

Dawood Lawrencepur Limited

Half Year Ended (Un-Audited)

June 30, 2010



New Targets New Challenges



Contents

Company Information	1
Directors' Review	2
Auditor's Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Statement of Comprehensive Income	6
Condensed Interim Statement of Cash Flow	7
Condensed Interim Statement of Changes in Equity	9
Condensed Interim Notes to Financial Statements	10
Condensed Interim Consolidated Balance Sheet	15
Condensed Interim Consolidated Profit and Loss Account	16
Condensed Interim Consolidated Statement of Comprehensive Income	17
Condensed Interim Consolidated Statement of Cash Flow	18
Condensed Interim Consolidated Statement of Changes in Equity	20
Condensed Interim Consolidated Notes to Financial Statements	21

Company Information

Board of Directors

Isar Ahmad (Chairman)
Inam ur Rahman (Chief Executive)
Shahzada Dawood
A. Samad Dawood
Haroon Mahenti
Shahid H. Pracha
S.M. Asghar

Board Audit Committee

S.M. Asghar (Chairman)
Haroon Mahenti
A. Samad Dawood
Shahid H. Pracha

CFO and Company Secretary

Iqbal A. Shaikh

Auditors

M. Yousuf Adil Saleem & Co.
(Chartered Accountants)

Legal Advisor

Zia Law Associates
17-Second Floor, Shah
Chiragh Chambers,
The Mall Lahore.

Bankers

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

Registered Office

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

Share Registrar

C&K Management Associates (Pvt.) Ltd.
404-Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi-75530

Karachi Office /

Shares Department

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

Mills

Landhi

Landhi Industrial Area,
Karachi.

Ph#: 021-35018476, 35018751
Fax#: 021- 35018463, 35024520

Landhi (Synthetic)

Landhi Industrial Area,
Karachi.

Ph#: 021-35018668, 35019350
Fax#: 021-35019349

Dawoodabad

District Vehari.

Ph#: 067- 3353347, 3353145, 3353246
Fax#: 067- 3354679

Dawoodpur

District Attock.

Ph#: 0597-2641074-6
Fax#: 0597-2641073

Directors' Review

The Board of Directors is pleased to present the un-audited financial statements of the Company for the six months ended June 30, 2010.

OPERATING RESULTS

The Company's turnover for the six months to June 30, 2010 was Rs. 155.79 million as against Rs. 140.35 million for the similar period last year.

The overall business results have shown some improvement despite inflation and depressed market conditions. Efforts continue to mitigate to the extent possible the pressures on the cost of inputs due to a weakening Rupee and ever increasing utility costs.

The summary of operating results is as under:

	Half Year ended 30-Jun-10	Half Year ended 30-Jun-09
	Rupees in million	
Sales	155.79	140.35
Operating profit	(29.62)	(7.14)
Share of profit from associate	300.14	237.23
Loss from discontinued operations	(19.93)	(41.23)
Adjustment of impairment loss	-	(380.61)
Profit / (loss) after taxation from continuing operations	234.75	(196.18)

EARNINGS PER SHARE

Earnings per share of the Group were Rs. 4.18 as compared to Rs. (4.62) per share for the similar period last year. The change is primarily due to the absence of any impairment loss in this period.

BUSINESS OUTLOOK

The results for the second half of the year are likely to be adversely affected by the massive flooding across the country and the consequent impact on the GDP growth.

The 50 MW Wind Energy project (Phase I), being managed by Tenaga Generasi Limited, a wholly owned subsidiary, has made further progress and major vendors/EPC contractors have been short-listed. Further, material progress has been made in our negotiations with the financial institutions.

On behalf of the Board

Karachi
18 August 2010

Inam ur Rahman
Chief Executive

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dawood Lawrencepur Limited ("the Company") as at June 30, 2010, and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial information') for the six months then ended. Company's Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the quarters ended June 30, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended June 30, 2010.

Further the figures of condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement for the half year ended June 30, 2009 are derived from annual audited financial statement for the year ended June 30, 2009 as reduced by figures of condensed interim financial information for the half year ended December 31, 2008.

The financial statements of the Company for the period ended December 31, 2009 were audited by another firm of Chartered Accountants whose report dated March 25, 2010 expressed an unqualified opinion and the interim financial information of the Dawood Lawrencepur Limited for the half year ended June 30, 2009 are unaudited.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi
18 August 2010

M. Yousuf Adil Saleem & Co.
(Chartered Accountants)
Engagement Partner: Mushtaq Ali Hirani

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2010**

	Note	30-Jun-10 (Unaudited)	31-Dec-09 (Audited)
NON-CURRENT ASSETS			
(Rupees in thousands)			
Property, plant and equipment		60,973	64,605
Intangible assets		928	1,112
Long term investments	5	174,605	350,578
Long term deposits		10,244	9,403
CURRENT ASSETS			
Stores and spares		55,378	48,875
Stock in trade		270,060	216,313
Trade debts		39,234	43,750
Loans and advances		2,978	1,111
Deposits, prepayments and other receivables		76,677	93,726
Short term investments	6	261,628	121,794
Cash and bank balances		30,731	23,881
		736,686	549,450
Assets classified as held for sale		700,622	708,993
		1,684,058	1,684,141
SHARE CAPITAL AND RESERVES			
Authorized 75,000,000 (2009: 55,000,000)			
- Ordinary shares of Rs. 10/-each		750,000	550,000
Issued, subscribed and paid up		513,547	513,547
Reserves		604,450	605,675
Unappropriated profit		352,403	371,482
		1,470,400	1,490,704
NON-CURRENT LIABILITY			
Deferred liability - staff gratuity		48,874	44,695
CURRENT LIABILITIES			
Trade and other payables		152,739	138,331
Provision for taxation		12,045	10,411
		164,784	148,742
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		1,684,058	1,684,141

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	Half Year Ended		Quarter Ended	
	30-June-10	30-June-09	30-June-10	30-June-09
CONTINUING OPERATION				
(Rupees in thousands)				
Sales-net	155,790	140,346	77,309	70,361
Cost of goods sold	(129,856)	(125,027)	(74,440)	(68,741)
Gross profit	25,934	15,319	2,869	1,620
Other operating income	51,266	31,906	28,493	31,617
	77,200	47,225	31,362	33,237
Selling and distribution cost	4,808	5,339	2,703	2,751
Administrative expenses	43,513	13,377	35,990	7,104
Financial charges	722	1,447	312	1,398
Impairment loss on 'available for sale' investments	-	115,616	-	55,828
	(49,043)	(135,779)	(39,005)	(67,081)
Profit / (Loss) before taxation	28,157	(88,554)	(7,643)	(33,844)
Provision for taxation	(1,634)	(9,200)	(1,225)	(9,200)
Profit / (Loss) after taxation from continuing operation	26,523	(97,754)	(8,868)	(43,044)
DISCONTINUED OPERATION				
Profit / (Loss) from discontinued operation	(19,925)	(41,226)	(8,739)	(28,948)
Profit / (Loss) for the period	6,598	(138,980)	(17,607)	(71,992)
Earnings per share - Basic and diluted				
Continued operations (Rs.)	0.52	(1.90)	(0.17)	(0.84)
Earnings per share - Basic and diluted				
Discontinued operations (Rs.)	(0.39)	(0.80)	(0.17)	(0.56)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

Half Year Ended June 30, 2010

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHANSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	Half Year Ended		Quarter Ended	
	30-June-10	30-June-09	30-June-10	30-June-09
	(Rupees in thousands)			
Profit / (Loss) for the period	6,598	(138,980)	(17,607)	(71,992)
Other comprehensive income				
(Deficit) / surplus on remeasurement of available for sale investments	(1,225)	203,544	(2,254)	70,718
Total comprehensive income	5,373	64,564	(19,861)	(1,274)

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	Half Year Ended 30-June-10			Half Year Ended 30-June-09		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	(Rupees in thousands)					
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit /(loss) before taxation	28,157	(19,925)	8,232	(88,554)	(41,226)	(129,780)
Adjustments for :						
Depreciation	2,690	1,622	4,312	3,594	1,388	4,982
Amortization	61	122	183	109	219	328
Provision/ (reversal) for staff gratuity	5,081	200	5,281	(6,746)	(658)	(7,404)
Provision/ (reversal) against stocks	1,218	2,619	3,837	(3,065)	(726)	(3,791)
Provision against doubtful recoveries	18,418	-	18,418	-	-	-
Impairment loss on 'available for sale investments'	-	-	-	115,616	-	115,616
Gain on sale of investment	(22,336)	-	(22,336)	-	-	-
Dividend income	(17,712)	-	(17,712)	(28,401)	-	(28,401)
Financial charges	722	336	1,058	229	(830)	(601)
	16,299	(15,026)	1,273	(7,218)	(41,833)	(49,051)
(Increase) / decrease in current assets						
Stores and spares	(7,720)	-	(7,720)	(5,457)	(247)	(5,704)
Stock in trade	(53,747)	5,752	(47,995)	5,140	726	5,866
Trade debts	5,622	(1,106)	4,516	32,564	551	33,115
Loans and advances	(1,744)	(123)	(1,867)	4	(323)	(319)
Deposits, prepayments and other receivables	(4,503)	6,211	1,708	65,429	(47,755)	17,674
Increase / (decrease) in current liabilities						
Trade and other payables	14,808	(2,316)	12,492	13,982	3,819	17,801
	(47,284)	8,418	(38,866)	111,662	(43,229)	68,433
Cash (used in) / generated from operations	(30,985)	(6,608)	(37,593)	104,444	(85,062)	19,382
Financial charges paid	(722)	(336)	(1,058)	(229)	830	601
Gratuity paid	(1,102)	-	(1,102)	(637)	1,746	1,109
Tax paid	(1,201)	(1,875)	(3,076)	(7,951)	4,374	(3,577)
Net cash (used in) / generated from operating activities	(34,010)	(8,819)	(42,829)	95,627	(78,112)	17,515

Half Year Ended 30-June-10			Half Year Ended 30-June-09		
Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total

(Rupees in thousands)

B. CASH FLOWS FROM INVESTING ACTIVITIES

Sale proceeds from disposal of property, plant and equipment	4	-	4	361	735	1,096
Purchase of property, plant and equipments	(685)	-	(685)	(165)	-	(165)
Advance for issue of capital	-	-	-	(10,869)	-	(10,869)
Investment in a subsidiary	(30,409)	-	(30,409)	-	-	-
Sale of investment	227,493	-	227,493	5,995	-	5,995
Long term deposits	-	(840)	(840)	253	11,082	11,335
Dividend received	17,712	-	17,712	28,401	-	28,401
Net cash generated from / (used in) investing activities	214,115	(840)	213,275	23,976	11,817	35,793

C. CASH FLOWS FROM FINANCING ACTIVITIES

Fund transferred from operations	(9,622)	9,622	-	(56,270)	56,270	-
Finance lease paid	-	-	-	-	(11,313)	(11,313)
Payment of dividend	(23,760)	-	(23,760)	-	-	-
Net cash from financing activities	(33,382)	9,622	(23,760)	(56,270)	44,957	(11,313)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	146,723	(37)	146,686	63,334	(21,338)	41,995
Cash and cash equivalent at beginning of the period	142,695	2,979	145,674	12,603	24,638	37,241
Cash and cash equivalent at end of the period	289,418	2,942	292,360	75,937	3,300	79,236
Cash and cash equivalent						
Cash and bank balances	27,790	2,942	30,732	75,937	3,300	79,236
Short term investments	261,628	-	261,628	-	-	-
	289,418	2,942	292,360	75,937	3,300	79,236

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	CAPITAL RESERVESS						Unrealized gain / (loss) on remeasurement of available for sale investment	Total	
	Ordinary Shares	Merger Reserve	Share premium	Capital Reserve	Capital Redemption Reserve Fund	General Reserve			
Balance at December 31, 2008	513,547	10,521	136,866	33,311	25,969	395,355	618,528	(312,193)	1,421,902
Total comprehensive income for the period	-	-	-	-	-	-	(138,980)	203,544	64,564
Balance at June 30, 2009	513,547	10,521	136,866	33,311	25,969	395,355	479,548	(108,649)	1,486,466
Balance at December 31, 2009	513,547	10,521	136,866	33,311	25,969	395,355	371,482	3,655	1,490,704
Dividend for the period	-	-	-	-	-	-	(25,677)	-	(25,677)
Total comprehensive income for the period	-	-	-	-	-	-	6,598	(1,225)	5,373
Balance at June 30, 2010	513,547	10,521	136,866	33,311	25,969	395,355	352,403	2,430	1,470,400

Rupees in thousands

Half Year Ended June 30, 2010

The annexed notes from 1 to 11 form an integral part of these condensed interim financial information.

Israr Ahmad
Chairman

Inam ur Rahman
Chief Executive

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE THE HALF YEAR ENDED JUNE 30, 2010**

1. GENERAL INFORMATION

Dawood Lawrencepur Limited, "the Company" is incorporated in Pakistan as a public listed company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited, Lawrencepur Woolen and Textile Mills Limited. 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 yarn and fabrics made from natural and man-made fibers and blends thereof. The registered office of the Company is situated at 35-A, Shahrah-e-Abdul Hameed Bin Badees (Empress) Road, Lahore.

The Company in the years 2007 and 2008 closed its manufacturing units located at Landhi, Karachi and at Dawoodabad unit, Burewala, District Vehari. The operations relating to the closed down have been classified as discontinued operations, and are accounted for as per the requirement of IFRS-5 'non-current assets held for sale and discontinued operations'.

The Company adopted special tax year ending on December 31 for which permission of Commissioner of Income Tax has been obtained.

2. BASIS OF PREPARATION

These interim financial information have been prepared under the "historical cost convention", except certain investments which have been included at fair value.

2.1 Statement of Compliance

These condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan and the requirements of section 245 of the Companies Ordinance, 1984, the Listing Regulations of the Karachi and Lahore Stock Exchanges and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

These interim financial information are in condensed form and should be read in conjunction with the annual financial statements of the company as at and for the year ended December 31, 2009.

This condensed interim financial information is unaudited. However, a limited scope review of these condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of the Code of Corporate Governance and their review report thereon is annexed.

2.2 Adoption of new International Financial Reporting Standards

In the current year, the company has adopted all new Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and as notified by the Securities and Exchange Commission of Pakistan that are relevant to its operations and effective for company's accounting period beginning on January 01, 2010. The adoption of these new Standards and Interpretations has resulted in changes to the Company's accounting policies in the following areas:

Standards affecting presentation and disclosure

Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

January 01, 2010

The IASB clarified (as part of Improvements to IFRSs (2009)) that the disclosure requirements in Standards other than IFRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations. The adoption of this amendment would only effect disclosure and would have no effect on earning per share.

Amendments to IAS 7 - Statement of Cash Flows

01 January 2010

The amendments (part of Improvements to IFRSs (2009)) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, any cash flows in respect of items that do not qualify for recognition as an asset (and, therefore, are recognised in profit or loss as incurred) would be reclassified from investing to operating activities in the statement of cash flows and prior year amounts restated for consistent presentation.

Amendments to IAS 24 - Related Party Disclosures

01 January 2010

The amendments modify the definition of a related party and simplify related party disclosures for government-related entities. The directors anticipate that these amendments will be adopted in the Company's financial statements for the period beginning 01 January 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies, estimates, judgments and methods of computation adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2009.

The preparation of these interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These condensed interim financial information is unaudited. However, a limited scope review of these condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of the Code of Corporate Governance and their review report thereon is annexed.

4. ACQUISITION AND DISPOSAL OF PROPERTY PLANT AND EQUIPMENT

	(Unaudited)		(Audited)	
	June 30, 2010		December 31, 2009	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
Rupees in thousand.....			
Owned Assets				
Furniture, fixture and office equipment	685	-	271	-
Vehicles	-	4	3,716	-
	<u>685</u>	<u>4</u>	<u>3,987</u>	<u>-</u>

Half Year Ended June 30, 2010

4.1 Property, plant and equipment include temporary idle property which relates to discontinued operations with the carrying value of Rs.29.89 million (2009: Rs. 31.41 million).

5	LONG TERM INVESTMENTS	Note	30-Jun-10	31-Dec-09
			Rupees in thousands	
	Investment in related parties at cost	5.1	165,822	135,412
	Available for sale investments	5.2	8,783	215,166
			<u>174,605</u>	<u>350,578</u>
	5.1 Investment in related parties at cost			
	Wholly owned subsidiary - unquoted			
	Tanaga Generasi Limited			
	Percentage holding 100% (December 31, 2009: 100%)			
	7,600,000 (December 31, 2009: 600,000) fully paid		100,528	30,528
	ordinary shares of Rs 10 each			
	Advance against issue of shares		-	39,590
			<u>100,528</u>	<u>70,118</u>
	Associated Company - quoted			
	Dawood Hercules Chemicals Limited			
	19,482,975 (December 31, 2009: 17,711,795) fully paid		65,294	65,294
	ordinary shares of Rs. 10 each			
	Percentage holding 16.19% (December 31, 2009: 16.19%)			
	Market value Rs. 3.418 billion(December 31, 2009: 3.185 billion)		<u>165,822</u>	<u>135,412</u>
	5.2 Available for sale investments			
	Other investments			
	30-Jun-10 31-Dec-09		30-Jun-10	31-Dec-09
	No. of Shares / Units		Rupees in thousands	
	Listed Securities			
	Related Parties			
	Nil 8,272,470 Sui Northern Gas Pipeline Limited		-	205,157
	Others			
	55,310 55,310 Sui Southern Gas Company Limited		880	743
	200,000 200,000 National Investment Trust		5,634	6,050
	801,900 801,900 Southern Electric Company Limited		2,253	3,200
			<u>8,767</u>	<u>215,150</u>
	Un-Listed Securities			
	795,000 795,000 Karnaphuli Paper Mills Limited		-	-
	100 100 Mianwali Central Co-operative Bank Limited		1	1
	1,500 1,500 Asian Co-operative Society Limited		15	15
			<u>16</u>	<u>16</u>
			<u>8,783</u>	<u>215,166</u>

Cost of Investment of securities classified as 'available for sale' is Rs. 17 million (2009: Rs. 497 million).

Half Year Ended June 30, 2010

6. SHORT TERM INVESTMENTS

			30-Jun-10	31-Dec-09
			Rupees in thousands	
Held for trading at fair value through Profit and Loss	6.1		261,628	121,794
6.1 Held for trading at fair value through Profit or Loss				
30-Jun-10	31-Dec-09	Name of Investee		
No. of Units				
1,647,188	2,320,760	Meezan Cash Fund	85,143	121,794
978,884	Nil	UBL Liquidity Plus Fund - Class - C	100,738	-
743,593	Nil	MCB Cash Management Optimizer	75,747	-
			<u>261,628</u>	<u>121,794</u>

Cost of Investment of securities classified as 'available for sale' is Rs. 251 million (2009: Rs. 120 million).

7. ASSETS CLASSIFIED AS HELD FOR SALE

Subsequent to the period ended June 30, 2009 on August 2, 2010 company entered in to a sale agreements to dispose-off plant and machinery and stores and spares of two out of its three discontinued units.

8. CONTINGENCY AND COMMITMENTS

8.1 Contingency

The Taxation Officer while making assessments for the tax years 2003 to 2005 (pre merger period), had made additions on account allocation of expenses between the normal and presumptive income and disallowing expenses against the operating income of the Company of Rs. 136.104 million. The Company preferred appeal before CIT (Appeals) and Income Tax Appellate Tribunal. The Company has also requested for the rectification of different mistakes in assessment order for the tax year 2004 and 2005. The tax impact of the same comes to Rs. 13.574 millions. Since the outcome of above appeals and tax thereon are pending and in view of the fact that the management is confident that the appeals will be decided in the Company's favor, no provisions has been made in the financial statements relating to the above appeal.

The Company provided a bank guarantee in favour of TGL (the subsidiary company) to Alternate Energy Development Board. (AEDB) for US\$ 25,000 (December 31, 2009: US\$ 25,000). The bank Guarantees amounting to Rs. 65.62 million (December 31, 2009: Rs. 64.16 million). These are secured against margins and investment in NIT units.

8.2 Commitments

The Company has letters of credit commitments as per details below:-

	30-Jun-10	31-Dec-09
	(Rupees in thousand)	
Purchases of raw material	32,195	34,512
Purchases of stores	-	1,000
Purchases of spares	-	1,815
	<u>32,195</u>	<u>37,327</u>

The Company has commitment to supply fabric to Pakistan Air Force amounting to Rs. 29.84 Million (December 31, 2009: Rs. 69.78 million)

9. TRANSACTION WITH RELATED PARTIES

Related Parties comprises of a subsidiary company, an associated company, major shareholders, directors, companies with common directorship and key management personnel. Transactions of the company with related parties are as follows:

	30-Jun-10	31-Dec-09
	(Rupees in thousand)	
Associated Company		
Dividend received	17,712	26,568
Sale of cloth	17,621	15,033
Insurance premium paid / (claim received)	267	(360)
Equity investment in Tenaga Generasi Limited	31,189	4,932
Other related parties		
Utility charges paid	13,352	10,362
Rental charges paid	2,955	3,192
Storage charges paid	-	94
Sale of vehicles	-	1,096

10. APPROVAL OF FINANCIAL STATEMENTS

This condensed interim financial information was authorized for issue on August 18, 2010 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to the nearest thousand of rupees.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2010**

	Note	30-Jun-10 (Unaudited)	31-Dec-09 (Audited)
NON-CURRENT ASSETS			
(Rupees in thousands)			
Property, plant and equipment		103,682	105,550
Intangible assets		23,762	23,946
Long term investments	5	3,341,353	3,333,078
Long term deposits		10,244	9,403
CURRENT ASSETS			
Stores and spares		55,378	48,875
Stock in trade		270,060	216,313
Trade debts		39,234	43,750
Loans and advances		5,116	2,242
Deposits, prepayments and other receivables		75,905	93,930
Short term investments	6	281,708	121,794
Cash and bank balances		32,076	24,052
		759,477	550,956
Assets classified as held for sale		700,622	708,993
		4,939,140	4,731,926
SHARE CAPITAL AND RESERVES			
Authorized 75,000,000 (2009: 55,000,000)			
- Ordinary shares of Rs. 10/-each		750,000	550,000
Issued, subscribed and paid up		513,547	513,547
Reserves		604,451	605,676
Unappropriated profit		3,607,371	3,418,222
		4,725,369	4,537,445
NON-CURRENT LIABILITY			
Deferred liability - staff gratuity		48,874	44,695
CURRENT LIABILITIES			
Trade and other payables		152,852	139,375
Provision for taxation		12,045	10,411
		164,897	149,786
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		4,939,140	4,731,926

The annexed notes from 1 to 11 form an integral part of these condensed interim consolidated financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	Half Year Ended		Quarter Ended	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
Rupees in thousands				
CONTINUING OPERATION				
Sales-net	155,790	140,346	77,309	70,361
Cost of goods sold	(129,856)	(125,027)	(74,440)	(68,741)
Gross profit	25,934	15,319	2,869	1,620
Other operating income	33,633	5,338	28,572	5,049
	59,567	20,657	31,441	6,669
Selling and distribution cost	4,808	5,339	2,703	2,751
Administrative expenses	50,013	15,674	40,007	9,105
Financial charges	730	1,447	321	1,398
Share of profit from associate	(300,144)	(237,231)	(69,523)	(50,402)
Impairment loss on 'available for sale' investments:				
- Holding company	-	264,994	-	133,584
- Associate company	-	115,616	-	55,828
	244,593	(165,839)	26,492	(152,264)
Profit / (Loss) before taxation	304,160	(145,182)	57,933	(145,595)
Provision for taxation				
- Current	(1,634)	(9,200)	(1,225)	(9,200)
- Share of taxation from associate	(67,775)	(41,799)	(11,951)	15,402
	(69,409)	(50,999)	(13,176)	6,202
Profit / (Loss) after taxation from continuing operation	234,751	(196,181)	44,758	(139,393)
DISCONTINUED OPERATION				
Profit / (Loss) from discontinued operation	(19,925)	(41,226)	(8,739)	(28,948)
Profit / (Loss) for the period	214,826	(237,407)	36,019	(168,341)
Earnings per share - Basic and diluted Continued operations (Rs.)	4.57	(3.82)	0.87	(2.71)
Earnings per share - Basic and diluted Discontinued operations (Rs.)	(0.39)	(0.80)	(0.17)	(0.56)

The annexed notes from 1 to 11 form an integral part of these condensed interim consolidated financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2010**

	Half Year Ended		Quarter Ended	
	30-Jun-10	30-Jun-09	30-Jun-10	30-Jun-09
	Rupees in thousands			
Profit / (Loss) for the period	214,826	(237,407)	36,019	(168,341)
Other comprehensive income				
(Deficit) / surplus on remeasurement of available for sale investments	(1,225)	(45,210)	(2,254)	56,651
Total comprehensive income	213,601	(282,617)	33,765	(111,690)

The annexed notes from 1 to 11 form an integral part of these condensed interim consolidated financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30,2010**

	Half Year Ended 30-June-10			Half Year Ended 30-June-09		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Cash Flow from Operating Activities: (Rupees in thousands)					
Profit /(loss) before taxation	304,160	(19,925)	284,235	(145,182)	(41,226)	(186,408)
Adjustments for :						
Depreciation	2,812	1,622	4,434	3,666	1,388	5,054
Amortization	61	122	183	109	219	328
Provision/ (reversal) for staff gratuity	5,081	200	5,281	(6,746)	(658)	(7,404)
Provision/ (reversal) against stocks	1,218	2,619	3,837	(3,065)	(726)	(3,791)
Provision against doubtful recoveries	18,418	-	18,418	-	-	-
Share of profit from associate	(300,144)	-	(300,144)	(237,231)	-	(237,231)
Impairment loss on 'available for sale investments'	-	-	-	115,616	-	115,616
Impairment loss on 'available for sale investments' associate	-	-	-	264,994	-	264,994
Gain on sale of investment	(22,336)	-	(22,336)	-	-	-
Financial charges	730	336	1,066	229	(830)	(601)
	10,000	(15,026)	(5,026)	(7,609)	(41,834)	(49,443)
(Increase) / decrease in current assets						
Stores and spares	(7,720)	-	(7,720)	(5,457)	(247)	(5,704)
Stock in trade	(53,747)	5,752	(47,995)	5,140	726	5,866
Trade debts	5,622	(1,106)	4,516	32,564	551	33,115
Loans and advances	(2,752)	(123)	(2,875)	(66)	(323)	(389)
Deposits, prepayments and other receivables	(5,084)	6,211	1,127	65,429	(47,755)	17,674
Increase/(decrease) in current liabilities						
Trade and other payables	15,436	(2,316)	13,120	14,402	3,819	18,221
	(48,245)	8,418	(39,827)	112,012	(43,228)	68,783
Cash(used in)/generated from operations	(38,245)	(6,608)	(44,853)	104,402	(85,062)	19,340
Financial charges paid	(730)	(336)	(1,066)	(229)	830	601
Gratuity paid	(1,102)	-	(1,102)	(637)	1,746	1,109
Tax paid	(1,203)	(1,875)	(3,078)	(7,951)	4,374	(3,577)
Net cash (used in) / generated from operating activities	(41,280)	(8,819)	(50,099)	95,586	(78,113)	17,473

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30,2010**

	Half Year Ended 30-June-10			Half Year Ended 30-June-09		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Cash Flows From Investing Activities	(Rupees in thousands)					
Sale proceeds from disposal of property, plant and equipment	4	-	4	361	735	1,096
Purchase of property, plant and equipments	(685)	-	(685)	(1,574)	-	(1,574)
Capital work in progress	(1,886)	-	(1,886)	(4,138)	-	(4,138)
Sale of investment	227,493	-	227,493	-	-	-
Long term deposits	-	(840)	(840)	253	11,082	11,335
Income from investment	17,712	-	17,712	29,115	-	29,115
Net cash generated from / (used in) investing activities	242,638	(840)	241,798	24,017	11,817	35,834
Cash Flows From Financing Activities						
Fund transferred from operations	(9,622)	9,622	-	(56,270)	56,270	-
Finance lease paid	-	-	-	-	(11,313)	(11,313)
Payment of dividend	(23,760)	-	(23,760)	-	-	-
Net cash from financing activities	(33,382)	9,622	(23,760)	(56,270)	44,957	(11,313)
Net increase / (decrease) in cash and cash equivalent (A+B+C)	167,976	(37)	167,939	63,333	(21,338)	41,995
Cash and cash equivalent at beginning of the period	142,866	2,979	145,845	12,610	24,638	37,248
Cash and cash equivalent at end of the period	310,842	2,942	313,784	75,943	3,300	79,243
Cash and cash equivalent						
Cash and bank balances	29,134	2,942	32,076	75,943	3,300	79,243
Short term investments	281,708	-	281,708	-	-	-
	310,842	2,942	313,784	75,943	3,300	79,243

The annexed notes from 1 to 11 form an integral part of these condensed interim consolidated financial information.

Isar Ahmad
Chairman

Inam ur Rahman
Chief Executive

**CONDENSED INTERIM CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
(UN-AUDITED) For the Half Year Ended June 30, 2010**

1. STATUS AND BUSINESS ACTIVITY OF THE COMPANY

Dawood Lawrencepur Limited, "the Company" is incorporated in Pakistan as a public listed company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited, Lawrencepur Woolen and Textile Mills Limited. 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 yarn and fabrics made from natural and man-made fibers and blends thereof. The registered office of the Company is situated at 35-A, Shahrah-e-Abdul Hameed Bin Badees (Empress) Road, Lahore.

The Company adopted special tax year ending on December 31 for which permission of Commissioner of Income Tax has been obtained.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements include the financial information of Dawood Lawrencepur Limited (the holding Company). The condensed interim financial information of the subsidiary company has been consolidated on a line by line basis.

2.1 Statement Of Compliance

These condensed interim consolidated financial information have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan and the requirements of section 245 of the Companies Ordinance, 1984, the Listing Regulations of the Karachi and Lahore Stock Exchanges and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

These condensed interim consolidated financial information are in condensed form and should be read in conjunction with the annual financial statements of the company as at and for the year ended December 31, 2009.

2.2 Adoption of new International Financial Reporting Standards

In the current year, the company has adopted all new Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and as notified by the Securities and Exchange Commission of Pakistan that are relevant to its operations and effective for company's accounting period beginning on January 01, 2010. The adoption of these new Standards and Interpretations has resulted in changes to the Company's accounting policies in the following areas:

Standards affecting presentation and disclosure

**Amendments to IFRS 5 - Non-current Assets Held for Sale
and Discontinued Operations**

January 01, 2010

The IASB clarified (as part of Improvements to IFRSs (2009)) that the disclosure requirements in Standards other than IFRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations. The adoption of this amendment would only effect disclouser and would have no effect on earning per share.

Amendments to IAS 7 - Statement of Cash Flows

January 01, 2010

The amendments (part of Improvements to IFRSs (2009)) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, any cash flows in respect of items that do not qualify for recognition as an asset (and, therefore, are recognised in profit or loss as incurred) would be reclassified from investing to operating activities in the statement of cash flows and prior year amounts restated for consistent presentation.

Amendments to IAS 24 - Related Party Disclosures

January 01, 2010

The amendments modify the definition of a related party and simplify related party disclosures for government-related entities. The directors anticipate that these amendments will be adopted in the Company's financial statements for the period beginning 1 January 2010.

3 Significant Accounting Policies

3.1 The accounting policies, estimates, judgments and methods of computation adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the annual audited consolidated financial statements of the Company for the year ended December 31, 2009.

The preparation of these interim consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing this interim consolidated financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to financial statements as at and for the year ended December 31, 2009.

4 Acquisition And Disposal Of Property Plant And Equipment

	(Unaudited) June 30, 2010		(Audited) December 31, 2009	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
.....Rupees in thousand.....				
Owned Assets				
Furniture, fixture and office equipment	685	-	271	-
Vehicles	-	4	3,716	-
Capital work in progress	1,886	-	1,690	-
	2,571	4	5,677	-

14.1 Property, plant and equipment include temporary idle property which relates to discontinued operations with the carrying value of Rs. 30.96 million (2009: Rs. 32.61 million).

Half Year Ended June 30, 2010

	Note	30-Jun-10	30-Jun-09
Rupees in thousands			
5. LONG TERM INVESTMENTS			
Investment in related parties	5.1	3,332,570	3,117,912
Available for sale investments	5.2	8,783	215,166
		<u>3,341,353</u>	<u>3,333,078</u>
5.1 Investment in related parties			
Associated Company - quoted			
Dawood Hercules Chemicals Limited			
19,482,975 (December 31, 2009: 17,711,795) fully paid		65,294	65,294
ordinary shares of Rs. 10 each			
Percentage holding 16.19% (December 31, 2009: 16.19%)			
Market value Rs. 3.418 billion(December 31, 2009: 3.185 billion)			
Share of post acquisition profits			
Opening balance		3,052,618	3,016,924
Add: Share of profit		300,144	290,211
Less: Share of taxation		(67,775)	(85,111)
Less: Unrealized loss on remeasurement of available for sale investment securities in associates		-	(116,271)
		<u>3,284,987</u>	<u>3,105,753</u>
Less: Dividend received		(17,712)	(53,135)
		<u>3,332,570</u>	<u>3,117,912</u>
5.2 Available for sale investments			
Other investments			
30-Jun-10 31-Dec-09			
No. of Shares / Units			
Listed Securities			
Related Parties			
Nil 8,272,470 Sui Northern Gas Pipeline Limited		-	205,157
Others			
55,310 55,310 Sui Southern Gas Company Limited		880	743
200,000 200,000 National Investment Trust		5,634	6,050
801,900 801,900 Southern Electric Company Limited		2,253	3,200
		<u>8,767</u>	<u>215,150</u>
Un-Listed Securities			
795,000 795,000 Karnaphuli Paper Mills Limited		-	-
100 100 Mianwali Central Co-operative Bank Limited		1	1
1,500 1,500 Asian Co-operative Society Limited		15	15
		<u>16</u>	<u>16</u>
		<u>8,783</u>	<u>215,166</u>

Cost of Investment of securities classified as 'available for sale' is Rs. 17 million (2009: Rs. 497 million).

6. SHORT TERM INVESTMENTS

	Note	30-Jun-10	30-Jun-09
Rupees in thousands			
Held for trading at fair value through Profit and Loss	6.1	281,708	121,794

6.1 Held for trading at fair value through Profit or Loss

30-Jun-09	31-Dec-09	Name of Investee		
No. of Units				
1,647,188	2,320,760	Meezan Cash Fund	85,143	121,794
978,884	Nil	UBL Liquidity Plus Fund - Class - C	100,738	-
743,593	Nil	MCB Cash Management Optimizer	95,826	-
			281,708	121,794

Cost of Investment of securities classified as 'available for sale' is Rs. 271 million (2009: Rs. 120 million).

7 ASSETS CLASSIFIED AS HELD FOR SALE

Subsequent to the period ended June 30, 2009 on August 2, 2010 company entered in to a sale agreements to dispose-off plant and machinery and stores and spares of two out of its three discontinued units.

8 CONTINGENCY AND COMMITMENTS

8.1 Contingency

The Taxation Officer while making assessments for the tax years 2003 to 2005 (pre merger period), had made additions on account allocation of expenses between the normal and presumptive income and disallowing expenses against the operating income of the Company of Rs. 136.104 million. The Company preferred appeal before CIT (Appeals) and Income Tax Appellate Tribunal. The Company has also requested for the rectification of different mistakes in assessment orders for the tax year 2004 and 2005. The tax impact of the same comes to Rs. 13.574 millions. Since the outcome of above appeals and tax thereon are pending and in view of the fact that the management is confident that the appeals will be decided in the Company's favor, no provisions has been made in the financial statements relating to the above appeal.

The Company provided a bank guarantee in favour of TGL (the subsidiary company) to Alternate Energy Development Board. (AEDB) for US\$ 25,000 (December 31, 2009: US\$ 25,000). The bank Guarantees amounting to Rs. 65.62 million (December 31, 2009: Rs. 64.16 million). These are secured against margins and investment in NIT units.

8.2 Commitments

The Company has letters of credit commitments as per details below:-

	30-Jun-10	30-Jun-09
Rupees in thousands		
Purchases of raw material	32,195	34,512
Purchases of stores	-	1,000
Purchases of spares	-	1,815
	32,195	37,327

The Company has commitment to supply fabric to Pakistan Air Force amounting to Rs. 29.840 Million (December 31, 2009: Rs. 69.78 million)

9 TRANSACTION WITH RELATED PARTIES

Related Parties comprises of a subsidiary company, an associated company, major shareholders, directors, companies with common directorship and key management personnel. Transactions of the company with related parties are as follows:

	30-Jun-10	30-Jun-09
	Rupees in thousands	
Associated Company		
Sale of cloth	17,621	15,033
Insurance premium paid / (claim received)	267	(360)
Other related parties		
Utility charges paid	13,352	10,362
Rental charges paid	2,955	3,192
Storage charges paid	-	94
Sale of vehicles	-	1,096

10 APPROVAL OF FINANCIAL STATEMENTS

This condensed interim consolidated financial information was authorized for issue on August 18, 2010 by the Board of Directors of the Company.

11 GENERAL

Figures have been rounded off to the nearest thousand of rupees.



Dawood Lawrencepur Limited

Head Office / Shares Department:

Dawood Centre, M.T. Khan Road,
Karachi-75530

Tel: (92-21) 35686001-16

Fax: (92-21) 35680598

Registered Office:

35-A, Empress Road,
Lahore-54000

Tel: (92-42) 36301601-07

Fax: (92-42) 36360343, 36364316

E-mail: info.textiles@dawoodgroup.com

Website: www.dawoodlawrencepur.com