

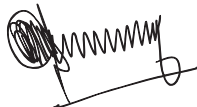


CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2008 (UN-AUDITED- Note 2.2)

	Note	June 30, 2008	December 31, 2007
(Rupees in thousand)			
NON CURRENT ASSETS			
Property, plant and equipment	3	3,084,054	2,804,956
Investment in a subsidiary company		1	1
Long term loans		2,900	1,208
Long term deposits and prepayments		26,726	26,178
		<u>3,113,681</u>	<u>2,832,343</u>
CURRENT ASSETS			
Stores and spares		222,706	215,816
Stock in trade	4	2,714,404	3,615,883
Trade debts		19,323	163,644
Loans and advances		105,090	77,900
Prepayments		79,103	66,219
Profit accrued		5,271	1,186
Other receivables	5	345,566	401,712
Income tax - net		—	86,370
Short-term investments		1,000,000	—
Cash and bank balances		527,847	285,428
		<u>5,019,310</u>	<u>4,914,158</u>
		<u>8,132,991</u>	<u>7,746,501</u>
SHARE CAPITAL AND RESERVES			
Authorised capital		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		615,803	615,803
General reserves		4,667,000	4,427,000
Unappropriated profit		794,911	472,018
		<u>6,077,714</u>	<u>5,514,821</u>
NON CURRENT LIABILITIES			
Deferred taxation		318,408	312,000
CURRENT LIABILITIES			
Running finance under mark-up arrangements		—	4,560
Trade and other payables		751,455	936,426
Mark-up on running finance facilities		—	2,314
Income tax - net		25,694	—
Sales tax and excise payable		927,404	906,166
Provisions	6	32,316	70,214
		<u>1,736,869</u>	<u>1,919,680</u>
CONTINGENCIES AND COMMITMENTS	7		
		<u>8,132,991</u>	<u>7,746,501</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


SALMAN HAMEED
 Chairman & Chief Executive


MOHAMMAD FAROOQ SHAKOOR
 Director



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2008 (UN-AUDITED-Note 2.2)

1. INTRODUCTION

The company was incorporated in Pakistan on February 10, 1969 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and its shares are quoted on the Karachi and Lahore Stock Exchanges. The principal activity of the company is manufacturing and sale of cigarettes and tobacco. The address of its registered office is 4th Floor, Bahria Complex III, M.T. Khan Road, Karachi, Pakistan.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges.
- 2.2 These condensed interim financial statements comprise of the balance sheet as at June 30, 2008 and the profit and loss account, statement of changes in equity and the cash flow statement for the six months period then ended which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial statements also include the profit and loss account for the quarter ended June 30, 2008 which is not subjected to review.
- 2.3 Securities and Exchange Commission of Pakistan vide its letter EMD/233/619/2002-220 dated December 10, 2007 provided exemption to the company from the preparation of consolidated financial statements in respect of Premier Tobacco Company (Private) Limited, a wholly owned subsidiary of the company, for the six months period ended December 31, 2007. The management of the company is in the process of making a similar application for exemption for the current year and is hopeful of obtaining the same, hence consolidated financial statements have not been separately prepared.
- 2.4 The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2007 has been extracted from the audited financial statements of the company for the six months period then ended (December 2007 financial statements). The comparative profit and loss account, statement of changes in equity and cash flow statement for the six months period ended June 30, 2007 have been extracted by deducting the amounts appearing in the financial statements for the six months period ended December 31, 2006, which have been subject to review but unaudited, from the amounts appearing in the audited financial statements for year ended June 30, 2007. The comparative profit and loss account for the quarter ended June 30, 2007 is also included in these condensed interim financial statements.
- 2.5 The accounting policies and the methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the December 2007 financial statements.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

	Note	June 30, 2008	December 31, 2007
(Rupees in thousand)			
3. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	3.1	2,521,933	2,482,138
Capital work in progress	3.2	562,121	322,818
		<u>3,084,054</u>	<u>2,804,956</u>
3.1 Operating property, plant and equipment			
Book value at the beginning of the period		2,482,138	2,372,600
Additions during the period	3.1.1	230,984	486,707
		<u>2,713,122</u>	<u>2,859,307</u>
Disposals during the period			
- net book value	3.1.2	(3,468)	(3,892)
Assets destroyed due to December incident			
- net book value	3.1.3	-	(171,530)
Depreciation charge during the period		(187,721)	(201,747)
		<u>(191,189)</u>	<u>(377,169)</u>
Book value at the end of period		<u>2,521,933</u>	<u>2,482,138</u>
Six months period ended June 30, 2008 Six months period ended December 31, 2007 (Rupees in thousand)			
3.1.1 Additions during the period			
Buildings on free hold land		2,362	45,417
Buildings on leasehold land		-	2,682
Plant and machinery		152,534	350,197
Furniture and fixtures		3,790	1,717
Office equipment		-	5,449
Vehicles		63,823	36,673
Power and other installations		7,250	35,617
Computer equipment		1,225	8,955
		<u>230,984</u>	<u>486,707</u>
3.1.2 Disposals during the period - net book value			
Vehicles		3,466	3,892
Computer equipment		2	-
		<u>3,468</u>	<u>3,892</u>



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

	Six months period ended June 30, 2008 (Rupees in thousand)	Six months period ended December 31, 2007 (Rupees in thousand)	
3.1.3 Assets destroyed due to December incident - net book value			
Plant and machinery	—	165,074	
Furniture and fixtures	—	580	
Office equipment	—	862	
Vehicles	—	4,303	
Power and other installations	—	439	
Computer equipment	—	272	
	<u>—</u>	<u>171,530</u>	
	June 30, 2008	December 31, 2007	
	(Rupees in thousand)		
3.2 Capital work-in-progress			
Civil works	34,281	22,159	
Plant and machinery	246,122	258,001	
Power and other installations	3,396	421	
Furniture and fittings	109,348	6,836	
Computer equipment	56,560	487	
Advance to suppliers and contractors	112,414	34,914	
	<u>562,121</u>	<u>322,818</u>	
3.3 Items of property, plant and equipment having a net book value of Rs 719.515 million as at December 31, 2007 were partially damaged during the December incident for which an assessment of impairment was pending upto the date of the authorisation of the financial statements for issue. Subsequent to December 31, 2007 the management has completed its assessment and has concluded that no impairment charge is required against those assets as of December 31, 2007.			
	Note		
	June 30, 2008	December 31, 2007	
	(Rupees in thousand)		
4. STOCK-IN-TRADE			
Raw and packing materials	4.1 to 4.4	2,565,302	3,408,272
Work-in-process	4.4	14,959	12,058
Finished goods	4.3 and 4.4	134,143	195,553
		<u>2,714,404</u>	<u>3,615,883</u>
4.1 Includes stock in transit amounting to Rs 169.783 million (December 31, 2007: Rs 122.840 million).			
4.2 Includes impact of seasonal purchases on account of harvest of tobacco crop during the months of July to September.			
4.3 During the period the company has written off raw and packing material and finished goods aggregating Rs Nil and Rs 2.649 million respectively (December 31, 2007: Rs 22.589 million and Rs Nil respectively).			



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

- 4.4 Raw and packing materials, work-in-process and finished goods (including finished goods in transit) having an aggregate value of Rs 98.987 million, Rs 4.435 million and Rs 41.627 million respectively were destroyed during the December incident. The insurance claim receivable thereagainst has been received during the current period (note 5).

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
5. OTHER RECEIVABLES		
Current account balance with statutory authorities	2,828	3,024
Federal Excise Duty refundable - imported tobacco	1,470	2,051
Receivable against insurance claim due to the December incident:		
Raw and packing material	-	65,260
Finished goods	-	19,077
Finished goods in transit	-	17,567
Plant and machinery	163,130	163,130
Office equipment	239	239
Vehicles	2,300	6,800
Capital work in progress	108,869	108,869
Partially damaged assets	44,750	-
	319,288	380,942
Others	21,980	15,695
	<u>345,566</u>	<u>401,712</u>

- 5.1 The company had recognised an insurance claim receivable aggregating Rs 274.538 million in respect of items of property, plant and equipment fully destroyed in December 2007 financial statements, however, an assessment of that insurance claim was pending. The company had also filed a claim for repair of partially damaged assets, however, receivable in respect of claim for repairs of partially damaged assets was not booked pending an assessment of that claim. Subsequent to the six months period ended June 30, 2008 an acknowledgement of insurance claim amounting to Rs 320.000 million has been received from the insurance company against items of property, plant and equipment fully destroyed and for repair costs relating to partially damaged fixed assets. Out of the total insurance claim acknowledged, an aggregate amount of Rs 44.750 million has been set off against repairs costs incurred and advances for repairs made upto June 30, 2008 on items of property, plant and equipment partially damaged.

	Note	June 30, 2008	December 31, 2007
		(Rupees in thousand)	
6. PROVISIONS			
Tobacco Development Cess	6.1	31,271	67,398
Sales tax	6.2	1,045	2,816
		<u>32,316</u>	<u>70,214</u>

- 6.1 There is no change in the status of case as set out in note 19.1 to the December 2007 financial statements, except for the fact that further provision of Rs 0.066 million and payments aggregating Rs 36.193 million under protest have been made during the current period.



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

- 6.2 In respect of case as referred to in note 19.2 to the December 2007 financial statements, the company has during the current period paid the principal amount of Rs 1.771 million under amnesty scheme in accordance with S.R.O. No. 511(I)/2008 dated June 5, 2008. However, confirmation of the settlement of the underlying case under amnesty is awaited from the relevant department.

June 30, 2008	December 31, 2007
(Rupees in thousand)	

7. CONTINGENCIES AND COMMITMENTS

7.1 Commitments

Capital expenditure contracted for but not incurred	115,085	43,492
Letters of credit	209,617	155,526

- 7.2 In respect of case as referred to in note 20.3.1 to the December 2007 financial statements, the company has during the current period paid the principal amount of Rs 5.473 million under amnesty scheme in accordance with S.R.O. No. 511(I)/2008 dated June 5, 2008. However, confirmation of the settlement of the underlying case under amnesty is awaited from the relevant department.

- 7.3 There is no change in the status of guarantees and contingency set out in note 20.1 and 20.3.2 to the December 2007 financial statements respectively.

	Quarter ended		Six months period ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
------(Rupees in thousand)-----				
8. COST OF SALES				
Raw and packing material consumed				
Opening stock	3,315,299	3,009,404	3,408,272	2,938,937
Purchases, redrying and related expenses	795,704	397,344	2,062,626	1,752,220
	4,111,003	3,406,748	5,470,898	4,691,157
Closing stock	(2,565,302)	(2,326,600)	(2,565,302)	(2,326,600)
	1,545,701	1,080,148	2,905,596	2,364,557
Export rebate	-	(71)	-	(104)
	1,545,701	1,080,077	2,905,596	2,364,453
Excise duties and other levies	2,608,897	2,625,098	5,239,661	5,032,948
Manufacturing expenses	285,196	280,395	526,617	508,727
	4,439,794	3,985,570	8,671,874	7,906,128
Work-in-process				
Opening stock	16,161	21,303	12,058	22,197
Closing stock	(14,959)	(21,231)	(14,959)	(21,231)
Sale of waste	(5,400)	(8,598)	(9,964)	(15,319)
	(4,198)	(8,526)	(12,865)	(14,353)
Cost of goods manufactured	4,435,596	3,977,044	8,659,009	7,891,775
Finished goods				
Opening stock	57,579	440,024	195,553	347,438
Closing stock	(134,143)	(185,122)	(134,143)	(185,122)
	(76,564)	254,902	61,410	162,316
	4,359,032	4,231,946	8,720,419	8,054,091



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

	Quarter ended		Six months period ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	------(Rupees in thousand)-----			
9. TAXATION				
Current				
- for the period	205,000	233,770	418,000	468,000
- for prior year	-	-	1,223	14,770
	<u>205,000</u>	<u>233,770</u>	<u>419,223</u>	<u>482,770</u>
Deferred	6,408	36,000	6,408	36,000
	<u>211,408</u>	<u>269,770</u>	<u>425,631</u>	<u>518,770</u>
10. EARNINGS PER SHARE - BASIC				
Profit for the period after taxation	<u>356,296</u>	<u>580,517</u>	<u>793,819</u>	<u>1,019,035</u>
	------(Number of shares)-----			
Number of ordinary shares	<u>61,580,341</u>	<u>61,580,341</u>	<u>61,580,341</u>	<u>61,580,341</u>
	------(Rupees)-----			
Earnings per share - basic	<u>5.79</u>	<u>9.43</u>	<u>12.89</u>	<u>16.55</u>

There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2008 and June 30, 2007.

11. RELATED PARTIES DISCLOSURES

The related parties comprise subsidiary company, Premier Tobacco Company (Private) Limited, Philip Morris Participants B.V., FTR Holding S.A., related group companies, staff retirement funds, companies where directors also held directorship, directors and key management personnel. Transactions with related parties are as follows:

Relationship	Nature of transaction	Six months period ended June 30, 2008	Six months period ended June 30, 2007
		(Rupees in thousand)	
Group Companies	Sale of goods and services	958	6,435
	Purchase of goods and services	23,053	162,738
	Royalty	3,509	3,180
	Rent and allied expenses	-	623
Staff retirement plans	Contribution to Gratuity fund	8,541	8,979
	Contribution to Provident fund	15,439	12,092
Key management personnel	Remuneration and benefits	126,630	69,692
Other related parties	Sale of goods and services	-	17
	Purchase of goods, fixed assets and services	-	18,811
	Rent and allied expenses	-	2,468
	Donation-note 11.2	2,500	-



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (Continued)

The company enters into transactions with related parties for sale of its products and purchase of raw materials. Services and royalty charges are charged between related parties on the basis of mutually agreed terms.

	June 30, 2008	December 31, 2007
	(Rupees in thousand)	
11.1 The amount due to related parties comprises:		
Group companies	8,374	7,211
Key management personnel	27,358	21,703
Staff retirement plans	6,392	5,292
	42,124	34,206
11.2 Donation includes payment to Lakson Medical Trust in which a Director, Mr. Farooq Shakoor, was interested as a trustee. Besides this, none of the Directors and their spouses have any interest in any donee to which donations have been made.		
11.3 As at June 30, 2008 receivable from associated undertakings amounts to Rs 0.979 million (December 31, 2007: Rs 4.009 million).		
	Six months period ended June 30, 2008	Six months period ended June 30, 2007
	(Rupees in thousand)	
Note		
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,219,450	1,537,805
Adjustments for:		
Depreciation	187,721	221,357
Amortisation	-	31,528
Loss on sale of investment	-	5,033
Profit on short term deposits	(54,180)	(27,452)
Stores and spares written off	7,929	-
Stock in trade written off	2,649	-
Gain on disposal of property, plant and equipment	(4,425)	(15,176)
Finance cost	4,139	6,769
Working capital changes	841,580	219,967
	2,204,863	1,979,831
12.1 Working capital changes		
(Increase)/decrease in current assets		
Stores and spares	(14,819)	7,868
Stock-in-trade	898,830	845,393
Trade debts	144,321	(46,292)
Loans and advances	(27,190)	53,303
Prepayments	(12,884)	58,520
Other receivables	56,146	(4,521)
(Decrease) / increase in current liabilities		
Trade and other payables	(186,164)	(103,167)
Sales tax and excise payable	21,238	(561,986)
Provisions	(37,898)	(29,151)
	841,580	219,967



NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

	June 30, 2008	June 30, 2007
	(Rupees in thousand)	
13. CASH AND CASH EQUIVALENTS		
Short term investments	1,000,000	–
Cash and bank balances	527,847	775,758
	<u>1,527,847</u>	<u>775,758</u>

14. SUBSEQUENT EVENT AND DATE OF AUTHORISATION FOR ISSUE

14.1 Subsequent to the six months period ended June 30, 2008, the Board of Directors of the company in their meeting held on July 31, 2008 has approved an interim cash dividend of Rs 6.50 per share amounting to Rs 400.272 million (final dividend for the year ended June 30, 2007 of Rs 8.50 per share amounting to Rs 523.433 million). These condensed interim financial statements do not recognise the effect of interim dividend on appropriation of reserves as it has been approved subsequent to the balance sheet date.

14.2 These condensed interim financial statements were authorised for issue on July 31, 2008 by the Board of Directors of the company.


SALMAN HAMEED
 Chairman & Chief Executive


MOHAMMAD FAROOQ SHAKOOR
 Director



DIRECTORS' REVIEW

The Directors of your Company are pleased to report on the Company's performance and half yearly financial statements duly reviewed by the external auditors appointed by the Board for six months period ended June 30, 2008.

Overall, during the first half of 2008, the Company's gross turnover increased by 3.2% compared to the same period last year while the Company's gross profit was adversely affected by rising manufacturing costs and contracted by 13.9%. The Company's net profit declined by 22.1% versus last year, despite efforts to control expenses. Distribution, Marketing and administrative expenses altogether decreased marginally, while other operating expenses were down by 14.8%. Consequently, the Company's earnings per share (EPS) decreased by Rs. 3.66 as compared to the corresponding period last year.

The Directors of your Company are also pleased to announce a 65% interim cash dividend to the shareholders for the period ending December 31, 2008.

Your Company's contribution to the national exchequer in the form of excise duty, sales tax and other government levies during the period under review was Rs.7,424.7 million, as compared with Rs. 7,143.9 million during the same period last year.

The Company had recognized an insurance claim receivable aggregating Rs 274.538 million in respect of items of property, plant and equipment fully destroyed in the December 2007 financial statements, however, an assessment of that insurance claim was pending. The Company had also filed a claim for repair of partially damaged assets, however, receivable in respect of claim for repairs of partially damaged assets was not booked pending an assessment of that claim. Subsequent to June 30, 2008 an acknowledgement of insurance claim amounting to Rs 320.000 million has been received from the insurance company against items of property, plant and equipment fully destroyed and for repair costs relating to partially damaged fixed assets. Out of the total insurance claim acknowledged, an aggregate amount of Rs 44.750 million has been set off against repairs costs incurred and advances for repairs made up to June 30, 2008 on items of property, plant and equipment partially damaged.


As previously announced, we would also like to confirm the relocation of our headquarter effective June 10, 2008. The address of our new office building is as follows: Bahria Complex III, 4th Floor, M.T. Khan Road, Karachi.

The production capacity shortfalls suffered by the Company following the loss of the Karachi factory have now almost been fully compensated by increasing capacity at the other existing factories. We continue work to address any such production shortfalls going forward.

The management team continues to be committed to improve the overall performance of the Company - this includes pursuing initiatives such as new strategic marketing activities, improvements in product quality, technological advances as well as developing our human resources. Naturally, growing our volume and controlling our cost base continue to remain key objectives for the Company to increase profitability and attain our objective to regain market leadership.

On behalf of the Board of Directors, I would like to express my gratitude and appreciation to all of our employees, shareholders, business partners and other institutions for their continued trust and support during this past half year period.

On behalf of the Board of Directors


SALMAN HAMEED
Chairman & Chief Executive

Karachi : July 31, 2008



COMPANY INFORMATION

BOARD OF DIRECTORS

SALMAN HAMEED (Chairman & Chief Executive)
MATTEO LORENZO PELLEGRINI
DOUGLAS WALTER WERTH
KEVIN DOUGLAS CLICK
BERTRAND BONVIN
JOSEPH MITCHELL GAULT
EUNICE HAMILTON
TIMOTHY JOHN SOUTHEY
ALAN EWAN HUNKING
MOHAMMAD FAROOQ SHAKOOR
ASMER NAIM

ADVISOR

IQBAL ALI LAKHANI

COMPANY SECRETARY

MOHAMMAD FAROOQ SHAKOOR

AUDIT COMMITTEE

JOSEPH MITCHELL GAULT (Chairman)
DOUGLAS WALTER WERTH
TIMOTHY JOHN SOUTHEY
ALAN EWAN HUNKING

SHARE TRANSFER COMMITTEE

SALMAN HAMEED
JOSEPH MITCHELL GAULT
MOHAMMAD FAROOQ SHAKOOR

AUDITORS

A.F. FERGUSON & CO.
Chartered Accountants

REGISTERED OFFICE

BAHRIA COMPLEX III,
4TH FLOOR, M.T. KHAN ROAD,
KARACHI.

FACTORIES

1. PLOT NO 20, SECTOR NO. 17
KORANGI INDUSTRIAL AREA, KARACHI (Closed)
2. PLOT NO. 14-17, EXPORT
PROCESSING ZONE, KARACHI.
3. E/15, S.I.T.E., KOTRI
DISTT. DADU (SINDH)
4. QUADIRABAD
DISTT. SAHIWAL
5. VILLAGE: MANDRA
TEH : GUJAR KHAN
DISTT. RAWALPINDI
6. ISMAILA
DISTT. SWABI

Website: www.laksontobacco.com.pk
Email : info@laksontobacco.com.pk



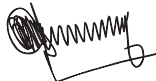
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited-Note 2.2)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2008

	Issued, subscribed and paid-up capital	Revenue reserves			Total
		General reserve	Unappro- priated profit	Sub-total	
------(Rupees in thousand)-----					
Balance as at January 1, 2007	615,803	3,570,000	719,322	4,289,322	4,905,125
Interim dividend for the year ended June 30, 2007 @ Rs 5.8 per share	-	-	(357,167)	(357,167)	(357,167)
Profit after taxation for the six months period ended June 30, 2007	-	-	1,019,035	1,019,035	1,019,035
Balance as at June 30, 2007	<u>615,803</u>	<u>3,570,000</u>	<u>1,381,190</u>	<u>4,951,190</u>	<u>5,566,993</u>
Balance as at January 01, 2008	615,803	4,427,000	472,018	4,899,018	5,514,821
Transfer to general reserve for the six months period ended December 31, 2007	-	240,000	(240,000)	-	-
Final dividend for the six months period ended December 31, 2007 @ Rs 3.75 per share	-	-	(230,926)	(230,926)	(230,926)
Profit after taxation for the six months period ended June 30, 2008	-	-	793,819	793,819	793,819
Balance as at June 30, 2008	<u>615,803</u>	<u>4,667,000</u>	<u>794,911</u>	<u>5,461,911</u>	<u>6,077,714</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


SALMAN HAMEED
 Chairman & Chief Executive


MOHAMMAD FAROOQ SHAKOOR
 Director



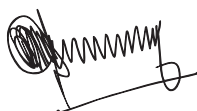
CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited-Note 2.2)

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2008

	Note	Six months period ended	
		June 30, 2008	June 30, 2007 (Note 2.4)
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	2,204,863	1,979,831
Finance cost paid		(6,453)	(13,034)
Income taxes paid		(307,159)	(400,032)
Long-term loans		(1,692)	(114)
Long-term deposits and prepayments		(548)	(2,151)
Net cash inflow from operating activities		1,889,011	1,564,500
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(470,287)	(530,711)
Proceeds from sale of property, plant and equipment		7,893	19,232
Proceeds from sale of investments		-	11,396
Income received from short term deposits		50,095	7,912
Net cash outflow from investing activities		(412,299)	(492,171)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(229,733)	(355,888)
Net cash outflow from financing activities		(229,733)	(355,888)
Net increase in cash and cash equivalents		1,246,979	716,441
Cash and cash equivalents at the beginning of the period		280,868	59,317
Cash and cash equivalents at end of the period	13	1,527,847	775,758

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


SALMAN HAMEED
 Chairman & Chief Executive


MOHAMMAD FAROOQ SHAKOOR
 Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited-Note 2.2)

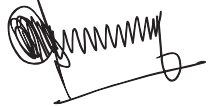
FOR THE QUARTER AND SIX MONTH PERIOD ENDED JUNE 30, 2008

Note	Quarter ended		Six months period ended		
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007 (Note 2.4)	
------(Rupees in thousand)-----					
Gross turnover	6,265,993	6,413,326	12,629,093	12,227,219	
Less :Sales tax	854,777	854,069	1,715,086	1,624,884	
Turnover - net of sales tax	5,411,216	5,559,257	10,914,007	10,602,335	
Cost of sales	8	4,359,032	4,231,946	8,720,419	8,054,091
Gross profit	1,052,184	1,327,311	2,193,588	2,548,244	
Distribution and marketing expenses	346,973	371,417	693,021	776,599	
Administrative expenses	129,348	82,448	241,075	159,755	
	476,321	453,865	934,096	936,354	
	575,863	873,446	1,259,492	1,611,890	
Other operating expenses	39,776	50,861	90,081	105,805	
	536,087	822,585	1,169,411	1,506,085	
Other operating income	33,801	29,973	54,178	38,489	
Operating profit	569,888	852,558	1,223,589	1,544,574	
Finance cost	2,184	2,271	4,139	6,769	
Profit before taxation	567,704	850,287	1,219,450	1,537,805	
Taxation	9	211,408	269,770	425,631	518,770
Profit after taxation	356,296	580,517	793,819	1,019,035	
------(Rupees)-----					
Earnings per share -- basic	10	5.79	9.43	12.89	16.55

The appropriations from profits are set out in the statement of changes in equity.

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


SALMAN HAMEED
 Chairman & Chief Executive


MOHAMMAD FAROOQ SHAKOOR
 Director