

EXIDE

کوالٹی میں سب سے بہتر کوالٹی ہماری پہچان



**FIRST QUARTERLY REPORT
JUNE 30, 2010**

CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani - *Chairman*
Arshad Shehzada - *Managing Director/ Chief Executive*
Altaf Hashwani
Hussain Hashwani
S. Haider Mehdi
S. M. Faiq

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

Altaf Hashwani - *Chairman*
Hussain Hashwani
S. M. Faiq
Khurram Ali - *Secretary*

BANKERS

Allied Bank Ltd.
Askari Bank Limited
JS Bank Ltd.
Barclays Bank PLC Pakistan
BankIslami Pakistan Ltd
Bank of Punjab
Bank of Tokyo Mitsubishi UFJ, Ltd.
Citibank N.A.
Habib Bank Ltd.
MCB Bank Ltd.
Oman International Bank S.A.O.G.
NIB Bank Limited
Standard Chartered Bank (Pakistan) Ltd.
HSBC Middle East Bank Ltd.
United Bank Ltd.
Habib Metropolitan Bank Limited

AUDITORS

A. F. Ferguson & Co.

SOLICITORS

Orr, Dignam & Co.

REGISTERED OFFICE

A-44, Hill Street, Off. Manghopir Road,
S.I.T.E., Karachi-75700, Pakistan.
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E-mail: exidepk@exide.com.pk

EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, Un-audited Accounts of the Company for the 1st Quarter ended June 30, 2010.

THE ECONOMY

The economy of Pakistan, after overcoming initial challenges, is gradually picking pace with visible signs of moving towards sustainable growth. The balance of payments position has improved considerably with external current account deficit reducing to US\$.3.5 billion during the year 2009-10 from US\$.9.26 billion in the preceding year. GDP Growth was 4.1% in the year 2009-2010 as compared to 1.2% in the previous year. The Government had to divert development allocations to meet the adverse situation in law and order and security related problem. As a result there was a shortfall in foreign direct investment which is acutely needed for the impetus of growth.

THE INDUSTRY

Improvement in growth of automotive sector in the preceding years is instrumental in better utilization of capacity by battery industry. After two years of negative growth, the automobile industry improved in year 2009-10 in assembly of vehicles of cars, jeep and LTV sales of which improved by 43% to 141,654 units as compared to 99,310 units in the corresponding period in 2009. Overall automotive sector grew by 33% to 216,786, units from 162,797 in the previous year.

In the international market the price of refined lead, a major raw material input had upward trend which had unfavorable impact on local recycled lead. It further accentuated by unfavorable cost push as a result of depreciating Rupee, continuous increase in energy cost and other inflationary factors.

OPERATING RESULTS

Net sales revenue of the Battery Division for the quarter under review was Rs. 2.048 billion against Rs.1.610 billion in the same period last year on account of volume and value growth, up by 27%. Net sales value of the Chemical Division improved from Rs.46.7m to Rs.94.1 million on account of increase in production and demand. Gross profit improved from Rs. 159.9 million to Rs.221.7 million, improved by 39%. Operating profit increased to Rs.105.9 million from Rs.69.3 million recorded in same quarter of the last year. Financial charges increased to Rs.27.7 million from Rs.11.04 million in view of increase in working capital requirement. Profit before tax for the quarter under report was Rs.71.3 million as compared to Rs. 52.8 million recorded in the last

PRODUCTION

Production activities were effectively planned and adjusted to cater to the market demand both in terms of volume and quality. Stress on quality control at all stages of production processes was implemented with great vigor for further strengthening quality standards of the products of your Company.

FUTURE PROSPECTS

It is anticipated that indigenous organized battery industry will perform satisfactorily, although the cost pressures will remain on account of Rupee devaluation, higher raw material prices, rising cost of utilities and other inflationary factors. Your management is determined to avail full benefits of the opportunities by continued focus on quality, productivity, cost control and after sales service to improve its competitiveness.



ARIF HASHWANI

Chairman

Karachi: July 29, 2010

**EXIDE PAKISTAN LIMITED
BALANCE SHEET
AS AT JUNE 30, 2010**

(Unaudited) (Audited)
June 30, March 31,
2010 2010

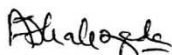
-----Rupees '000-----

Property, plant and equipment	774,495	776,542
Long-term investments	224	224
Long-term loans and advances - unsecured	1,822	1,874
Long-term deposits	18,021	18,268
Current Assets		
Spares	34,820	52,385
Stock-in-trade	1,290,021	1,457,671
Trade debts	200,303	203,098
Loans and advances	9,575	10,567
Short-term prepayments, deposits and other receivables	20,332	19,563
Taxation recoverable	105,826	78,214
Cash and bank balances	295,746	286,206
	<u>1,956,623</u>	<u>2,107,704</u>
Current Liabilities and Provisions		
Trade and other payables	915,443	608,544
Mark-up accrued on finances	24,072	15,070
Short-term finance	604,370	1,086,866
	<u>1,543,885</u>	<u>1,710,480</u>
Net Current Assets	412,738	397,224
Long-term Financing	-	-
Deferred Taxation	44,131	44,131
Total Net Assets	<u>1,163,169</u>	<u>1,150,001</u>
Financed by:		
Share Capital and Reserves		
Authorised capital		
10,000,000 ordinary shares of Rs 10 each	<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up capital	56,499	56,499
Capital reserves	259	259
Revenue reserves	748,991	568,991
Reserve arising on amalgamation - net	25,823	25,823
Unappropriated profit	82,095	248,927
	913,667	900,499
Surplus on Revaluation of Fixed Assets - net of tax	249,502	249,502
Shareholder's Equity	<u>1,163,169</u>	<u>1,150,001</u>

The annexed notes form an integral part of these financial statements.



ARIF HASHWANI
Chairman



ARSHAD SHEHZADA
Chief Executive

**EXIDE PAKISTAN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED JUNE 30, 2010**

----- (Unaudited) -----

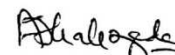
	Batteries		Chemicals		Total	
	For the 1st Quarter ended June 30, 2010	For the 1st Quarter ended June 30, 2009	For the 1st Quarter ended June 30, 2010	For the 1st Quarter ended June 30, 2009	For the 1st Quarter ended June 30, 2010	For the 1st Quarter ended June 30, 2009
	----- (Rupees '000) -----					
Net sales	2,047,969	1,610,746	94,411	46,665	2,142,380	1,657,411
Cost of goods sold	1,849,063	1,456,805	71,651	40,696	1,920,714	1,497,501
Gross profit	198,906	153,941	22,760	5,969	221,666	159,910
Distribution cost	100,840	72,751	1,285	1,185	102,125	73,936
Administrative expenses	13,038	16,182	626	469	13,664	16,651
Total Operating expenses	113,878	88,933	1,911	1,654	115,789	90,587
Operating profit	<u>85,028</u>	<u>65,008</u>	<u>20,849</u>	<u>4,315</u>	<u>105,877</u>	<u>69,323</u>
Other operating income					157	956
					106,034	70,279
Financial charges					27,725	11,038
Other charges					6,995	6,450
					34,720	17,488
Profit before taxation					71,314	52,791
Provision for taxation						
- current - for the period					24,247	18,200
- deferred					-	-
					24,247	18,200
Profit after taxation					<u>47,067</u>	<u>34,591</u>
Earnings per share					8.33	6.12

Appropriations have been reflected in the Statement of Changes in Equity.

The annexed notes form an integral part of these financial statements.



ARIF HASHWANI
Chairman



ARSHAD SHEHZADA
Chief Executive

EXIDE PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE QUARTER ENDED JUNE 30, 2010
(UNAUDITED)

	2010	2009
	-----Rupees '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	574,357	(74,295)
Financial charges paid	(18,723)	(16,422)
Taxes paid	(46,753)	(20,718)
Decrease in long-term loans	(247)	(105)
Decrease in long-term deposits	(52)	(106)
Net cash inflow/(outflow) from operating activities	508,582	(111,646)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for capital expenditure	(16,546)	(36,451)
Proceeds from sale of fixed assets	-	755
Net cash outflow on investing activities	(16,546)	(35,696)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	(5,486)
Repayment of loan from a Director	-	(30,000)
Long-term financing	-	(40,000)
Net cash outflow on financing activities	-	(75,486)
Net Increase/(decrease) in cash and cash equivalents	492,036	(222,828)
Cash and cash equivalents at the beginning of the year	(800,660)	(260,055)
Cash and cash equivalents at the end of the first quarter	<u>(308,624)</u>	<u>(482,883)</u>

The annexed notes form an integral part of these financial statements.


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive

EXIDE PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED JUNE 30, 2010
(UNAUDITED)

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Shares to be issued	Reserve arising on amalgamation	Unappro- priated profit	Total
	----- (Rupees '000) -----						
Balance at March 31, 2009	54,057	259	488,991	2,442	25,823	154,392	725,964
Final dividend for the year ended March 31, 2009	-	-	-	-	-	(28,135)	(28,135)
Transfer to revenue reserve for the year ended March 31, 2009	-	-	80,000	-	-	(80,000)	-
Profit after taxation for the first quarter ended June 30, 2009	-	-	-	-	-	34,591	34,591
Balance at June 30, 2009	<u>54,057</u>	<u>259</u>	<u>568,991</u>	<u>2,442</u>	<u>25,823</u>	<u>80,848</u>	<u>732,420</u>
Balance at March 31, 2010	56,499	259	568,991	-	25,823	248,927	900,499
Final dividend for the year ended March 31, 2010	-	-	-	-	-	(33,899)	(33,899)
Transfer to revenue reserve for the year ended March 31, 2010	-	-	180,000	-	-	(180,000)	-
Profit after taxation for the first quarter ended June 30, 2010	-	-	-	-	-	47,067	47,067
Balance at June 30, 2010	<u>56,499</u>	<u>259</u>	<u>748,991</u>	<u>-</u>	<u>25,823</u>	<u>82,095</u>	<u>913,667</u>

The annexed notes form an integral part of these financial statements.


ARIF HASHWANI
 Chairman


ARSHAD SHEHZADA
 Chief Executive

**EXIDE PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2010
(UNAUDITED)**

1. "These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984
2. "These financial statements have been prepared in accordance with the requirements of International Accounting Standard -34 (IAS-34) "Interim Financial Reporting".
3. The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company.
4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended 30 June 2010.

	Additions	Disposals
	-----Rupees '000-----	
Plant and machinery	26,619	-
Furniture and equipments	542	-
Vehicles	3,470	-
Office equipment	147	-
	30,778	-

5. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel, which are under the terms of their employment, are as follows:

	2010	2009
	-----Rupees '000-----	
Interest charged on loan from director	3,116	300
Rent expense	8,339	8,339

Key management personnel received an amount of Rs. 3,384 thousands (2009: Rs. 3,199 thousands) out of which Rs. 376 thousands (2009: 275 thousands) relates to post employment benefits.

6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

7. ESTIMATES

Judgments and estimates made by the management in the preparation of these interim financial statements were the same as those that were applied to the financial statements for the year ended March 31, 2010

8. GENERAL

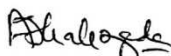
Amounts have been rounded off to the nearest thousands unless otherwise stated.

9. DATE OF AUTHORISATION FOR ISSUE

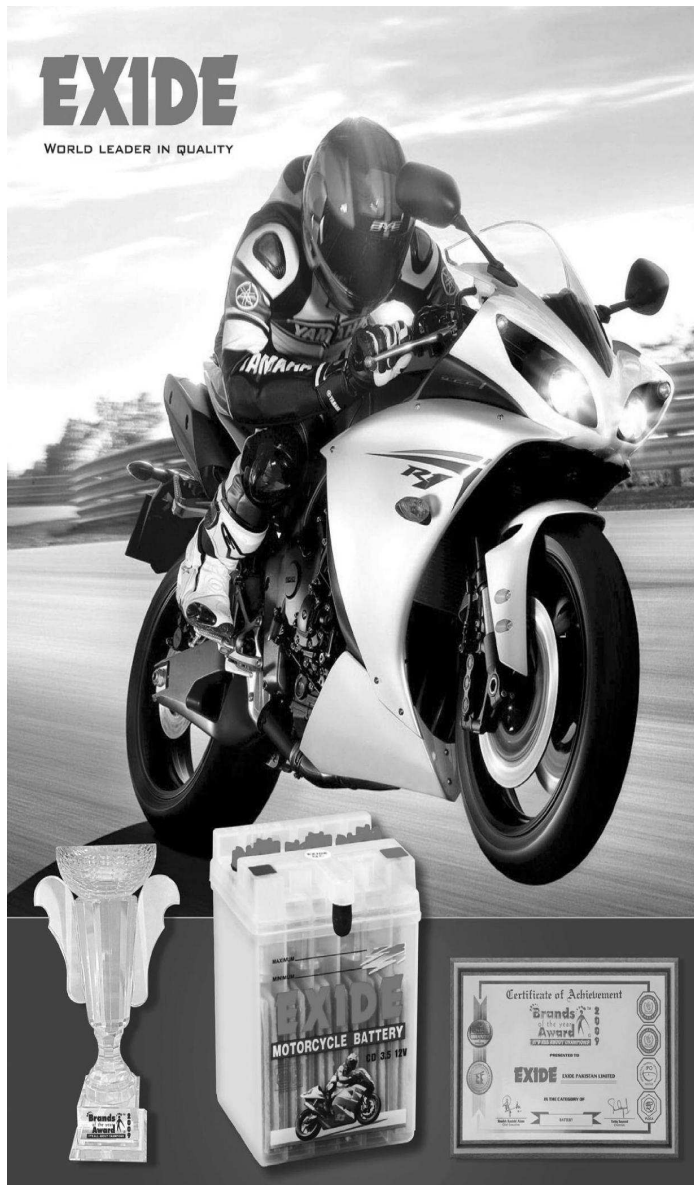
These financial statements were authorised for issue on July 29, 2010 by the Board of Directors of the Company.



ARIF HASHWANI
Chairman



ARSHAD SHEHZADA
Chief Executive



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