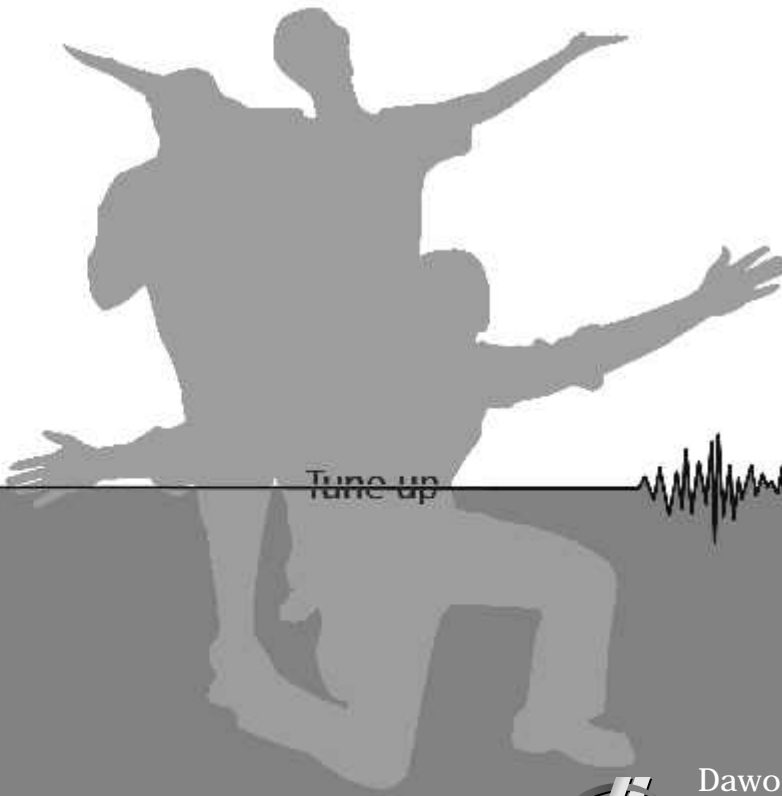


Financial Statements (Un-Audited)  
For the Second Quarter and Half Year Ended  
December 31, 2007



Tune up



Dawood  
Lawrencepur  
Limited

Financial Statements (Un-Audited)  
For the Second Quarter and Half Year Ended  
December 31, 2007



Tune up



Dawood Lawrencepur Limited

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# COMPANY INFORMATION

## **Board of Directors**

Shahzada Dawood (Chairman)  
Shafiq Ahmed (Chief Executive)  
Aleem A. Dani  
Haroon Mahenti  
Isar Ahmad  
Shahid A. Paracha  
S. M. Asghar

## **Board Audit Committee**

Aleem A. Dani  
Haroon Mahenti  
Shahid A. Paracha  
S. M. Asghar

## **Company Secretary**

Aftab Ahmed Qaiser

## **Chief Financial Officer**

Ghalib Jalees

## **Auditors**

Moochhala Gangat & Company  
(Chartered Accountants)

## **Bankers**

Bank Al-Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
MCB Bank Limited

## **Registered Office**

35-A, Shahrah-e-Abdul  
Hameed Bin Baadees  
(Empress Road), Lahore.

## **Karachi Office / Shares Department**

Dawood Centre,  
M. T. Khan Road, Karachi.

## **Mills**

Landhi  
Landhi Industrial Area,  
Karachi.  
Ph: 021-5018476, 5018751  
Fax: 021- 5018463, 5024520

Landhi (Synthetic)  
Landhi Industrial Area,  
Karachi.  
Ph: 021-5018668, 5019350  
Fax: 021-5019349

Dawoodabad  
District Vehari.  
Ph: 067- 3353347, 3353145,  
3353246  
Fax: 067- 3354679

Dawoodpur  
District Attock.  
Ph: 0597-2641074-6  
Fax: 0597-2641073

# Directors' Report

The Directors of Dawood Lawrencepur Limited are pleased to present the un-audited financial statements of the Company for the 2nd quarter ended 31 December 2007.

## **Financial Results**

The business achieved sales of Rs 185.97 million in the 2nd quarter of this year as against Rs. 225.64 for the same period last year. The operating profit for the 2nd quarter was Rs 5.25 million as against operating loss of Rs (8.87) million for the similar period last year (inclusive of results of the discontinued operations). Similarly, sales for the half year declined from Rs 396.20 million last year to Rs 297.15 million for this year, whereas the operating loss for the half year was Rs 26.43 million (2006; loss of Rs 34.93 million).

## **Earnings per share**

The earnings per share (EPS) for the quarter ended 31 December 2007 was Rs 1.61 (including EPS from discontinued operations of Rs 0.38) as compared to Rs 0.11 (including EPS from discontinued operations Rs (0.59) ) for the corresponding period last year. The cumulative EPS for the half year to 31 December 2007 was Rs 1.43 (last year: Rs 2.64)

## **Business Outlook**

As already informed, your Company is taking definite steps to pursue opportunities in the energy field in order to help provide sustainable growth avenues. In this connection, the Company has acquired 100% shareholding of Tenaga Generasi Limited (TGL), which holds LOI from Alternate Energy Development Board and has been issued with a Generation License by NEPRA for the setting up of a 50 MW Wind Energy Project. The project is expected to be commissioned over the next two years.

## **Acknowledgement**

The Directors appreciate the contribution made by the employees.

On behalf of the Board

Karachi  
21 February 2008

Shafiq Ahmed  
(Chief Executive)

## CONDENSED BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2007

31-Dec-07                      30-Jun-07  
(Audited)

( Rupees in thousands )

### NON CURRENT ASSETS

Fixed assets		
Property, plant and equipment	214,864	543,767
Intangible asset	7	7
	214,871	543,774
Long term investments	2,040,555	2,013,210
Long term deposits	20,922	20,822

### CURRENT ASSETS

Stores and spares	53,194	94,340
Stock-in-trade	177,980	365,792
Trade debtors	91,776	184,146
Short term investments	4,491	5,252
Loans and advances	2,636	3,924
Deposits, prepayments and other receivables	93,540	111,542
Cash and bank balances	184,837	42,568
	608,454	807,564
Assets of disposal group classified as held for sale	710,851	376,698
	3,595,653	3,762,068

### SHARE CAPITAL AND RESERVES

Share capital		
Authorised:		
55,000,000 (2006: 55,000,000)	550,000	550,000
Issued, subscribed & paid up	466,861	424,419
Reserves	2,904,403	2,927,963
	3,371,264	3,352,382

### NON CURRENT LIABILITIES

Liabilities against assets subject to finance lease	-	23,520
Deferred liabilities	72,609	82,736

### CURRENT LIABILITIES

Trade and other payable	114,393	124,619
Short term bank finances-secured	-	135,253
Current portion of lease liabilities	35,130	22,614
Interest / markup on running finance	-	5,945
Provision for taxation	1,486	12,959
	151,009	301,390
Liabilities directly associated with the assets classified as held for sale	771	2,040

### CONTINGENCIES AND COMMITMENTS

	-	-
	3,595,653	3,762,068

The annexed notes from 1 to 7 form an integral part of these financial statements.

SHAFIQ AHMED  
Chief Executive

ISAR AHMAD  
Director

**CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**For The Second Quarter and Six Months Period Ended December 31, 2007**

<b>CONTINUING OPERATIONS</b>	Quarter ended		Six months ended	
	31-Dec-07	31-Dec-06	31-Dec-07	31-Dec-06
	( Rupees in thousands )			Restated
Sales - Net	185,973	225,639	297,147	396,204
Cost of goods sold	(180,858)	(188,285)	(298,484)	(345,887)
<b>Gross profit / (loss )</b>	5,115	37,354	(1,337)	50,317
<b>Operating expenses</b>				
Administrative and general	11,147	10,643	19,161	20,949
Selling and distribution	6,471	8,039	11,914	18,333
	(17,618)	(18,682)	(31,075)	(39,282)
Operating (loss) / profit	(12,503)	18,672	(32,412)	11,035
Financial charges	(243)	(3,320)	(1,875)	(6,269)
Other income	642	245	1,967	774
Share of profit from associate	111,620	20,141	153,301	169,591
	112,019	17,066	153,393	164,096
Profit before tax	99,516	35,738	120,981	175,131
Taxation -				
- Current	(931)	(2,956)	(1,486)	(6,004)
- Share of taxation from associates	(41,256)	-	(58,756)	-
	(42,187)	(2,956)	(60,242)	(6,004)
Profit after tax from continuing operations	57,329	32,782	60,739	169,127
<b>DISCONTINUED OPERATION</b>				
Profit / (Loss) after tax for the period from discontinued operation	17,755	(27,544)	5,978	(45,972)
Profit for the period	75,084	5,238	66,717	123,155
Earnings per share-basic and diluted - continuing operations	1.23	0.70	1.30	3.62
Earnings / (loss) per share-basic and diluted- discontinued operations	0.38	(0.59)	0.13	(0.98)

The annexed notes from 1 to 7 form an integral part of these financial statements.

SHAFIQ AHMED  
Chief Executive

ISAR AHMAD  
Director

**CONDENSED CASH FLOW STATEMENTS (UN-AUDITED)**  
**For The Half Year Ended December 31,2007**

		Continuing Operations	Discontinued Operations	Total For the Half year ended 31-Dec-07	Total For the Half year ended 31-Dec-06
(Rupees in thousands)					
<b>Cash Flow from Operating Activities:</b>	Note				
Cash generated from Operations	5	143,947	131,277	275,224	44,079
Less: Payments					
Income-tax		(523)	(4,155)	(4,678)	(2,230)
Staff gratuity		(14,524)	(5,775)	(20,299)	(14,396)
Financial charges		(1,875)	(5,010)	(6,885)	(12,841)
		(16,922)	(14,940)	(31,862)	(29,467)
Net Cash Inflow/(Outflow) from Operating Activities		127,025	116,337	243,362	14,612
<b>Cash Flow from Investing Activities</b>					
Sales proceeds of fixed assets		511	-	511	1,481
Income from investments		173	47,617	47,790	70,938
Long term deposits		(100)	-	(100)	50
Fixed capital expenditure		(2,181)	(806)	(2,987)	(24,570)
Net cash inflow from Investing Activities		(1,597)	46,811	45,214	47,899
<b>Cash Flow from Financing Activities</b>					
Dividend paid		(49)	-	(49)	(2)
Obligations under finance lease (Net)		-	(11,004)	(11,004)	(21,326)
Net Cash/(Outflow) from Financing Activities		(49)	(11,004)	(11,053)	(21,328)
Net Increase/(Decrease) in Cash and Cash Equivalents		125,379	152,144	277,523	41,183
Cash and Cash Equivalents at the beginning of the period		(88,021)	(4,665)	(92,686)	(432,379)
Cash and Cash Equivalents at the end of the period		37,358	147,479	184,837	(391,196)

The annexed notes from 1 to 7 form an integral part of these financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

### For the Half Year Ended December 31, 2007

	CAPITAL RESERVE						Revenue Reserve		Total
	Share Capital	Merger Reserve	Right Share premium	Capital Reserve	Capital Redemption Reserve	Revenue Reserve	Rupees in thousands		
							Unappropriated profit	Fair value reserve on investments	
RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES	
<b>Balance as at June 30, 2005 as reported previously</b>	350,759	10,521	136,866	33,311	25,960	395,355	941,431	1,846,175	3,740,377
Due to change of measurement from fair value to equity	-	-	-	-	-	-	1,002,223	(1,318,988)	(316,765)
<b>Balance as at July 01, 2005 - Restated</b>	350,759	10,521	136,866	33,311	25,960	395,355	1,943,654	527,187	3,423,612
Profit for the period	-	-	-	-	-	-	227,527	-	227,527
Bonus Shares Issued	35,076	-	-	-	-	-	(35,076)	-	-
Transfer to profit and loss account on sale of investments	-	-	-	-	-	-	-	3,982	3,982
Increase in carrying value of investments carried at market value	-	-	-	-	-	-	-	2,322,567	2,322,567
Due to change of measurement from fair value to equity	-	-	-	-	-	-	-	(2,094,160)	(2,094,160)
<b>Balance as at June 30, 2006 - Restated</b>	385,835	10,521	136,866	33,311	25,960	395,355	2,136,105	759,576	3,883,528
Profit for the period from continuing operations	-	-	-	-	-	-	169,126	-	169,126
Loss for the year from discontinued operations	-	-	-	-	-	-	(45,972)	-	(45,972)
Increase in carrying value of investments carried at market value	-	-	-	-	-	-	-	(164,164)	(164,164)
Share of fair value reserve on investment in associate	-	-	-	-	-	-	-	(207,588)	(207,588)
<b>Balance as at December 31, 2006</b>	385,835	10,521	136,866	33,311	25,960	395,355	2,259,259	387,825	3,634,931
<b>Balance as at July 01, 2007</b>	424,419	10,521	136,866	33,311	25,960	395,355	2,182,071	143,880	3,352,383
Profit for the period from continuing operations	-	-	-	-	-	-	60,739	-	60,739
Profit for the period from discontinued operations	-	-	-	-	-	-	5,978	-	5,978
Bonus shares issued	42,442	-	-	-	-	-	(42,442)	-	-
Increase in carrying value of investments carried at market value	-	-	-	-	-	-	-	(43,529)	(43,529)
Share of fair value reserve on investment in associate	-	-	-	-	-	-	32,656	(36,962)	(4,307)
<b>Balance as at December 31, 2007</b>	466,861	10,521	136,866	33,311	25,960	395,355	2,239,002	63,389	3,371,264

The annexed notes from 1 to 4 form an integral part of these financial statements.

SHAFIQ AHMED  
Chief Executive

ISAR AHMAD  
Director

## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

### 1. Status and Business Activity of the Company

- 1.1 Dawood Lawrencepur Limited (the Company) is a public limited company incorporated in 2004 as a result of scheme of arrangement for amalgamation in terms of provisions of section 284 to 287 of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited, Lawrencepur Woolen and Textile Mills Limited and members of the said companies. The shares of the company are listed on the Karachi and Lahore Stock Exchanges. The company is principally engaged in the business of manufacture and sale of yarns and fabrics made from natural and man-made fibers and blends thereof. The registered office of the Company is situated at 35-A, Shahra-e-Abdul Hameed Bin Baadees (Empress Road), Lahore.
- 1.2 During the period, due to the non viability of textiles operation arising out of high input costs, rising cotton prices with insignificant increase in the yarn prices, the management of the Company, based on the approval of the Board of Directors, has closed down the remaining operations of Landhi Unit. Accordingly, the Landhi Operations are now completely closed and all the operations of Landhi unit have been classified as discontinued operations along-with Dilon and partial operations of Burewala Unit.
- 1.3 In accordance with Listing Regulation 28 and clause xxiii of the Listing Regulation Under Code of Corporate Governance, The Karachi Stock Exchange, The Lahore Stock Exchange and The Securities and Exchange Commission of Pakistan was conveyed the decision of the Board of Directors vide Company letter dated 26 September 2007.

### 2. BASIS OF OPERATIONS

These condensed and interim financial statements for the half year ended December 31, 2007 have been prepared in compliance with the requirements of International Accounting Standard -34 Interim Financial Reporting and are being circulated to the members as per the requirements of section 245 of the Companies Ordinance 1984 and as per the listing regulations of Karachi and Lahore Stock Exchanges.

### 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly financial statements are consistent with those applied in the preparation of the Annual Published Financial Statements of the Company for the year ended June 30, 2007.

### 4. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingences reported in the financial statement of June 30, 2007.

	Continuing Operations	Discontinued Operations	Total For the Half year ended 31-Dec-07	Total For the Half year ended 31-Dec-06
<b>5 Cash Generated from Operations</b>				
Profit Before Taxation	120,981	6,749	123,730	129,158
Add/(Deduct) adjustments for non-cash charges and other items				
Depreciation	12,506	824	13,330	42,612
Profit on sale of fixed assets	-	(1)	(1)	(115)
Provision for gratuity	3,894	6,278	10,172	14,002
Income from investments	(173)	(27,490)	(27,663)	(24,170)
Share of profit from associate	(153,301)	-	(153,301)	(169,591)
Financial charges	1,875	5,010	6,885	12,841
	(135,199)	(15,379)	(150,578)	(124,421)
Profit/(Loss) before working capital changes	(14,218)	(8,630)	(22,848)	4,737
<b>Effects on Cash Flow due to Working Capital Changes (Increase) / Decrease in Current Assets</b>				
Stores and spares	504	568	1,072	10,659
Stock-in-trade	72,508	115,304	187,812	(75,713)
Trade debts	(9,618)	101,987	92,369	65,322
Short term investments	762	-	762	-
Loans and advances	673	617	1,290	-
Deposits, prepayments and other receivables	102,453	(71,565)	30,888	(34,313)
	167,282	146,911	314,193	(34,045)
<b>Increase / (Decrease) in Current Liabilities</b>				
Creditors, accrued and other liabilities (excluding provision for government levies)	(9,117)	(7,004)	(16,121)	73,387
Cash generated from Operations	143,947	131,277	275,224	44,079
<b>5.1 CASH AND CASH EQUIVALENTS</b>				
Cash in hand and balance with banks	37,358	147,479	184,837	136,371
Short term running finances	-	-	-	(527,567)
	37,358	147,479	184,837	(391,196)

**6 TRANSACTIONS WITH RELATED PARTIES**

The Company has related party relationships with its associated undertaking, employees, benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entails investments made in associated companies, dividend income received from related investee companies, sales and purchases of goods sharing of services and expenses charged by associated companies on actual cost basis.

The significant transactions carried by the company with related parties during the period are given below :-

	Six Months Period ended 31-Dec-07	Six Months Period ended 31-Dec-06
Rupees in '000		
Sales of goods	12,841	16,544
Purchase of goods	3,372	3,255
Insurance	10,374	12,397
Rent	4,022	2,136
Storage charges	80	1,145
Dividend received	20,127	46,963

**7 AUTHORIZATION**

These interim financial statements have been authorized for issue by the Board of Directors as on February 21, 2008.

**8 GENERAL**

The figures have been rounded off to the nearest thousand rupees.

SHAFIQ AHMED  
Chief Executive

ISAR AHMAD  
Director