



TREET GROUP OF COMPANIES



Half yearly financial statement

JULY - DECEMBER 2012 - 2013

Content

TREET GROUP OF COMPANIES CONSOLIDATED FINANCIAL STATEMENT

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Company Information

BOARD OF DIRECTORS	Syed Shahid Ali Dr. Mrs. Niloufer Mahdi Mrs. Ferial Ali Mehdi Mr. Jalees Ahmed Siddiqi Mr. Imran Azim Syed Sheharyar Ali Mr. Muhammad Shafique Anjum Mr. Munir K. Bana	Chairman / Chief Executive Officer (Nominee IGI Insurance Limited) (Nominee National Investment Trust) (Nominee Loads Limited)
BOARD AUDIT COMMITTEE	Mr. Jalees Ahmed Siddiqi Mr. Imran Azim Syed Sheharyar Ali Mr. Munir K. Bana	Chairman Member Member Member
CHIEF FINANCIAL OFFICER	Mr. Amir Zia	
COMPANY SECRETARY	Mr. Ayaz Ahmed	
EXTERNAL AUDITORS	KPMG Taseer Hadi & Co. Chartered Accountants Lahore.	
INCOME TAX CONSULTANTS	Hyder Bhimji & Co. Chartered Accountants Lahore.	
LEGAL ADVISORS	Salim & Baig, Advocates - Lahore.	
CORPORATE ADVISORS	Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore.	
BANKERS	Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Al-Habib Limited BankIslami Pakistan Limited Barclays Bank PLC, Pakistan CitiBank N.A. Faysal Bank Limited Habib Bank Limited HSBC Bank Middle East Limited Habib Metropolitan Bank Limited IGI Investment Bank Limited JS Bank Limited MCB Bank Limited National Bank of Pakistan NIB Bank Limited SAMBA Bank Limited Standard Chartered Bank (Pakistan) Limited SilkBank Limited United Bank Limited	
REGISTERED OFFICE	72-B, Kot Lakhpat Industrial Area, Lahore. Phones: 042-35830881, 35156567 Fax: 042-35114127, 35215825 E-mail: info@treetonline.com Home Page: www.treetonline.com	

SHARE REGISTRAR

Scarlet I.T. Systems (Private) Limited
24-Ferozepur Road, Lahore.
Tel: 042-37087113 - 37570202
Fax: 042-37570303
E.mail: treet@scarletsystem.com

TREET GROUP FACTORIES

72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567 & 35122296
Fax: 042-35114127, 35215825

Hali Road: P.O. Box No. 308, Hyderabad.
Phones : 0223-880846, 883058 & 883174
Fax: 0223-880172

First Treet Manufacturing Modaraba
(Managed by Global Econo Trade (Private) Limited)

Packaging Solution - Corrugation
22- K.M. Ferozepur Road, Kachha Tiba, Rohi Nala,
Lahore. Tel: (042) 8555848

Packaging Solution - Paper & Board Mill
33 - K.M. Lahore Sheikhpura Road.

GROUP COMPANIES / OFFICES

Global Econo Trade (Private) Limited
(A wholly owned subsidiary of Treet Corporation Limited)
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567
Fax: 042-35114127, 35215825

First Treet Manufacturing Modaraba
(Managed by Global Econo Trade (Private) Limited)
Principal Place of Business:
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567
Fax: 042-35114127, 35215825

TCL Labor - Hire Company (Private) Limited
(A wholly owned subsidiary of Global Econo Trade (Private) Limited)
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567
Fax: 042-35114127, 35215825

Treet Power Limited
(A wholly owned subsidiary of Global Econo Trade (Private) Limited)
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567
Fax: 042-35114127, 35215825

Treet Services (Private) Limited
(A wholly owned subsidiary of Global Econo Trade (Private) Limited)
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-35830881, 35156567
Fax: 042-35114127, 35215825

KARACHI OFFICE

17-Abdullah Haroon Road, Karachi.
Phones: 021-35681576
Fax: 021-35681575

Director's Report

The Directors of your Company are pleased to present a brief of operations and financial results of your Company for the half year ended **December 31, 2012**.

Financial Performance

Comparative analysis* (in % change) over the corresponding period of the last year is given below:

*More fruitful comparison is between consolidated results of this period with corresponding last period due to following reasons:

- Global Econo Trade (Private) Limited (GET) is wholly owned subsidiary of your Company.
- Your Company and GET virtually hold 100% certificates of FTMM.
- Intra- company sales within Treet Group are Inter- Stock Transfer from Treet Group's perspective.
- Likewise Intra- company services within Treet Group are set-off in consolidation.

Half Year Ended						
(Rupees in thousand)	December 31, 2012		December 31, 2011		% Change	
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	1,610,384	2,832,946	1,320,744	2,987,097	21.93%	-5.16%
Gross Profit	502,647	636,415	343,274	804,311	46.43%	-20.87%
Operating Profit	130,985	159,672	267,033	419,430	-50.95%	-61.93%
Net Profit	159,167	132,387	185,381	266,225	-14.14%	-50.27%
EPS (in Rupees)	3.81	3.17	4.43	6.37		

The Company's posted profit after tax at Rs. **132.387** million is decreased by 50.27% against Rs. **266.225** million in the corresponding period of the last year. Sales performance (in % change) is described below:

SEGMENT-WISE SALES

Rs. in 000	2012-2013					
	D/E+ Bonded	Soap	Corrugation	Paper & Board	Motorbike	Total
Sales	1,636,592	307,951	636,053	89,264	163,086	2,832,946
Inter-Company / Segment Sales	-	-	35,330	190,539	-	225,869
	1,636,592	307,951	671,383	279,803	163,086	3,058,815
Rs. in 000	2011-2012					
	D/E+ Bonded	Soap	Corrugation	Paper & Board	Motorbike	Total
Sales	1,601,037	439,630	598,485	128,806	219,139	2,987,097
Inter-Company / Segment Sales	-	-	34,718	144,767	-	179,485
	1,601,037	439,630	633,203	273,573	219,139	3,166,582
Sales Growth %	2.22%	-29.95%	6.03%	2.28%	-25.58%	-3.40%

- Blade/disposable business maintained its shares both in local and export markets;
- Soap sales showed decline due to clearance of stocks at secondary levels. Moreover, your Company is revamping its sales & marketing strategy;
- Corrugation showed good sales growth during the period.
- Paper & Board operations have also maintained its foothold in the market.
- Motorbike operations are revamped and will take momentum in the coming months.

However, following factors contributed towards lower net profitability as compared to the corresponding period of the last year:

- Increase in power tariffs and in-house power generations;
- Commercialization fee of Rs. 13.00 million paid for our rented-out property;
- Increase in Salaries is due to average annual increase, bonuses etc;
- Provision against doubtful debts (of Rs. 25.00 million) against bike operations;
- Increase of material cost related to petro-chemical products;
- Participation Term Certificates (Treet-PTC) were issued in October 2012. However, financial charges on Treet-PTC are accrued for six months instead of three months since basis of entitlement of profit (under Category "B" Payment) is June 30, 2013. Although accrual is made but payment (cash outlay) will be made on or before November 02, 2013. Thus impact of financial charges due to extra accrual is Rs. 72.00 million;
- Donation of Rs. 10.00 million made to Pakistan Olympic Association as a part of Social Corporate Responsibility (SCR) for the improvement, development and growth of sports in the Country;

Production

The production of razor/ blades from Lahore and Hyderabad comes to 779.47 million blades as compared to 801.27 million blades produced in the same period of the last year, registering a decrease of 2.72%.

Accrual of Profit on Participation Term Certificates (Treet-PTC) based on half yearly consolidated results:

The following accrual of profit is being made on Treet-PTC on the basis of half yearly results:

Pay-OFF MATRIX :		Calculation of Category "B" Payment	
Profit * from	Profit* to	Payoff % on Excess Amount of profit	
-	179,500,000	NIL	
179,500,001	250,000,000	72% of amount exceeding Rs. 179,500,000.00	
250,000,001	350,000,000	Rs.50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00	
350,000,001	450,000,000	Rs.75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00	
450,000,001	550,000,000	Rs.95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00	
550,000,001	650,000,000	Rs.110,760,000.00 and 10% amount exceeding Rs. 550,000,000.00	
650,000,001	and above	Rs.120,760,000.00 and 5 % of amount exceedind Rs. 650,000,000.00	

	Rs.in 000		Rs.in 000
Consolidate Profit*	281,285	Extrapolated Profit for the full Year	562,570

*Profit means Consolidate Profit before Tax, WPPF/ WWF and financial Charges account of any payment or accrual made for PTCs

	Rs. In 000	Rs. Per PTC
Category "B" Payment (Additional Profit in Cash)	112,017	2.68
Minimum Profit Payment in Cash	173,144	4.14
Financial Charges i.e. Total Profit in Cash	285,161	6.82
Financial Charges accrued for Half year	142,581	3.41

Pay-OFF MATRIX (PER PTC):			Based on Extrapolated Profit for the full Year		
Principal Redemption in Cash	Minimum Profit Payment in Cash	Minimum Payment in Cash	Category "B" Payment (Additional Profit in Cash)	Total Profit in Cash	Total Payment in Cash
(1)	(2)	(3) = (1) + (2)	(4)	(5) = (2) + (4)	(6) = (1) + (5)
0.15	4.14	4.29	2.68	6.82	6.97

However, this is accrual based on half yearly consolidated results **extrapolated** for full year, actual payment will be made on following dates according to **actual** full year results ending on June 30, 2013.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the first year* will be as follows:

Year	Book Closure Dates (both days inclusive)		Entitlement Date	Minimum Payment in Cash Date under Category "A" Payment	Allotment Date for Conversion	Category "B" Payment (in Cash) Date
	From	To				
2013	10-10-2013	16-10-2013	09-10-2013	02-11-2013	02-11-2013	02-11-2013

*[as mentioned in the Prospectus of Participation Term Certificate (PTC) and extract from it [pertaining to first year] is reproduced here]

Apart from the "Total Payment in Cash", PTC holders [who are entitled on October 09, 2013] will also get Ordinary Shares of the Company on the following basis:

PRINCIPAL REDEMPTION THROUGH CONVERSION			
Principal Redemption Through Conversion	No. of Share Through Conversion	Conversion Price Per Share	The Conversion price per share is for information/ accounting / taxation purpose. No further amount will be paid by the PTC holders. <i>This is the opportunity cost of the principal value of PTC forgone to get One additional Ordinary Share of the Company</i>
4.14	0.07	59.14	

Example: Thus holder of 1,000 PTCs will get 70 Ordinary Shares of the Company on or before November 02, 2013 vis-à-vis principal value of Rs. 4,140/- forgone.

Acknowledgements

We place on record our gratitude to our valued customers for their confidence in our products and pledge to provide them the best quality in continually improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer

**TREET CORPORATION LIMITED
CONSOLIDATED FINANCIAL STATEMENTS**

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Condensed Interim Consolidated Balance Sheet (Un-audited)

As at 31 December, 2012

	Note	December 2012 UN-AUDITED Rupees in '000'	June 2012 AUDITED Rupees in '000'
Property, plant and equipment		2,236,324	2,097,328
Investment property		55,561	55,939
Long term investments		200,509	196,584
Long term deposits		114,356	76,429
		2,606,750	2,426,280
CURRENT ASSETS			
Stores and spares		211,147	213,609
Stock-in-trade		965,698	946,859
Trade debts - unsecured considered good		514,033	496,659
Short term investments		536,955	398,491
Loans, advances, deposits, prepayments and other receivables		576,451	685,891
Cash and bank balances		304,405	589,921
		3,108,689	3,331,430
CURRENT LIABILITIES			
Finance under mark-up-arrangements - secured		877,150	1,690,116
Loan from director		-	350,000
Trade and other payables		681,176	766,231
Provision for taxation		5,843	105,340
		1,564,169	2,911,687
NET CURRENT ASSETS		1,544,520	419,743
NET ASSETS		4,151,270	2,846,023
FINANCED BY:			
Issued, subscribed and paid-up capital		418,222	418,222
Reserves		460,008	458,328
Unappropriated profit		1,188,995	1,137,871
SHARE HOLDERS' EQUITY		2,067,225	2,014,421
Minority Interest		2,285	2,200
Participation term finance certificates		1,254,668	-
Surplus on revaluation of fixed assets		742,066	744,664
Long term deposits		2,777	2,489
Deferred liabilities		82,249	82,249
Contingencies and commitments	5	-	-
		4,151,270	2,846,023

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Profit And Loss Account (Un-Audited)

For the period ended December 31, 2012

	Note	Six Months ended		Quarter ended	
		July to December 2012	July to December 2011	October to December 2012	October to December 2011
		Rupees in '000'		Rupees in '000'	
Revenue and Sales -Net	6	2,832,946	2,987,097	1,411,295	1,492,556
Cost of Goods Sold	7	(2,196,531)	(2,182,786)	(1,070,073)	(1,081,863)
Gross Profit		636,415	804,311	341,222	410,693
Operating expenses :					
- Administrative expenses		(93,734)	(60,901)	(49,153)	(31,114)
- Selling & distribution expenses		(383,009)	(323,980)	(260,476)	(178,248)
		(476,743)	(384,881)	(309,629)	(209,362)
Operating Profit		159,672	419,430	31,593	201,331
Other income		205,295	14,242	127,094	(20,022)
		364,967	433,672	158,687	181,309
Financial expenses		(87,262)	(129,187)	(36,815)	(63,460)
Financial charges Treet-PTC		(142,581)	-	(142,581)	-
Share of profit of associate		3,580	8,503	3,580	8,503
		138,704	312,988	(17,129)	126,352
Workers' Profit Participation Fund		(8,486)	(11,157)	(2,938)	(4,909)
Workers' Welfare Fund		(1,395)	(1,746)	(287)	(695)
		(9,881)	(12,903)	(3,225)	(5,604)
Profit before taxation		128,823	300,085	(20,354)	120,748
Taxation					
- Group		4,817	(30,854)	27,287	(3,719)
- Associated company		(1,253)	(3,006)	(1,253)	(3,006)
Profit after taxation		132,387	266,225	5,680	114,023
Earnings per share		3.17	6.37	0.14	2.73

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2012

	Six Months ended		Quarter year ended	
	July to December 2012	July to December 2011	October to December 2012	October to December 2011
	Rupees in '000'		Rupees in '000'	
Profit after taxation	132,294	266,044	6,032	113,919
Other comprehensive income				
Available for sale financial assets				
Transfer to profit and loss account on disposal	(23)	-	(23)	-
Fair value adjustment	1,703	-	1,703	-
	1,680	-	1,680	-
Total comprehensive income for the period	133,974	266,044	7,712	113,919

Appropriations have been reflected in the statement of changes in equity.

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the period ended December 31, 2012

	July to December 2012	July to December 2011
	Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	128,823	300,085
Adjustments for non-cash items :		
Financial charges for the period	87,262	129,187
Financial charges Treet-PTC	142,581	-
Depreciation on property, plant and equipment	66,375	57,948
Depreciation on investment property	378	378
Provision for gratuity	6,242	4,702
Provision for superannuation fund scheme	6,299	5,024
Profit on bank deposits	(9,747)	(6,305)
Impairment on available for sale Investment transferred from equity	-	11,483
Share of profit from associated company	(3,580)	(8,503)
Realization of fair value reserve	(23)	-
Dividend income	(17,966)	(14,711)
Provision for WPPF and WWF	9,881	12,903
(Gain)/Loss on sale of fixed assets	(5,901)	(1,395)
	281,801	190,711
Operating profit before working capital changes	410,624	490,796
(Increase) / decrease in operating assets :		
Stores and spares	2,462	(31,876)
Stock-in-trade	(18,839)	(95,041)
Trade debts	(17,374)	(96,835)
Short term investments	(138,464)	7,981
Loans, advances, deposits, prepayments and other receivables	69,742	124,488
	(102,473)	(91,283)
Increase / (decrease) in operating liabilities		
Loan from director	(350,000)	-
Trade and other payables	(197,022)	(60,977)
Cash generated from operations	(238,871)	338,536
Financial charges paid	(109,902)	(124,130)
Taxes paid	(65,135)	(46,882)
WPPF and WWF	(233)	(17,793)
Payment to gratuity fund	(15,941)	(15,374)
Payment to superannuation fund	(14,213)	(12,699)
	(205,424)	(216,878)
Net cash from operating activities	(444,295)	121,658

	July to December 2012	July to December 2011
	Rupees in '000'	
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(211,322)	(89,887)
Proceeds from sale of fixed assets	11,849	2,806
Long term investments	105	1,463
Long term deposits	(37,927)	(5,241)
Profit received on bank deposits	14,139	7,751
Dividend received	18,913	13,660
Net cash outflow from investing activities	(204,243)	(69,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease obligation	-	5,235
Participation term finance certificates	1,254,668	-
Long Term Deposits	288	75
Dividend paid	(78,965)	(36,875)
Net cash from financing activities	1,175,991	(31,565)
NET INCREASE IN CASH AND CASH EQUIVALENTS	527,453	20,645
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	(1,100,198)	(1,566,723)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	(572,745)	(1,546,078)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	304,405	327,185
Finance under mark-up arrangements	(877,150)	(1,873,263)
	(572,745)	(1,546,078)

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement Of Changes In Shareholders Equity (Un-Audited)

For the period ended December 31, 2012

	Share Capital	Capital Reserve	Statutory Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
	Rupees in '000'						
Balance as on June 30, 2011	418,222	8,949	85,872	266,400	-	839,836	1,619,279
Total comprehensive income for the period	-	-	-	-	-	266,044	266,044
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	10,191	10,191
Final dividend for the year ended June 30, 2011 @ Rs.1 per share	-	-	-	-	-	(41,822)	(41,822)
Balance as on December 31, 2011	418,222	8,949	85,872	266,400	-	1,074,249	1,853,692
Balance as on June 30, 2012	418,222	8,949	179,960	266,400	3,019	1,137,871	2,014,421
Total comprehensive income for the period	-	-	-	-	1,680	132,294	133,974
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	2,598	2,598
Final dividend for the year ended June 30, 2012 @ Rs.2 per share	-	-	-	-	-	(83,768)	(83,768)
Balance as on December 31, 2012	418,222	8,949	179,960	266,400	4,699	1,188,995	2,067,225

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Notes To The Consolidated Condensed Interim Financial Information (Un-Audited)

For the period ended December 31, 2012

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies/ Undertakings

Global Econo Trade (Private) Limited (GET)

First Treet Manufacturing Modaraba (FTMM)

TCL Labor-Hire (Private) Limited (TCL Labor-Hire)

Treet Services (Private) Limited (TSL)

Treet Power Limited (TPL)

- 1.1 The Parent Company was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Act, 1913 (now Companies Ordinance, 1984). Its shares are listed on Karachi, Islamabad and Lahore Stock Exchanges. The principal activity of the Parent Company is to manufacture and sell razors and razor blades. The registered office of the Parent Company is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

GET was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. The principal activity of GET is marketing and sale of razors and razor blades manufactured by the Parent Company, Soaps manufactured by First Treet Manufacturing Modaraba (FTMM) and manufacturing and sale of Motor Bikes. GET commenced its commercial operations from 01 January 2005. The registered office of GET is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

FTMM is a multi purpose, perpetual and multi dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 on 27 July 2005 and Rules framed there under and is managed by GET, incorporated in Pakistan under the Companies Ordinance, 1984 and registered with Registrar of Modaraba Companies. The registered office of the FTMM is situated 72-B, Industrial Area Kotlakhpat, Lahore. FTMM is listed on Lahore Stock Exchange (Guarantee) Limited. FTMM is engaged in the manufacturing and sale of corrugated boxes, paper and soaps.

TCL Labor-Hire was incorporated in Pakistan on 18 September 2006 as a Private Limited Company under the Companies Ordinance, 1984. TCL-Labor Hire is engaged in the business of rendering professional and technical services and providing related workforce to the host companies / customers, under service agreements. The registered office of TCL-Labor Hire is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

TSL was incorporated in Pakistan on 26 October 2007 as a Private Limited Company under the Companies Ordinance, 1984. The Company is engaged in the business of whole range of industrial, administrative, technical and accounting control as well as janitorial and premises maintenance, providing of contractual employment and supply of labour. The registered office of TSL is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

TPL was incorporated on 20 November 2007 in Pakistan as an unquoted Public Limited Company under the Companies Ordinance, 1984. At present the TPL is planning to set up an electric power generation project for generating, distribution and selling of electric power. The registered office of TPL is situated at 72-B, Industrial Area Kotlakhpat, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2012.

The condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those applied in preparation of financial statements for the year ended 30 June 2012. Revised International Accounting Standard (IAS) 1 "Presentation of Financial Statements" which is applicable for accounting years beginning on or after January 01, 2009, requires 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company, however, has preferred to present two statements i.e., a Profit and Loss Account and a Statement of Comprehensive Income. This interim financial information has been prepared on the basis of revised disclosure requirements.

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2012.

5. CONTINGENCIES AND COMMITMENTS

There is no material change in the position of contingent liabilities since the last audited published financial statements.

	Six Months ended		Quarter year ended	
	July to December 2012	July to December 2011	October to December 2012	October to December 2011
	Rupees in '000'		Rupees in '000'	
6. SALES - Net				
Blades	1,636,592	1,601,037	776,251	764,930
Soaps	307,951	439,630	185,390	246,906
Packaging products	636,053	598,485	324,059	311,261
Paper and board	89,264	128,806	37,874	57,827
Motor bike project	163,086	219,139	87,721	111,632
	2,832,946	2,987,097	1,411,295	1,492,556
7. COST OF GOODS SOLD				
Blades	(1,123,550)	(976,247)	(521,036)	(456,463)
Soaps	(261,651)	(360,518)	(134,484)	(199,554)
Packaging products	(412,904)	(426,559)	(207,673)	(209,791)
Paper and board	(238,258)	(229,649)	(119,859)	(120,530)
Motor bike project	(160,168)	(189,813)	(87,021)	(95,525)
Labor services	-	-	-	-
	(2,196,531)	(2,182,786)	(1,070,073)	(1,081,863)

8. TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

	Six Months ended	
	July to December 2012	July to December 2011
	Rupees in '000'	
Purchases and services received	86,403	75,221
Goods sold and services rendered	49	1,910
Mark-up paid	-	860
Mark-up received	-	996

9. This un-audited condensed interim financial information was authorized for issue by the board of directors on February 27, 2013.

10. Amounts have been rounded off to thousand rupees.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

**TREET CORPORATION LIMITED
FINANCIAL STATEMENTS**

Auditors' Review Report on Condensed Unconsolidated Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Treet Corporation Limited** ("the Company") as at 31 December 2012 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six months period then ended ("the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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 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 unconsolidated interim financial information as of and for the six months ended 31 December 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

The figures for the quarters ended 31 December 2012 and 31 December 2011 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

LAHORE

February 27, 2013



KPMG Taseer Hadi & Co.
Chartered Accountants
(Farid Uddin Ahmed)

Condensed Interim Unconsolidated Balance Sheet (Un-audited)

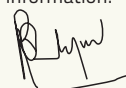
As at 31 December, 2012

	Note	31 December 2012 Un-audited (Rupees in thousand)	30 June 2012 Audited
Assets			
Non-current assets			
Property, plant and equipment	5	1,841,502	1,760,540
Investment property		55,561	55,939
Long term investments		1,414,489	1,412,891
Long term loans and deposits		5,795	6,973
		3,317,347	3,236,343
Current assets			
Stores and spares		134,961	139,277
Stock-in-trade		453,528	403,373
Trade debts		363,334	492,887
Short term investments		494,626	363,470
Loans, advances, deposits, prepayments and other receivables		301,180	314,690
Cash and bank balances		143,299	129,538
		1,890,928	1,843,235
Non-current assets held for sale			
		98,252	98,252
		1,989,180	1,941,487
Liabilities			
Current liabilities			
Short term borrowings		877,150	1,690,116
Loan from director		-	350,000
Trade and other payables		383,081	474,278
Accrued mark-up on short term borrowings		168,942	49,000
Provision for taxation		4,257	73,264
		1,433,430	2,636,658
Net current liabilities			
		555,750	(695,171)
Non-current liabilities			
Long term deposits		2,394	2,339
Participation term finance certificates	6	1,254,668	-
Deferred taxation		80,563	80,563
		1,337,625	82,902
Contingencies and commitments	7		
		2,535,472	2,458,270
Represented by:			
Authorized capital			
70,000,000 (2012: 70,000,000) ordinary shares of Rs. 10 each		700,000	700,000
10,000,000 (2012: 10,000,000) preference shares of Rs. 10 each		100,000	100,000
		800,000	800,000
Issued, subscribed and paid-up capital			
Reserves		418,222	418,222
Unappropriated profit		280,048	278,368
Shareholders' equity		1,095,136	1,017,016
Surplus on revaluation of property - net of tax		1,793,406	1,713,606
		742,066	744,664
		2,535,472	2,458,270

The annexed notes 1 to 12 form an integral part of this condensed interim unconsolidated financial information.



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

LAHORE
February 27, 2013

Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the period ended December 31, 2012

	Note	Six months ended		Quarter ended	
		31 December 2012	31 December 2011	31 December 2012	31 December 2011
------(Rupees in thousands)-----					
Sales - net	8	1,610,384	1,320,744	776,251	608,241
Cost of sales		(1,107,737)	(977,470)	(522,246)	(456,999)
Gross profit		502,647	343,274	254,005	151,242
Administrative expenses		(81,013)	(42,128)	(39,443)	(19,410)
Distribution expenses		(290,649)	(34,113)	(174,577)	(19,879)
		(371,662)	(76,241)	(214,020)	(39,289)
Operating profit		130,985	267,033	39,985	111,953
Finance cost		(86,408)	(125,814)	(36,534)	(62,024)
Financial charges-PTC.		(142,581)	-	(142,581)	-
Other operating expenses		(4,639)	(11,483)	(3,486)	(11,483)
		(233,628)	(137,297)	(182,601)	(73,507)
Other operating income		267,092	93,408	197,461	59,737
		164,449	223,144	54,845	98,183
Workers' profit participation fund (WPPF)		(8,222)	(11,157)	(2,742)	(4,909)
Workers' welfare fund (WWF)		(1,395)	(1,746)	(287)	(695)
		(9,617)	(12,903)	(3,029)	(5,604)
Profit before taxation		154,832	210,241	51,816	92,579
Taxation		4,335	(24,860)	26,349	(3,654)
Profit after taxation		159,167	185,381	78,165	88,925
Earning per share - basic and diluted	(Rupees)	3.81	4.43	1.87	2.13

The annexed notes 1 to 12 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2012

	Six months ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
-----{Rupees in thousands}-----				
Profit after taxation	159,167	185,381	78,165	88,925
Other comprehensive income				
Unrealized gain on available-for-sale investments	1,703	-	655	-
Diminution in the value of available-for-sale investments	-	(19,117)	-	(4,894)
Other comprehensive income / (loss)- net of taxes	1,703	(19,117)	655	(4,894)
Total comprehensive income for the period	160,870	166,264	78,820	84,031

The annexed notes 1 to 12 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Cash flow Statement (Un-audited)

For the period ended December 31, 2012

	31 December 2012	31 December 2011
	(Rupees in thousands)	
Cash flows from operating activities		
Profit before taxation for the period	154,832	210,241
Adjustments for non-cash and other items:		
Finance cost	233,628	125,814
Depreciation on property, plant and equipment	51,354	43,228
Depreciation on investment property	378	378
Provision for gratuity	3,121	4,702
Provision for superannuation fund	3,149	5,024
Profit on bank deposits	(3,704)	(1,984)
Reversal of provision for doubtful debt	(465)	(465)
Unrealized gain on investments at 'fair value through profit or loss'	(138,465)	(4,080)
Impairment on available-for-sale investments	-	11,483
Dividend income	(92,703)	(64,416)
Profit on disposal of long term investments	(40)	(11)
Provision for WPPF and WWF	9,617	12,903
Gain on sale of fixed assets	(5,942)	(1,395)
	59,928	131,181
Operating profit before working capital changes	214,760	341,422
(Increase)/decrease in current assets		
Stores and spares	4,316	(4,018)
Stock-in-trade	(50,155)	(19,321)
Trade debts	130,018	(32,102)
Short term investments	7,309	39,166
Loans, advances, deposits, prepayments and other receivables	13,510	(34,918)
	104,998	(51,193)
Decrease in current liabilities		
Trade and other payables	(73,194)	(80,641)
Cash generated from operations	246,564	209,588
Finance cost paid	(113,686)	(120,757)
Taxes paid	(69,007)	(34,702)
WPPF & WWF paid	(10,007)	(17,307)
Payment to gratuity fund	(12,820)	(15,374)
Payment to superannuation fund	(11,063)	(12,699)
	(216,583)	(200,839)
Net cash inflow from operating activities	29,981	8,749
Cash flows from investing activities		
Fixed capital expenditure	(138,223)	(81,778)
Proceeds from sale of property, plant and equipment	11,849	129,824
Long term investments	(1,558)	14
Long term loans and deposits	1,178	1,299
Interest received	3,704	1,984
Dividend received	92,703	63,383
Net cash (outflow) /inflow from investing activities	(30,347)	114,726

Condensed Interim Unconsolidated Cash flow Statement (Un-audited)

For the period ended December 31, 2012

	31 December 2012	31 December 2011
Note	(Rupees in thousands)	
Cash flows from financing activities		
Long term deposits	55	75
Loan from director	(350,000)	-
Participation term finance certificates	1,254,668	-
Liabilities against assets subject to finance lease	-	5,235
Short term borrowings	172,585	80,212
Dividend paid	(77,630)	(36,875)
Net cash inflow from financing activities	999,678	48,647
Net increase in cash and cash equivalents	999,312	172,122
Cash and cash equivalents at the beginning of the period	(1,733,163)	(761,228)
Cash and cash equivalents at the end of the period	9 (733,851)	(589,106)

The annexed notes 1 to 12 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the period ended December 31, 2012

	Share capital	Reserve			Unappropriated profit	Total
		Capital	General	Fair value		
----- (Rupees in thousands) -----						
Balance as at 01 July 2011	418,222	8,949	266,400	39,078	735,130	1,467,779
Final cash dividend @ 10% for the year ended 30 June 2011	-	-	-	-	(41,822)	(41,822)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	-	-	3,011	3,011
Realized gain on disposal of available for sale investments transferred to profit and loss	-	-	-	(24)	-	(24)
Surplus on revaluation of fixed assets realised through disposal of non-current assets held for sale	-	-	-	-	7,180	7,180
Total comprehensive income for the period	-	-	-	(19,117)	185,381	166,264
Balance as at 31 December 2011	418,222	8,949	266,400	19,937	888,880	1,602,388
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,980	2,980
Realized gain on disposal of available for sale investments transferred to profit and loss	-	-	-	(39,027)	-	(39,027)
Surplus on revaluation of fixed assets realised through disposal of non-current assets held for sale	-	-	-	-	549	549
Total comprehensive income for the period	-	-	-	22,109	124,607	146,716
Balance as at 30 June 2012	418,222	8,949	266,400	3,019	1,017,016	1,713,606
Final cash dividend @ 10% for the year ended 30 June 2012	-	-	-	-	(83,645)	(83,645)
Incremental depreciation relating to surplus on revaluation of fixed assets - net of tax	-	-	-	-	2,598	2,598
Realized gain on disposal of available for sale investments transferred to profit and loss	-	-	-	(23)	-	(23)
Surplus on revaluation of fixed assets realised through disposal of non-current assets held for sale	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,703	159,167	160,870
Balance as at 31 December 2012	418,222	8,949	266,400	4,699	1,095,136	1,793,406

The annexed notes 1 to 12 form an integral part of this condensed interim unconsolidated financial information.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2012

1 Status and nature of business

Treet Corporation Limited ("the Company") was incorporated in Pakistan on 22 January, 1977 as a Public Limited Company under the Company's Act, 1913. Its shares are listed on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the company is to manufacture and sell razors and razor blades. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2 Basis of preparation

The condensed interim unconsolidated financial statements for the six months period ended 31 Dec 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34- Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 has been followed.

3 Significant accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2012.

4 Estimates

The preparation of these condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates were the same as those applied to the financial statements for the year ended 30 June 2012.

	Note	31 December 2012 Un-audited (Rupees in thousands)	30 June 2012 Audited
5 Property, plant and equipment			
Operating fixed assets	5.1	1,535,114	1,475,116
Capital work-in-progress		306,388	285,424
		1,841,502	1,760,540
5.1 Operating fixed assets			
Opening net book value		1,475,116	1,612,546
Additions during the period / year	5.11	117,259	115,228
Disposals during the period / year - net book value	5.11	(5,907)	(161,270)
Depreciation charged during the period / year		(51,354)	(75,121)
Transfer to non-current assets held for sale		-	(16,267)
Closing net book value		1,535,114	1,475,116

5.11 The following acquisitions and disposals have been made during the six months ended 31 December 2012.

	Acquisitions Cost (Rupees in thousands)	Disposals Book value
Plant and machinery	75,834	-
Furniture and fixtures	865	585
Computer and equipment	962	-
Vehicles	39,598	5,322
	117,259	5,907

6 Participation Term Certificates

The Company has issued 41,822,250 Participation Term Certificates (PTC) @ Rs. 30 each on 04 Oct 2012 amounting to Rs. 1,255 million. These certificates are convertible in the ratio of two PTC into one ordinary share in a period of 07 years. Principle amount of PTC will be reduced through redemption (in cash and through share conversion). The principle redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principle redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for year 2019. These PTC are offered to all shareholders in ratio of 1:1.

7 Contingencies and commitments

7.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2012.

7.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 451.54 million (30 June 2012 : 499.282 million).

Commitments for ijarah rentals for ijarah financing from Standard Chartered Modaraba Rs. Nil (30 June 2012: 8.711 million).

	Six months ended		Quarter ended	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	------(Rupees in thousands)-----			
8 Sales - net				
Local sales	1,175,301	1,097,918	587,593	658,769
Export sales	629,861	554,191	299,046	212,419
	1,805,162	1,652,109	886,639	871,188
Less:				
Sales tax	163,149	151,980	78,759	83,562
Trade discount	31,629	179,385	31,629	179,385
	194,778	331,365	110,388	262,947
	1,610,384	1,320,744	776,251	608,241

	31 December 2012	31 December 2011
	Un-audited	Un-audited
	(Rupees in thousands)	
9 Cash and cash equivalents		
Cash and bank balances	143,299	166,307
Short term running finance - secured	(877,150)	(755,413)
	(733,851)	(589,106)

10 Transactions with related parties

The related parties comprise subsidiary companies, associated undertakings, other related companies, directors of the Company, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	Six months ended	
		31 December 2012	31 December 2011
(Rupees in thousands)			
I Subsidiaries			
TCL Labor-Hire Company (Private) Limited	Purchase of services	74,886	31,332
Global Econo Trade (Private) Limited	Sales of goods	-	775,873
First Treet Manufacturing Modaraba	Purchase of goods	1,385	3,080
II Associated undertakings			
Loads Limited	Purchase of goods	-	4,515
Packages Limited	Purchase of goods	32,310	27,979
ZIL Limited	Purchase of goods	112	553
IGI Insurance Limited	Purchase of services	18,191	8,088
Cutting Edge (Pvt) Limited	Purchase of services	1,073	-
III Post employment benefit plans			
Provident fund		5,738	4,329
Service fund		3,398	2,122
Housing fund		1,840	743

11 Date of authorization

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on February 27, 2013 .

12 General

- 12.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 12.2 Corresponding figures have been re-arranged or re-classified wherever necessary, for the purposes of comparison. However, no significant re-arrangements or re-classification have been made.
- 12.3 All figures, except for 30 June 2012 figures, appearing in this condensed interim financial information are un-audited.

LAHORE
February 27, 2013



Syed Shahid Ali
Chief Executive Officer



Muhammad Shafique Anjum
Director



TREET CORPORATION LIMITED



GLOBAL ECONO TRADE (PVT.) LIMITED
(A wholly owned subsidiary of Treet Corporation Ltd.)



TCL LABOR-HIRE COMPANY (Pvt.) LIMITED
(A wholly owned subsidiary of GLOBAL ECONO TRADE (PVT.) LIMITED)



FIRST TREET MANUFACTURING MODARABA
(Managed & Controlled By Global Econo Trade (Pvt.) Limited)



PACKAGING SOLUTIONS
(A Project Under FTMM)



MOTOR BIKE PROJECT



Paper and Board Mills
(PACKAGING SOLUTIONS)
A Project Under FTMM