



BERGER[®]

ACCOUNTS FOR THE PERIOD FROM
JULY 01 TO SEPTEMBER 30, 2008

BERGER[®]
DIRECTORS' REVIEW

The Directors are pleased to present the financial results for the Quarter ended September 30, 2008. The Company is coming back on track despite tremendous pressures from Financial Market. We expect that we will inshallah recover from our loss situation by the end of this financial year and positive signs are shown by this quarter already.

ECONOMIC REVIEW

The rupee/dollar exchange rate has adversely affected our targeted profitability. As you know, financial crisis is a global issue and Berger is no exception to it, we are also affected by the current political and economic condition prevailing in the country.

The cash position of the company remained under strain following the same trend as of previous two quarters. We have taken measures to manage our working capital requirements and bringing the financial charges to the minimum possible amount.

OPERATIONAL RESULTS

The company has achieved sales of Rs 1,009 million during the first quarter ended September 30, 2008. The profit after tax for the quarter was Rs 3.1 million as compared to Rs 19.6 for the quarter ended September 30, 2007. The company is steadily recovering from the last year losses. The rise in operating and manufacturing cost compared to the same period of last year is mainly attributable to the expenses on rehabilitation and to the additional costs associated with toll manufacturing and cost of imported products. The rise in financial cost is a result of increased borrowing.

FUTURE OUTLOOK

Our Lahore Plant is operational and focus is now on improving production efficiencies and achieving our Sales and Profitability targets for the year ending June 30, 2009.

ON BEHALF OF THE BOARD

Bashir Ahmed
Chief Executive


Dr. Mahmood Ahmad
Director

Karachi: November 7, 2008.

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INTERIM CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)	Jun 30, 2008 (Audited)
.....(Rupees '000).....		
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	631,020	614,447
Goodwill	52,350	52,350
Long-term investments	13,849	13,849
Long-term loans	19,274	14,034
Long-term deposits	8,815	8,038
Deferred Tax	37,718	37,718
CURRENT ASSETS		
Stores	6,808	6,028
Stock-in-trade	1,043,770	873,297
Trade debts	695,785	569,402
Loans and advances	52,889	84,686
Trade deposits and short-term prepayments	25,519	18,171
Other receivables	333,586	391,845
Taxation - net	54,149	40,096
Cash and bank balances	150,764	192,281
	2,363,270	2,175,806
TOTAL ASSETS	3,126,296	2,916,242
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	81,864	81,864
Share Premium	56,819	56,819
Revenue reserves		
General reserves	285,000	285,000
Unappropriated Loss	(125,227)	(128,370)
	159,773	156,630
	298,456	295,313
SURPLUS ON REVALUATION OF FIXED ASSETS -net	154,744	154,744
NON-CURRENT LIABILITIES		
Long Term Loan	83,333	116,666
CURRENT LIABILITIES		
Trade and other payables	1,130,457	989,484
Current maturity of long term loan	83,333	66,667
Accrued mark-up	48,411	43,524
Short-term borrowings	1,327,562	1,249,844
	2,589,763	2,349,519
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	3,126,296	2,916,242

The annexed notes form an integral part of these accounts.

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive

Dr. Mahmood Ahmad
Director

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INTERIM CONDENSED PROFIT AND LOSS ACCOUNTS FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)(Rupees '000).....	Sep 30, 2007 (Un-audited)
Net Sales	1,009,262	849,711
Cost of sales	<u>788,601</u>	<u>627,053</u>
Gross Profit	220,661	222,658
Administrative expenses	<u>23,274</u>	<u>20,444</u>
Distribution cost	<u>140,001</u>	<u>151,222</u>
	<u>163,275</u>	<u>171,666</u>
	57,386	50,992
Other operating income	<u>3,291</u>	<u>7,039</u>
Operating Profit	<u>60,677</u>	<u>58,031</u>
Finance cost	<u>53,799</u>	<u>24,415</u>
Other charges	<u>2,500</u>	<u>2,307</u>
	<u>56,299</u>	<u>26,722</u>
Profit before taxation	<u>4,378</u>	<u>31,309</u>
Taxation	<u>1,235</u>	<u>11,751</u>
Profit after taxation	<u>3,143</u>	<u>19,558</u>
Basic and diluted earnings per share	<u>Rs.0.38</u>	<u>Rs.2.38</u>

The annexed notes form an integral part of these accounts.

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive

Dr. Mahmood Ahmad
Director

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INTERIM CONDENSED CASH FLOW STATEMENT FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)(Rupees '000).....	Sep 30, 2007 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilised in) / generated from operations	(135,225)	89,315
Finance costs paid	(48,912)	(18,561)
Income tax paid	(12,653)	(12,991)
Long-term loans - net	(5,240)	262
Long-term deposits - net	(777)	(265)
Net cash (outflow) / inflow from operating activities	(202,807)	57,760
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(101,901)	(18,897)
Net cash (outflow) from investing activities	(101,901)	(18,897)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings (repaid) - net	(16,667)	(150,000)
Dividends paid	-	(19)
Long term loan	-	-
Net cash (outflow) from financing activities	(16,667)	(150,019)
Net (decrease) in cash and cash equivalents	(321,375)	(111,156)
Cash and cash equivalents at the beginning of the period	(855,422)	(290,027)
Cash and cash equivalents at the end of the period	<u>(1,176,797)</u>	<u>(401,183)</u>

The annexed notes form an integral part of these accounts.

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive

Dr. Mahmood Ahmad
Director

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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	Share Premium	REVENUE RESERVES		Total
			General reserve	unapp- ropriated profit	
.....(Rupees '000).....					
Balance as on June 30, 2007	69,376	-	285,000	30,657	385,033
Net profit for the period ended Sept 30, 2007	-	-	-	19,558	19,558
Transferred from surplus on revaluation of fixed assets to unappropriated profit for the current period	-	-	-	2,100	2,100
Balance as at September 30, 2007	69,376	-	285,000	52,315	406,691
Issue of Right Share at par	12,488	-	-	-	12,488
Premium on Right Shares	-	56,819	-	-	56,819
Final cash dividend for the period ended June 30, 2007	-	-	-	(10,406)	(10,406)
Surplus on revaluation of fixed asset through incremental depreciation charged on related assets during the period	-	-	-	1,641	1,641
Surplus on revaluation of fixed asset on disposal of related assets during the period	-	-	-	21,855	21,855
Loss after taxation for the period ended June 30, 2008	-	-	-	(193,775)	(193,775)
Balance as on June 30, 2008	81,864	56,819	285,000	(128,370)	295,313
Profit for the quarter ended September 30, 2008	-	-	-	3,143	3,143
Balance as on September 30, 2008	81,864	56,819	285,000	(125,227)	298,456

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive

Dr. Mahmood Ahmad
Director

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on March 25, 1950 as a Private Limited Company under the Companies Act, 1913 and was subsequently converted into a Public Limited Company. The Company's shares are quoted on the Karachi and Islamabad stock exchanges. The Company is engaged in the manufacturing of paints, varnishes and other related items. Slotrapid Limited, based in British Virgin Island is the holding company of Berger Paints Pakistan Limited.

The registered office of the Company is situated at D-31, South Avenue, S.I.T.E., Karachi and the production facilities of the Company are located at Karachi and Lahore.

2. BASIS OF PREPARATION

These interim condensed financial statements are unaudited and are being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan.

The 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 as at June 30, 2008.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim condensed financial statements are same as those published in the annual financial statements for the year ended June 30, 2008.

Sep 30, 2008 (Un-audited)	Sep 30, 2007 (Un-audited)
.....(Rupees '000).....	

4. PROPERTY, PLANT AND EQUIPMENT

Addition	<u>32,566</u>	<u>6,774</u>
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4.1 The net book values of assets either partially damaged or destroyed due to collapse of the buildings can not be determined. Accordingly, the net book values of Property, Plant and Equipment which are required to be recognized or impaired can not be determined.

5. CONTINGENCY AND COMMITMENTS

There is no change in the status of contingency, set out in note 25 to the annual financial statements of the company for the year ended June 30, 2008.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

6. TRANSACTIONS WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the three months ended September 30, 2007 and September 30, 2008:

	Sep 30, 2008	Sep 30, 2007
	(Un-audited)	(Un-audited)
(Rupees '000).....	
Sales		
Berger DPI (Private) Limited – a subsidiary	17,598	5,550
Buxly Paints Limited – an associated undertaking	2,065	34,391
Dadex Eternit Limited - an associated undertaking	184	324
Berdex Construction Chemicals (Private) Limited - a subsidiary	5,865	2,922
Purchases		
Buxly Paints Limited – an associated undertaking	-	2,029
Toll manufacturing income		
Buxly Paints Limited – an associated undertaking	-	776
Royalty		
Buxly Paints Limited – an associated undertaking	533	-
Slotrapid Limited B.V.I – holding company	4,800	6,746

7. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorized for issue on November 07, 2008 by the Board of Directors of the company.

8. GENERAL

Figures presented in these interim condensed financial statements have been rounded off to the nearest thousand rupees

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive

Dr. Mahmood Ahmad
Director

**CONSOLIDATED
FINANCIAL
STATEMENTS**

BERGER, BERGER DPI & BERDEX

BERGER[®] & ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)(Rupees '000).....	Jun 30, 2008 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Fixed Assets		
Property, plant and equipment	635,308	618,845
Goodwill	52,350	52,350
Investment in associates	14,088	14,962
Long-term loans	19,889	14,420
Long-term deposits	10,080	9,123
Deferred Taxation	37,718	41,221
CURRENT ASSETS		
Stores	6,808	6,028
Stock-in-trade	1,043,770	873,297
Trade debts	723,117	595,083
Loans and advances	75,832	102,614
Trade deposits and short-term prepayments	25,579	18,238
Other receivables	350,170	414,574
Taxation - net	49,340	22,497
Cash and bank balances	168,750	211,871
	2,443,366	2,244,202
TOTAL ASSETS	3,212,799	2,995,123
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share Capital	81,864	81,864
Share Premium	56,819	56,819
Revenue reserves		
General reserves	285,000	285,000
Unappropriated loss	(110,720)	(121,593)
	174,280	163,407
Advance against issue of share capital	41	41
SURPLUS ON REVALUATION OF FIXED ASSETS -net	154,744	154,744
MINORITY INTEREST	21,067	22,777
NON-CURRENT LIABILITIES		
Long Term Loan	83,333	116,666
CURRENT LIABILITIES		
Trade and other payables	1,181,345	1,038,770
Current maturity of long term loan	83,333	66,667
Accrued mark-up	48,411	43,524
Short-term borrowings	1,327,562	1,249,844
	2,640,651	2,398,805
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	3,212,799	2,995,123

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive


Dr. Mahmood Ahmad
Director

BERGER[®] & ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS
 FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)(Rupees '000).....	Sep 30, 2007 (Un-audited)
Net Sales	1,031,028	858,614
Cost of sales	<u>804,894</u>	<u>630,406</u>
Gross Profit	226,134	228,208
Administrative expenses	20,878	21,802
Distribution cost	146,758	153,252
	<u>167,636</u>	<u>175,054</u>
	58,498	53,154
Other operating income	<u>3,292</u>	5,851
Operating Profit	61,790	59,005
Finance cost	53,800	24,425
Other charges	2,500	2,307
	<u>56,300</u>	<u>26,732</u>
Profit before taxation	5,490	32,273
Taxation	<u>2,374</u>	<u>12,609</u>
Net profit for the period	3,116	19,664
Minority Interest	<u>(39)</u>	<u>(51)</u>
Net profit for the period	3,077	19,613
Basic and diluted earnings per share	<u>Rs 0.39</u>	<u>Rs 2.39</u>

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive


Dr. Mahmood Ahmad
Director

BERGER[®] & ITS SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
 FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Sep 30, 2008 (Un-audited)(Rupees '000).....	Sep 30, 2007 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (utilised in) / generated from operations	(6,112)	83,207
Finance costs paid	(88,761)	(18,571)
Income tax paid	(13,229)	(13,229)
Long-term loans - net	(5,469)	292
Long-term deposits - net	(957)	(118)
Net cash (outflow) / inflow from operating activities	(114,528)	51,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	8,989	(18,957)
Sale proceeds on disposal of fixed assets	1,366	-
Net cash inflow / (outflow) from investing activities	10,355	(18,957)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings (repaid) - net	150,000	(150,000)
Dividends paid	-	(19)
Repayment of long term loan	(16,666)	-
Net cash Inflow / (outflow) from financing activities	133,334	(150,019)
Net Increase / (decrease) in cash and cash equivalents	29,161	(117,395)
Cash and cash equivalents at the beginning of the period	(837,973)	(279,033)
Cash and cash equivalents at the end of the period	<u><u>(808,812)</u></u>	<u><u>(396,428)</u></u>

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive


Dr. Mahmood Ahmad
Director

BERGER[®] & ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 01 TO SEPTEMBER 30, 2008 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	Share Premium	REVENUE RESERVES			Total
			General reserve	unapp- ropriated profit	Minority Interest	
.....(Rupees '000).....						
Balance as at July 01, 2007	69,376	-	285,000	44,116	22,816	421,308
Profit for the period ended September 30, 2007	-	-	-	19,613	-	19,613
Transferred from Surplus on revaluation of fixed assets to unappropriated profit for current year - Net of deferred taxation	-	-	-	2,100	-	2,100
Balance as at September 30, 2007	69,376	-	285,000	65,829	22,816	443,021
Surplus on revaluation of Property, Plant & equipment realised on destroyed assets	-	-	-	21,855	-	21,855
Surplus on revaluation of Property, Plant & equipment realised through incremental depreciation charged on related assets for the year - net of tax	-	-	-	1,641	-	1,641
Share of items recognised directly in the associate's equity	-	-	-	78	-	78
Final cash dividend for the year ended June 30, 2007 (Rs 1.5 per ordinary share)	-	-	-	(10,407)	-	(10,407)
Issue of 1,248,770 right shares at a premium of Rs 45.50 per share	12,488	56,819	-	-	-	69,307
Loss after taxation for the year ended June 30, 2008	-	-	-	(192,793)	(1,788)	(194,581)
Balance as on June 30, 2008	81,864	56,819	285,000	(113,797)	21,028	330,914
Profit for the period ended September 30, 2008	-	-	-	3,077	39	3,116
Balance as on September 30, 2008	81,864	56,819	285,000	(110,720)	21,067	334,030

Khurram Nagori
Chief Financial Officer

Bashir Ahmed
Chief Executive


Dr. Mahmood Ahmad
Director

BERGER[®]

Company Information

Board of Directors

Zahid Zaheer – Chairman
Bashir Ahmed – Chief Executive
Dr Mahmood Ahmad
Maqbool H. H. Rahimtoola
Sikander Dada
Gul Nawaz
C. H. Clover
Ilyas Sharif
Muhammad Naseem – Alternate to C. H. Clover
Khalid Mansoor – Alternate to Ilyas Sharif

Audit Committee

C. H. Clover or Muhammad Naseem - Chairman
Dr Mahmood Ahmad
Sikander Dada
Maqbool H. H. Rahimtoola
Ilyas Sharif or Khalid Mansoor

Company Secretary

Khurram Nagori

Bankers

Habib Bank Limited
Habib Metropolitan Bank Limited
Citibank N. A.
The Royal Bank of Scotland
United Bank Limited
MCB Bank Limited
JS Bank Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Solicitors

SurrIDGE & Beecheno

Share Registrar

Gangjees Registrar Services (Private) Limited

Registered Office

D – 31, South Avenue, S.I.T.E. , Karachi 75700
Phone : 111 237 437
Fax : + 92-21-256 1069, 256 2090

BERGER PAINTS PAKISTAN LIMITED

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