

BERGER

COMPANY INFORMATION

Board of Directors

Mr. Zahid Zaheer -Chairman
Mr. Bashir Ahmed -Chief Executive
Dr. Mahmood Ahmad
Mr. Maqbool H.H. Rahimtoola
Mr. Sikander Dada
Mr. Mohammad Abdul Aleem
Mr. C.H. Clover
Mr. Ilyas Sharif
Mr. Muhammad Naseem -Alternate to Mr. C.H. Clover
Mr. Asad Ullah Khan -Alternate to Mr. Ilyas Sharif

Audit Committee

Mr. C.H. Clover or Mr. Muhammad Naseem - Chairman
Dr. Mahmood Ahmad
Mr. Sikander Dada
Mr. Maqbool H.H. Rahimtoola
Mr. Ilyas Sharif or Mr. Asad Ullah Khan

Company Secretary

Mr. Muhammad Musharaf Khan

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 (9221) 2561069, 2562090

BERGER

Directors' Review

The directors are presenting their report together with the un-audited financial information of the Company for the quarter ended March 31, 2009.

ECONOMIC OVERVIEW

Domestic business conditions during the quarter remained difficult. Security concerns, energy deficit, high inflation coupled with over all recession in economy effected the business environment.

OPERATIONAL RESULTS

The company has managed to achieve sales of Rs. 830 million during 3rd quarter as compared to Rs. 509 million in the corresponding period. The profit before tax for the quarter was Rs. 5.843 million as compared to the before tax loss of Rs. 114.54 million for the quarter ended March 31, 2008.

Financial constraints coupled with high financial cost is still consistent due to working capital requirements and capacity building at our Lahore plant.

FUTURE OUTLOOK

As financial year is about to close, emphasis continues to be on improving operational efficiencies in terms of debtors, receivable management, inventory turnover and tight control on cash flow.

ON BEHALF OF THE BOARD

Bashir Ahmed
Chief Executive

BERGER

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2009

		March 31, 2009 (Un-audited)	June 30, 2008 (Audited)
		(Rupees in thousand)	
ASSETS	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	4	736,798	614,447
Goodwill		43,650	52,350
Long-term investments (subsidiaries and an associate)		13,849	13,849
Long-term loans		15,410	14,034
Long-term deposits		8,047	8,038
Deferred Taxation		-	37,718
		817,754	740,436
CURRENT ASSETS			
Stores and spares		8,670	6,028
Stock in trade		881,483	873,297
Trade debts		633,543	569,402
Loans and advances		54,399	84,686
Trade deposits and short-term prepayments		15,098	18,171
Other receivables		318,353	391,845
Taxation		47,548	40,096
Cash and bank balances		147,101	192,281
		2,106,195	2,175,806
TOTAL ASSETS		2,923,949	2,916,242
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
25,000,000 ordinary shares of Rs 10 each		250,000	250,000
Issued, subscribed and paid-up capital		81,864	81,864
Revenue reserves			
General reserve		341,819	341,819
Unappropriated profit		36,697	(128,370)
		378,516	213,449
SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		152,058	154,744
NON-CURRENT LIABILITY			
Long term loan		50,000	116,666
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables		749,487	989,484
Accrued mark-up		43,114	43,524
Current maturity of long term loan		66,667	66,667
Short-term borrowings		1,402,243	1,249,844
		2,261,511	2,349,519
CONTINGENCIES AND COMMITMENTS	5	-	-
TOTAL EQUITY AND LIABILITIES		2,923,949	2,916,242

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

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CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Nine Months Period Ended March 31, 2009	Nine Months Period Ended March 31, 2008
..... (Rupees in thousand)				
Net Sales	830,199	509,064	2,630,952	2,185,318
Cost of sales	609,673	455,699	2,006,795	1,660,841
GROSS PROFIT	220,526	53,365	624,157	524,477
Selling and distribution costs	150,553	114,312	409,073	441,309
Administrative expenses	28,013	23,776	77,881	73,631
	178,565	138,088	486,954	514,940
Other operating income	25,110	4,757	289,078	20,314
OPERATING PROFIT / (LOSS)	67,071	(79,966)	426,282	29,851
Finance costs	48,377	38,354	168,112	93,094
Other charges	12,850	(3,780)	48,241	-
	61,227	34,574	216,353	93,094
PROFIT / (LOSS) BEFORE TAXATION	5,843	(114,540)	209,929	(63,243)
Taxation	(21,590)	(5,754)	47,548	16,889
PROFIT / (LOSS) AFTER TAXATION	27,434	(108,786)	162,382	(80,132)
Earnings Per Share-Basic And Diluted	Rs.3.35	(Rs.15.68)	Rs.19.84	(Rs.11.55)

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

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CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

	Nine Months Period Ended March 31, 2009	Nine Months Period Ended March 31, 2008
CASH FLOW FROM OPERATING ACTIVITIES		
	(Rupees in thousand)	
Cash flow from\ (used in) operations	234,820	(224,013)
Finance costs paid	(168,522)	(104,717)
Income tax paid	(55,000)	(32,685)
Net cash Inflow / (Outflow) from operating activities	11,298	(361,415)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(140,351)	(100,789)
Goodwill	-	(28,000)
Sale proceeds from disposal of fixed assets	1,670	-
Long-term loans - net	(1,376)	(3,270)
Long-term deposits - net	(9)	399
Net cash (outflow) from investing activities	(140,066)	(131,660)
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term borrowings - net	-	(50,000)
Dividends paid	(2,145)	(8,804)
Long term loan	(66,666)	200,000
Net cash (outflow) / Inflow from financing activities	(68,811)	141,196
Net (decrease) in cash and cash equivalents	(197,579)	(351,879)
Cash and cash equivalents - opening	(857,563)	(290,027)
Cash and Cash equivalents - Closing	(1,055,142)	(641,906)

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

	Capital Reserves		Revenue Reserves		
	Issued subscribed and paid-up Capital	Share Premium	General Reserve	Unappropriated Profit / loss (Accumulated)	Total
	(Rupees in thousand)				
Balance as on July 1, 2007	69,376	-	285,000	30,657	385,033
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period - net of tax	-	-	-	6,300	6,300
Loss after taxation for the nine months period ended March 31, 2008	-	-	-	(80,132)	(80,132)
Dividend declared and paid	-	-	-	(10,407)	(10,407)
Balance as on March 31, 2008	69,376	-	285,000	(53,582)	300,794
Issuance of 1,248,770 right shares at par Premium on right shares (Rs 45.5 per ordinary share)	12,488	56,819	-	-	69,307
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets during the year - net of tax	-	-	-	(2,558)	(2,558)
Surplus on revaluation of property, plant and equipment realised on disposal of related assets during the year - net of tax	-	-	-	21,855	21,855
Loss after taxation for the period ended June 30, 2008	-	-	-	(94,085)	(94,085)
Balance as on June 30, 2008	81,864	56,819	285,000	(128,370)	295,313
Surplus on revaluation of property, plant and equipment realized through incremental depreciation charged on related assets for the period - net of tax	-	-	-	2,685	2,685
Profit after taxation for the nine months period ended March 31, 2009	-	-	-	162,382	162,382
Balance as on March 31, 2009	81,864	56,819	285,000	36,697	460,380

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

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NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

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 in 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.

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

March 31, 2009 (Un-audited)	June 30, 2008 (Audited)
(Rupees in thousand)	
603,312	577,344
133,486	37,103
<u>736,798</u>	<u>614,447</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 There is no change in the status of contingency & Commitments, set out in note 25 to the financial statements of the company for the year ended June 30, 2008 except as stated below.

5.2 Outstanding letters of credit as on March 31st 2009 amounted to Rs. 226.166 million (June 30, 2008: Rs. 216.749 million).

BERGER

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

6. TRANSACTIONS WITH RELATED PARTIES

The following table provides details in respect of transactions entered into with related parties during the nine months ended March 31, 2009 and March 31, 2008:

	March 31, 2009	March 31, 2008
	(Rupees in thousand)	
Sales		
Berger DPI (Private) Limited - an associated undertaking	33,018	14,630
Buxly Paints Limited - an associated undertaking	52,992	68,143
Dadex Eternit Limited - an associated undertaking	803	650
Berdex Construction Chemicals (Private) Limited - an associated undertaking	13,704	24,217
Purchases		
Buxly Paints Limited - an associated undertaking	-	8,582
Dadex Eternit Limited - an associated undertaking	-	92
Toll manufacturing income		
Buxly Paints Limited - an associated undertaking	1,589	2,119
Toll manufacturing Charges		
Buxly Paints Limited - an associated undertaking	4,887	302
Royalty		
Buxly Paints Limited - an associated undertaking	1,234	1,503
Slotrapid Limited B.V.I. - holding company	13,588	13,373

7. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on April 24, 2009 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 of thousand rupees.

BERGER & ITS SUBSIDIARIES

**CONSOLIDATED
FINANCIAL
STATEMENTS**

BERGER, BERGER DPI & BERDEX

BERGER & ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	March 31, 2009 (Unaudited)	June 30, 2008 (Audited)
	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	740,867	618,845
Goodwill	43,650	52,350
Long-term investments (Associated undertaking)	6,388	6,388
Long-term loans	15,879	14,420
Long-term deposits	9,312	9,230
Deferred Taxation	-	37,718
	816,096	738,951
CURRENT ASSETS		
Stores and spares	8,670	6,028
Stock in trade	881,483	873,297
Trade debts	665,874	595,674
Loans and advances	67,437	97,006
Trade deposits and short-term prepayments	15,151	18,238
Other receivables	343,359	383,234
Taxation	46,400	37,284
Cash and bank balances	159,865	209,730
	2,188,239	2,220,491
TOTAL ASSETS	3,004,335	2,959,442
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital		
25,000,000 ordinary shares of Rs 10 each	250,000	250,000
Issued, subscribed and paid-up capital	81,864	81,864
Consolidated reserves	394,778	228,022
	476,642	309,886
MINORITY INTEREST	22,621	21,028
ADVANCE AGAINST SHARE CAPITAL	41	41
SURPLUS ON REVALUATION OF FIXED ASSETS	152,058	154,744
NON-CURRENT LIABILITY		
Long term loan	50,000	116,666
CURRENT LIABILITIES AND PROVISIONS		
Trade and other payables	790,949	997,042
Accrued mark-up	43,114	43,524
Current maturity of long term loan	66,667	66,667
Short-term borrowings	1,402,243	1,249,844
	2,302,973	2,357,077
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	3,004,335	2,959,442

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

BERGER & ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

	Quarter Ended March 31, 2009	Quarter Ended March 31, 2008	Nine Months Period Ended March 31, 2009	Nine Months Period Ended March 31, 2008
	(Rupees in thousand)			
Net Sales	827,542	525,019	2,661,554	2,227,652
Cost of sales	590,645	465,834	2,014,165	1,691,110
GROSS PROFIT	236,897	59,185	647,389	536,542
Selling and distribution costs	158,139	116,014	420,698	445,798
Administrative expenses	32,171	25,819	84,091	78,715
	190,310	141,833	504,789	524,513
Other operating income	25,146	4,762	289,152	20,335
OPERATING PROFIT / (LOSS)	71,733	(77,886)	431,752	32,364
Finance costs	48,399	38,354	168,147	93,102
Other charges	13,234	(3,780)	48,624	-
	61,633	34,574	216,771	93,102
PROFIT / (LOSS) BEFORE TAXATION	10,100	(112,460)	214,980	(60,738)
Taxation	(20,099)	(5,252)	49,317	18,416
PROFIT / (LOSS) AFTER TAXATION	30,199	(107,208)	165,664	(79,154)
Minority Interest	(1,100)	(343)	(1,593)	(923)
NET PROFIT / (LOSS) FOR THE PERIOD				
ATTRIBUTABLE TO THE HOLDING COMPANY	29,099	(107,551)	164,071	(80,077)
EARNINGS PER SHARE-BASIC AND DILUTED	Rs.3.69	(Rs.15.50)	Rs.20.24	(Rs.11.54)

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

BERGER & ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UNAUDITED)

Nine Months
Period Ended
March 31,
2009

Nine Months
Period Ended
March 31,
2008

(Rupees in thousand)

CASH FLOW FROM OPERATING ACTIVITIES

Cash flow from / (used in) operations	233,429	(216,424)
Finance cost paid	(168,557)	(104,725)
Taxes paid	(58,433)	(40,386)
Net cash Inflow / (outflow) from operating activities	6,439	(361,535)

CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	(140,021)	(100,816)
Sale proceed from disposal of fixed assets	1,670	-
Goodwill	-	(28,000)
Long-term loans and advances - net deposits - net	(1,459)	(3,370)
Net cash (outflow) from investing activities	(139,892)	(131,700)

CASH FLOW FROM FINANCING ACTIVITIES

Short-term borrowing - net	-	(50,000)
Long tern financing	(66,666)	200,000
Dividends paid	(2,145)	(8,804)
Net cash (outflow) / Inflow from financing activities	(68,811)	141,196
Net (decrease) in cash and cash equivalents	(202,264)	(352,039)
Cash and Cash equivalents - opening	(840,114)	(279,033)
Cash and Cash equivalent - closing	<u>(1,042,378)</u>	<u>(631,072)</u>

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director

BERGER & ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2009 (UN-AUDITED)

	Issued, subscribed and paid-up Share capital	Share premium reserve	Revenue Reserves		Minority Interest	Total
			General reserve	Unappropriated profit / Loss (Accumulated)		
(Rupees in thousand)						
Balance as on July 01, 2007	69,376		285,000	44,116	22,816	421,308
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets for the year	-	-	-	4,200	-	4,200
Dividend Declared & Paid June 30, 2007 (Rs 1.5 per ordinary share)	-	-	-	(10,407)	-	(10,407)
Loss after taxation for the period ended March 31, 2008	-	-	-	(80,079)	923	(79,156)
Balance as on March 31, 2008	69,376	-	285,000	(42,170)	23,739	335,945
Issuance of 1,248,770 right shares at a premium of Rs. 45.5 per share	12,488	56,819	-	-	-	69,307
Share of items recognized directly in the associate's equity	-	-	-	78	-	78
Surplus on revaluation of property, plant and equipment realised on disposal of related assets during the year - net of tax	-	-	-	21,855	-	21,855
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets for the year - net of tax	-	-	-	(459)	-	(459)
Profit for the period from April 1, 2008 to June 30, 2008	-	-	-	(93,101)	(2,711)	(95,812)
Balance as on June 30, 2008	81,864	56,819	285,000	(113,797)	21,028	330,914
Surplus on revaluation of property, plant and equipment realised through incremental depreciation charged on related assets for the period - net of tax	-	-	-	2,685	-	2,685
Profit for the period from July 1, 2008 to March 31, 2009	-	-	-	164,071	1,593	165,664
Balance as on March 31, 2009	81,864	56,819	285,000	52,959	22,621	499,263

Muhammad Musharaf Khan
Chief Financial Officer

Bashir Ahmed
Chief Executive

Maqbool H.H. Rahimtoola
Director