

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 2011.

THE ECONOMY

Pakistan economy continued its weakness during the year 2010-11 and grew 2.4 percent compared to the target of 4.5 percent. The set back was due to the agriculture sector, which was severely affected by floods resulting in a meager growth of 1.2 percent against target of 3.8 percent. However, good performance of services sector, which grew at 4.1 percent, had kept the overall growth in a reasonable range. After a gap of six years the country’s current account balance becomes surplus to US\$ 542 million from deficit of US\$ 3.94 billion in the comparable period of last year primarily driven by the all-time highest inflow of home remittances and exports. Export proceeds are all time high at US\$ 25.29 billion in 2010-11 while remittances crossed \$ 11 billion mark by the year end. The CPI inflation has risen to 14% in June 2011 over the corresponding period of last year. Foreign exchange reserves amounted to \$ 18.2 billion by mid July 2011.

THE INDUSTRY

Growth of automotive sector in the preceding few years is instrumental in better capacity utilization of the battery industry. The automotive industry continued to show sign of improvement in 2010-11. Sale of cars from July 2010 – June 2011 improved from 123,957 units to 127,944 units up by 3.2 percent, LCV from 16,496 to 17,746 units up by 7.6 percent. The heavy vehicle segment and farm tractor however witnessed a sale decrease of 21.5 percent & 3.2 percent respectively year on year. Prices of basic input of raw material refined lead had upward trend in international market which had an unfavorable impact on local recycled lead. It is further accentuated by unfavorable cost push as a result of depreciation of the Rupee, continuous increase in energy cost and other inflationary factors.

I am pleased to inform you that your company has been honored with Brand of the Year Award 2010.

SALES

Net sale revenue of the Company for the quarter under review was up by 32% to Rs: 2.84 billion from Rs: 2.14 billion compared to preceding year due to price and volume growth.

PRODUCTION

Production activities were effectively planned and adjusted to cater to the market demand both in terms of quantity 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.

PROFITABILITY

Gross profit for the quarter under review improved from Rs: 221.7 million to Rs: 328.9 million up by 48% compared to preceding year due to improved sale and margin. Operating profit increased to Rs: 206.1 million from Rs: 105.9 million recorded in same quarter of the last year. Financial charges increased to Rs: 30.9 million from Rs: 27.7 million in view of increase in working capital requirement. Profit before tax for the quarter under report was Rs: 156.6 million as compared to 71.3 million recorded in the last year.

Earnings per share increased to Rs: 18.20 as compared with Rs: 8.33 recorded in the previous year.

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, 2011

EXIDE PAKISTAN LIMITED

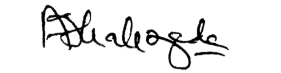
BALANCE SHEET
AS AT JUNE 30, 2011

	(Unaudited) June 30, 2011	(Audited) March 31, 2011
	-----Rupees '000-----	
Property, plant and equipment	1,022,577	1,027,910
Long-term investments	224	224
Long-term loans and advances - unsecured	2,612	2,824
Long-term deposits	19,454	20,126
Current Assets		
Spares	52,275	65,798
Stock-in-trade	1,824,025	1,856,140
Trade debts	227,052	317,367
Loans and advances	5,186	5,437
Short-term prepayments, deposits and other receivables	18,400	36,358
Taxation recoverable	139,581	110,891
Cash and bank balances	534,584	567,426
	2,801,103	2,959,417
Current Liabilities and Provisions		
Trade and other payables	1,198,012	1,079,227
Mark-up accrued on finances	21,895	47,851
Short-term finance	912,968	1,239,272
	2,132,875	2,366,350
Net Current Assets	668,228	593,067
Long-term Financing	-	-
Deferred Taxation	45,747	45,747
Total Net Assets	1,667,348	1,598,404
Financed by:		
Share Capital and Reserves		
Authorised capital		
18,000,000 ordinary shares of Rs 10 each	180,000	180,000
Issued, subscribed and paid-up capital	56,499	56,499
Capital reserves	259	259
Revenue reserves	981,991	748,991
Reserve for issuance of bonus shares	14,125	-
Reserve arising on amalgamation - net	25,823	25,823
Unappropriated profit	138,735	316,916
	1,217,432	1,148,488
Surplus on Revaluation of Fixed Assets - net of tax	449,916	449,916
Shareholder's Equity	1,667,348	1,598,404

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



HUSSAIN HASHWANI
Director



ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED JUNE 30, 2011

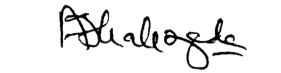
	(Unaudited)					
	Batteries		Chemicals		Total	
	For the 1st Quarter ended June 30, 2011	For the 1st Quarter ended June 30, 2010	For the 1st Quarter ended June 30, 2011	For the 1st Quarter ended June 30, 2010	For the 1st Quarter ended June 30, 2011	For the 1st Quarter ended June 30, 2010
	------(Rupees '000)-----					
Net sales	2,726,053	2,047,969	115,646	94,411	2,841,699	2,142,380
Cost of goods sold	2,422,725	1,849,063	90,008	71,651	2,512,733	1,920,714
Gross profit	303,328	198,906	25,638	22,760	328,966	221,666
Distribution cost	102,708	100,840	1,728	1,285	104,436	102,125
Administrative expenses	17,698	13,038	751	626	18,449	13,664
Total Operating expenses	120,406	113,878	2,479	1,911	122,885	115,789
Operating profit	182,922	85,028	23,159	20,849	206,081	105,877
Other operating income					137	157
					206,218	106,034
Financial charges					30,928	27,725
Other charges					18,739	6,995
					49,667	34,720
Profit before taxation					156,551	71,314
Provision for taxation						
- current - for the period					53,708	24,247
- deferred					-	-
					53,708	24,247
Profit after taxation					102,843	47,067
Earnings per share					(Rupees) 18.20	8.33

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

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



HUSSAIN HASHWANI
Director



ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED

CASH FLOW
FOR THE QUARTER ENDED JUNE 30, 2011
(UNAUDITED)

	2011	2010
	-----(Rupees '000)----	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations	450,679	574,357
Financial charges paid	(56,884)	(18,723)
Gratuity paid	(4,029)	-
Taxes paid	(82,398)	(46,753)
Decrease in long-term Loan	212	(247)
Decrease in long-term deposits	672	(52)
Net cash inflow/(outflow) from operating activities	308,252	508,582

CASH FLOW FROM INVESTING ACTIVITIES

Payment for capital expenditure	(14,790)	(16,546)
Proceeds from sale of fixed assets	-	-
Net cash outflow on investing activities	(14,790)	(16,546)

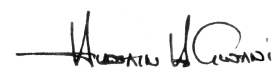
CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	-	-
Repayment of loan from a Director	-	-
Long-term financing	-	-

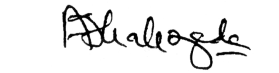
Net cash outflow on financing activities	-	-
Net Increase/(decrease) in cash and cash equivalents	293,462	492,036
Cash and cash equivalents at the beginning of the year	(671,846)	(800,660)

Cash and cash equivalents at the end of the first quarter	(378,384)	(308,624)
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The annexed notes form an integral part of these financial statements.



HUSSAIN HASHWANI
Director



ARSHAD SHAHZADA
Chief Executive

EXIDE PAKISTAN LIMITED
STATEMENT OF CHANGES OF EQUITY
FOR THE QUARTER ENDED JUNE 30, 2011
(UNAUDITED)

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Reserve for Issuance of Bonus Shares	Reserve arising on amalgamation	Unappro- priated profit	Total
	(Rupees '000)						
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	56,499	259	748,991	-	25,823	82,095	913,667
Balance at March 31, 2011	56,499	259	748,991	-	25,823	316,916	1,148,488
Final dividend for the year ended March 31, 2011	-	-	-	-	-	(33,899)	(33,899)
Transfer to revenue reserve for the year ended March 31, 2011	-	-	233,000	-	-	(233,000)	-
Transfer to reserve for issuance of bonus shares for the year ended March 31, 2011	-	-	-	14,125	-	(14,125)	-
Profit after taxation for the first quarter ended June 30, 2011	-	-	-	-	-	102,843	102,843
Balance at June 30, 2011	56,499	259	981,991	14,125	25,823	138,735	1,217,432

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


HUSSAIN HASHWANI
 Director


ARSHAD SHAHZADA
 Chief Executive

EXIDE PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2011
NAUDITED)

- 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 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 2011.

	Additions (Rupees '000)	Disposals
Plant and machinery	45,380	-
Furniture and equipments	625	-
Building	2,965	-
Vehicles	1,497	-
Office equipment	449	-
	50,916	-

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:

	2011 (Rupees '000)	2010
Interest charged on loan from director	4,241	3,116
Rent expense	9,715	8,339

Key management personnel received an amount of Rs. 4,281 thousand (2010: Rs. 3,384 thousand) out of which Rs. 526 thousand (2010: 376 thousand) 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, 2011

8. GENERAL

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

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 29, 2011 by the Board of Directors of the Company.

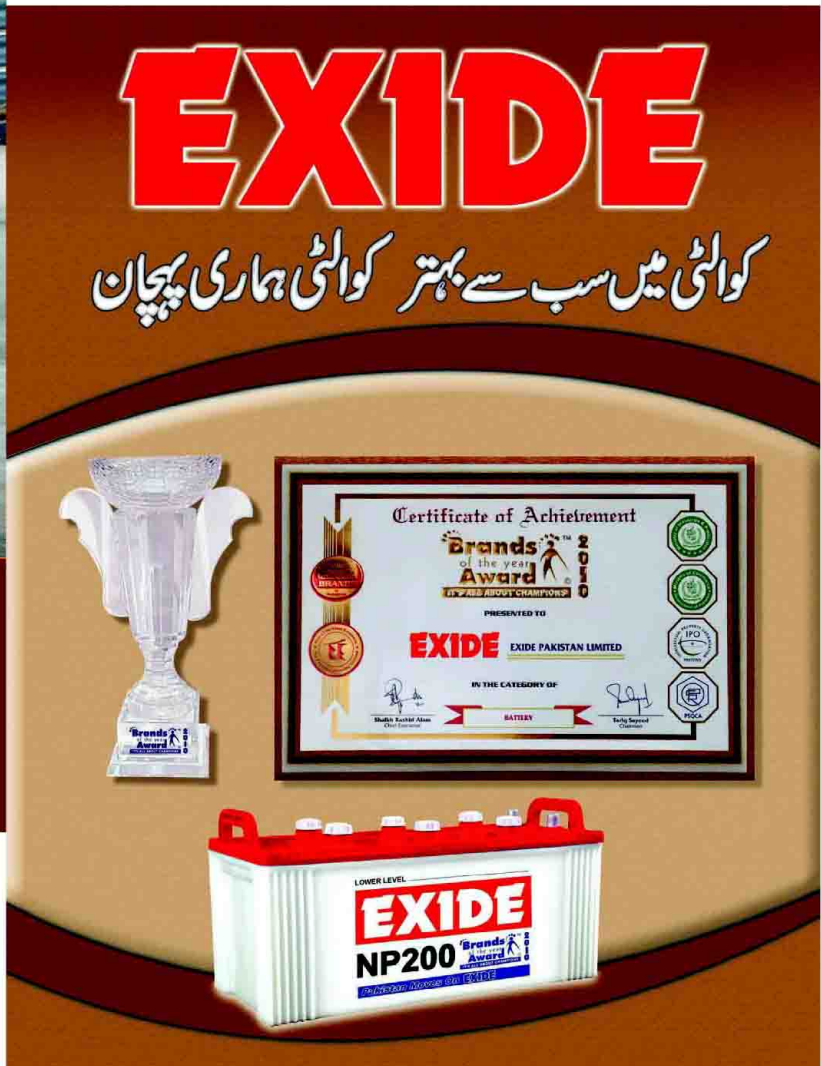
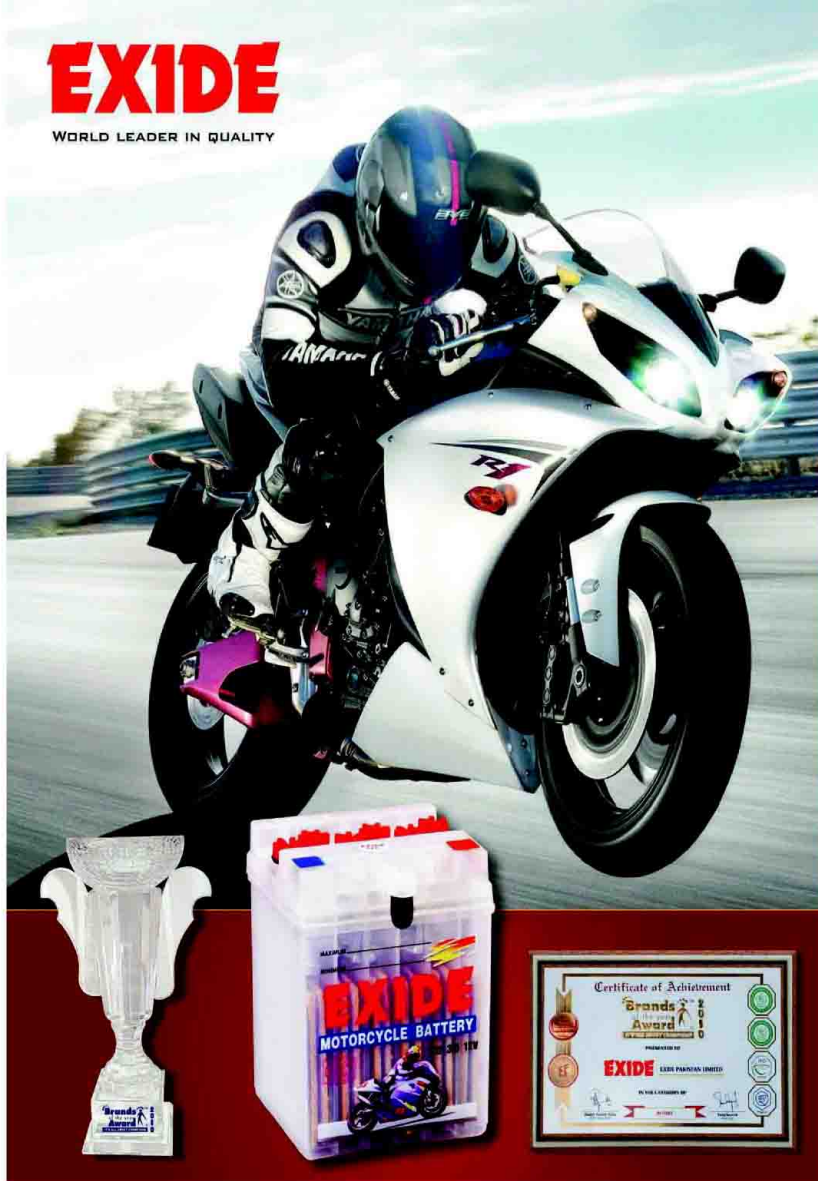

HUSSAIN HASHWANI
 Director


ARSHAD SHAHZADA
 Chief Executive

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PAKISTAN LTD.
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 S.I.T.E., Karachi-75700 Pakistan.



FIRST QUARTERLY REPORT
JUNE 30, 2011

CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani - *Chairman*
 Arshad Shahzada - *Managing Director / Chief Executive*
 Altaf Hashwani
 Hussain Hashwani
 S. Haider Mehdi
 Engr. M. A. Jabbar
 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 Pakistan UFJ, Ltd.
 Citibank N.A.
 Habib Bank Ltd.
 MCB Bank Ltd.
 Oman International Bank S.A.O.G.
 NIB Bank Ltd.
 Standard Chartered Bank (Pakistan) Ltd.
 HSBC Middle East Bank Ltd.
 United Bank Ltd.
 Habib Metropolitian Bank Limited
 Meezan Bank Ltd.

AUDITORS

A. F. Ferguson & Co.

SOLICITORS

Orr Dignam & Co.

REGISTERED OFFICE

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 S.I.T.E., Karachi-75700 Pakistan.
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