

**EXIDE PAKISTAN LIMITED  
CHAIRMAN'S REVIEW**

It is a pleasure for me to present the unaudited financial statements of your Company for the third quarter ended December 31, 2010 and my observations on operating performance of your Company.

**THE ECONOMY**

The Pakistan's current account balance reflected positive trend, registering surplus of \$ 26 million in the first half of the fiscal year 2010-11 primarily driven by massive decline in trade and services deficit and higher inflow of foreign remittances. Stagnant trend of export growth, which if maintained, would hopefully earn \$ 22 billion by the year end, while remittances are expected to cross \$ 10 billion mark. The two sectors would help improve foreign exchange reserves, which are currently at appreciable level of \$ 17 billion. It is estimated that GDP growth is expected to be 2-3 percent against the target of 4.5% for fiscal year 2010-11. The CPI inflation has risen to 15.68% in December 2010 over the corresponding period of last year.

**THE INDUSTRY**

Improvement in growth of automotive sector in the preceding few years is instrumental in better capacity utilization of the battery industry. After two years of negative growth, the automobile industry improved in year 2009-10 in assembly of cars, jeep and LCV, sales of which improved by 43% to 141,654 units as compared to 99,310 units in the corresponding period of the last year. Overall automotive sector grew by 33% to 216,786 units from 162,797 in the previous year. Sales of locally manufactured cars and LCVs were up by 6% to 71,913 units in half year July-December 2010 as compared to corresponding period of last year.

Prices of basic input of raw material refined lead has upward trend in international market, which had an unfavorable impact on local recycled lead. It further accentuates 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 your Company during the quarter under review was Rs. 1,863 billion against Rs. 1,441 billion in the same period last year. Cumulative sale for the nine months improved from Rs. 4,465 billion to Rs. 5,609 billion up by 25.6% as compared to corresponding period of the last year.

Gross profit during the quarter under review improved to Rs. 223.5 million from Rs. 163.7 million up by 36%. Operating profit increased

from Rs. 68.8 million to Rs. 103.4 million improved by 50%. Financial changes increased from Rs. 21.4 to Rs. 37.0 million as a result of increase in working capital requirement to cater volume growth coupled with upward revision of mark-up rates by State Bank of Pakistan.

Pre-tax profit for the nine months ended December 31, 2010 increased from Rs. 197.6 million to Rs. 250.6 million as compared to the same period last year up by 26.7%.

**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 cost push. 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.

**ACKNOWLEDGEMENT**

On my behalf and on behalf of the Board of Directors of your Company I take this opportunity of acknowledging the devoted and sincere services of employees of all cadres of the Company. I am also grateful to our Bankers, Shareholders, Suppliers, Main Dealers, Retailers and valued customers including the Original Equipment Manufacturers and the Government Organizations.

  
**ARIF HASHWANI**  
Chairman

Karachi, January 29, 2011

**EXIDE PAKISTAN LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2010**

	Note	
	December 31, 2010	March 31, 2010
Property, plant and equipment	803,581	776,342
Long-term investments	224	224
Long-term loans and advances - unsecured	1,975	1,874
Long-term deposits	16,663	18,268
Current assets		
Inventories	43,943	32,383
Stock-in-trade	1,715,517	1,437,671
Trade debts	305,298	203,098
Short-term investments	8,315	10,567
Loans and advances	16,052	19,565
Deposits and other receivables	135,919	78,214
Taxation recoverable	344,839	256,670
Cash and bank balances	2,571,283	2,107,704
Current liabilities		
Trade and other payables	882,146	608,544
Mark-up accrued	40,441	15,070
Short-term borrowings	1,145,401	1,086,566
Deferred taxation	2,067,288	1,710,280
Net current assets	503,295	397,224
Deferred taxation	36,651	44,131
	<b>1,289,087</b>	<b>1,150,001</b>

Financed by:	
Share Capital and Reserves	180,000
Authorized capital	180,000
18,000,000 ordinary shares of Rs. 10 each	
Issued, subscribed and paid-up capital	56,409
Capital reserves	259
Revenue reserves	748,901
Reserves arising on amalgamation - net	25,823
Unappropriated profit	210,946
Surplus on revaluation of fixed assets - net of tax	246,569
	<b>1,289,087</b>
	<b>1,150,001</b>

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

  
**ARIF HASHWANI**  
Chairman

  
**S. ARSHAD SHEHZADA**  
Chief Executive

  
**ARIF HASHWANI**  
Chairman

  
**S. ARSHAD SHEHZADA**  
Chief Executive

	December 31, 2010		December 31, 2009	
	For the 3rd Quarter	For the 9 Months	For the 3rd Quarter	For the 9 Months
Turnover	1,544,216	5,316,886	1,092,215	4,296,306
Cost of goods sold	(1,254,121)	(4,652,118)	(952,779)	(3,792,667)
Gross profit	290,095	664,768	130,620	503,639
Operating expenses	(114,593)	(344,165)	(259,595)	(725,013)
Administrative expenses	(43,307)	(14,896)	(43,418)	(2,486)
Provision for taxation	(299,038)	(92,931)	(215,595)	(7,257)
Profit after taxation	14,502	14,896	2,486	7,257
Other operating income	(103,435)	(299,038)	(1,435)	(2,059)
Other operating expenses	(1,444,694)	(4,652,118)	(1,232,081)	(4,890,571)
Profit after tax	(11,933)	(234,142)	(1,439)	(4,883,314)
Provision for taxation	(7,107)	(24,800)	(9,170)	(28,588)
Profit before taxation	(19,040)	(258,942)	(10,609)	(4,911,902)
Other changes	(1,710)	(5,170)	(6,073)	(17,854)
Working capital requirement	(10,523)	(2,478)	(4,711)	(1,765)
Workers welfare fund	(4,248)	(5,175)	(1,871)	(3,465)
Financial charges	(272,942)	(95,965)	(21,377)	(49,894)
Other changes	(69,669)	(1,042,518)	(248,927)	(900,999)
Change in equity	4,416	31,299	367	1,128
Other operating income	4,416	31,299	367	1,128
Other operating expenses	(103,400)	(366,793)	(103,400)	(366,793)
Total Operating profit / (loss)	92,519	(320,403)	57,689	(244,626)
Provision for taxation	(11,933)	(43,307)	(2,486)	(7,257)
Profit after tax	80,586	(277,100)	55,203	(257,379)
Other changes	(1,710)	(5,170)	(6,073)	(17,854)
Working capital requirement	(10,523)	(2,478)	(4,711)	(1,765)
Workers welfare fund	(4,248)	(5,175)	(1,871)	(3,465)
Financial charges	(272,942)	(95,965)	(21,377)	(49,894)
Other changes	(69,669)	(1,042,518)	(248,927)	(900,999)
Change in equity	4,416	31,299	367	1,128
Other operating income	4,416	31,299	367	1,128
Other operating expenses	(103,400)	(366,793)	(103,400)	(366,793)
Total Operating profit / (loss)	92,519	(320,403)	57,689	(244,626)
Provision for taxation	(11,933)	(43,307)	(2,486)	(7,257)
Profit after tax	80,586	(277,100)	55,203	(257,379)
Other changes	(1,710)	(5,170)	(6,073)	(17,854)
Working capital requirement	(10,523)	(2,478)	(4,711)	(1,765)
Workers welfare fund	(4,248)	(5,175)	(1,871)	(3,465)
Financial charges	(272,942)	(95,965)	(21,377)	(49,894)
Other changes	(69,669)	(1,042,518)	(248,927)	(900,999)
Change in equity	4,416	31,299	367	1,128

The annexed notes have been reflected in the Statement of Changes in Equity.

**EXIDE PAKISTAN LIMITED  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2010**

	December 31, 2010		December 31, 2009	
	For the 3rd Quarter	For the 9 Months	For the 3rd Quarter	For the 9 Months
Cash generated from operations	329,063	144,891	(83,666)	(133,848)
Financial charges paid	(70,594)	(48,137)	623	3,846
Taxes paid	(143,823)	(91,403)	(83,043)	(130,102)
Increase in long-term loans	(101)	(13)		
Decrease / (Increase) in long-term deposits	1,605	1,715		
Net cash inflow from operating activities	116,150	6,913		

**CASH FLOW FROM INVESTING ACTIVITIES**

Payment for capital expenditure	(83,666)	
Proceeds from sale of fixed assets	623	
Net cash outflow on investing activities	(83,043)	

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from long-term financing - net of repayment	(40,000)	
Repayment of loan from a director	(30,000)	
Dividends paid	(33,211)	
Net increase / (decrease) in cash and cash equivalents	98	(226,920)
Cash and cash equivalents at the beginning of the period	(800,660)	(260,055)
Cash and cash equivalents at end of the period	(800,562)	(486,975)

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

  
**ARIF HASHWANI**  
Chairman

  
**S. ARSHAD SHEHZADA**  
Chief Executive

**EXIDE PAKISTAN LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2010**

	Balance at March 31, 2009	Profit after taxation for the nine months ended March 31, 2009	Issue of share capital	Transfer to reserve reserves for the year ended March 31, 2009	Profit after taxation for the nine months ended December 31, 2009	Transferred from surplus on revaluation of property, plant and equipment- net of tax	Balance at December 31, 2009	Balance at March 31, 2010
Share Capital	54,071	-	24,412	-	-	-	78,483	78,483
Reserve Reserves	29	88,991	-	-	25,823	-	114,813	114,813
Retained Earnings	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment	-	-	-	-	-	3,166	3,166	3,166
<b>Total</b>	<b>54,071</b>	<b>88,991</b>	<b>24,412</b>	<b>-</b>	<b>25,823</b>	<b>3,166</b>	<b>114,813</b>	<b>114,813</b>
Final dividend for the year ended March 31, 2009	-	-	-	-	-	-	-	-
Transfer to reserve reserves for the year ended March 31, 2010	-	-	-	-	-	-	-	-
Profit after taxation for the nine months ended December 31, 2010	-	-	-	-	-	-	-	-
Transferred from surplus on revaluation of property, plant and equipment- net of tax	-	-	-	-	-	2,933	2,933	2,933
<b>Balance at December 31, 2010</b>	<b>54,499</b>	<b>29</b>	<b>748,991</b>	<b>-</b>	<b>25,823</b>	<b>210,946</b>	<b>1,042,318</b>	<b>1,042,318</b>

The amount listed from an integral part of these financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS ENDED DECEMBER 31, 2010**

- These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984
- These financial statements have been prepared in accordance with the requirements of International Accounting Standard -34 (IAS-34) "Interim Financial Reporting"
- The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company.
- PROPERTY, PLANT AND EQUIPMENT**  
Following is the cost of operating property, plant and equipment that have been added / disposed of during the nine months ended December 31, 2010  

	Cost of additions (deletions)	
	December 2010	March 2009
	Rs. 000	Rs. 000
Building	41,462	1,200
Plant and machinery	917	144,096
Office equipment	469	1,292
Vehicles	9,297	9,716
	<u>51,206</u>	<u>156,304</u>
	December 2010	March 2009
	Rs. 000	Rs. 000
Building	7,062	5,921
Plant and machinery	53,118	25,247
Advances to suppliers/contractors	9,018	6,280
	<u>69,198</u>	<u>37,448</u>
- TRANSACTIONS WITH RELATED PARTIES**  
The related parties and associated undertakings comprise of local associated undertakings, companies controlled by the same person, companies under common control, 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:  

	December 2010	December 2009
	Rs. 000	Rs. 000
Expenses charged to associated undertakings	9,452	5
Interest charged on loan from director	22,776	747
Rent expense	2,695	25,104
Expense charged in respect of self retirement benefits	2,695	3,259
Payment made to an employee related benefit plan	2,515	2,059

Key management personnel received an amount of Rs. 10,844 thousand (thousand) relates to post employment benefits.
- 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.
- ESTIMATES**  
Judgments and estimates made by the management in the preparation of these financial statements are based on the information available to the management. Financial statements for the year ended March 31, 2010.
- GENERAL**  
Amounts have been rounded off to the nearest thousand of Rupees unless otherwise stated.
- DATE OF AUTHORIZATION FOR ISSUE**  
These financial statements were authorized for issue on January 29, 2011 by the Board of Directors of the Company.

  
**ARIF HASHWANI**  
Chairman

  
**S. ARSHAD SHEHZADA**  
Chief Executive

  
**ARIF HASHWANI**  
Chairman

  
**S. ARSHAD SHEHZADA**  
Chief Executive

**BOOK POST**



If undelivered please return to:

**EXIDE**  
PAKISTAN LTD.

Block A-44, Hill Street, Off. Manghopir Road,  
S.I.T.E., Karachi-Pakistan.



**EXIDE**



**CORPORATE PROFILE**

**BOARD OF DIRECTORS**

Arif Hashwani - Chairman  
Arshad Shehzada - Managing Director/ Chief Executive  
Arif Hashwani  
Hussain Hashwani  
Ayub Hameed  
Syed Haider Mehdi  
S. M. Faiz

**CHIEF FINANCIAL OFFICER & COMPANY SECRETARY**

S. Haider Mehdi

**AUDIT COMMITTEE**

Arif Hashwani - Chairman  
Hussain Hashwani  
Syed Muhammad Faiz  
Khuram Ali - Secretary

**BANKERS**

Allied Bank Ltd.  
Askari Bank Limited  
JS Bank Ltd.  
Bankers Bank P/C Pakistan  
BankIslami Pakistan Ltd  
Bank of Punjab  
Bank of Tokor Mitsubishi U.F.I. Ltd.  
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**

Ort, Dignam & Co.

**REGISTERED OFFICE**

A44, Hill Street, Off. Manghopir Road,  
S.I.T.E., Karachi-7700, Pakistan.  
Website: www.exide.com.pk  
E-mail: exidepk@exide.com.pk

**THIRD QUARTERLY REPORT  
DECEMBER 31, 2010**