



TREET CORPORATION LIMITED
CASH FLOW STATEMENT
For the year ended 30 June 2008



	<i>Note</i>	2008	2007
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from / (used in) operations	36	62,444	(98,371)
Financial cost paid		(71,384)	(57,933)
Taxes adjusted / (paid)		12,247	(19,498)
WPPF and WWF		(15,190)	6,106
Payment to Gratuity fund		(3,358)	(2,736)
Payment to Superannuation fund		(4,096)	(3,628)
Net cash outflow from operating activities		(81,781)	(77,689)
		(19,337)	(176,060)
Cash flows from investing activities			
Fixed capital expenditure incurred		(350,662)	(151,613)
Capital expenditure on investment property		-	(66,858)
Proceeds from sale of property, plant and equipment		3,741	60,309
Proceeds from sale of investment property		71,800	65,000
Long term investments		(90,519)	(56,031)
Long term loans and deposits		260	(39)
Profit received on bank deposits		2,355	18,629
Dividend received		5,937	14,720
Net cash outflow from investing activities		(357,088)	(115,883)
Cash flows from financing activities			
Payment of lease obligation		(1,088)	(2,869)
Long term deposits		2,060	5
Dividend paid		(8,367)	(8,370)
Net cash outflow from financing activities		(7,395)	(11,234)
Net decrease in cash and cash equivalents		(383,820)	(303,177)
Cash and cash equivalents at the beginning of year		(507,737)	(204,560)
Cash and cash equivalents at the end of year	32	(891,557)	(507,737)

The annexed notes 1 to 41 form an integral part of these financial statements.

Syed Shahid Ali
 Chief Executive Officer

Muhammad Shafique Anjum
 Director

Lahore:
 September 27, 2008

TREET CORPORATION LIMITED AND ITS SUBSIDIARY COMPANIES
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the year ended 30 June 2008



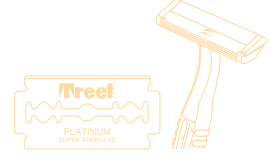
	Share capital	Reserve		Fair value	Un-appropriated profit	Total
		Capital	General			
Balance as at 30 June 2006	41,822	8,949	266,400	110,391	654,831	1,082,393
Transfer from surplus on revaluation of property, plant and equipment Available for sale investments	-	-	-	-	573	573
Transfer of fair value reserves to profit and loss on sale	-	-	-	(26,437)	-	(26,437)
Surplus on remeasurement to fair value	-	-	-	116,590	-	116,590
Net profit for the year	-	-	-	90,153	573	90,726
Total recognised income and expense for the year	-	-	-	-	88,733	88,733
Final dividend for the year ended 30 June 2006 @ Rs 2 per share	-	-	-	90,153	89,306	179,459
Balance as at 30 June 2007	41,822	8,949	266,400	200,544	735,773	1,253,488
Transfer from surplus on revaluation of property, plant and equipment Available for sale investments	-	-	-	-	575	575
Transfer of fair value reserves to profit and loss on sale	-	-	-	(17,584)	-	(17,584)
Deficit on remeasurement to fair value	-	-	-	(74,424)	-	(74,424)
Net profit for the year	-	-	-	(92,008)	575	(91,433)
Total recognised income and expense for the year	-	-	-	-	23,007	23,007
Final dividend for the year ended 30 June 2007 @ Rs 2 per share	-	-	-	(92,008)	68,426	(68,426)
Balance as at 30 June 2008	41,822	8,949	266,400	108,536	750,991	1,176,698

(.....Rupees in thousand.....)

The annexed notes 1 to 42 form an integral part of these financial statements.

Syed Shahid Ali
 Chief Executive Officer

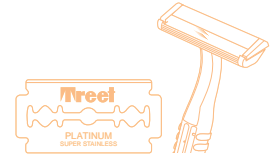
Muhammad Shafique Anjum
 Director



DISTRIBUTION OF REVENUE 2007 - 2008

- | | |
|--------------------------------|--|
| ■ Other Overheads 6.80% | ■ Advertisement and Sale Promotion 2.00% |
| ■ Profit 1.12% | ■ Fuel and Power 3.55% |
| ■ WPPF, WWF and Taxation 0.47% | ■ Salaries and Wages 16.28% |
| ■ Financial Charges 4.08% | ■ Material Consumed 62.86% |
| ■ Depreciation 2.84% | |





GUIDE LINES TO BUSINESS CONDUCT

Employees

- No one should ask any employee to break the law, or go against Treet Group policies and values.
- We treat all employees equally and fairly.
- We do not tolerate any form of harassment.
- Information and necessary facilities are provided to perform jobs in a safe manner.
- Employees must not use, bring, or transfer illegal drugs or weapons on Treet Group property.
- Employees should report suspicious people and activities.

Business Partners

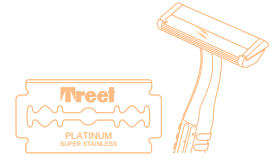
- Avoid conflicts of interest and identify situations where they may occur.
- Do not accept or give gifts, favors, or entertainment if it will appear to obligate the person who receives it.
- Use and supply only safe, reliable products and services.
- Respect our competitors and do not use unfair business practices to hurt our competition.
- Do not have formal or informal discussions with our competitors on prices, markets or products, or production or inventory levels.
- Manufacture and produce products according to contract specifications.
- Market our products and services in an honest and fair manner.
- Do not compromise our values to make a profit.

Business Resources

- Do not use inside information about the Treet Group for personal profit. Do not give such information to others.
- Do not use Treet Group resources for personal gain or any non-business purpose.
- Protect confidential and proprietary information.
- Do not use Treet Group resources to send, receive, access or save electronic information that is sexually explicit, promotes hate, violence, gambling, illegal drugs, or the illegal purchase or use of weapons.
- Do not make false or misleading entries into the companies' books or records (within a Treet Group).

Communities

- Follow all laws, regulations and Treet Group policies that apply to your work.
- Do not entice or give money or anything of value to government officials to influence their decisions.
- We measure and assess our performance, and are open and clear in our environmental communications.
- When Treet Group's standards are higher than what is required by local law, we meet the higher standards.



Treet Group of Companies (Treet Group)

Mission Statement

Our MISSION is, to satisfy and exceed the needs of our customers, providing our products and services with only the best quality, adjusted to their needs and preferences and to create value for our stakeholders. In order to accomplish this, we will continue our emphasis on being the industry's lowest cost producer that responds to customer needs with value-added products and services. We will strive to exceed customer expectations.

It is our belief that we can fulfill this mission through a unique combination of industry vision, supply chain expertise and innovative technology.

Vision Statement

To be an innovative market leader in our businesses that benefit society. We will be differentiated from our competitors by technology, quality, engineering, sales and marketing expertise, while ensuring financial strength and sustainable growth of the Treet Group for the benefit of its stakeholders.

Principle

We will base our human resources systems on our proven principles reflective of our core values and our commitment to attract, reward, develop and motivate sophisticated people. They will reflect the global scope of our business while demonstrating responsibility and flexibility with respect to cultural diversity, and statutory and regional business realities.

Emphasis

Our emphasis on continuous improvement in all aspects of our business will enable us to reward our shareholders and employees.

Social Responsibility

We will continually strive to be environmentally responsible and support the communities where we operate and the industries in which we participate.

Corporate Values

- Total Customer Services
- Long-Term Business Focus
- Technology Oriented
- Quality & Reliability
- Staff Development & Teamwork
- Effective Resources & Cost Management
- Corporate Responsibility



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the shareholders of the Company will be held on Thursday, October 30, 2008 at 11.00 a.m. at the Registered Office of the Company situated at 72-B, Kot Lakhpat Industrial Area, Lahore as per following agenda:-

1. To confirm the Minutes of the last Extraordinary General Meeting held on August 11, 2008.
2. To receive, consider and adopt the statement of audited accounts for the year ended June 30, 2008 along with the reports of Directors and Auditors thereon.
3. To appoint Auditors of the Company for the year ending June 30, 2009 and to fix their remuneration. The retiring Auditors M/S. KPMG Taseer Hadi & Co., Chartered Accountants being eligible offer themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

By order of the Board

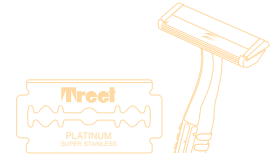


(AMIR ZIA)
Company Secretary

Lahore:
September 27, 2008

Notes:

- a. The share transfer Books of the Company will remain closed from October 24, 2008 to October 30, 2008 (both days inclusive).
- b. Any member of the company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
- c. The shareholders having shares deposited with the CDC are requested to bring their original National Identity Card or Passport and CDC account number for verification.
- d. Members are requested to promptly notify the Share Registrar of the Company of any change in their addresses.



SHAREHOLDERS HOLDING 10% SHARES

Sr. No.	Name of Shareholder	Shares
1	IGI INSURANCE LIMITED	544,206
2	SYED SHAHID ALI	698,458
3	NATIONAL BANK OF PAKISTAN	720,811
4	M/S. ESCANABA LTD.	550,000

DETAIL OF SHARES PURCHASED BY SYED SHAHID ALI (CHIEF EXECUTIVE OFFICER)

DATE OF PURCHASE	NO OF SHARES	RATE PER SHARE
30-04-2008	19300	231.7
05-05-2008	400	226.7
Total Shares Purchased	19700	

FORM 34
Pattern of Shareholding as at 30 June 2008

Number of Shareholders	From	Shareholding	To	Total Shares Held
1635	1		100	31,665.00
285	101		500	69,030.00
60	501		1000	42,611.00
50	1001		5000	103,509.00
8	5001		10000	60,575.00
4	10001		15000	46,148.00
1	15001		20000	19,099.00
1	20001		25000	22,000.00
1	25001		30000	25,053.00
1	30001		35000	32,848.00
1	35001		40000	39,408.00
1	55001		60000	58,100.00
1	60001		65000	63,514.00
1	105001		110000	105,700.00
1	125001		130000	129,500.00
1	145001		150000	150,000.00
1	195001		200000	197,400.00
1	220001		225000	222,590.00
1	245001		250000	250,000.00
1	540001		545000	544,206.00
1	545001		550000	550,000.00
1	695001		700000	698,458.00
1	720001		725000	720,811.00
2059				4,182,225.00

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage %
ASSOCIATED COMPANIES & UNDERTAKINGS			
IGI INSURANCE LIMITED	1	544,206	13.01
LOADS LIMITED	1	22,000	0.53
NIT & ICP			
NATIONAL BANK OF PAKISTAN	1	720,811	17.24
CEO, DIRECTORS, SPOUSE & MINOR CHILDREN			
SYED WAJID ALI	1	222,590	5.32
SYED SHAHID ALI	1	698,458	16.7
DR. MRS. NILOUFER MAHDI	1	11,625	0.28
MRS. FERIEL ALI MEHDI	1	25,053	0.6
SYED SHEHARYAR ALI	1	347,400	8.31
MR. MUHAMMAD SHAFIQUE ANJUM	1	2,505	0.06
MRS. KHADIJA WAJID ALI	1	32,848	0.79
EXECUTIVES			
	0		
INVESTMENT COMPANIES			
JOINT STOCK COMPANIES	8	60761	1.68
BANKS, DEVELOPMENT FINANCE INSTITUTION, NON-BANKING FINANCE INSTITUTIONS, INSURANCE FOREIGN COMPANY	5	608277	14.8
PUBLIC SECTOR & CORPORATIONS	1	550,000	13.15
MODARABA	1	1000	0.02
OTHERS	7	26446	0.55
	2027	308245	7.56
INDIVIDUALS	2059	4,182,225	100

QUALITY POLICY

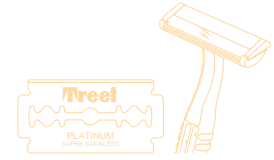
Treet Corporation Limited ensures that quality of its products meets the international standards. Top management of the Corporation is committed to a policy of sustained product innovations. The employees are quality conscious and work in highly ingenious environment. The management is dedicated to customer satisfaction by continuously upgrading human resource skills and promoting a balanced trilateral customer – organization – supplier relationship.



Chief Executive Officer



**TREET
CORPORATION
LIMITED**



Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Treet Corporation Limited (“the Company”) to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board’s statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Lahore:
September 27, 2008



KPMG Taseer Hadi & Co

KPMG Taseer Hadi & Co
Chartered Accountants

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 and 43 of listing regulation of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited respectively for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes one independent non-executive director.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring in the Board on April 10, 2007 and July 2007 were filled up by the directors thereof.
5. The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company out of which some policies are in the process of finalization. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on the material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
10. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
11. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.