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PICT

Pakistan International Container Terminal Limited

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Terminal Office
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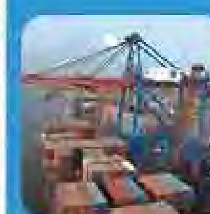
HALF YEARLY REPORT
December 31, 2010






PICT

Pakistan International Container Terminal Limited

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Capt. Haleem A. Siddiqui
Chief Executive	Capt. Zafar Iqbal Awan
Directors	Mr. Aasim Azim Siddiqui Mr. Sharique Azim Siddiqui Mr. Syed Nizam A. Shah Mr. Ali Raza Siddiqui Mr. M. Masood Ahmed Usmani, FCA

Chief Operating Officer	Mr. Sharique Azim Siddiqui
Chief Financial Officer	Mr. M. Masood Ahmed Usmani, FCA
Company Secretary	Mr. Arsalan I. Khan, ACA

AUDIT COMMITTEE

Chairman	Mr. Syed Nizam A. Shah
Members	Mr. Aasim Azim Siddiqui Mr. Ali Raza Siddiqui
Chief Internal Auditor	Mr. Noman Yousuf
Secretary	Mr. Arsalan I. Khan, ACA

Auditors	**Ernst & Young Ford Rhodes Sidat Hyder** **Chartered Accountants** 6th Floor, Progressive Plaza Beaumont Road, P.O. Box 15541, Karachi-75530
Legal Advisor	**Kabraji & Talibuddin** 64 - A/1, Gulshan -e -Faisal, Bath Island Karachi 75530. **Usmani & Iqbal** **Advocates & Solicitors** 604 - 9, 6th Floor, Business Centre, Mumtaz Hassan Road Karachi. **The Continental Law Associates** Panorama Centre, Saddar, Karachi.
Bankers	Albaraka Islamic Bank Limited Barclays Bank PLC Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited HSBC Bank Middle East Limited JS Bank Limited National Bank of Pakistan Samba Bank Limited Standard Chartered Bank United Bank Limited
Registered & Head Office	2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. Tel: 32400450-3 Fax: 32400281
Terminal	Berth 6-9, East Wharf Karachi. Tel: 32855701-14 Fax: 32854815 UAN. (+9221)111-11-PICT (7428)
Registrar / Transfer Agent	**Technology Trade Services (Pvt.) Limited.** 241-C, Block-2, P.E.C.H.S., Karachi. Tel: 34391316-7

DIRECTORS' REPORT

The Directors are pleased to present the un-audited financial statements along with the Review Report for the half year ended December 31, 2010.

General Review:

The six months from July 2010 to December 2010 observed the continuity of the growth in PICT container handling volumes and revenues. PICT handled 321,732 TEU (Twenty Foot Equivalent Container Units) during the period from July 2010 to December 2010 as compared to 301,410 TEU handled during the corresponding period last year showing a growth of 7%.

Consolidated Operating & Financial Results for the half year ended December 31, 2010

	(Rupees in `000)
Profit before tax	**918,046**
Less: Provision for taxation	
- Current	**292,372**
- Deferred	**45,733**
	338,105
Profit after taxation	**579,941**
Un-appropriated profit brought forward	**2,436,261**
Final dividend for the year ended June 30, 2010 - Ordinary Shares 25%	**(272,883)**
Final dividend for the year ended June 30, 2010 - Preference shares 10%	**(18,000)**
Un-appropriated profit carried forward	**2,725,319**
EPS- Basic	**Rs.5.23**

During the half year ended December 31, 2010, the Company has achieved a turnover of Rs. 2,897.99 million as compared to Rs. 2,582.43 million in corresponding period last year showing a growth of 12%.

Gross profit for the half year ended December 31, 2010 amounted to Rs. 1,189.82 million as compared to Rs. 1,146.68 million in the same period last year. Profit after tax amounted to Rs. 579.94 million as compared to Rs. 470.48 million in the corresponding period last year.

PICT's wholly owned subsidiary M/s Pakistan International Bulk Terminal (Pvt.) Limited has signed the Implementation Agreement on November 06, 2010 with Port Qasim Authority for the establishment of Pakistan's first modern bulk Terminal for the handling of Coal, Clinker and Cement at Port Qasim. This is in line with our vision to be the pioneering group of Pakistani Entrepreneurs and Professionals to set up modern cargo handling infrastructure facility in the ports in Pakistan to meet the growing demands of cargo handling in the country. The Coal, Clinker and Cement Terminal will be developed to handle 8 million tons per annum of cargo in a fully mechanized terminal which will curtail environmental pollution and modernize the port infrastructure of the country.

Finally, the Board assures you that the management is fully aware of its responsibilities towards its stakeholders and is committed to increasing the company's profitability value addition to our shareholders.

For and on behalf of the Board

KARACHI:
Dated: February 07, 2011

Capt. Zafar Iqbal Awan
Chief Executive

UN-CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED

DECEMBER 31, 2010

Ernst & Young

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O.Box 15541, Karachi 75530, Pakistan
Tel. +9221 3565 0007
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pakistan International Container Terminal Limited** as at **31 December 2010** and the related condensed interim profit and loss account and condensed interim statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Without qualifying our review report, we draw attention to the contents of note 11.2 to the interim financial information. As fully explained in the said note, preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt with in accordance with the clarification from the Securities and Exchange Commission of Pakistan.

Chartered Accountants

Audit Engagement Partner : Riaz A. Rehman Chamdia

CHARTERED ACCOUNTANTS

Karachi: February 7, 2011

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2010

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
ASSETS		-------- (Rupees in `000)--------	
NON-CURRENT ASSETS			
Property, plant and equipment	4	**5,699,431**	5,800,338
Intangible assets		**58,148**	64,989
Long-term investments	5	**200,000**	-
Long-term deposits		**83,705**	83,705
		6,041,284	5,949,032
CURRENT ASSETS			
Stores and spares		**284,847**	301,086
Trade debts	6	**388,633**	237,352
Advances - unsecured, considered good	7	**66,309**	35,564
Deposits and prepayments		**64,155**	56,093
Other receivables	8	**29,011**	30,181
Short term investments	9	**528,188**	592,372
Taxation - net		**-**	87,282
Cash and bank balances	10	**1,150,472**	1,026,176
		2,511,615	2,366,106
TOTAL ASSETS		**8,552,899**	8,315,138
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		**2,000,000**	2,000,000
Issued, subscribed and paid-up capital	11	**1,271,532**	1,271,532
Unappropriated profit		**2,731,674**	2,446,444
		4,003,206	3,717,976
NON-CURRENT LIABILITIES			
Long-term loans - secured	12	**2,080,517**	2,298,040
Liabilities against assets subject to finance lease		**143,439**	173,394
Deferred tax liability	13	**994,089**	944,793
Staff compensated absences		**28,628**	28,628
		3,246,673	3,444,855
CURRENT LIABILITIES			
Trade and other payables	14	**676,580**	516,717
Accrued interest on long-term financing		**47,942**	55,899
Current portion of long-term loans		**438,974**	519,782
Current portion of liabilities against assets subject to finance lease		**59,909**	59,909
Taxation - net		**79,615**	-
		1,303,020	1,152,307
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		**8,552,899**	8,315,138

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Note	Half-Year Ended		Quarter Ended	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
		--------------- (Rupees in `000) --------------			
TURNOVER NET		**2,897,994**	2,582,431	**1,505,860**	1,308,903
Terminal operating costs	16	**(1,708,178)**	(1,435,755)	**(884,566)**	(728,529)
GROSS PROFIT		**1,189,816**	1,146,676	**621,294**	580,374
Administrative expenses		**(248,529)**	(195,014)	**(143,271)**	(98,512)
Other operating income	17	**92,622**	61,887	**57,381**	29,028
Finance costs		**(84,583)**	(98,889)	**(51,039)**	(46,385)
Other charges	18	**(31,699)**	(163,934)	**(3,111)**	(93,510)
PROFIT BEFORE TAXATION		**917,627**	750,726	**481,254**	370,995
Taxation	19	**(341,514)**	(280,246)	**(182,378)**	(178,318)
PROFIT AFTER TAXATION		**576,113**	470,480	**298,876**	192,677
EARNINGS PER ORDINARY SHARE - Basic	20.1	**5.20**	Rs. 4.23	**2.70**	Rs. 1.72
EARNINGS PER ORDINARY SHARE - Diluted	20.2	**4.53**	Rs. 3.70	**2.35**	Rs. 1.52

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---------------- (Rupees in '000)			--------------
Profit for the period after tax	**576,113**	470,480	**272,636**	192,677
Other comprehensive income - net of taxation	-	-	-	-
Total comprehensive income for the period - net of tax	**576,113**	470,480	**272,636**	192,677

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Note	Half-Year Ended December 31, 2010	Half-Year Ended December 31, 2009
		--------- (Rupees in '000)---------	
CASH FLOWS FROM OPERATIONS	22	**1,192,343**	1,087,404
Tax paid		**(125,320)**	(14,915)
Finance costs paid		**(57,270)**	(67,722)
Net cash generated from operating activities		**1,009,753**	1,004,767
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(155,156)**	(233,375)
Purchase of investments		**(20,000)**	(75,000)
Proceeds from sale of investments		**110,000**	98,873
Advance against future issue of shares in a subsidiary		**(200,000)**	-
Profit received		**40,241**	19,157
Proceeds from disposal of property, plant and equipment		**2,954**	1,628
Net cash used in investing activities		**(221,961)**	(188,717)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		**(322,759)**	(299,306)
Dividend paid on preference shares		**(18,000)**	(18,000)
Dividend paid on ordinary shares		**(274,165)**	(136,441)
Security deposits against lease assets		**-**	43
Lease rentals paid		**(48,572)**	(48,422)
Net cash used in financing activities		**(663,496)**	(502,126)
Net increase in cash and cash equivalents		**124,296**	313,924
Cash and cash equivalents at the beginning of the period		**1,026,176**	491,188
Cash and cash equivalents at the end of the period		**1,150,472**	805,112

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Issued, subscribed and paid-up capital			
	Ordinary shares	Redeemable preference shares	Unappropriated profit	Total
	---------------- (Rupees in `000)			----------------
Balance as at July 01, 2009	**909,610**	**180,000**	**1,874,994**	**2,964,604**
Profit for the period	-	-	470,480	**470,480**
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	**470,480**	**470,480**
Bonus shares issued during the period in the ratio of 1 ordinary share for every 5 shares held	181,922	-	(181,922)	-
Final dividend for the year ended June 30, 2009 - on preference shares @ Re. 1/- per share	-	-	(18,000)	(18,000)
First interim dividend for the year ended June 30, 2010 - on ordinary shares @ Rs.1.5/- per share	-	-	(136,441)	(136,441)
Balance as at December 31, 2009	**1,091,532**	**180,000**	**2,009,111**	**3,280,643**
Balance as at July 01, 2010	**1,091,532**	**180,000**	**2,446,444**	**3,717,976**
Profit for the period	-	-	**576,113**	**576,113**
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	**576,113**	**576,113**
Final dividend for the year ended June 30, 2010 - on preference shares @ Re. 1/- per share	-	-	(18,000)	(18,000)
Final dividend for the year ended June 30, 2010 - on ordinary shares @ Rs.2.5/- per share	-	-	(272,883)	(272,883)
Balance as at December 31, 2010	**1,091,532**	**180,000**	**2,731,674**	**4,003,206**

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2010
(UN-AUDITED)

1. CORPORATE INFORMATION AND OPERATIONS

1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and listed on the Karachi Stock Exchange on October 15, 2003. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The terminal office of the Company is located at berths 6 to 9, East Wharf, Kemari Road, Karachi Port.

1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002.

1.3. During the year ended June 30, 2010, the Company in its Annual General Meeting held on September 11, 2009 passed a special resolution to incorporate a wholly owned subsidiary having objects similar to the Company. Consequently, the Company has incorporated its subsidiary Pakistan International Bulk Terminal (Private) Limited (PIBT) on March 22, 2010. The principal activities of PIBT will be business of container terminal operators, terminal operator of coal, clinker and cement and other bulk cargo etc. The Subsidiary is in start-up phase and has not commenced its operations.

1.4. These financial statements are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of direct equity interest and is not consolidated.

2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements are unaudited but subject to limited scope review by auditors. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010 except as follows:

The Company has adopted the following amended IFRSs and IFRIC interpretations which became effective during the period:

IAS 32 - Financial instruments: Presentation- Classification of rights issues (Amendment)

IFRIC 19 - Extinguishing financial liabilities with equity instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 - Operating Segments
IAS 1 - Presentation of Financial Statements
IAS 7 - Statement of Cash Flows
IAS 17 - Leases
IAS 36 - Impairment of Assets
IAS 39 - Financial instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the condensed interim financial statements.

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
		--------- (Rupees in `000)---------	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**5,133,266**	5,346,132
Capital work in progress	4.2	**566,165**	454,206
		5,699,431	5,800,338

4.1 Operating fixed assets - owned and leased

	Note	December 31, 2010	June 30, 2010
Book value at the beginning of the period / year		**5,346,128**	4,724,746
Additions during the period / year	4.1.1	**43,197**	1,089,473
		5,389,325	5,814,219
Less:			
Disposal during the period/ year at book value	4.1.2	**(2,426)**	(9,930)
Depreciation charged during the period / year		**(253,633)**	(458,157)
		(256,059)	(468,087)
		5,133,266	5,346,132

4.1.1 Additions during the period / year

	December 31, 2010	June 30, 2010
Owned		
Port improvements	**13,234**	270,799
Leasehold improvements	**-**	594,886
Port equipment	**-**	91,940
Port power generation	**-**	73,196
Vehicles	**23,356**	30,902
Computers	**2,324**	10,136
Furniture and fixtures	**2,826**	10,496
Office equipment	**1,457**	7,118
	43,197	1,089,473

4.1.2 Disposals during the period / year at book value

	December 31, 2010	June 30, 2010
Owned		
Vehicles	**2,426**	9,930

4.2 Capital work-in-progress

	Civil works	Advance to supplier and contractors	Advance for purchase of cranes and related equipments	Total
	--------------(Rupees in `000) --------------			
Balance as at July 1, 2010	**314,502**	**132,835**	**6,869**	**454,206**
Capital expenditure incurred during the period	**120,709**	**19,141**	**-**	**139,850**
Transfer made during the period	**-**	**(27,891)**	**-**	**(27,891)**
Balance as at December 31, 2010	**435,211**	**124,085**	**6,869**	**566,165**

		Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
			--------- (Rupees in `000)---------	
5.	LONG TERM INVESTMENTS			
	Unquoted subsidiaries at cost	5.1	-	-
	Advance against future issue of shares	5.2	200,000	-
			200,000	-

5.1 Unquoted subsidiary

Number of ordinary shares of Rs.10/- each				Holding			
December 2010	June 2010		Activity	December 2010 %	June 2010 %	December 2010	June 2010
						----- (Rupees in `000)-----	
7	7	Pakistan International Bulk Terminal (Private) Limited	Bulk Terminal	100	100	-	-

5.2 This represents amount granted by the Company as an advance against future issue of share capital to its wholly owned subsidiary.

		Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
			--------- (Rupees in `000)---------	
6.	TRADE DEBTS - Unsecured			
	Considered good	6.1	388,633	237,352
	Considered doubtful		3,641	3,641
			392,274	240,993
	Less: Provision for doubtful debts		(3,641)	(3,641)
			388,633	237,352

6.1 Includes Rs. 0.502 million (June 30, 2010: Rs.0.3 million) due from Marine Services (Private) Limited a - related party, Rs. 0.393 million (June 30, 2010: Rs. Nil) due from Port Link International Services (Private) Limited a related party and Rs. Nil (June 30, 2010: Rs. 0.313 million) due from Premier Mercantile Services (Private) Limited a related party.

7. ADVANCES - unsecured, considered good

Includes Rs.0.319 million (June 30, 2010: Rs. Nil) advance given to Premier Mercantile Services (Private) Limited a related party, in respect of stevedoring services.

8. OTHER RECEIVABLES

Includes mainly Rs. 10.133 million due from Pakistan International Bulk Terminal (Private) Limited, a wholly owned subsidiary, in respect of incorporation expenses paid by the Company.

		Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
			--------- (Rupees in `000)---------	
9.	SHORT TERM INVESTMENTS			
	Investments at fair value through profit or loss	9.1	484,938	539,122
	Held to maturity - at amortized cost	9.2	43,250	53,250
			528,188	592,372

9.1 At fair value through profit or loss

Number of units / shares			December 31, 2010		June 30, 2010	
December 2010	June 2010		Cost	Fair value	Cost	Fair value
			---------- (Rupees in `000)----------			
		Listed Mutual Funds (Open Ended)				
3,471,105	4,236,041	JS Cash Fund	**332,034**	**353,115**	429,958	434,025
6,394	5,633	JS UTP	**582**	**666**	511	582
106,813	101,683	Atlas Money Market Fund	**52,224**	**55,062**	50,000	52,224
491,464	458,051	Crosby Phoenix Fund	**51,256**	**53,167**	46,135	51,256
1,045,718	-	ABL Cash Fund	**10,000**	**10,467**	-	-
104,595	-	PICIC Income Fund	**10,000**	**10,478**	-	-
			456,096	**482,955**	526,604	538,087
		Listed - Mutual Funds (Close Ended)				
243,500	243,500	UTP Large Cap Fund	**1,035**	**1,983**	757	1,035
		Unrealized gain on revaluation of investment	**27,807**	-	11,761	-
			484,938	**484,938**	539,122	539,122

	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
	--------- (Rupees in `000)---------	
9.2 Held to Maturity Investments		
Saudi Pak Leasing Company COIs	**61,000**	71,000
Less: Provision for impairment	**(17,750)**	(17,750)
	43,250	53,250

9.3 Represents investments of a face value of Rs. 61 million (June 2010: Rs. 71 million) in Certificates of Investments of Saudi Pak Leasing Company maturing by December 31, 2010. It carries interest at the rate of 7% per annum. The Director of the Company has resigned from the directorship of Saudi Pak Leasing Company w.e.f October 04, 2010. Consequently, the Leasing Company is ceases to be a related party of the Group.

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
10. CASH AND BANK BALANCES		--------- (Rupees in `000)---------	
Cash with bank:			
- in current accounts	10.1	**322,626**	275,914
- in saving accounts	10.2	**748,481**	601,740
- in short-term deposits	10.3	**75,000**	135,000
		1,146,107	1,012,654
Cash in hand		**4,365**	13,522
		1,150,472	1,026,176

10.1 Includes Rs. 255 million (June 30, 2010: Rs. 255 million) deposited by the Company in Debt Reserve Account maintained for debt services under "Debt Reserve Account Agreement" entered into with IFC and OFID.

10.2 This carries profit rates ranging from 5 % to11. 5 % (June 30, 2010:5.00 % to 11.5%) per annum.

10.3 This carries profit rates ranging from 11.25% to 12.7% (June 30, 2010: 10.65% to 12.2%) per annum.

11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

11.1 The issued, subscribed and paid-up capital include 18,000,000 cumulative redeemable preference shares of Rs. 10/- each that were issued in the ratio of 1 preference share for 3.54 ordinary shares held and carry a dividend of 10 percent on the issue price, redeemable 7 years after the issue date. The shareholders, inter alia, have the right to convert these into ordinary shares in the ratio of 1 ordinary share for 1 preference share held, if the Company fails to redeem these shares.

11.2 The above stated preference shares have been treated as part of equity on the following bases:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The authorised capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on December 24, 2004.
- Return of allotment of shares was filed under Section 93(1) of the Ordinance.
- The Company is required to set-up a reserve for redemption of preference shares under Section 85 of the Ordinance in respect of the shares redeemed which effectively makes preference shares a part of equity.
- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.
- The requirements of the Ordinance take precedence over the requirements of IFRSs.
- As stated in 11.1 above, shareholders have the right to convert these preference shares into ordinary shares or else retain their preference shares, provided that the Company shall pay the preferred dividend for each financial year following the expiry of the term date at the rate of 12% (instead of 10%) per annum on the face value.
- These preference shares are listed on the Karachi Stock Exchange.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the Company has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

12. LONG-TERM LOANS - Secured

12.1 The principal terms and conditions of the loans are summarized as follows:

IFC

	First Loan		Second Loan	Third Loan	Fourth Loan
	Loan A	Loan C			
- Principal amount in US Dollars	7,750,000	1,500,000	6,000,000	8,000,000	10,000,000
- Interest rate per annum	LIBOR plus 3.875%	5% (Note 12.1.1)	LIBOR plus 3.375%	LIBOR Plus 3.25%	LIBOR plus 3.125%
- Repayment terms					
Number of installments	18 semi-annual	2 equal installments	18 semi-annual	16 semi-annual	14 semi-annual
First installment	April 15, 2005	April 15, 2014	January 15, 2007	October 15, 2007	July 15, 2011
Last installment	October 15, 2013	October 15, 2014	July 15, 2015	April 15, 2015	January 15, 2018

OFID

	First Loan	Second Loan	Third Loan	Fourth Loan
- Principal amount in US Dollars	7,750,000	6,000,000	3,000,000	3,000,000
- Interest rate per annum	LIBOR plus 3.875%	LIBOR plus 3.375%	LIBOR plus 3.25%	LIBOR plus 3.125%
- Repayment terms				
Number of installments	18 semi-annual	18 semi-annual	16 semi-annual	14 semi-annual
First installment	April 15, 2005	January 15, 2007	October 15, 2007	July 15, 2011
Last installment	October 15, 2013	July 15, 2015	April 15, 2015	January 15, 2018

12.1.1 In addition to the above, IFC is entitled to additional interest to be computed at the rate of US Dollar 1.85 per TEU (Twenty Feet Equivalent Container Units) in excess of 150,000 TEUs per annum subject to cap of upto US Dollars 200,000 per annum upto year 2010 and progressively increasing to US Dollar 300,000 per annum upto year 2014.

12.1.2 The above loans are secured as follows:

IFC Loans (First Loan A , Second Loan, Third Loan and Fourth Loan) and OFID Loans
These loans are secured by way of a first equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and first hypothecation over all other movable assets.

IFC Loan C
This loan is secured by way of a second equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and second hypothecation over all other movable assets.

	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
	--------- (Rupees in `000)---------	
13. DEFERRED TAX LIABILITY		
Taxable temporary differences		
Accelerated tax depreciation / amortization allowance	**1,030,556**	986,219
Deductible temporary differences		
Provision for compensated absences	**(10,020)**	(10,020)
Provision for doubtful debts	**(1,274)**	(1,274)
Fair value loss on derivative	**(18,202)**	(23,162)
Others	**(6,971)**	(6,970)
	994,089	944,793

14 TRADE PAYABLES AND OTHER LIABILITIES

14.1 Includes Rs.69.701 million (June 30, 2010: Rs. 58.033 million) due to Premier Mercantile Services (Private) Limited - a related party.

14.2 The Company has entered into a cross currency interest rate swap agreement with a local commercial bank for notional amount of Rs. 343.50 million, maturing up to July 2011. Under swap arrangements the principal payable amount of Rs. 343.75 million is swapped with US dollar component at Rs. 60.49 per US dollar making loan amount to US dollar 5.682 million. Besides foreign currency component, the Company would receive three months KIBOR rates and pay three months LIBOR and spread of 3.15% as per the respective arrangement, which will be settled quarterly. The swap is being used to hedge the exposure to change in the fair value of Company's lease obligations which are based on KIBOR. The outstanding balance of this arrangement is Rs. 140.625 million as at the balance sheet date. The net fair value of this cross currency interest rate swap was Rs. 52.007 million unfavorable to the Company as of the balance sheet date which has been included in Trade and other payables. The unwinding cost of the said cross currency swap as determined by the bank as of December 31, 2010 was Rs. 56.937 million. The swap arrangement has exposed the Company with foreign currency risk on the US$ value converted at the agreement date of principal amount of the loan.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There were no major changes in the status of contingencies as reported in the financial statements for the year ended June 30, 2010.

	December 31, 2010 (Un-Audited)	June 30, 2010 (Audited)
	(Rupees in '000)	
15.2 Commitments		
Commitments for capital expenditure		
Civil works	-	15,000
Intangible assets	-	5,400
	-	20,400
Letter of guarantee	**85,900**	85,600
Letter of credit	**29,554**	3,876

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	---------------- (Rupees in `000) ---------------			
16. TERMINAL OPERATING COSTS				
Salaries, wages and benefits	**196,564**	142,017	**97,369**	69,616
Contracted labour	**15,028**	11,017	**7,932**	5,579
Staff training	**278**	466	**115**	227
Royalty - Karachi Port Trust	**273,474**	252,030	**145,672**	129,001
Handling and marshalling charges	**58,113**	53,367	**1,180**	30,235
Equipment usage charges	**14,449**	23,549	**7,227**	10,504
Stevedoring	**430,761**	407,149	**229,166**	202,063
Custom seals	**2,000**	1,337	**1,000**	437
Stores, spares and other maintenance charges	**123,515**	98,610	**70,388**	51,560
Fuel consumed	**249,424**	186,569	**136,261**	97,780
Travelling and conveyance	**2,264**	719	**844**	584
Office maintenance	**17,123**	12,185	**9,161**	6,360
Vehicle running expenses	**4,445**	3,870	**2,814**	2,249
Insurance	**43,510**	42,563	**21,755**	21,281
Printing and stationary	**2,682**	1,626	**1,962**	768
Utilities	**2,402**	3,648	**1,196**	1,663
Depreciation	**225,589**	174,207	**115,486**	87,103
Amortization	**6,840**	143	**6,840**	71
Others	**39,717**	20,683	**28,198**	11,448
	1,708,178	1,435,755	**884,566**	728,529

17. This mainly includes gain on investments at fair value through profit and loss amounting to Rs. 25.879 million (December 31, 2009: Rs. 28.464 million), fair value gain on derivative amounting to Rs. 14.17 million (June 30, 2009: Nil) and profit on deposit accounts amounting to Rs. 52.043 million (December 31, 2009: Rs. 33.236 million).

18. This mainly includes exchange loss amounting to Rs. 13,403 million (December 31, 2009 : Rs. 117.425 million) and fair value loss on derivative amounting to Rs. Nil (December 31, 2009: Rs. 7.219 million).

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
19. TAXATION	---------------- (Rupees in `000) ---------------			
Current	**(292,217)**	(184,491)	**(156,151)**	(178,123)
Deferred	**(49,297)**	(95,755)	**(26,227)**	(195)
	(341,514)	(280,246)	**(182,378)**	(178,318)

20. BASIC EARNINGS PER SHARE

20.1 Basic earnings per share

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	(Rupees in `000)			
Profit after taxation	**576,114**	470,480	**298,876**	192,677
Preferred dividend on cumulative preference shares	**(9,000)**	(9,000)	**(4,500)**	(4,500)
Profit after taxation attributable to ordinary shareholders	**567,114**	461,480	**294,376**	188,177
	(Number of shares in `000)			
Weighted average number of ordinary shares in issue during the period	**109,153**	109,153	**109,153**	109,153
	(Rupees)			
Earnings per share	**5.20**	4.23	**2.70**	1.72

18.2 Diluted earnings per share

	(Rupees in `000)			
Profit after taxation attributable to ordinary shareholders	**567,114**	461,480	**294,376**	188,177
Preferred dividend on cumulative preference shares	**9,000**	9,000	**4,500**	4,500
	576,114	470,480	**298,876**	192,677
	(Number of shares in `000)			
Weighted average number of ordinary shares in issue during the period	**109,153**	109,153	**109,153**	109,153
Adjustment of preference shares	**18,000**	18,000	**18,000**	18,000
	127,153	127,153	**127,153**	127,153
	(Rupees)			
Earnings per share	**4.53**	3.70	**2.35**	1.52

21. RELATED PARTIES TRANSACTIONS

The related parties include major shareholders, entities having directors in common with the Company, directors and other key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such reflected elsewhere in these condensed interim financial statements are as under:

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	---------------- (Rupees in '000) ----------------			
Subsidiary Company				
Pakistan International Bulk Terminal (Private) Limited				
Advance against future issue of shares	**200,000**	-	**200,000**	-
Major shareholder				
Premier Mercantile Services (Private) Limited				
Stevedoring charges	**322,129**	353,753	**173,500**	193,087
Storage charges	**16,592**	15,145	**8,296**	7,272
Equipment charges	**13,800**	-	**6,900**	-
Entities having directors in common with the Group				
Premier Software (Private) Limited				
Software maintenance charges	**1,650**	1,500	**825**	825
Marine Services (Private) Limited				
Revenue from container handling	**1,853**	7,502	**1,592**	5,621
Port Link International (Private) Limited				
Revenue from container handling	**711**	590	**636**	381
AMI Pakistan (Private) Limited				
Revenue from container handling	**24**	-	**1**	-
Travel Club (Private) Limited				
Traveling expenses	**4,586**	2,437	**2,241**	1,535
Saudi Pak Leasing Company Limited				
Roll over of certificate of investment	**71,000**	-	**-**	-
Repayment of principal of certificate of investment	**10,000**	-	**4,000**	-
Profit on certificate of investment (9.3)	**3,269**	-	**-**	-
Rabia Azeem Trust				
Donations	**850**	-	**80**	-
Organisation for social development				
Donations	**10,035**	-	**1,435**	-
Directors				
Remuneration	**62,902**	52,256	**17,447**	14,864
Staff retirement contribution plan				
Contribution to staff provident fund	**7,086**	5,769	**3,567**	2,895

21.1 Balance outstanding with related parties have been disclosed in the specific notes to the condensed interim financial statements.

21.2 The above transactions with related parties are entered into on arm's length basis.

	Half-Year Ended	
	December 31, 2010	December 31, 2009
	-------- (Rupees in '000)--------	
22. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**917,627**	750,726
Adjustments for non-cash items:		
Depreciation	**253,633**	205,872
Amortization	**18,783**	5,821
Gain on disposal of property, plant and equipment	**(528)**	(186)
Finance costs	**70,413**	85,827
Exchange loss	**8,919**	106,957
Profit on short term deposits	**(52,043)**	(33,446)
Loss on redemption of investment	**1,992**	-
Unrealised gain on investments	**(27,807)**	(28,281)
	273,362	342,564
Operating profit before working capital changes	**1,190,989**	1,093,290
(Increase) in current assets		
Stores and spares	**16,239**	(23,200)
Trade debts	**(151,281)**	(7,647)
Advances, deposits, prepayments and other receivables	**(37,637)**	(45,757)
	(172,679)	(76,604)
	1,018,310	1,016,686
Increase in current liabilities		
Trade payables and other liabilities	**174,033**	70,718
Cash generated from operations	**1,192,343**	1,087,404

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on February 7, 2011.

24. GENERAL

24.1 The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2010 and 2009 and notes forming part thereof have not been reviewed by the auditors' of the Company as they have reviewed the cumulative figures for the half years ended December 31, 2010 and 2009.

24.2 Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED

DECEMBER 31, 2010

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Pakistan International Container Terminal Limited** and its subsidiary company, Pakistan International Bulk Terminal (Private) Limited (the "Group"), as at **31 December 2010** comprising of the condensed interim balance sheet as at 31 December 2010 and related condensed interim consolidated profit and loss account and condensed interim consolidated statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof for the six-months' period then ended. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our review report, we draw attention to the contents of note 9.2 to the condensed interim consolidated financial statements. As fully explained in the said note, preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt with in accordance with the clarification from the Securities and Exchange Commission of Pakistan.

CHARTERED ACCOUNTANTS

Karachi: February 7, 2011

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2010
(UN-AUDITED)

	Note	December 31, 2010	June 30, 2010
		--------- (Rupees in '000)---------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**5,776,656**	5,800,338
Intangible assets		**58,148**	64,989
Long-term deposits		**83,705**	83,705
		5,918,509	5,949,032
CURRENT ASSETS			
Stores and spares		**284,847**	301,086
Trade debts	5	**388,633**	237,352
Advances - unsecured, considered good	6	**66,309**	35,564
Deposits and prepayments		**64,155**	56,093
Other receivables		**18,878**	20,048
Short term investments	7	**528,188**	592,372
Taxation - net		**-**	87,282
Cash and bank balances	8	**1,273,646**	1,026,176
		2,624,656	2,355,973
TOTAL ASSETS		**8,543,165**	8,305,005
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		**2,000,000**	2,000,000
Issued, subscribed and paid-up capital	9	**1,271,532**	1,271,532
Unappropriated profit		**2,725,319**	2,436,261
		3,996,851	3,707,793
NON-CURRENT LIABILITIES			
Long-term loans - secured	10	**2,080,517**	2,298,040
Liabilities against assets subject to finance lease		**143,439**	173,394
Deferred tax	11	**990,525**	944,793
Staff compensated absences		**28,628**	28,628
		3,243,109	3,444,855
CURRENT LIABILITIES			
Trade and other payables	12	**676,655**	516,767
Accrued interest on long-term loan		**47,942**	55,899
Current portion of long-term loans		**438,974**	519,782
Current portion of liabilities against assets subject to finance lease		**59,909**	59,909
Taxation net		**79,725**	-
		1,303,205	1,152,357
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		**8,543,165**	8,305,005

The annexed notes from 1 to 22 form an integral part of these condensed interim consolidated financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010 (UN-AUDITED)

	Note	Half-Year Ended		Quarter Ended	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
		(Rupees in '000)			
TURNOVER NET		**2,897,994**	2,582,431	**1,505,860**	1,308,903
Terminal operating costs	14	**(1,708,178)**	(1,435,755)	**(884,566)**	(728,529)
GROSS PROFIT		**1,189,816**	1,146,676	**621,294**	580,374
Administrative expenses		**(248,554)**	(195,014)	**(143,296)**	(98,512)
Other operating income	15	**93,066**	61,887	**57,825**	29,028
Finance costs		**(84,583)**	(98,889)	**(51,039)**	(46,385)
Other charges	16	**(31,699)**	(163,934)	**(3,111)**	(93,510)
PROFIT BEFORE TAXATION		**918,046**	750,726	**481,673**	370,995
Taxation	17	**(338,105)**	(280,246)	**(178,969)**	(178,318)
PROFIT AFTER TAXATION		**579,941**	470,480	**302,704**	192,677
EARNINGS PER ORDINARY SHARE - Basic	18.1	**Rs. 5.23**	Rs. 4.23	**Rs. 2.73**	Rs. 1.72
EARNINGS PER ORDINARY SHARE - Diluted	18.2	**Rs. 4.56**	Rs. 3.70	**Rs. 2.38**	Rs. 1.52

The annexed notes from 1 to 22 form an integral part of these condensed interim consolidated financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010 (UN-AUDITED)

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	(Rupees in '000)			
Profit for the period after tax	**579,941**	470,480	**302,704**	192,677
Other comprehensive income - net of taxation	-	-	-	-
Total comprehensive income for the period - net of tax	**579,941**	470,480	**302,704**	192,677

The annexed notes from 1 to 22 form an integral part of these condensed interim consolidated financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Note	Half-Year Ended December 31, 2010	Half-Year Ended December 31, 2009
		--------- (Rupees in '000)---------	
CASH FLOWS FROM OPERATIONS	20	**1,192,787**	1,087,404
Tax paid		**(125,364)**	(14,915)
Finance costs paid		**(57,270)**	(67,722)
Net cash generated from operating activities		**1,010,153**	1,004,767
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(232,381)**	(233,375)
Purchase of investments		**(20,000)**	(75,000)
Proceeds from sale of investments		**110,000**	98,873
Profit received		**40,241**	19,157
Proceeds from disposal of property, plant and equipment		**2,954**	1,628
Net cash used in investing activities		**(99,186)**	(188,717)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		**(322,759)**	(299,306)
Dividend paid on preference shares		**(18,000)**	(18,000)
Dividend paid on ordinary shares		**(274,165)**	(136,441)
Security deposits against lease assets		**-**	43
Lease rentals paid		**(48,572)**	(48,422)
Net cash used in financing activities		**(663,496)**	(502,126)
Net increase in cash and cash equivalents		**247,471**	313,924
Cash and cash equivalents at the beginning of the period		**1,026,176**	491,188
Cash and cash equivalents at the end of the period		**1,273,647**	805,112

The annexed notes from 1 to 22 form an integral part of these condensed interim consolidated financial statements.

CAPT. ZAFAR IQBAL AWAN
CHIEF EXECUTIVE

AASIM AZIM SIDDIQUI
DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2010
(UN-AUDITED)

	Issued, subscribed and paid-up capital			
	Ordinary shares	Redeemable preference shares	Unappropriated profit	Total
	---------------- (Rupees in '000) ----------------			
Balance as at July 01, 2009	**909,610**	**180,000**	**1,874,994**	**2,964,604**
Profit for the period	-	-	470,480	470,480
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	**470,480**	**470,480**
Bonus shares issued during the period in the ratio of 1 ordinary share for every 5 shares held	181,922	-	(181,922)	-
Final dividend for the year ended June 30, 2009 - on preference shares @ Re. 1/- per share	-	-	(18,000)	(18,000)
First interim dividend for the year ended June 30, 2010 - on ordinary shares @ Rs.1.5/- per share	-	-	(136,441)	(136,441)
Balance as at December 31, 2009	**1,091,532**	**180,000**	**2,009,111**	**3,280,643**
Balance as at July 01, 2010	**1,091,532**	**180,000**	**2,436,261**	**3,707,793**
Profit for the period	-	-	579,941	579,941
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	**579,941**	**579,941**
Final dividend for the year ended June 30, 2010 - on preference shares @ Re. 1/- per share	-	-	(18,000)	(18,000)
Final dividend for the year ended June 30, 2010 - on ordinary shares @ Rs.2.5/- per share	-	-	(272,883)	(272,883)
Balance as at December 31, 2010	**1,091,532**	**180,000**	**2,725,319**	**3,996,851**

The annexed notes from 1 to 22 form an integral part of these condensed interim consolidated financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2010 (UN-AUDITED)

1. **CORPORATE INFORMATION AND OPERATIONS**

The "Group" consists of:

Holding Company

1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and listed on the Karachi Stock Exchange on October 15, 2003. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The terminal office of the Company is located at berths 6 to 9, East Wharf, Kemari Road, Karachi Port.

1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002.

Subsidiary Company

1.3. Pakistan International Bulk Terminal (Private) Limited (the Company) is a wholly owned subsidiary of Pakistan International Container Terminal Limited and was incorporated under the Companies Ordinance, 1984 (the Ordinance) on March 22, 2010 as a private limited company. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The Company is in start-up phase and has not commenced its operations. The principal activities of the Company will be business of container terminal operators, terminal operator of coal, clinker and cement and other bulk cargo etc.

2. **BASIS OF PREPARATION OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

These condensed interim financial statements are unaudited but subject to limited scope review by auditors. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2010.

3. **SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES**

3.1. **Basis of preparation**

These condensed interim consolidated financial statements have been prepared under the historical cost convention except for certain investments and derivatives which are carried at fair value as referred to in notes 3.10 and 3.23 below.

3.2. **Basis of consolidation**

The condensed interim consolidated financial statements comprise the financial statements of the holding company and its subsidiary (the group). The financial statements of the subsidiary are prepared for the same reporting period as of the holding company, using consistent accounting policies.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the holding company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All material intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

3.3. Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Property, plant and equipment and intangible assets

The Group reviews appropriateness of the rate of depreciation/amortization, useful life and residual value used in the calculation of depreciation/amortization. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation / amortization charge and impairment.

Stores and spares

The Group reviews the net realizable value of stores and spares to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Trade debts

The Group reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Taxation

In making the estimate for income tax payable by the Group, the Group takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Provision for impairment

The Group reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

3.4. Fixed assets and depreciation

3.4.1 Property, plant and equipment

Owned
Operating property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged to profit and loss using straight line method so as to write off the historical cost of the assets over their estimated useful lives at the rates specified in Note 4.1 of parent company's Financial Statements as of June 30, 2010. Depreciation on additions is charged from the month in which the asset is available to use and on disposals up to the month the respective asset was in use. Assets residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

The carrying values of property, plant and equipment are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

Maintenance and normal repairs are charged to profit and loss as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Group.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the profit and loss account in the period in which they arise.

Leased

Assets held under finance lease are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and the fair value of asset acquired. The related obligation under the lease is accounted for as liability. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged to the profit and loss using the same basis as for owned assets.

3.4.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.5. Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which in which the asset is put to use at the rates stated in Note 5 of parent company's Financial Statements as of June 30, 2010.

Development expenditure incurred on the project is capitalized when its future recoverability can reasonably be regarded as assured. These are amortized over a period of five years on straight line basis commencing from the date of completion of the project, on a monthly pro-rata basis.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying value of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that the carrying value may not be recoverable.

3.6. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.7. Stores and spares

These are valued at lower of moving average cost and net realizable value. Provision is made for slow moving items where necessary to bring these down to approximate net realizable value and is recognised in income. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

3.8. Trade debts

Trade debts originated by the Group are recognised and carried at original invoice amounts less an allowance for doubtful debts. Provision for doubtful debts is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.9. Loans, advances and other receivables

After initial measurement these are carried at amortized cost less any allowance for impairment.

Gains and losses are recognised in the profit or loss when the loans, advances and other receivables are derecognised or impaired.

3.10. Investments

The investments of the Group, upon initial recognition, are classified as investment at fair value through profit or loss, held to maturity investment or available for sale investment, as appropriate. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

When investments are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Investments at fair value through profit or loss
Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognized directly in the profit and loss account. Transaction costs are charged to profit and loss account when incurred.

Held-to-maturity investments
Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

Available for sale investments
Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. They are initially measured at fair value plus directly attributable transaction costs. After initial measurement, these are stated at fair values (except for unquoted investments where active market does not exist) with unrealized gains or losses recognized directly in equity until the investment is disposed or determined to be impaired. At the time of disposal, the cumulative gain or loss previously recorded in equity is recognized in the profit and loss account.

Fair value of investments
The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

3.11. Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks, cheques in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.12. Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any or one percent of turnover under Section 113 of the Income Tax Ordinance, 2001 whichever is higher.

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

3.13. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using effective interest rate method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

3.14. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services render whether or not billed to the Group.

3.15. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.16. Revenue

- Revenues from port operations are recognised when services are rendered;
- Profit on deposits / saving accounts are recognised on time proportion basis; and
- Dividend income is recognised when the Group's right to receive the same is established.

3.17. Staff retirement benefits

The Group operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made by the Group and the employees to the fund at the rate of 8.33% of the basic salary.

Contributions from the Group are charged to income for the year.

3.18. Staff compensated absences

The Group provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels.

3.19. Financial Instruments

Financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realized, expire or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.20. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Group has the enforceable legal right to set off the transaction and also intends either to settle on net basis or to realize the asset and settle the liability simultaneously. Income and expense arising from such assets and liabilities are also offset accordingly.

3.21. Foreign currency translations

Foreign currency transactions are translated into Pak Rupees (functional currency) using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to income currently.

3.22. Derivative financial instruments

The Group uses derivative financial instruments such as interest rate and cross currency swaps to hedge its risk associated with interest and exchange rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives with positive market values (unrealized gains) are included in other asset and derivatives with negative market values (unrealized losses) are included in other liabilities in the balance sheet. Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the profit and loss account.

3.23. Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

3.24. Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income in the period in which they arise.

3.25. Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

3.26. Adoption of new accounting standards, interpretations and amendments

The Group has adopted the following amended IFRSs and IFRIC interpretations which became effective during the period:

IAS 32 - Financial instruments: Presentation- Classification of rights issuers (Amendment)

IFRIC 19 - Extinguishing financial liabilities with equity instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 -	Non-Current Assets Held for Sale and Discontinued Operations
IFRS 8 -	Operating Segments
IAS 1 -	Presentation of Financial Statements
IAS 7 -	Statement of Cash Flows
IAS 17 -	Leases
IAS 36 -	Impairment of Assets
IAS 39 -	Financial instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on the condensed interim financial statements.

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
		-------- (Rupees in '000)--------	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**5,133,266**	5,346,132
Capital work in progress	4.2	**643,390**	454,206
		5,776,656	5,800,338
4.1 Operating fixed assets - owned and leased			
Book value at the beginning of the period / year		**5,346,128**	4,724,746
Additions during the period / year	4.1.1	**43,197**	1,089,473
		5,389,325	5,814,219
Less:			
Disposal during the period/ year at book value	4.1.2	**(2,426)**	(9,930)
Depreciation charged during the period / year		**(253,633)**	(458,157)
		(256,059)	(468,087)
		5,133,266	5,346,132
4.1.1 Additions during the period / year			
Owned			
Port improvements		**13,234**	270,799
Leasehold improvements		**-**	594,886
Port equipment		**-**	91,940
Port power generation		**-**	73,196
Vehicles		**23,356**	30,902
Computers		**2,324**	10,136
Furniture and fixtures		**2,826**	10,496
Office equipment		**1,457**	7,118
		43,197	1,089,473
4.1.2 Disposals during the period / year at book value			
Owned			
Vehicles		**2,426**	9,930

4.2 **Capital work-in-progress**

	Civil works	Advance to supplier and contractors	Advance for purchase of cranes and related equipments	Total
	------------ Rupees in `000)			------------
Balance as at July 1, 2010	314,502	132,835	6,869	454,206
Capital expenditure incurred during the period	197,934	19,141	-	217,075
Transfer made during the period	-	(27,891)	-	(27,891)
Balance as at December 31, 2010	512,436	124,085	6,869	643,390

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
		-------- (Rupees in `000)--------	
5. TRADE DEBTS - Unsecured			
Considered good	5.1	**388,633**	237,352
Considered doubtful		**3,641**	3,641
		392,274	240,993
Less: Provision for doubtful debts		**(3,641)**	(3,641)
		388,633	237,352

5.1 Includes Rs. 0.502 million (June 30, 2010: Rs.0.3 million) due from Marine Services (Private) Limited a related party, Rs. 0.393 million (June 30, 2010: Rs. Nil) due from Port Link International Services (Private) Limited a related party and Rs. Nil (June 30, 2010: Rs. 0.313 million) due from Premier Mercantile Services (Private) Limited a related party.

6. **ADVANCES unsecured, considered good**

Includes Rs.0.319 million (June 30, 2010: Rs. Nil) advance given to Premier Mercantile Services (Private) Limited a related party, in respect of stevedoring services.

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
		--------- (Rupees in `000)---------	
7. SHORT TERM INVESTMENTS			
Investments at fair value through profit or loss	7.1	**484,938**	**539,122**
Held to maturity - at amortized cost	7.2	**43,250**	**53,250**
		528,188	**592,372**

7.1 At fair value through profit or loss

Number of units / shares			December 31, 2010		June 30, 2010	
December 2010	June 2010		Cost	Fair value	Cost	Fair value
			---------- (Rupees in `000)----------			
		Listed Mutual Funds (Open Ended)				
3,471,105	4,236,041	JS Cash Fund	**332,034**	**353,115**	429,958	434,025
6,394	5,633	JS UTP	**582**	**666**	511	582
106,813	101,683	Atlas Money Market Fund	**52,224**	**55,062**	50,000	52,224
491,464	458,051	Crosby Phoenix Fund	**51,256**	**53,167**	46,135	51,256
1,045,718	-	ABL Cash Fund	**10,000**	**10,467**	-	-
104,595	-	PICIC Income Fund	**10,000**	**10,478**	-	-
			456,096	**482,955**	526,604	538,087
		Listed - Mutual Funds (Close Ended)				
243,500	243,500	UTP Large Cap Fund	**1,035**	**1,983**	757	1,035
		Unrealized gain on revaluation of investment	**27,807**	**-**	11,761	-
			484,938	**484,938**	539,122	539,122

		December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
		--------- (Rupees in `000)---------	
7.2	**Held to Maturity Investments**		
	Saudi Pak Leasing Company COIs	**61,000**	71,000
	Less: Provision for impairment	**(17,750)**	(17,750)
		43,250	53,250

7.3 Represents investments of a face value of Rs. 61 million (June 2010: Rs. 71 million) in Certificates of Investments of Saudi Pak Leasing Company maturing by December 31, 2010. It carries interest at the rate of 7% per annum. The Director of the Company has resigned from the directorship of Saudi Pak Leasing Company w.e.f October 04, 2010. Consequently, the Leasing Company is ceases to be a related party of the Group.

	Note	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
8. CASH AND BANK BALANCES		--------- (Rupees in `000)---------	
Cash with bank:			
- in current accounts	8.1	**322,626**	275,914
- in saving accounts	8.2	**871,655**	601,740
- in short-term deposits	8.3	**75,000**	135,000
		1,269,281	1,012,654
Cash in hand		**4,365**	13,522
		1,273,646	1,026,176

8.1 Includes Rs. 255 million (June 30, 2010: Rs. 255 million) deposited by the Group in Debt Reserve Account maintained for debt services under "Debt Reserve Account Agreement" entered into with IFC and OFID.

8.2 This carries profit rates ranging from 5 % to11. 5 % (June 30, 2010:5.00 % to 11.5%) per annum.

8.3 This carries profit rates ranging from 11.25% to 12.7% (June 30, 2010: 10.65% to 12.2%) per annum.

9. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

9.1 The issued, subscribed and paid-up capital include 18,000,000 cumulative redeemable preference shares of Rs. 10/- each that were issued in the ratio of 1 preference share for 3.54 ordinary shares held and carry a dividend of 10 percent on the issue price, redeemable 7 years after the issue date. The shareholders, inter alia, have the right to convert these into ordinary shares in the ratio of 1 ordinary share for 1 preference share held, if the Holding company fails to redeem these shares.

9.2 The above stated preference shares have been treated as part of equity on the following bases:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.

- The authorised capital of the Holding company and the issue of the preference shares were duly approved by the shareholders of the Holding company at the Extraordinary General Meeting held on December 24, 2004.

- Return of allotment of shares was filed under Section 93(1) of the Ordinance.

- The Holding company is required to set-up a reserve for redemption of preference shares under Section 85 of the Ordinance in respect of the shares redeemed which effectively makes preference shares a part of equity.

- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.

- The requirements of the Ordinance take precedence over the requirements of IFRSs.

- As stated in 9.1 above, shareholders have the right to convert these preference shares into ordinary shares or else retain their preference shares, provided that the Holding company shall pay the preferred dividend for each financial year following the expiry of the term date at the rate of 12% (instead of 10%) per annum on the face value.

  These preference shares are listed on the Karachi Stock Exchange.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the Holding company has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Holding company.

10. LONG-TERM LOANS - Secured

10.1 The principal terms and conditions of the loans are summarized as follows:

IFC

	First Loan		Second Loan	Third Loan	Fourth Loan
	Loan A	Loan C			
- Principal amount in US Dollars	7,750,000	1,500,000	6,000,000	8,000,000	10,000,000
- Interest rate per annum	LIBOR plus 3.875%	5% (Note 10.1.1)	LIBOR plus 3.375%	LIBOR Plus 3.25%	LIBOR plus 3.125%
- Repayment terms					
Number of installments	18 semi-annual	2 equal installments	18 semi-annual	16 semi-annual	14 semi-annual
First installment	April 15, 2005	April 15, 2014	January 15, 2007	October 15, 2007	July 15, 2011
Last installment	October 15, 2013	October 15, 2014	July 15, 2015	April 15, 2015	January 15, 2018

OFID

	First Loan	Second Loan	Third Loan	Fourth Loan
- Principal amount in US Dollars	7,750,000	6,000,000	3,000,000	3,000,000
- Interest rate per annum	LIBOR plus 3.875%	LIBOR plus 3.375%	LIBOR plus 3.25%	LIBOR plus 3.125%
- Repayment terms				
Number of installments	18 semi-annual	18 semi-annual	16 semi-annual	14 semi-annual
First installment	April 15, 2005	January 15, 2007	October 15, 2007	July 15, 2011
Last installment	October 15, 2013	July 15, 2015	April 15, 2015	January 15, 2018

10.1.1 In addition to the above, IFC is entitled to additional interest to be computed at the rate of US Dollar 1.85 per TEU (Twenty Feet Equivalent Container Units) in excess of 150,000 TEUs per annum subject to cap of upto US Dollars 200,000 per annum upto year 2010 and progressively increasing to US Dollar 300,000 per annum upto year 2014.

10.1.2 The above loans are secured as follows:

IFC Loans (First Loan A , Second Loan, Third Loan and Fourth Loan) and OFID Loans
These loans are secured by way of a first equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and first hypothecation over all other movable assets.

IFC Loan C
This loan is secured by way of a second equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and second hypothecation over all other movable assets.

11. DEFERRED TAX

	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
	--------- (Rupees in `000)---------	
Taxable temporary differences		
Accelerated tax depreciation / amortization allowance	1,030,556	986,219
Deductible temporary differences		
Provision for compensated absences	(10,020)	(10,020)
Provision for doubtful debts	(1,274)	(1,274)
Fair value loss on derivative	(18,202)	(23,162)
Others	(10,535)	(6,970)
	990,525	944,793

12. TRADE PAYABLES AND OTHER LIABILITIES

12.1 Includes Rs.69.701 million (June 30, 2010: Rs. 58.033 million) due to Premier Mercantile Services (Private) Limited a related party.

12.2 The Holding company has entered into a cross currency interest rate swap agreement with a local commercial bank for notional amount of Rs. 343.50 million, maturing up to July 2011. Under swap arrangements the principal payable amount of Rs. 343.75 million is swapped with US dollar component at Rs. 60.49 per US dollar making loan amount to US dollar 5.682 million. Besides foreign currency component, the Holding company would receive three months KIBOR rates and pay three months LIBOR and spread of 3.15% as per the respective arrangement, which will be settled quarterly. The swap is being used to hedge the exposure to change in the fair value of Holding company's lease obligations which are based on KIBOR. The outstanding balance of this arrangement is Rs. 140.625 million as at the balance sheet date. The net fair value of this cross currency interest rate swap was Rs. 52.007 million unfavorable to the Holding company as of the balance sheet date which has been included in Trade and other payables. The unwinding cost of the said cross currency swap as determined by the bank as of December 31, 2010 was Rs. 56.937 million. The swap arrangement has exposed the Holding company with foreign currency risk on the US$ value converted at the agreement date of principal amount of the loan.

13. CONTINGENCIES AND COMMITMENTS

13.1 During the year ended 30 June 2007, the Trustees of the Port of Karachi filed a civil suit against the Holding company in the Honorable High Court of Sindh alleging mis-declaration of the category of goods upon import of Quayside Container Crane and Rubber Tyred Gantry Cranes in the year 2004 and thereby claiming a sum of Rs. 101.5 million being additional wharfage charges and Rs 203 million as penalty, with interest. According to the opinion of the legal counsel of the Holding company, there is no merit in this claim and hence there is a remote possibility that the case would be decided against the Holding company. Further, the legal counsel has also stated that, in any case, the penalty imposed will be disallowed by the Honorable High Court. In view thereof, no provision for any liability has been made in these financial statements.

13.1.2 During the year ended 30 June 2007, the Holding company filed a interpleader civil suit against the Deputy District Officer, Excise and Taxation and the Trustees of the Port of Karachi (KPT) in the Honorable High Court of Sindh against the demand raised by the Deputy District Officer, Excise and Taxation under Section 14 of the Property Tax Act, 1958 to pay the property tax amounting to Rs. 34.6 million for the period from 2003 to 2007 out of the rent payable to KPT. The Honorable High Court of Sindh granted a stay order to Holding company ensuring that no coercive action is taken against the Holding company in due course until the case has been finalized. During the year ended June 30 2008, the Holding company has withheld the amount of Rs. 34.6 million from the handling and marshalling charges billed by KPT for the period from July 01, 2007 till December 31, 2007, in accordance with the Honorable High Court's short order dated June 29, 2007. According to the opinion of the legal counsel of the Holding company, there is full merit in this case and the property tax imposed will be disallowed by the Honorable High Court. In view thereof, no provision for any liability has been made in these financial statements

	December 31, 2010 (Un-Audited)	June 30, 2010 (Un-Audited)
	--------- (Rupees in `000)---------	
13.2 Commitments		
Commitments for capital expenditure		
Civil works	-	15,000
Intangible assets	-	5,400
	-	20,400
Letter of guarantee	**300,150**	85,600
Letter of credit	**29,554**	3,876

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	---------------- (Rupees in `000) ----------------			
14. TERMINAL OPERATING COSTS				
Salaries, wages and benefits	**196,564**	142,017	**97,369**	69,616
Contracted labour	**15,028**	11,017	**7,932**	5,579
Staff training	**278**	466	**115**	227
Royalty - Karachi Port Trust	**273,474**	252,030	**145,672**	129,001
Handling and marshalling charges	**58,113**	53,367	**1,180**	30,235
Equipment usage charges	**14,449**	23,549	**7,227**	10,504
Stevedoring	**430,761**	407,149	**229,166**	202,063
Custom seals	**2,000**	1,337	**1,000**	437
Stores, spares and other maintenance charges	**123,515**	98,610	**70,388**	51,560
Fuel consumed	**249,424**	186,569	**136,261**	97,780
Travelling and conveyance	**2,264**	719	**844**	584
Office maintenance	**17,123**	12,185	**9,161**	6,360
Vehicle running expenses	**4,445**	3,870	**2,814**	2,249
Insurance	**43,510**	42,563	**21,755**	21,281
Printing and stationary	**2,682**	1,626	**1,962**	768
Utilities	**2,402**	3,648	**1,196**	1,663
Depreciation	**225,589**	174,207	**115,486**	87,103
Amortization	**6,840**	143	**6,840**	71
Others	**39,717**	20,683	**28,198**	11,448
	1,708,178	1,435,755	**884,566**	728,529

15. This mainly includes gain on investments at fair value through profit and loss amounting to Rs. 25.879 million (December 31, 2009: Rs. 28.464 million), fair value gain on derivative amounting to Rs. 14.17 million (June 30, 2009: Nil) and profit on deposit accounts amounting to Rs. 52.043 million (December 31, 2009: Rs. 33.236 million).

16. This mainly includes exchange loss amounting to Rs. 13,403 million (December 31, 2009 : Rs. 117.425 million) and fair value loss on derivative amounting to Rs. Nil (December 31, 2009: Rs. 7.219 million).

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	---------------- (Rupees in `000) ----------------			
17. TAXATION				
Current	**(292,372)**	(184,491)	**(156,306)**	(178,123)
Deferred	**(45,733)**	(95,755)	**(22,663)**	(195)
	(338,105)	(280,246)	**(178,969)**	(178,318)

18. BASIC EARNINGS PER SHARE

18.1 Basic earnings per share

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	---(Un-Audited)---		---(Un-Audited)---	
	(Rupees in `000)			
Profit after taxation	**579,941**	470,480	**302,704**	192,677
Preferred dividend on cumulative preference shares	**(9,000)**	(9,000)	**(4,500)**	(4,500)
Profit after taxation attributable to ordinary shareholders	**570,941**	461,480	**298,204**	188,177
	(Number of shares in `000)			
Weighted average number of ordinary shares in issue during the period	**109,153**	109,153	**109,153**	109,153
	(Rupees)			
Earnings per share	**5.23**	4.23	**2.73**	1.72

18.2 Diluted earnings per share

	(Rupees in `000)			
Profit after taxation attributable to ordinary shareholders	**570,941**	461,480	**298,204**	188,177
Preferred dividend on cumulative preference shares	**9,000**	9,000	**4,500**	4,500
	579,941	470,480	**302,704**	192,677
	(Number of shares in `000)			
Weighted average number of ordinary shares in issue during the period	**109,153**	109,153	**109,153**	109,153
Adjustment of preference shares	**18,000**	18,000	**18,000**	18,000
	127,153	127,153	**127,153**	127,153
	(Rupees)			
Earnings per share	**4.56**	3.70	**2.38**	1.52

19. RELATED PARTY TRANSACTIONS

The related parties include major shareholders, entities having directors in common with the Group, directors and other key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such reflected elsewhere in these condensed interim financial statements are as under:

	Half-Year Ended		Quarter Ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	-----(Un-Audited)-----		-----(Un-Audited)-----	
	---------------- (Rupees in '000) ----------------			
Major shareholder				
Premier Mercantile Services (Private) Limited				
Stevedoring charges	**322,129**	353,753	**173,500**	193,087
Storage charges	**16,592**	15,145	**8,296**	7,272
Equipment charges	**13,800**	-	**6,900**	-
Entities having directors in common with the Group				
Premier Software (Private) Limited				
Software maintenance charges	**1,650**	1,500	**825**	825
Marine Services (Private) Limited				
Revenue from container handling	**1,853**	7,502	**1,592**	5,621
Port Link International (Private) Limited				
Revenue from container handling	**711**	590	**636**	381
AMI Pakistan (Private) Limited				
Revenue from container handling	**24**	-	**1**	-
Travel Club (Private) Limited				
Traveling expenses	**4,586**	2,437	**2,241**	1,535
Saudi Pak Leasing Company Limited				
Roll over of certificate of investment	**71,000**	-	-	-
Repayment of principal of certificate of investment	**10,000**	-	**4,000**	-
Profit on certificate of investment (7.3)	**3,269**	-	-	-
Rabia Azeem Trust				
Donations	**850**	-	**80**	-
Organisation for social development				
Donations	**10,035**	-	**1,435**	-
Directors				
Remuneration	**62,902**	52,256	**17,447**	14,864
Staff retirement contribution plan				
Contribution to staff provident fund	**7,086**	5,769	**3,567**	2,895

19.1 Balance outstanding with related parties have been disclosed in the specific notes to the condensed interim financial statements.

19.2 The above transactions with related parties are entered into on arm's length basis.

19.3 The Director of the Group has resigned from Saudi Pak Leasing Company w.e.f October 04, 2010, hence the transactions disclosed above covers a period from July 01, 2010 to October 04, 2010.

	Half-Year Ended	
	December 31, 2010	December 31, 2009
	--------- (Rupees in `000)---------	
20. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**918,046**	740,543
Adjustments for non-cash items:		
Depreciation	**253,633**	205,872
Amortization	**18,783**	5,821
Gain on disposal of property, plant and equipment	**(528)**	(186)
Finance costs	**70,413**	85,827
Exchange loss	**8,919**	106,957
Profit on short term deposits	**(52,043)**	(33,446)
Loss on redemption of investment	**1,992**	-
Unrealised gain on investments	**(27,807)**	(28,281)
	273,362	342,564
Operating profit before working capital changes	**1,191,408**	1,083,107
(Increase) in current assets		
Stores and spares	**16,239**	(23,200)
Trade debts	**(151,281)**	(7,647)
Advances, deposits, prepayments and other receivables	**(37,637)**	(45,757)
	(172,679)	(76,604)
	1,018,729	1,006,503
Increase in current liabilities		
Trade payables and other liabilities	**174,058**	80,901
Cash generated from operations	**1,192,787**	1,087,404

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of the holding company on February 7, 2011.

22. GENERAL

22.1 The corresponding figures of the condensed interim consolidated profit and loss account, condensed interim consolidated statement of cash flows and comprehensive income for the half year ended December 31, 2009 and notes forming part thereof have not been reviewed by the auditors' of the Group.

22.2 Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR