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CORPORATE PROFILE

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

Altaf Hashwani - Chairman
Hussain Hashwani
Syed Muhammad Faiq
Khurram Ali - Secretary

BANKERS

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

AUDITORS

A.F. Ferguson & Co.

SOLICITORS

Orr, Dignam & Co.

REGISTERED OFFICE

A-44 Hill Street, Off Manghopir Road
SITE, Karachi-75700
Website: www.exide.com.pk
E-mail: exidepk@exide.com.pk

CHAIRMAN'S REVIEW

It is a pleasure for me to present the un-audited accounts of your company for the half year ended September 30, 2010 along with Auditor's Review Report and my observations on the operating performance of your Company.

THE ECONOMY

The calamity of devastating torrential rains during the current monsoon season, brought floods unprecedented in Pakistan's history, causing widespread damages, to agriculture farmlands, rural properties, infrastructure, businesses and displacing around 20 million people. This was a huge blow to the fragile economy, affected by war on terror compelling divergence of resources for security related expenditures, which was further aggravated by acute energy crises. It is estimated that GDP growth will be 2-3 percent against the target of 4.5 percent for fiscal year 2010-11. The CPI inflation rose by 14.17 percent in July – October 2010 over the same period last year.

THE INDUSTRY

Improvement in growth of automotive sector in the preceding 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. Sale of locally manufactured cars and LCVS were up by 10% to 33,507 Units in first quarter July – September 2010 as compared to corresponding period of last year.

In the international market the price of refined lead, a major raw material input had upward trend which had an 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 half year under review was Rs: 3.563 billion against Rs: 2.914 billion in the same period last year up by 22%. Net sales value of the Chemical Division improved from Rs: 110.8 to Rs: 182.9 million on account of increase in production and demand.

Gross profit improved from Rs: 369.8 million to Rs: 494.4 million, up by 34%. Operating profit increased to Rs: 244.3 million from Rs: 179.5 million recorded in the same period of the last year. Financial charges increased to Rs: 59.0 million from Rs: 28.5 million in view of increase in working capital requirement coupled with upward mark up rates. Profit before tax for the half year under review was Rs: 185.3 million as compared to Rs: 151.0 million recorded in the last year.

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 emphasized with 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, rising trend of raw materials prices, increasing 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.

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, Main Dealers, the Retailers and Valued Customers including the Original Equipment Manufacturers and the Government Organizations.



ARIF HASHWANI

Chairman

Karachi: November 27, 2010

**REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Exide Pakistan Limited** as of **September 30, 2010** and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the condensed interim financial statement) for the half year then ended. Management is responsible for the preparation and presentation of these condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the profit and loss account for the quarters ended September 30, 2009 and 2010 have not been reviewed as we are required to review only the cumulative figures for the half year ended September 30, 2010.

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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



A.F Ferguson & Co.

Chartered Accountants

Engagement Partner: **Rashid A. Jafer**

Karachi: November 27, 2010

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2010

	Note	(Unaudited) September 30, 2010	(Audited) March 31, 2010
----- Rupees '000 -----			
ASSETS			
non-current assets			
Property, plant and equipment	3	777,921	776,542
Long-term investment in subsidiary company		224	224
Long-term loans - unsecured		2,118	1,874
Long-term deposits		16,991	18,268
		<u>797,254</u>	<u>796,908</u>
Current Assets			
Spares		45,563	52,385
Stock-in-trade		1,611,071	1,457,671
Trade debts		224,356	203,098
Loans and advances		12,124	10,567
Trade deposits, short-term prepayments and other receivables		34,088	19,563
Taxation recoverable		102,961	78,214
Cash and bank balances		296,495	286,206
		<u>2,326,658</u>	<u>2,107,704</u>
TOTAL ASSETS		<u>3,123,912</u>	<u>2,904,612</u>
LIABILITIES			
current liabilities			
Trade and other payables		800,179	608,544
Accrued mark-up		30,732	15,070
Short-term borrowings		1,020,614	1,086,866
		<u>1,851,525</u>	<u>1,710,480</u>
non-current liabilities			
Deferred taxation - net		36,651	44,131
TOTAL LIABILITIES		<u>1,888,176</u>	<u>1,754,611</u>
NET ASSETS		<u>1,235,736</u>	<u>1,150,001</u>
FINANCED BY:			
SHARE CAPITAL AND RESERVES			
Authorised share capital		180,000	180,000
18,000,000 ordinary shares of Rs 10 each		<u>180,000</u>	<u>180,000</u>
Issued, subscribed and paid-up share capital		56,499	56,499
Capital reserve		259	259
Revenue reserves		748,991	568,991
Reserve arising on amalgamation - net		25,823	25,823
Unappropriated profit		157,595	248,927
		<u>989,167</u>	<u>900,499</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		246,569	249,502
CONTINGENCIES AND COMMITMENTS	4	<u>1,235,736</u>	<u>1,150,001</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



ARSHAD SHEHZADA
Chief Executive



ARIF HASHWANI
Chairman

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

	Note	Batteries		Chemicals		Total	
		Quarter ended September 30, 2010	Half year ended September 30, 2010	Quarter ended September 30, 2009	Half year ended September 30, 2009	Quarter ended September 30, 2010	Half year ended September 30, 2009
Net sales		1,514,676	3,562,645	1,302,859	2,913,605	1,603,135	3,745,515
Cost of sales	5	1,258,361	3,107,424	1,103,781	2,560,586	1,329,869	3,250,583
Gross profit		256,315	455,221	199,078	353,019	273,266	494,932
Selling and distribution expenses		95,783	196,623	64,809	137,560	97,123	199,248
Administrative and general expenses		17,676	30,714	12,340	28,522	18,627	32,291
Other operating income		113,459	227,337	77,149	166,082	115,750	231,539
Workers' profit participation fund		142,856	227,884	121,929	186,937	157,516	263,393
Workers' welfare fund						2,605	2,762
Other operating charges						160,121	266,155
Operating profit						6,696	9,981
Finance cost						2,475	3,788
Profit before taxation						5,724	8,121
Taxation						145,226	244,265
- current - for the period						31,256	58,981
- deferred						113,970	185,284
Profit after taxation						48,883	73,130
Other comprehensive income						(7,480)	(7,480)
Total comprehensive income for the period						41,403	65,650
Earnings per share (basic and diluted)						72,567	119,634
						-	-
						72,567	119,634
						58,398	92,989
						-	-
						58,398	92,989
						12.84	21.17
						10.34	16.46

Rupees

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

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



ARSHAD SHEHZADA
Chief Executive



ARIF HASHWANI
Chairman

EXIDE PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2010

	Note	Half year ended September 30,	
		2010	2009
		----- (Rupees '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	6	288,166	(27,670)
Financial charges paid		(43,319)	(30,664)
Taxes paid		(97,877)	(56,026)
Decrease in long-term deposits		1,277	701
Increase in long-term loans		(244)	(202)
Net cash generated from / (used in) operating activities		148,003	(113,861)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for capital expenditure		(38,753)	(62,462)
Proceeds from disposal of property, plant and equipment		300	3,463
Net cash used in investing activities		(38,453)	(58,999)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long-term financing - net of repayments		-	(40,000)
Repayment of loan to director		-	(30,000)
Repayment of short term borrowings		(18,688)	-
Dividends paid		(33,009)	(33,851)
Net cash used in financing activities		(51,697)	(103,851)
Net increase / (decrease) in cash and cash equivalents		57,853	(276,711)
Cash and cash equivalents at the beginning of the period		(681,972)	(260,055)
Cash and cash equivalents at the end of the period	7	(624,119)	(536,766)

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


ARSHAD SHEHZADA
 Chief Executive


ARIF HASHWANI
 Chairman

EXIDE PAKISTAN LIMITED**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2010**

	Issued, subscribed and paid-up share capital	Capital reserves	Revenue reserves	Reserve arising on amalgamation- net	Shares to be issued	Unappropri- ated profit	Total
	----- (Rupees '000) -----						
Balance as at March 31, 2009	54,057	259	488,991	25,823	2,442	154,392	725,964
Final dividend for the year ended March 31, 2009 declared subsequent to year end	-	-	-	-	-	(28,250)	(28,250)
Issue of share capital	2,442	-	-	-	(2,442)	-	-
Transfer to revenue reserves made subsequent to the year ended March 31, 2009	-	-	80,000	-	-	(80,000)	-
Total comprehensive income for the half year ended September 30, 2009	-	-	-	-	-	92,989	92,989
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	3,166	3,166
Balance as at September 30, 2009	<u>56,499</u>	<u>259</u>	<u>568,991</u>	<u>25,823</u>	<u>-</u>	<u>142,297</u>	<u>793,869</u>
Balance as at March 31, 2010	56,499	259	568,991	25,823	-	248,927	900,499
Final dividend for the year ended March 31, 2010 declared subsequent to year end	-	-	-	-	-	(33,899)	(33,899)
Transfer to revenue reserves made subsequent to the year ended March 31, 2010	-	-	180,000	-	-	(180,000)	-
Total comprehensive income for the half year ended September 30, 2010	-	-	-	-	-	119,634	119,634
Transferred from surplus on revaluation of property, plant and equipment - net of tax	-	-	-	-	-	2,933	2,933
Balance as at September 30, 2010	<u>56,499</u>	<u>259</u>	<u>748,991</u>	<u>25,823</u>	<u>-</u>	<u>157,595</u>	<u>989,167</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



ARSHAD SHEHZADA
Chief Executive



ARIF HASHWANI
Chairman

EXIDE PAKISTAN LIMITED

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010**

1 THE COMPANY AND ITS OPERATIONS

The Company is a limited liability company and is incorporated in Pakistan. The address of its registered office is A-44, Hill Street, Manghopir Road, S.I.T.E, Karachi, Pakistan. The company is listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacture and sale of Automotive Batteries, Industrial cells, Chemicals and Acid.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended March 31, 2010 except for the changes mentioned in note 2.1.3 to these condensed interim financial statements.

2.1 Basis of Preparation

2.1.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 and the directives issued by SECP prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the audited financial statements of the Company for the year ended March 31, 2010.

These condensed interim financial statements are un-audited and have been reviewed by the statutory auditors in accordance with the requirements of clause (xxi) of the Code of Corporate Governance.

2.1.2 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention, except as follows:

- certain property, plant and equipment are stated at revalued amounts;
- certain staff retirement benefits are carried at present value; and
- inventories are carried at lower of cost and net realisable value.

The accounting policies and methods of computation of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended March 31, 2010 except for the changes mentioned below:

2.1.3 Standards interpretations and amendments to published and approved accounting standards that are effective in the current period:

IFRS 2 (Amendments), 'Group Cash-settled and Share-based Payment Transactions'. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and Treasury Share Transactions', the amendments also expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation. The new guidance is not expected to have a material impact on the Company's financial statements.

IFRS 8 (Amendment), 'Operating segments' (effective from January 1, 2010). There is a minor amendment to the standard to clarify that an entity is required to disclose a measure of segment assets only if that information is regularly reported to the chief operating decision maker. The Chief Executive has been identified as the chief operating decision maker. The Company discloses a measure of segment assets as the information about segment assets is provided to the chief operating decision maker as disclosed in note 8.

EXIDE PAKISTAN LIMITED**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010**

Improvements to International Financial Reporting Standards 2009 were issued in April 2009. The effective dates vary standard by standard but most are effective January 1, 2010. The improvements are not expected to have any significant impact on the Company's financial statements.

There are other standards, interpretations and amendments to the published approved accounting standards that were mandatory for accounting periods beginning on or after July 1, 2009 but were considered not to be relevant or did not have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

The cost of additions and deletions to property, plant and equipment during the half year ended September 30, 2010 were as follows:

	Cost of Additions / (Deletions) from April 01 - September 30	
	2010	2009
	------(Rupees '000)-----	
Plant and machinery	26,618	73,272
Furniture and fittings	870	893
Office equipment	244	1,013
Vehicles	4,156	6,051
	(557)	(4,453)
Total additions - net	<u>31,331</u>	<u>76,776</u>

3.1 Capital work-in-progress

	(Unaudited)	(Audited)
	September 30, 2010	March 31, 2010
	------(Rupees '000)-----	
Building	6,033	5,921
Plant and machinery	29,271	25,247
Office equipment	27	-
Advances to suppliers / contractors	8,982	6,280
	<u>44,313</u>	<u>37,448</u>

4 CONTINGENCIES AND COMMITMENTS**4.1 Contingencies**

There has been no changes in the status of contingencies as disclosed in the annual audited financial statements of the company for the year ended March 31, 2010.

4.2 Commitments**4.2.1 Commitments for rentals under leases in respect of motor vehicles amounted to Rs Nil (2010: Rs Nil).**

	(Unaudited)	(Audited)
	September 30, 2010	March 31, 2010
	------(Rupees '000)-----	
4.2.2 Commitments in respect of:		
Capital expenditure contracted for but not incurred	8,798	882
Letters of credit	210,288	147,666
Letter of guarantee	44,499	31,980

EXIDE PAKISTAN LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

	Note	For the half year ended September 30,	
		2010	2009
		----- (Rupees '000) -----	
5	COST OF SALES		
Raw and packing materials consumed		2,965,909	2,432,795
Salaries, wages and benefits		88,262	71,663
Spares consumed		17,003	17,117
Rent, rates and taxes		18,369	17,782
Fuel, power and water		100,073	75,771
Insurance		6,702	4,431
Repairs and maintenance		58,942	40,639
Depreciation		35,728	28,443
General expenses		28,972	29,998
		354,051	285,844
Opening stock of work-in-process		228,442	151,679
Closing stock of work-in-process		(222,386)	(268,301)
		6,056	(116,622)
Cost of goods manufactured		3,326,016	2,602,017
Opening stock of finished goods		105,546	115,231
Closing stock of finished goods		(180,979)	(62,623)
		(75,433)	52,608
		<u>3,250,583</u>	<u>2,654,625</u>
6	CASH GENERATED FROM OPERATIONS		
Profit before taxation		185,284	150,999
Adjustment for non-cash charges and other items:			
Depreciation / amortisation		37,374	29,692
Gain on disposal of fixed assets		(300)	(1,677)
Provision for gratuity		1,675	1,020
Mark up charges		58,981	28,517
Working capital changes	6.1	5,152	(236,221)
Cash generated from / (used in) operations		<u>288,166</u>	<u>(27,670)</u>
6.1	Working capital changes		
Increase in current assets			
Spares		6,822	(3,957)
Stock-in-trade		(153,400)	(444,171)
Trade debts		(21,258)	(25,899)
Loans and advances		(1,557)	(11,772)
Short-term prepayments, deposits and other receivables		(14,525)	(30,254)
		(183,918)	(516,053)
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities (excluding unclaimed dividends and provision for gratuity)		189,070	279,832
		<u>5,152</u>	<u>(236,221)</u>

