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# Company Information

<b>BOARD OF DIRECTORS</b>	Syed Shahid Ali Dr. Mrs. Niloufer Mahdi Mrs. Feriel 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 Limited)  (Nominee Loads Limited)	
<b>BOARD AUDIT COMMITTEE</b>	Mr. Jalees Ahmed Siddiqi Mr. Imran Azim Syed Sheharyar Ali Mr. Munir K. Bana	Chairman Member Member Member	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Amir Zia		
<b>COMPANY SECRETARY</b>	Mr. Ayaz Ahmed		
<b>EXTERNAL AUDITORS</b>	KPMG Taseer Hadi & Co. Chartered Accountants Lahore.		
<b>INCOME TAX CONSULTANTS</b>	Hyder Bhimji & Co. Chartered Accountants Lahore.		
<b>LEGAL ADVISORS</b>	Salim & Baig, Advocates - Lahore.		
<b>CORPORATE ADVISORS</b>	Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore.		
<b>BANKERS</b>	Allied Bank Limited Askari Bank Limited Bank Al-Habib Limited Bank Alfalah Limited Bank Islami Pakistan Limited Barclays Bank PLC, Pakistan Citi Bank N.A.	Faysal Bank Limited IGI Investment Bank Limited JS Bank Limited Habib Metropolitan Bank Limited Habib Bank Limited HSBC Bank Middle East Limited MCB Bank Limited	National Bank of Pakistan NIB Bank Limited SAMBA Bank Limited Standard Chartered Bank (Pakistan) Limited Silk Bank Limited The Royal Bank of Scotland 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-Ferozpur Road, Lahore Tel: 042-37087113 - 37570202  
Fax: 042-37570303 E.mail: treet@scarletsystem.com

## TREET GROUP FACTORIES

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

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

First Treet Manufacturing Modaraba  
(Managed by Global Econo Trade (Private) Limited)  
PACKAGING SOLUTIONS - Corrugation  
22 - K.M. Ferozpur Road, Kachha Tiba, Rohi Nala,  
Lahore. Tel: (042) 8555848  
PACKAGING SOLUTIONS - Paper & Board Mill  
33 - K.M. Lahore Sheikhpurua 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.  
Phone: 021-35681576  
Fax: 021-35681575

## Directors' Review

The directors of your company are pleased to present un-audited consolidated financial statements for the **1st Quarter** ending on September 30, 2011.

### Financial Performance

Following is the summary of comparative financial results\*:

*\*More fruitful comparison is between consolidated results of this year with corresponding period last year 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.
- Like wise Intra- company services within Treet Group are set-off in consolidation

(Rupees in thousand)	Three Months Ended				% Change	
	September 30, 2011		September 30, 2010			
	Treet	Consolidated	Treet	Consolidated	(1) over (3)	(2) over (4)
	(1)	(2)	(3)	(4)		
Sales (net)	712,503	1,494,541	554,594	1,032,445	28.47	44.76
Gross Profit	192,032	393,618	131,397	193,247	46.15	103.69
Operating Profit	155,080	218,099	105,499	124,344	47.00	75.40
Profit before taxation	117,662	179,337	79,562	98,224	47.89	82.58
Provision for taxation	(21,206)	(27,135)	(14,078)	(19,740)	50.63	37.46
Profit after taxation	96,456	152,202	65,484	78,484	47.30	93.93
EPS (in Rupees)	2.31	3.64	1.57	1.88		

The Company's posted **profit after tax (consolidated)** at **Rs. 152.20 million** is increased by 93.93% against Rs. 78.48 million in the corresponding period of the last year. Sales performance (in % change) is described below:

### SEGMENT WISE SALES

2011-2012						
Rs. in 000	D/E + Bonded	Soap	Corrugation	Paper & Board	Motor Bike	Total
Sales	836,107	192,724	287,224	70,979	107,507	1,494,541
Inter-Company / Segment Sales	-	-	17,788	58,545	-	76,333
	836,107	192,724	305,012	129,524	107,507	1,570,874
2010-2011						
Rs. in 000	D/E + Bonded	Soap	Corrugation	Paper & Board	Motor Bike	Total
Sales	594,092	184,154	217,352	9,865	26,982	1,032,445
Inter-Company / Segment Sales	-	-	16,334	83,869	-	100,203
	594,092	184,154	233,686	93,734	26,982	1,132,648
Sales Growth %	40.74%	4.65%	30.52%	38.18%	298.44%	38.69%

- Blade/disposable business posted good growth both in local and export markets.
- Soaps sales also showed growth over last period due to effective marketing mix.
- Corrugation showed excellent sales growth during the period.
- Paper & Board operations have also successfully entered in growth stage.
- Sales from Motorbike segment are also geared up.

Operational profitability from blade/razor operations increased **considerably** [and it is also increased in the other areas over the corresponding period of the last year.

**Overall reason for increase in net profitability is due to following factors:**

- Better Inventory Management;
- Good Capital Gains on short term investments;

**However, following factors were major areas of concern that may affect negatively on profitability:**

- Increase in power tariffs and in-house power generations;
- Increased financial charges due to borrowing incurred for various projects & increased working capital requirements;
- Impairment of Rs. 6.125 million in the shares of IGI Investment Bank Limited;
- ZIL Limited's results [share of profit] are not incorporated due to non-availability of accounts;

**Production**

The production of razor / blades from Lahore and Hyderabad comes to 385.75 million blades as compared to 371.12 million blades produced in the same period of the last year, registering an increase of 3.94%.

**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:**  
October 24, 2011



**Syed Shahid Ali**  
Chief Executive Officer


# Condensed Interim Consolidated Balance Sheet

As at September 30, 2011 (Un-audited)

	September 30, 2011 Un-audited (Rupees in thousand)	June 30, 2011 Audited
	Note	
<b>Property, plant and equipment</b>	2,037,175	2,016,863
<b>Investment property</b>	56,500	56,689
<b>Long term investments</b>	67,287	73,411
<b>Long term deposits</b>	63,593	60,450
	2,224,555	2,207,413
<b>CURRENT ASSETS</b>		
Stores and spares	179,347	169,734
Stock-in-trade	750,271	781,338
Trade debts - unsecured considered good	555,154	392,664
Short term investments	434,451	399,899
Loans, advances, deposits, prepayments and other receivables	990,762	812,641
Cash and bank balances	252,774	310,690
	3,162,759	2,866,966
<b>CURRENT LIABILITIES</b>		
Finance under mark-up-arrangements - secured	1,949,410	1,877,415
Trade and other payables	701,880	640,282
Provision for taxation	119,605	92,477
	2,770,895	2,610,174
<b>NET CURRENT ASSETS</b>	391,864	256,792
<b>NET ASSETS</b>	2,616,419	2,464,205
<b>FINANCED BY:</b>		
Issued, subscribed and paid-up capital	418,222	418,222
Reserves	361,221	361,221
Unappropriated profit	993,465	839,836
<b>SHARE HOLDERS' EQUITY</b>	1,772,908	1,619,279
<b>Minority Interest</b>	1,474	1,400
<b>Surplus on revaluation of fixed assets</b>	756,880	758,384
<b>Long term deposits</b>	2,506	2,491
<b>Deferred liabilities</b>	82,651	82,651
<b>Contingencies and commitments</b>	5	-
	2,616,419	2,464,205

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

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director


# Condensed Interim Consolidated Profit and Loss Account

## For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Note	3 Months ended	
		July to Sept. 2011	July to Sept. 2010
		(Rupees in thousand)	
Revenue and Sales -Net	6	1,494,541	1,032,445
Cost of Goods Sold	7	(1,100,923)	(839,198)
<b>Gross Profit</b>		393,618	193,247
Operating expenses :			
- Administrative expenses		(29,787)	(17,608)
- Selling & distribution expenses		(145,732)	(51,295)
		(175,519)	(68,903)
<b>Operating Profit</b>		218,099	124,344
Other income		34,264	30,321
		252,363	154,665
Financial expenses		(65,727)	(55,540)
Share of profit of associate		-	5,617
		186,636	104,742
Workers' Profit Participation Fund		(6,248)	(4,672)
Workers' Welfare Fund		(1,051)	(1,846)
		(7,299)	(6,518)
<b>Profit before taxation</b>		179,337	98,224
Taxation			
- Group		(27,135)	(17,685)
- Associated company		-	(2,055)
<b>Profit after taxation</b>		152,202	78,484
<b>Earnings per share</b>		3.64	1.88

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

LAHORE:  
October 24, 2011

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

# Condensed Interim Consolidated Statement of Comprehensive Income


For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	3 Months ended	
	July to Sept. 2011	July to Sept. 2010
	(Rupees in thousand)	
<b>Profit after taxation</b>	152,125	78,472
<b>Other comprehensive income</b>		
Available for sale financial assets		
Transfer to profit and loss account on disposal	-	-
Impairment loss charged to profit and loss	-	-
Fair value adjustment	-	-
	-	-
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>152,125</b>	<b>78,472</b>

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:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director

# Condensed Interim Consolidated Cash Flow Statement


For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010 (Rupees in thousand)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	179,337	98,224
Adjustments for non-cash items:		
Financial charges for the period	65,727	55,540
Depreciation on property, plant and equipment	28,838	25,011
Depreciation on investment property	189	189
Provision for gratuity fund scheme	2,351	2,160
Provision for superannuation fund scheme	2,512	2,354
Profit on bank deposits	(4,028)	(2,717)
Impairment on available for sale investment transferred from equity	-	5,974
Share of profit from associated company	-	(5,617)
Dividend income	(5,453)	(920)
Provision for WPPF and WWF	7,299	6,518
(Gain)/Loss on sale of fixed assets	(724)	(5,524)
	96,711	82,968
<b>Operating profit before working capital changes</b>	276,048	181,192
(Increase) / decrease in operating assets :		
Stores and spares	(9,613)	(18,688)
Stock-in-trade	31,067	(25,756)
Trade debts	(162,490)	(12,434)
Short term investments	(34,552)	110,985
Loans, advances, deposits, prepayments and other receivables	(151,125)	(134,234)
	(326,713)	(80,127)
Increase / (decrease) in operating liabilities		
Trade and other payables	97,093	23,977
<b>Cash generated from operations</b>	46,428	125,042
Financial charges paid	(67,209)	(72,186)
Taxes paid	(25,790)	(20,196)
WPPF and WWF	(20,500)	(15,001)
Payment to gratuity fund	(13,198)	(13,044)
Payment to superannuation fund	(12,478)	(13,379)
	(139,175)	(133,806)
<b>Net cash outflow from operating activities</b>	(92,747)	(8,764)

	July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010 (Rupees in thousand)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(49,899)	(46,968)
Proceeds from sale of fixed assets	1,472	7,054
Long term investments	6,124	-
Long term deposits	(3,143)	(11,334)
Profit received on bank deposits	5,474	2,916
Dividend received	2,791	720
<b>Net cash outflow from investing activities</b>	<b>(37,181)</b>	<b>(47,612)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Modaraba Certificates	-	345
Long Term Deposits	15	-
<b>Net cash from financing activities</b>	<b>15</b>	<b>345</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(129,913)</b>	<b>(56,031)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>(1,566,723)</b>	<b>(1,494,906)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(1,696,636)</b>	<b>(1,550,937)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	252,774	210,561
Finance under mark-up arrangements	(1,949,410)	(1,761,498)
	<b>(1,696,636)</b>	<b>(1,550,937)</b>

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

**LAHORE:**  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director


# Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Share Capital	Capital Reserve	Statutory Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
----- Rupees in '000 -----							
Balance as on June 30, 2010	418,222	8,949	24,258	266,400	-	553,535	1,271,364
Total comprehensive income for the period	-	-	-	-	-	78,472	78,472
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	1,505	1,505
<b>Balance as on September 30, 2010</b>	<b>418,222</b>	<b>8,949</b>	<b>24,258</b>	<b>266,400</b>	<b>-</b>	<b>633,512</b>	<b>1,351,341</b>
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	-	-	-	-	-	152,125	152,125
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	-	1,504	1,504
<b>Balance as on September 30, 2011</b>	<b>418,222</b>	<b>8,949</b>	<b>85,872</b>	<b>266,400</b>	<b>-</b>	<b>993,465</b>	<b>1,772,908</b>

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

**LAHORE:**  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director

# Notes to the Consolidated Condensed Interim Financial Information For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

## 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, Kot Lakhpat, 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 Motorbikes. GET commenced its commercial operations from 01 January 2005. The registered office of GET is situated at 72-B, Industrial Area, Kot Lakhpat, 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 thereunder 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, Kot Lakhpat, 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, Kot Lakhpat, Lahore.

TPL was incorporated on 20 November 2007 in Pakistan as an unquoted public limited company under the Companies Ordinance, 1984. At present, 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, Kot Lakhpat, 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 2011.

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 2011. 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 2011.

### 5. CONTINGENCIES AND COMMITMENTS

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

		3 Months ended	
		July to Sept. 2011	July to Sept. 2010
		(Rupees in thousand)	
<b>6. SALES - Net</b>			
Blades	836,107	594,092	
Soaps	192,724	184,154	
Packaging products	287,224	217,352	
Paper and board	70,979	9,865	
Motorbike project	107,507	26,982	
	1,494,541	1,032,445	
<b>7. COST OF GOODS SOLD</b>			
Blades	(519,784)	(406,314)	
Soaps	(160,964)	(161,946)	
Packaging products	(216,768)	(121,861)	
Paper and board	(109,119)	(80,313)	
Motorbike project	(94,288)	(22,777)	
Labor services	-	(45,987)	
	(1,100,923)	(839,198)	

**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.

	3 Months ended	
	July to Sept. 2011	July to Sept. 2010
	(Rupees in thousand)	
Purchases and services received	34,264	35,696
Goods sold and services rendered	74	180
Mark-up paid	860	-
Mark-up received	996	-

9. This unaudited condensed interim financial information was authorized for issue by the board of directors on October 24, 2011.

10. Amounts have been rounded off to thousand rupees.

LAHORE:  
October 24, 2011



**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director

**TREET CORPORATION LIMITED**  
**FINANCIAL STATEMENTS**


# Condensed Interim Balance Sheet

As at September 30, 2011 (Un-audited)

	September 30, 2011 Un-audited (Rupees in thousand)	June 30, 2011 Audited
Note		
<b>Property, plant and equipment</b>	1,681,510	1,660,191
<b>Investment property</b>	56,500	56,689
<b>Long term investments</b>	828,395	848,742
<b>Long term deposits</b>	12,372	8,453
	2,578,777	2,574,075
<b>CURRENT ASSETS</b>		
Stores and spares	118,676	112,572
Stock-in-trade	319,536	360,247
Trade debts - unsecured considered good	858,569	706,993
Short term investments	341,663	359,494
Loans, advances, deposits, prepayments and other receivables	591,658	472,967
Cash and bank balances	55,738	78,549
	2,285,840	2,090,822
<b>CURRENT LIABILITIES</b>		
Finance under mark-up-arrangements - secured	1,949,410	1,877,415
Trade and other payables	452,661	428,392
Provision for taxation	71,229	50,023
	2,473,300	2,355,830
<b>NET CURRENT ASSETS</b>	(187,460)	(265,008)
<b>NET ASSETS</b>	2,391,317	2,309,067
<b>FINANCED BY:</b>		
Issued, subscribed and paid-up capital	418,222	418,222
Reserves	300,204	314,427
Unappropriated profit	833,093	735,130
<b>SHARE HOLDERS' EQUITY</b>	1,551,519	1,467,779
<b>Surplus on revaluation of fixed assets</b>	756,879	758,384
<b>Long term deposits</b>	2,356	2,341
<b>Deferred liabilities</b>	80,563	80,563
<b>Contingencies and commitments</b>	6	-
	2,391,317	2,309,067

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director


# Condensed Interim Profit and Loss Account

For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Note	3 Months ended	
		July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010
Revenue and Sales - Net	7	712,503	554,594
Cost of Goods Sold	8	(520,471)	(423,197)
<b>Gross Profit</b>		192,032	131,397
Operating expenses:			
- Administrative expenses		(22,718)	(16,083)
- Selling & distribution expenses		(14,234)	(9,815)
		(36,952)	(25,898)
<b>Operating Profit</b>		155,080	105,499
Other income		33,671	27,143
		188,751	132,642
Financial expenses		(63,790)	(47,183)
		124,961	85,459
Workers' Profit Participation Fund		(6,248)	(4,273)
Workers' Welfare Fund		(1,051)	(1,624)
		(7,299)	(5,897)
<b>Profit before taxation</b>		117,662	79,562
Taxation		(21,206)	(14,078)
<b>Profit after taxation</b>		96,456	65,484
<b>Earnings per share</b>		2.31	1.57

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
Syed Shahid Ali  
Chief Executive Officer

  
Muhammad Shafique Anjum  
Director

# Condensed Interim Statement of Comprehensive Income


## For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	3 Months ended	
	July to Sept. 2011	July to Sept. 2010
	(Rupees in thousand)	
<b>Profit after taxation</b>	96,456	65,484
<b>Other comprehensive income</b>		
Available for sale financial assets		
Transfer to profit and loss account on disposal	-	-
Impairment loss charged to profit and loss	-	-
Fair value adjustment	(14,223)	(1,549)
	(14,223)	(1,549)
<b>Total comprehensive income for the period</b>	<b>82,233</b>	<b>63,935</b>

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

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director

# Condensed Interim Cash Flow Statement


For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	July to Sept. 2011 (Rupees in thousand)	July to Sept. 2010
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	117,662	79,562
Adjustments for non-cash items:		
Financial charges for the period	63,790	47,183
Depreciation on property, plant and equipment	21,473	18,126
Depreciation on investment property	189	189
Provision for gratuity fund scheme	2,351	2,160
Provision for superannuation fund scheme	2,512	2,354
Profit on bank deposits	(1,057)	(999)
Dividend income	(3,883)	(429)
Provision for WPPF and WWF	7,299	5,897
(Gain)/Loss on sale of fixed assets	(724)	(5,524)
	91,950	68,957
<b>Operating profit before working capital changes</b>	209,612	148,519
(Increase) / decrease in operating assets :		
Stores and spares	(6,104)	(20,315)
Stock-in-trade	40,711	(15,646)
Trade debts	(151,576)	(54,664)
Short term investments	17,831	67,641
Loans, advances, deposits, prepayments and other receivables	(102,451)	(96,266)
	(201,589)	(119,250)
Increase / (decrease) in operating liabilities		
Trade and other payables	59,265	22,441
<b>Cash generated from operations</b>	67,288	51,710
Financial charges paid	(65,272)	(61,810)
Taxes paid	(13,576)	(12,263)
WPPF and WWF	(20,000)	(15,000)
Payment to gratuity fund	(13,198)	(13,044)
Payment to superannuation fund	(12,478)	(13,379)
	(124,524)	(115,496)
<b>Net cash outflow from operating activities</b>	(57,236)	(63,786)

	July to Sept. 2011	July to Sept. 2010
	(Rupees in thousand)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	(43,541)	(37,345)
Proceeds from sale of fixed assets	1,472	7,054
Long term investments	6,124	(287,182)
Long term deposits	(3,919)	(4,856)
Profit received on bank deposits	1,057	999
Dividend received	1,221	229
<b>Net cash outflow from investing activities</b>	<b>(37,586)</b>	<b>(321,101)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Deposits	15	-
Dividend paid	-	-
<b>Net cash from financing activities</b>	<b>15</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(94,807)</b>	<b>(384,887)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>(1,798,865)</b>	<b>(1,339,479)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>(1,893,672)</b>	<b>(1,724,366)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	55,738	37,132
Finance under mark-up arrangements	(1,949,410)	(1,761,498)
	<b>(1,893,672)</b>	<b>(1,724,366)</b>

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
Syed Shahid Ali  
Chief Executive Officer


  
Muhammad Shafique Anjum  
Director

## Condensed Interim Statement of Changes in Shareholders' Equity For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

	Share Capital	Capital Reserve	General Reserve	Fair Value Reserve	Unappropriated Profit	Total
----- (Rupees in thousand) -----						
Balance as on June 30, 2010	418,222	8,949	266,400	32,951	507,752	1,234,274
Total comprehensive income for the period	-	-	-	(1,549)	65,484	63,935
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	1,504	1,504
Balance as on September 30, 2010	418,222	8,949	266,400	31,402	574,740	1,299,713
Balance as on June 30, 2011	418,222	8,949	266,400	39,078	735,130	1,467,779
Total comprehensive income for the period	-	-	-	(14,223)	96,456	82,233
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	-	-	-	-	1,507	1,507
Balance as on September 30, 2011	418,222	8,949	266,400	24,855	833,093	1,551,519

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE:  
October 24, 2011

  
**Syed Shahid Ali**  
Chief Executive Officer

  
**Muhammad Shafique Anjum**  
Director

# Notes to the Condensed Interim Financial Information

## For the Quarter and 3 Month ended September 30, 2011 (Un-audited)

### 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 (now Companies Ordinance, 1984). Its shares are listed on Karachi, Islamabad and Lahore Stock Exchanges. The principal activity of the Company is manufacture and sale of 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 financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. This condensed interim information is un-audited and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 June 2011.

### 3. ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these condensed financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 30 June 2011. 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 2011.

The provision for taxation for the period has been made on an estimated basis.

### 5. PROPERTY, PLANT AND EQUIPMENT

The following acquisitions and disposals have been made during 3 months ended September 30, 2011:

	Acquisitions Cost	Disposals Book value
	(Rupees in thousand)	
Building on freehold land	1,077	-
Plant and machinery	8,047	-
Furniture and equipment	775	-
Vehicles	5,789	718
	15,688	718

## 6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

		3 Months ended	
		July to Sept. 2011	July to Sept. 2010
		(Rupees in thousand)	
<b>7.</b>	<b>SALES - Net</b>		
	Local	370,731	274,420
	Export	341,772	280,174
		712,503	554,594
<b>8.</b>	<b>COST OF GOODS SOLD</b>		
	Raw and packing material consumed	(284,790)	(258,082)
	Stores and spares consumed	(18,155)	(20,767)
	Salaries, wages and other benefits	(92,311)	(82,129)
	Fuel and power	(45,823)	(37,045)
	Depreciation	(14,189)	(11,267)
	Others	(16,476)	(15,400)
		(471,744)	(424,690)
	Opening stock of work-in-process	(44,587)	(33,292)
	Closing stock of work-in-process	42,716	29,616
	Cost of goods manufactured	(473,615)	(428,366)
	Opening stock of finished goods	(74,125)	(29,891)
	Closing stock of finished goods	27,269	35,060
		(520,471)	(423,197)

		3 Months ended	
		July to Sept. 2011	July to Sept. 2010
		(Rupees in thousand)	
<b>9.</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		
	<b>Subsidiary</b>		
-	Purchases and services received	18,449	18,688
-	Goods sold and services rendered	370,407	273,580
	<b>Associates</b>		
-	Purchases and services received	19,855	20,441

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

10. This unaudited condensed interim financial information was authorized for issue by the board of directors on October 24, 2011.
11. Amounts have been rounded off to thousand rupees.

LAHORE:  
October 24, 2011



**Syed Shahid Ali**  
Chief Executive Officer



**Muhammad Shafique Anjum**  
Director

