**2,629,715**	1,930,016
Commission		**8,212**	5,087	**30,899**	17,828
		888,926	647,259	**2,660,614**	1,947,844
		5,110,735	3,893,289	**15,962,063**	11,452,751
Cost of sales	10	**(4,788,381)**	(3,467,746)	**(14,734,463)**	(10,694,526)
Gross profit		**322,354**	425,543	**1,227,600**	758,225
Administrative expenses		**(150,494)**	(120,890)	**(444,555)**	(393,082)
Distribution and marketing costs		**(147,501)**	(117,880)	**(472,595)**	(336,434)
Other operating expenses		**8,606**	(2,166)	**(24,223)**	(1,932,039)
Other operating income		**43,549**	59,476	**152,153**	255,282
Profit / (loss) from operations		**76,514**	244,083	**438,380**	(1,648,048)
Finance costs		**(317,796)**	(333,666)	**(942,522)**	(1,058,261)
Investment income		**77,833**	109,478	**711,354**	9,007,738
Share of profit of associates		**59,497**	39,150	**167,185**	140,297
(Loss) / profit before taxation		**(103,952)**	59,045	**374,397**	6,441,726
Taxation		**(2,298)**	95,162	**(168,469)**	(2,150,395)
(Loss) / profit after taxation		**(106,250)**	154,207	**205,928**	4,291,331
Attributable to:					
Equity holders of the parent		**(119,360)**	136,066	**157,266**	4,247,590
Non controlling interest		**13,110**	18,141	**48,662**	43,741
		(106,250)	154,207	**205,928**	4,291,331
Combined (loss) / earnings per share					
basic - Rupees	11	**(1.41)**	1.61	**1.86**	50.34
diluted - Rupees	11	**(1.41)**	1.61	**1.86**	48.57

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.

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

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
for the quarter and nine months ended September 30, 2010

	Quarter ended		Nine months ended	
	September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
	(Rupees in thousand)			
(Loss) / profit after taxation	**(106,250)**	154,207	**205,928**	4,291,331
Other comprehensive income				
Exchange differences on translating foreign operations	**13,066**	6,997	**27,227**	11,073
Available for sale financial assets	**785,282**	394,082	**2,387,447**	(487,285)
Impairment loss transferred to profit and loss account	**-**	-	**-**	1,793,991
Other comprehensive income for the period - net of tax	**798,348**	401,079	**2,414,674**	1,317,779
Total comprehensive income for the period	**692,098**	555,286	**2,620,602**	5,609,110
Attributable to:				
Equity holders of the parent	**676,253**	535,681	**2,566,241**	5,563,052
Non controlling interest	**15,845**	19,605	**54,361**	46,058
	692,098	555,286	**2,620,602**	5,609,110

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.

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

PACKAGES GROUP

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

for the nine months ended September 30, 2010

	Note	Nine months ended	
		September 30, 2010	September 30, 2009
		(Rupees in thousand)	
Cash flow from operating activities			
Cash generated from operations	14	**1,463,980**	826,358
Finance cost paid		**(638,946)**	(1,249,363)
Taxes paid		**(490,576)**	(267,951)
Payments for accumulating compensated absences		**(15,729)**	(10,005)
Retirement benefits paid		**(24,919)**	(22,109)
Net cash generated from / (used in) operating activities		**293,810**	(723,070)
Cash flow from investing activities			
Fixed capital expenditure		**(494,147)**	(995,831)
Net increase in long-term loans and deposits		**(2,044)**	(1,211)
Proceeds from sale of property, plant and equipment		**25,700**	20,620
Dividends received		**724,496**	276,595
Investment		**-**	(10,000)
Proceeds form disposal of non-current assets classified as held-for-sale		**-**	7,865,000
Net cash generated from investing activities		**254,005**	7,155,173
Cash flow from financing activities			
Payment of long-term finances - secured		**-**	(7,354,400)
Issuance of preference shares / convertible stock - net		**-**	4,076,452
Payment of finance lease liabilities		**(19,547)**	(5,271)
Dividend paid		**(271,418)**	-
Dividend paid to non controlling interest		**(33,183)**	-
Net cash used in financing activities		**(324,148)**	(3,283,219)
Net increase in cash and cash equivalents		**223,667**	3,148,884
Cash and cash equivalents at the beginning of the period		**66,805**	(3,043,387)
Cash and cash equivalents at the end of the period	15	**290,472**	105,497

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.

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

PACKAGES GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
for the nine months ended September 30, 2010

	Share capital	Share premium	Exchange difference on translation of foreign subsidiary	Revaluation reserve	Fair Value reserve	General reserve	Preference shares / convertible stock reserve	Unappro-priated profit / (loss)	Total	Non controlling interest	Total Equity
	(Rupees in thousand)										
Balance as on December 31, 2008 (audited)	843,795	2,876,893	(2,513)	-	(912,624)	13,660,333	-	(61,652)	16,404,232	130,412	**16,534,644**
Equity component of preference shares / convertible stock (net of transaction costs)	-	-	-	-	-	-	1,605,875	-	1,605,875	-	**1,605,875**
Total comprehensive income for the period	-	-	8,756	-	1,306,706	-	-	4,247,590	5,563,052	46,058	**5,609,110**
Balance as on September 30, 2009 (un-audited)	843,795	2,876,893	6,243	-	394,082	13,660,333	1,605,875	4,185,938	23,573,159	176,470	**23,749,629**
Total comprehensive (loss) / income for the period	-	-	(1,013)	87,825	167,830	-	-	(181,973)	72,669	33,165	**105,834**
Balance as on December 31, 2009 (audited)	843,795	2,876,893	5,230	87,825	561,912	13,660,333	1,605,875	4,003,965	23,645,828	209,635	**23,855,463**
Transferred from profit & loss account	-	-	-	-	-	3,000,000	-	(3,000,000)	-	-	**-**
Final dividend for the year ended December 31, 2009 Rs. 12 per share	-	-	-	-	-	-	-	-	-	(33,183)	**(33,183)**
Final dividend for the year ended December 31, 2009 Rs. 3.25 per share	-	-	-	-	-	-	-	(274,233)	(274,233)	-	**(274,233)**
Interim dividend for the half year ended June 30, 2010 SLR 0.50 per share	-	-	-	-	-	-	-	-	-	(4,378)	**(4,378)**
Total comprehensive income for the period	-	-	21,528	-	2,387,447	-	-	157,266	2,566,241	54,361	**2,620,602**
Balance as on September 30, 2010 (un-audited)	843,795	2,876,893	26,758	87,825	2,949,359	16,660,333	1,605,875	886,998	25,937,836	226,435	**26,164,271**

The annexed notes 1 to 18 form an integral part of this condensed consolidated interim financial information.

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

1. This condensed consolidated interim financial information is unaudited and has been prepared and is being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'.

2. 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, 2009.

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, 2009 except for the adoption of new accouting 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 Standards, amendments to published standards and interpretations that are effective in current period and are relevant to the Group

- IAS 1 (amendment), 'Presentation of financial statements'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of this amendment has no material impact on the Group's financial statements.

- IAS 27 (revised), 'Consolidated and separate financial statements', requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in income statement. The application of this revised standard has no material impact on the Group's financial statements.

- IAS 38 (amendment), 'Intangible assets'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The application of this amendment has no material impact on the Group's financial statements.

- IAS 39 (amendment), 'Cash flow hedge accounting'. This amendment provides clarification when to recognise gains or losses on hedging instruments as a reclassification adjustments in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument. The amendment clarifies that gains or losses should be reclassified from equity to income statement in the period in which the hedged forecast cash flow affects income statement. The application of this amendment has no material impact on the Group's financial statements.

- IFRS 3 (revised), 'Business combinations' is effective from July 1, 2009. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non controlling interest in the acquiree at fair vale or at the non controlling interest's proportionate share of the acquiree's net assets. All acquisition related costs should be expensed. The application of this revised standard has no material impact on the Group's financial statements.

- IFRS 5 (amendment), 'Measurement of non-current assets (or disposal groups) classified as held-for-sale'. The amendment is part of the IASB's annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1. The application of this amendment has no material impact on the Group's financial statements.

3.2.2 Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group

- IFRIC 17, 'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009. This is not currently applicable to the Group, as it has not made any non-cash distributions.

- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This is not relevant to the Group, as it has not received any assets from customers.

3.2.3 The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial period beginning 1 January 2010 and have not been early adopted:

- IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Group has not yet decided when to adopt IFRS 9.

- Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.

- ‘Classification of rights issues’ (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity’s existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 February 2010. Earlier application is permitted.

- ‘Prepayments of a minimum funding requirement’ (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, ‘IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction’. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented.

- IFRIC 19, ‘Extinguishing financial liabilities with equity instruments’. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

4. The provision for taxation for the nine months ended September 30, 2010 has been made using the tax rate that would be applicable to expected total annual earnings.

5. Long-term finances

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Opening Balance		
Local currency loans - secured	**5,500,000**	10,500,000
Foreign currency loan - secured	**-**	2,354,400
Preference shares / convertible stock - unsecured	**2,470,577**	-
	7,970,577	12,854,400
Add: Loans obtained during the period		
Preference shares / convertible stock - unsecured	**-**	2,470,577
	7,970,577	15,324,977
Less: Loans repaid during the period		
Local currency loans - secured	**-**	5,000,000
Foreign currency loan - secured	**-**	2,354,400
	-	7,354,400
Closing Balance	**7,970,577**	7,970,577

6. Contingencies and commitments

6.1 Contingencies

(i) Claims against the group not acknowledged as debts Rs. 16.725 million (December 31, 2009: Rs. 15.802 million).

(ii) Against a sales tax refund aggregating Rs 12.827 million determined by the Sales Tax Officer (STO) on the basis of the orders of the Appellate Assistant Commissioner (AAC) for the assessment years 1977-78 through 1980-81 and recognized in the financial statements in 1985, the STO filed an appeal in 1986 with the Income Tax Appellate Tribunal (ITAT) against the Orders of the AAC for these years. The orders of the AAC were based on a decision already given by the ITAT on the Parent Company's appeal for application of a lower rate of sales tax on self consumed material for earlier years. Pending the outcome of the appeal filed by STO no adjustment has been made for the refunds recognized in the financial statements as the management is of the view that the appeal of the STO will not be upheld by the ITAT.

(iii) Post dated cheques not provided in the condensed consolidated financial information have been furnished by the Group in favor of the Collector of Customs against custom levies aggregated to Rs. 89.144 million (December 31, 2009 : Rs. 27.305 million) in respect of goods imported.

(iv) In 1987, the Income Tax Officer (ITO) re-opened the Parent Company's assessments for the accounting years ended December 31, 1983 and 1984 disallowing primarily tax credit given to the Parent Company under section 107 of the Income Tax Ordinance, 1979. The tax credit amounting to Rs 36.013 million on its capital expenditure for these years was refused on the grounds that such expenditure represented an extension of the 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 management is of the view that outcome shall be in favour of the Parent Company.

6.2 Commitments in respect of

(i) Letters of credit and contracts for capital expenditure Rs. 980.267 million (December 31, 2009: Rs. 6.967 million).

(ii) Letters of credit and contracts other than for capital expenditure Rs.639.135 million (December 31, 2009: Rs. 457.295 million).

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

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
		(Rupees in thousand)	
Not later than one year		**398,599**	230,527
Later than one year and not later than five years		**1,240,887**	1,180,215
Later than five years		**218**	129,661
		1,639,704	1,540,403

7. Property, plant and equipment

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
Opening book value		**19,624,165**	11,600,184
Add: Additions during the period	7.1	**232,332**	9,338,766
Transfer in / (out) adjustment		**33,231**	(53,250)
Revaluation surplus of fixed assets - foreign subsidiary		**-**	84,303
Exchange adjustment on opening cost		**35,429**	25,207
		300,992	9,395,026
		19,925,157	20,995,210
Less: Disposals during the period (at book value)		**14,854**	11,901
Transfer out adjustment		**3,703**	1,979
Depreciation adjustment relating to revaluation surplus		**-**	(26,770)
Depreciation charged during the period		**1,188,777**	1,368,499
Exchange adjustment on opening accumulated depreciation		**17,049**	15,436
		1,224,383	1,371,045
Closing book value		**18,700,774**	19,624,165

7.1 Following is the detail of additions during the period

	Note	**Un-audited September 30, 2010**	Audited December 31, 2009
		(Rupees in thousand)	
Property, plant and equipment			
Freehold land		**5,836**	8,470
Building on freehold land		**8,870**	1,278,083
Building on leasehold land		**-**	8,976
Plant and machinery		**123,422**	7,878,467
Other equipment		**47,545**	98,343
Furniture and fixtures		**839**	6,054
Vehicles		**45,820**	60,373
		232,332	9,338,766

8. Capital work-in-progress

Civil works		**4,426**	12,928
Plant and machinery		**178,702**	52,494
Advances		**137,344**	-
Others		**1,869**	156
		322,341	65,578

9. Investments

These represent the long-term investments in:

Equity instruments of associated companies	9.1	**3,400,697**	3,410,008
Others	9.3	**6,948,995**	4,561,548
		10,349,692	7,971,556

9.1 In equity instruments of associated companies

Cost		**3,758,386**	3,758,386
Post acquisition loss brought forward		**(348,378)**	(373,977)
		3,410,008	3,384,409
Profit for the period before taxation		**167,185**	136,126
Provision for taxation		**(52,985)**	(34,641)
		114,200	101,485
		3,524,208	3,485,894
Less: Dividends received during the period		**123,511**	75,886
Closing balance	9.2	**3,400,697**	3,410,008

9.2 In equity instruments of associated companies

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Quoted		
IGI Insurance Limited		
7,625,294 (2009: 6,354,412) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 547.114 million (2009: Rs. 558.489 million)	**1,069,327**	1,076,190
Tri-Pack Films Limited		
10,000,000 (2009: 10,000,000) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 990.000 million (2009: Rs. 1,030.400 million)	**2,295,318**	2,292,513
IGI Investment Bank Limited		
4,610,915 (2009: 4,610,915) fully paid ordinary shares of Rs. 10 each		
Market value - Rs. 8.069 million (2009: Rs. 16.277 million)	**36,052**	41,305
	3,400,697	3,410,008

9.3 Others

Quoted		
Nestle Pakistan Limited		
3,649,248 (2009: 3,649,248) fully paid ordinary shares of Rs. 10 each	**6,934,264**	4,546,817
Unquoted		
Tetra Pak Pakistan Limited		
1,000,000 (2009: 1,000,000) fully paid non voting shares of Rs. 10 each	**10,000**	10,000
Pakistan Tourism Development Corporation Limited		
2,500 (2009: 2,500) fully paid ordinary shares of Rs. 10 each	**25**	25
Orient Match Company Limited		
1,900 (2009: 1,900) fully paid ordinary shares of Rs. 100 each	**-**	-
Coca-Cola Beverages Pakistan Limited		
500,000 (2009: 500,000) fully paid ordinary shares of Rs. 10 each	**4,706**	4,706
	6,948,995	4,561,548

Nestle Pakistan Limited, Tetra Pak Pakistan Limited and Coca-Cola Beverages 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.

10. Cost of sales

	Quarter ended		Nine months ended	
	September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
	(Rupees in thousand)			
Opening work-in-process	**238,224**	250,813	**227,609**	301,323
Materials consumed	**3,089,880**	2,452,258	**8,554,288**	6,971,758
Salaries, wages and amenities	**302,967**	244,541	**936,708**	691,162
Fuel and power	**751,352**	555,734	**2,208,944**	1,514,933
Production supplies	**106,208**	111,102	**346,364**	296,308
Excise duty and sales tax	**295**	240	**1,448**	628
Rent, rates and taxes	**75,701**	42,776	**145,067**	125,365
Insurance	**19,567**	22,588	**58,044**	61,753
Repairs and maintenance	**147,211**	115,439	**402,353**	336,001
Packing expenses	**32,619**	34,749	**108,914**	98,868
Depreciation on property, plant and equipment	**372,409**	345,396	**1,145,836**	969,687
Amortization on intangible assets	**4**	4	**13**	13
Depreciation on assets subject to finance lease	**14,725**	-	**14,725**	-
Technical fee and royalty	**15,315**	12,188	**42,079**	35,395
Traveling and conveyance	**833**	340	**1,946**	1,751
Other expenses	**60,426**	53,450	**176,971**	153,429
	5,227,736	4,241,618	**14,371,309**	11,558,374
Less: Closing work-in-process	**234,402**	223,783	**234,402**	223,783
Cost of goods produced	**4,993,334**	4,017,835	**14,136,907**	11,334,591
Opening stock of finished goods	**1,268,549**	1,461,771	**2,071,058**	1,371,795
Cost of goods available for sale	**6,261,883**	5,479,606	**16,207,965**	12,706,386
Less: Closing stock of finished goods	**1,473,502**	2,011,860	**1,473,502**	2,011,860
	4,788,381	3,467,746	**14,734,463**	10,694,526

11. Combined Earnings / (loss) per share

11.1 Combined Basic earnings per share

		Quarter ended		Nine months ended	
		September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009
(Loss) / profit for the period	- Rupees in thousand	**(119,360)**	136,066	**157,266**	4,247,590
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
(Loss) / earnings per share	- Rupees	**(1.41)**	1.61	**1.86**	50.34

11.2 Combined Diluted earnings / (loss) per share

(Loss) / profit for the period	- Rupees in thousand	**(119,360)**	136,066	**157,266**	4,247,590
Add: Return on preference shares / convertible stock - net of tax	- Rupees in thousand	**90,650**	69,974	**268,995**	69,974
		(28,710)	206,040	**426,261**	4,317,564
Weighted average number of ordinary shares	- Numbers	**84,379,504**	84,379,504	**84,379,504**	84,379,504
Add: Weighted average number of notionally converted preference shares / convertible stock	- Numbers	**21,686,842**	4,515,616	**21,686,842**	4,515,616
		106,066,346	88,895,120	**106,066,346**	88,895,120
(Loss) / earnings per share	- Rupees	**(0.27)**	2.32	**4.02**	48.57

The effect of the conversion of the preference shares / convertible stock into ordinary shares is anti-dilutive, accordingly the diluted EPS is restricted to the basic EPS except for corresponding year to date EPS value of 2009.

12. Transactions with related parties

Relationship with the Group	Nature of transactions	Nine months ended September 30, 2010	Nine months ended September 30, 2009
		(Rupees in thousand)	
i. Associated Undertakings			
	Purchase of goods and services	**328,232**	206,356
	Sale of goods and services	**22,765**	21,578
	Insurance premium	**94,876**	90,454
	Insurance claims	**434**	4,560
	Dividend income	**123,511**	75,886
	Lease rental paid	**38**	-
	Purchase of property, plant & equipment	**950**	-
ii. Other related parties			
	Purchase of goods and services	**153,732**	123,609
	Sale of goods and services	**4,618,336**	2,263,040
	Finance cost	**-**	54
	Dividend income	**673,970**	200,709
	Rental income	**22,194**	23,725
	Management & Technical fee - expense	**29,817**	28,364
	Purchase of investment	**1,153,252**	-
	Sale of investment	**1,164,837**	-
	Rental expenses	**-**	1,716
iii. Post employment benefit plans	Expenses charged in respect of retirement benefit plans	**99,518**	82,886
iv. Key management personnel	Salaries and other employee benefits	**41,580**	45,926

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

Period-end balances

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees in thousand)	
Receivable from related parties	**388,770**	445,892
Payable to related parties	**35,614**	30,434

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

13. Cash generated from operations

	Nine months ended	
	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Profit before taxation	**374,397**	6,441,726
Adjustments for:		
Depreciation on property, plant and equipment	**1,188,777**	991,598
Amortization on intangible assets	**2,149**	78
Depreciation on investment property	**1,154**	1,849
Depreciation on assets subject to finance lease	**2,247**	759
Gain on sale of non-current assets classified as held-for-sale	**-**	(8,807,029)
Impairment loss recognized on available for sale financial assets	**-**	1,793,991
Provision for accumulating compensated absences and staff gratuity	**57,513**	41,761
Exchange Adjustments	**7,802**	19,473
Retirement benefits - net	**31,927**	(1,846)
Profit on disposal of property, plant and equipment	**(10,846)**	(10,447)
Finance cost	**942,522**	1,058,261
Dividend income from other investments	**(673,969)**	(200,709)
Share of profit from associated companies	**(167,185)**	(140,297)
Profit before working capital changes	**1,756,488**	1,189,168
Effect on cash flow due to working capital changes		
Increase in stores and spares	**(129,669)**	(43,695)
Decrease / (increase) in stock in trade	**211,888**	(515,822)
Increase in trade debts	**(274,245)**	(72,314)
Increase in loans, advances, deposits, prepayments and other receivables	**(185,420)**	(105,381)
Increase in trade and other payables	**84,938**	374,402
	(292,508)	(362,810)
	1,463,980	826,358

14. Cash and cash equivalents

Cash and bank balances	**830,602**	857,562
Finances under markup arrangements - secured	**(540,130)**	(752,065)
	290,472	105,497

15. Segment information

	Packaging Division		Paper & Board Division		Ink Division		General & Others		Total	
	September 30, 2010	September 30, 2009	**September 30, 2010**	September 30, 2009	**September 30, 2010**	September 30, 2009	**September 30, 2010**	September 30, 2009	**September 30, 2010**	September 30, 2009
	(Rupees in thousand)									
Revenue from external customers	**8,141,596**	6,529,708	**6,908,179**	4,112,890	**799,933**	752,595	**112,355**	57,558	**15,962,063**	11,452,751
Intersegment revenue	**388,268**	327,795	**3,982,679**	3,238,578	**403,169**	398,229	**80,848**	32,608	**4,854,964**	3,997,210
	8,529,864	6,857,503	**10,890,858**	7,351,468	**1,203,102**	1,150,824	**193,203**	90,166	**20,817,027**	15,449,961
Segment profit/ (loss) before tax	**990,295**	578,965	**(1,731,696)**	(1,642,677)	**98,476**	110,466	**1,028,600**	7,405,092	**385,675**	6,451,846
	September 30, 2010	December 31, 2009	**September 30, 2010**	December 31, 2009	**September 30, 2010**	December 31, 2009	**September 30, 2010**	December 31, 2009	**September 30, 2010**	December 31, 2009
Segment assets	**5,832,329**	4,998,927	**19,549,555**	20,913,814	**784,442**	711,759	**652,132**	618,479	**26,663,601**	27,137,171

Reconciliation of profit or loss:

	September 30, 2010	September 30, 2009
	(Rupees in thousand)	
Total profit or loss for reportable segments	**385,675**	6,451,846
Income from Associates	167,185	140,297
Intercompany consolidation adjustment	**(178,463)**	(150,417)
Profit before tax	**374,397**	6,441,726

16. 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

17. Date of authorization for issue

This condensed consolidated interim financial information was authorized for issue on October 22, 2010 by the Board of Directors of the Parent Company.

18. 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, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

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