


Exploring **Solutions**



First Quarter Ended
March 31, 2012 (Un-audited)



Exploring **Solutions**

The quest for success must never end and in order to prevail, one must explore and develop all possible opportunities with the firm faith that every problem has a solution.

The challenging environment in the textile sector is an opportunity for us to identify new areas for entry and growth. As we explore the external economic environment, we view an opportunity to deliver **Profitability** in a manner that can also benefit the **People** associated with us as well as the **Planet** we occupy. We feel that sustainable development through use of alternative energy resources e.g. wind, solar etc. is the solution to building a brighter and cleaner future for our children, without putting any further pressure on the country's already diminishing natural resources.

It is our strategic intent to play a leading role in the development of the renewable energy sector of the country as we firmly believe that this is a critical yet overlooked area of economic development as well as the right legacy to leave for our future generations.



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Company Information

Board of Directors

Shahid Hamid Pracha (Chairman)
Inam ur Rahman (Chief Executive)
Shafiq Ahmed
S.M. Asghar
A. Samad Dawood
Shahzada Dawood
Haroon Mahenti
Sulaiman S. Mehdi
Mir Muhammad Nasir
Sarfaz Ahmed Rehman

Board Audit Committee

S.M. Asghar (Chairman)
Sulaiman S. Mehdi
Haroon Mahenti
Shafiq Ahmed

CFO and Company Secretary

Hafsa Shamsie

Auditors

M. Yousuf Adil Saleem & Co.
(Chartered Accountants)

Bankers

Bank Al-Habib Limited
Habib Bank Limited
National Bank of Pakistan
MCB Bank Limited

Legal Advisor

Zia Law Associates
17, Second Floor,
Shah Chiragh Chambers,
The Mall, Lahore.

Share Registrar

C&K Management Associates (Pvt.) Ltd.
404-Trade Tower, Abdullah Haroon Road,
Near Metropole Hotel, Karachi-75530

Registered / Head Office

3rd Floor, Dawood Centre,
M. T. Khan Road,
Karachi-75530
Ph#: 021-35686001-16
Fax#: 021- 35633970
E-mail: info.textiles@dawoodgroup.com
Website: www.dawoodlawrencepur.com

Mills

Landhi
Landhi Industrial Area,
Karachi.
Ph#: 021-35018476, 35018751
Fax#: 021- 35018463, 35024520

Dawoodabad

District Vehari.
Ph#: 067- 3353347, 3353145, 3353246
Fax#: 067- 3354679

Dawoodpur

District Attock.
Ph#: 0597-2641074-6
Fax#: 0597-2641073

Directors' Review

The Board of Directors is pleased to present the un-audited financial information of the Company for the quarter ended March 31, 2012.

OPERATING RESULTS

Turnover of the Company for the quarter ended March 31, 2012 was Rs 86.95 million as against Rs 75.82 million for the similar period last year and gross margin was a healthy 22.7% on account of a profitable sales mix.

The summary of Group consolidated operating results is as follows:

	Quarter ended 31 March 2012 Rupees (million)	Quarter ended 31 March 2011 Rupees (million)
Sales	86.95	75.82
Operating loss	(4.84)	(7.38)
Share of profit from associate	110.87	245.40
Other operating income	18.57	24.36
Adjustment of impairment loss of Associate	(37.99)	(0.39)
Profit / (loss) from discontinued operations	15.61	(6.22)
Profit after tax from continuing operations	82.46	189.35
Profit for the quarter	98.07	183.13

EARNINGS PER SHARE

Earnings per share of the Group were Rs. 1.66 as compared to Rs. 3.10 per share for the similar period last year.

PROGRESS REVIEW

Textile Business focus for the first quarter was on improving profitability by managing costs across the complete chain. During the period, it was decided to enter into a time-bound, non-exclusive licensing agreement with an associate concern for sales of brand Lawrencepur. This agreement comes into force from the start of the 2nd quarter and is aimed at improving the effectiveness of the Business.

For the 50MW wind energy project, being managed by the wholly owned subsidiary – Tenaga Generasi Limited, the regulator, NEPRA, is expected to give its tariff determination for the project within April. Originally expected in January, the delay in this decision continues to push back other dependant milestones. The overall debt cycle in the private power industry has worsened over the first quarter and there is no comprehensive strategy put forward by the Government to tackle the issue as yet.

BUSINESS OUTLOOK

The worsted textile business environment is expected to remain challenging for DLL because of strong competition from cheap smuggled alternatives in the

market. The inability of the authorities to check the availability of such goods means that Lawrencepur is forced to reduce profitability to compete in the market. However, the Company is heartened by the fact that the 'Lawrencepur' Brand remains strong and has top of mind recall amongst formal suiting customers in the country. It is expected that the licensing agreement will help rejuvenate the Brand, and the Company is optimistic of the Brand's future prospects under this new arrangement.

For Tenaga Generasi Limited, the determination of tariff by NEPRA remains a critical milestone that will drive the timelines for financial close and start of construction. It is expected that an award in April could still enable TGL to achieve financial close in the 3rd quarter of 2012. Whilst the Company expects that the circular debt issue would be resolved by the time the Project is commissioned, it is simultaneously working on solutions to mitigate challenging eventualities.

The Company continues to be strategically committed to establishing its presence in the alternative energy field, research activity for which has already been initiated.

On Behalf of the Board



Karachi:
April 26, 2012

INAM UR RAHMAN
Chief Executive

Condensed Interim Balance Sheet (Un-Audited)

As at March 31, 2012

	Note	March 31, 2012 (Un-audited) Rupees in '000	December 31, 2011 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		52,829	55,336
Intangible assets		497	384
Long term investments	4	341,839	341,017
Long term deposits		10,544	10,544
		<u>405,709</u>	<u>407,281</u>
Current assets			
Stores and spares		43,641	45,206
Stock-in-trade	5	351,459	319,688
Trade debtors		70,647	82,643
Loans and advances		17,420	12,948
Deposits, prepayments and other receivables	6	147,714	69,268
Short term investments	7	609,603	574,691
Cash and bank balances		34,223	29,270
		<u>1,274,707</u>	<u>1,133,714</u>
Assets classified as held for sale		187,079	188,675
		<u>1,867,495</u>	<u>1,729,670</u>
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised:			
75,000,000 (December 31, 2011: 75,000,000)			
Ordinary shares of Rs. 10/- each		750,000	750,000
Issued, subscribed & paid up capital			
		590,578	590,578
Reserves			
Unappropriated profit		605,583	604,761
		451,672	344,536
		<u>1,647,833</u>	<u>1,539,875</u>
Non current liabilities			
Deferred liability		61,038	58,885
Current liabilities			
Trade and other payables	8	149,396	123,104
Provision for taxation		9,228	7,806
		<u>158,624</u>	<u>130,910</u>
		<u>1,867,495</u>	<u>1,729,670</u>
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Profit & Loss Account (Un-Audited)

For the First Quarter Ended March 31, 2012

	Note	March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
Rupees in '000			
CONTINUING OPERATIONS			
Sales - net		86,950	75,819
Cost of goods sold		(67,204)	(63,515)
Gross profit		19,746	12,304
Operating expenses			
Selling and distribution		(3,281)	(2,844)
Administrative expenses	10	(17,366)	(13,970)
Other operating income	11	93,846	24,459
		73,199	7,645
Profit before taxation		92,945	19,949
Provision for taxation		(1,422)	(867)
Profit after taxation from continuing operations		91,523	19,082
DISCONTINUED OPERATIONS			
Profit/(loss) from discontinued operations	12	15,613	(6,224)
Profit for the quarter		107,136	12,858
Earnings per share - Basic & diluted			
Continuing operations (Rs.)		1.55	0.32
Earnings per share - Basic & diluted Discontinued operations (Re.)		0.26	(0.11)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Statement of Comprehensive Income (Un-Audited)

As at March 31, 2012

	March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
	Rupees in '000	
Profit after taxation	107,136	12,858
Other comprehensive income		
(Deficit) / surplus on remeasurement of 'available for sale investments'	822	(249)
Total comprehensive income	<u>107,958</u>	<u>12,609</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
Chairman


INAM UR RAHMAN
Chief Executive

Condensed Interim Cash Flow Statement (Un-Audited)

For the First Quarter Ended March 31, 2012

	Quarter ended March 31, 2012			Quarter ended March 31, 2011		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
-----Rupees in '000-----						
A. Cash Flow from Operating Activities:						
Profit / (loss) before taxation	92,945	15,613	108,558	19,949	(6,224)	13,725
Adjustment for:						
Depreciation	1,933	519	2,452	1,586	652	2,238
Amortization	110	-	110	20	41	61
Provision for gratuity	3,643	152	3,795	2,341	145	2,486
Gain on sale of property and equipment	(306)	(253)	(559)	-	-	-
(Reversal) / provision against trade debt	-	3,945	3,945	-	-	-
(Reversal) / provision against stock in trade	-	2,315	2,315	-	-	-
Income from investments	-	-	-	(516)	-	(516)
Dividend income	(77,932)	-	(77,932)	-	-	-
Unrealized gain on short term investments	(14,913)	-	(14,913)	(22,446)	-	(22,446)
Gain on sale of short term investment	-	-	-	(1,122)	-	(1,122)
Operating profit / (loss) before working capital changes	5,480	22,291	27,771	(188)	(5,386)	(5,574)
(Increase) / Decrease in Current Assets						
Stores and spares	1,565	-	1,565	508	-	508
Stock-in-trade	(31,771)	(719)	(32,490)	(47,089)	2,753	(44,336)
Trade debts	11,996	(3,945)	8,051	18,167	(5)	18,162
Loans and advances	(13,204)	-	(13,204)	80	(87)	(7)
Deposits, prepayments and other receivables	9,783	-	9,783	(3,571)	85,448	81,877
Increase in Current Liabilities						
Trade debts and other payable	26,292	-	26,292	32,407	13,701	46,108
	4,661	(4,664)	(3)	502	101,810	102,312
Cash generated from operations	10,141	17,627	27,768	314	96,424	96,738
Gratuity paid	(1,642)	-	(1,642)	(1,426)	(191)	(1,617)
Tax paid	(1,566)	-	(1,566)	(2,111)	(180)	(2,291)
Net cash inflow / (outflow) from Operating Activities	6,933	17,627	24,560	(3,223)	96,053	92,830
B. Cash Flow from Investing Activities						
Sale proceeds from disposal of property plant and equipment	819	522	1,341	-	184	184
Short term investments - net	(20,000)	-	(20,000)	(67,000)	-	(67,000)
Loan to subsidiary	-	-	-	(25,000)	-	(25,000)
Income from investments	-	-	-	516	-	516
Funds transferred from / (to) operations	-	-	-	96,701	(96,701)	-
Purchase of property, plant and equipment	(892)	-	(892)	(281)	-	(281)
Purchase of intangible assets	(56)	-	(56)	-	-	-
Net cash (outflow) / inflow from Investing Activities	(20,129)	522	(19,607)	4,936	(96,517)	(91,581)
C. Cash Flow from Financing Activities						
Dividend paid	-	-	-	(3)	-	(3)
Net cash outflow from Financing Activities	-	-	-	(3)	-	(3)
Net (decrease) / increase in cash and cash equivalents (A+B-C)	(13,196)	18,149	4,953	1,710	(464)	1,246
Cash and cash equivalents at the beginning of the quarter	110,439	(81,169)	29,270	23,061	1,413	24,474
Cash and cash equivalents at the end of the quarter	97,243	(63,020)	34,223	24,771	949	25,720

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the First Quarter Ended March 31, 2012

	Capital Reserves					General Reserve	Unappropriated Profit	Unrealized gain/(loss) on re-measurement of available for sale investments	Total
	Ordinary Shares	Merger Reserve	Share Premium	Capital Reserve	Capital Redemption Reserve Fund				
Balance at January 01, 2011	513,547	10,521	136,865	33,311	25,969	395,355	405,309	4,627	1,525,504
Profit for the quarter ended March 31, 2011	-	-	-	-	-	-	12,858	-	12,858
Other comprehensive income for the quarter ended March 31, 2011	-	-	-	-	-	-	-	(249)	(249)
Balance at March 31, 2011	513,547	10,521	136,865	33,311	25,969	395,355	418,167	4,378	1,538,113
Balance at January 01, 2012	590,578	10,521	136,865	33,311	25,969	395,355	344,536	2,740	1,539,875
Profit for the quarter ended March 31, 2012	-	-	-	-	-	-	107,136	-	107,136
Other comprehensive income for the quarter ended March 31, 2012	-	-	-	-	-	-	-	822	822
Balance at March 31, 2012	590,578	10,521	136,865	33,311	25,969	395,355	451,672	3,562	1,647,893

Rupees in '000

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

1. GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Company" was incorporated in Pakistan in the year 2004 as a public limited company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Company are listed on the Karachi and Lahore Stock Exchanges. The Company is principally engaged in the business of manufacture and sale of yarn and fabrics made from natural and man-made fibers and blends thereof. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
- 1.2 The Company in the year 2008 suspended its manufacturing operations located at Burewala, District Vehari and closed down the mill in 2009. The assets (plant, machinery and current assets) relating to the closed down unit have been classified as discontinued operations, and are accounted for as per the requirement of IFRS - 5 'Non-current Assets Held for Sale and Discontinued Operations'.

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared on the historical cost convention except that certain investments are carried at fair value. All amounts are in Pakistani Rupees which is the functional and presentation currency of the Company unless stated otherwise.

2.1 Statement of compliance

This condensed interim financial information of the Company for the first quarter ended March 31, 2012 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. This does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2011.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of annual audited financial statements of the Company for the year ended December 31, 2011.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2011.

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

		March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
		Rupees in '000	
4. LONG TERM INVESTMENTS			
Investment in related parties at cost	4.1	335,822	335,822
Other investments	4.2	6,017	5,195
		341,839	341,017
4.1 Investment in related parties at cost			
Wholly owned subsidiary - unquoted			
Tenaga Generasi Limited			
Percentage holding 100% (December 31, 2011: 100%)			
24,600,000 (December 31, 2011: 24,600,000) fully paid ordinary shares of Rs. 10/- each			
		270,528	270,528
Associated Company - quoted			
Dawood Hercules Corporation Limited			
Percentage holding 16.19% (December 31, 2011: 16.19%)			
77,931,896 (December 31, 2011: 77,931,896) fully paid ordinary shares of Rs. 10/- each			
Market value Rs. 3.037 billion (December 31, 2011: 3.273 billion)			
Chief Executive Officer: Mr. Shahid Hamid Pracha			
		65,294	65,294
		335,822	335,822
4.2 Other investments			
Available for sale investments			
Mar. 31, 2012		Dec. 31, 2011	
No. of Shares/Units		Name of Investee	
Listed Securities			
200,000	200,000	National Investment Trust Ltd.	
		6,002	5,180
Un-Listed Securities			
1,500	1,500	Asian Co-operative Society Ltd.	15
795,000	795,000	Karnaphuli Paper Mills Limited.	-
100	100	Mianwali Central Co-operative Bank Limited	-
		15	15
		6,017	5,195

Cost of Investment in securities classified as 'available for sale' is Rs. 2.455 million (December 31, 2011: Rs. 2.455 million).

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
--------------------------------	--------------------------------

Rupees in '000

5. STOCK IN TRADE

Raw material	67,261	56,764
Work in process	138,387	101,500
Finished goods	155,588	134,173
Waste	2,684	2,412
	<u>363,920</u>	<u>294,849</u>
Raw material in transit	2,533	39,833
	<u>366,453</u>	<u>334,682</u>
Provision for slow moving and obsolete items	(14,994)	(14,994)
	<u><u>351,459</u></u>	<u><u>319,688</u></u>

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Includes dividend receivable from associated company (Dawood Hercules Corporation Limited) amounting to Rs. 77,932 thousand (2011: Nil).

7. SHORT TERM INVESTMENTS

Held for trading at fair value through Profit and Loss

31-Mar-12	31-Dec-11	Name of Investee	No. of Units		
3,751,941	3,560,143	Meezan Cash Fund		188,197	178,506
1,772,816	1,680,961	UBL Liquidity Plus Fund		178,214	168,911
1,943,108	1,746,133	MCB Cash Management Optimizer		194,359	179,652
4,847,165	4,675,740	NAFA Government Securities Liquid Fund		48,833	47,622
				<u>609,603</u>	<u>574,691</u>

Cost of Investment in securities classified as 'held for trading' is Rs. 519.831 million (December 31, 2011: Rs. 499.831 million).

March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
--------------------------------	--------------------------------

Rupees in '000

8. TRADE AND OTHER PAYABLES

Creditors	57,728	18,004
Accrued expenses	30,429	32,819
Unclaimed dividend	21,031	21,031
Due to Islamic Development Bank	25,969	25,969
Others	14,239	25,281
	<u>149,396</u>	<u>123,104</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- a) The Taxation Officer while framing assessment for the tax year 2003 made errors in allowing expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 29.34 million, and for tax years 2004 to 2005 had made additions on account of allocation of expenses between the normal and presumptive income of the Company amounting to Rs. 136.10 million and had disallowed Rs. 20.62 million as adjustment of brought forward losses of the Company.

During the year ended December 31, 2011, Appellate Tribunal Inland Revenue (ATIR) has decided the issue of brought forward losses against the Company, however, the Company has filed an appeal before the High Court and a decision is awaited. The remaining issues have been set aside by the said Tribunal and remanded to the taxation officer for reconsideration. The tax impact of all cases amounts to Rs. 65.12 million.

- b) The Company is contingently liable against guarantees and counter guarantees amounting to Rs 11.91 million (December 31, 2011: Rs. 11.91 million). These are secured against margins.

9.2 Commitments

The Company has commitments against letters of credit for purchase of raw material amounting to Rs. 49.8 million (December 31, 2011: Rs. 28.6 million).

The Company has a commitment to supply fabric to a customer amounting to Rs. 9.8 million (December 31, 2011: Rs. 9.8 million).

March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
Rupees in '000	

10. ADMINISTRATIVE EXPENSES

Salaries and allowances	8,608	9,195
Legal and professional	1,938	40
Rent, rates and taxes	1,412	1,498
Depreciation	1,028	332
Business development expenses	727	-
Printing and stationery	694	457
Fees and subscription	674	628
Conveyance and travelling	574	400
Postage and telephone	458	410
Repairs and maintenance	306	416
Insurance	243	20
Electricity and gas	111	114
Auditors' remuneration	128	116
Entertainment	179	148
Amortization	110	20
Bank charges	95	134
Miscellaneous	81	42
	17,366	13,970

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

	March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
	Rupees in '000	
11. OTHER OPERATING INCOME		
Income from financial assets		
Dividend Income		
Dawood Hercules Corporation Limited	77,932	-
Profit on deposits	482	516
Unrealized gain on short term investments	14,913	23,568
	<u>15,395</u>	<u>24,084</u>
	93,327	24,084
Income from non financial assets		
Profit on sale of property, plant and equipment	306	-
Sundry sales and receipts	172	330
Other income	41	45
	<u>519</u>	<u>375</u>
	<u>93,846</u>	<u>24,459</u>
12. DISCONTINUED OPERATIONS		
Sales - net	3,236	2,558
Cost of goods sold	12.1 (3,910)	(2,753)
Gross loss	(674)	(195)
Other income	12.2 28,971	2,975
Administrative expenses	(12,684)	(9,004)
Provisions		
Net profit / (loss) from discontinued operations	<u>15,613</u>	<u>(6,224)</u>
12.1 Cost of goods sold		
Raw material		
Opening inventory	71	71
Less: closing inventory	(71)	(71)
Raw material consumed	-	-
Add: opening inventory of finished goods	6,217	6,033
Less: closing inventory of finished goods	(2,307)	(3,280)
Cost of goods sold	<u>3,910</u>	<u>2,753</u>

Notes to the Condensed Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

March 31, 2012 (Un-audited) March 31, 2011 (Un-audited)
Rupees in '000

12.2 Other income

Rental income	3,864	3,090
Scrap sales	15,651	-
Reversal of provision - doubtful debt	3,945	-
Reversal of provision - stock in trade	2,315	-
Profit on sale of property, plant and equipment	253	-
Farming income- net	2,772	(117)
Others	171	2
	<u>28,971</u>	<u>2,975</u>

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of a subsidiary and associated undertakings, other related group companies, directors of the Company and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

March 31, 2012 (Un-audited) March 31, 2011 (Un-audited)
Rupees in '000

Relationship	Nature of transaction		
a. Subsidiary company			
Tenaga Generasi Limited	Reimbursement of expenses	2,686	1,673
	Short term Loan disbursed	-	25,000
	Markup paid on short term loan	-	219
b. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	77,932	-
	Purchase of asset	855	-
	Reimbursement of expenses	170	-
Sach International (Private) Limited	Sale of fabric	18,332	3,109
	Reimbursement of expenses	2,685	-
Cyan Limited	Insurance claim received	430	-
D H Fertilizer Limited	Reimbursement of expenses	338	-
c. Other related parties			
Sui Northern Gas Pipelines Limited	Utility charges paid	5,425	5,817
The Dawood Foundation	Rental charges paid	1,954	1,699
	Reimbursement of expenses	418	-
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	-
d. Key Management Personnel	Salaries and employee benefits	6,546	4,188

14. DATE OF AUTHORIZATION FOR ISSUE

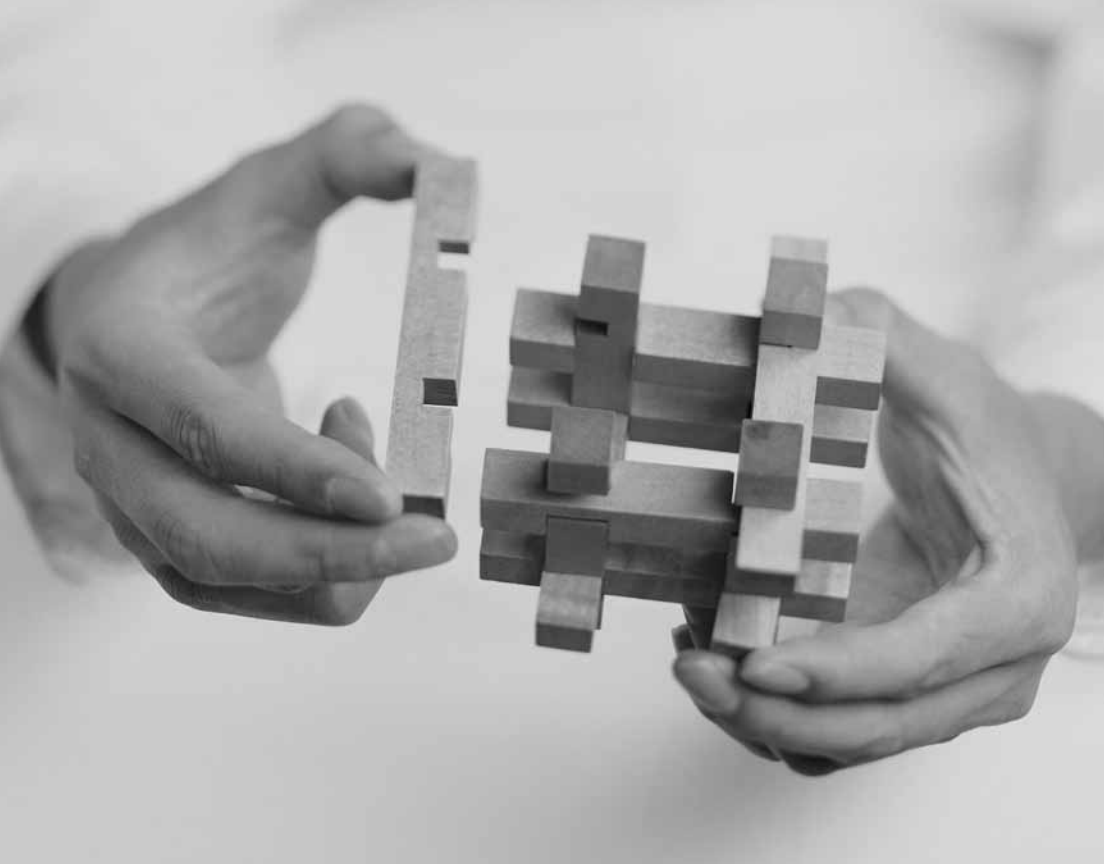
This condensed interim financial information were authorized for issue on April 26, 2012 by the Board of Directors of the Company.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.


SHAHID HAMID PRACHA
Chairman


INAM UR RAHMAN
Chief Executive



Condensed Interim Consolidated
Financial Information (Un-Audited)

Condensed Interim Consolidated Balance Sheet (Un-Audited)

As at March 31, 2012

	Note	March 31, 2012 (Un-audited) Rupees in '000	December 31, 2011 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		202,478	188,524
Intangible assets		23,521	23,218
Long term investments	4	4,149,547	4,083,174
Long term deposits		10,544	10,544
		<u>4,386,090</u>	<u>4,305,460</u>
Current assets			
Stores and spares		43,641	45,206
Stock-in-trade	5	351,459	319,688
Trade debtors		70,647	82,643
Loans and advances		17,701	13,080
Deposits, prepayments and other receivables		70,194	69,901
Short term investments	6	663,649	654,837
Cash and bank balances		68,920	52,314
		<u>1,286,211</u>	<u>1,237,669</u>
Assets classified as held for sale		<u>187,079</u>	<u>188,675</u>
		<u><u>5,859,380</u></u>	<u><u>5,731,804</u></u>
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised:			
75,000,000 (December 31, 2011: 75,000,000)			
Ordinary shares of Rs. 10/- each		<u>750,000</u>	<u>750,000</u>
Issued, subscribed & paid up capital		<u>590,578</u>	<u>590,578</u>
Reserves		<u>576,323</u>	<u>580,393</u>
Unappropriated profit		<u>4,455,270</u>	<u>4,357,199</u>
		<u>5,622,171</u>	<u>5,528,170</u>
Non current liabilities			
Deferred liability		62,133	59,674
Current liabilities			
Trade and other payables	7	<u>164,959</u>	<u>135,419</u>
Provision for taxation		<u>10,117</u>	<u>8,541</u>
		<u>175,076</u>	<u>143,960</u>
		<u><u>5,859,380</u></u>	<u><u>5,731,804</u></u>
CONTINGENCIES AND COMMITMENTS			
	8		

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Consolidated Profit & Loss Account (Un-Audited)

For the First Quarter Ended March 31, 2012

	Note	March 31, 2012 (Un-audited) Rupees in '000	March 31, 2011 (Un-audited)
CONTINUING OPERATIONS			
Sales - net		86,950	75,819
Cost of goods sold		(67,204)	(63,515)
Gross profit		19,746	12,304
Operating expenses			
Selling and distribution		(3,281)	(2,844)
Administrative expenses	9	(21,308)	(16,844)
Other operating income		18,571	24,360
		(6,018)	4,672
Profit from operations		13,728	16,976
Finance cost		(137)	(134)
Impairment loss on 'available for sale' investments of associated company	4.1	(37,988)	(387)
Share of profit from associates excluding impairment loss on 'available for sale' investments	4.1	110,876	245,395
		72,751	244,874
Profit before taxation		86,479	261,850
Provision for taxation			
- Current		(1,576)	(886)
- Share of taxation from associate	4.1	(2,445)	(71,610)
		(4,021)	(72,496)
Profit after taxation from continuing operations		82,458	189,354
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	10	15,613	(6,224)
Profit for the quarter		98,071	183,130
Earnings per share - Basic & diluted			
Continuing operations (Rs.)		1.40	3.21
Earnings per share - Basic & diluted			
Discontinued operations (Re.)		0.26	(0.11)

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Consolidated Statement of Comprehensive Income (Un-Audited)
As at March 31, 2012

	March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
	Rupees in '000	
Profit after taxation	98,071	183,130
Other comprehensive income		
(Deficit) / surplus on remeasurement of 'available for sale investments'		
- holding company	822	(249)
- associate company	(4,892)	(51,263)
Total comprehensive income	<u>94,001</u>	<u>131,618</u>

The annexed notes from 1 to 13 form an integral part of this condensed consolidated interim financial information.


SHAHID HAMID PRACHA
Chairman


INAM UR RAHMAN
Chief Executive

Condensed Interim Consolidated Cash Flow Statement (Un-Audited)

For the First Quarter Ended March 31, 2012

	Quarter ended March 31, 2012			Quarter ended March 31, 2011		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
-----Rupees in '000-----						
A. Cash Flow from Operating Activities:						
Profit / (loss) before taxation	86,479	15,613	102,092	261,850	(6,224)	255,626
Adjustment for:						
Depreciation	2,117	519	2,636	1,728	652	2,380
Amortization	121	-	121	20	41	61
Provision for gratuity	3,949	152	4,101	2,341	145	2,486
Interest income	(422)	-	(422)	-	-	-
Income from investment	-	-	-	(516)	-	(516)
Unrealized gain on short term investments	(15,378)	-	(15,378)	(22,261)	-	(22,261)
(Reversal) / provision against trade debt	-	3,945	3,945	-	-	-
(Reversal) / provision against stock in trade	-	2,315	2,315	-	-	-
Gain on sale of short term investment	(435)	-	(435)	(1,427)	-	(1,427)
Share of profit from associates	(110,876)	-	(110,876)	(245,395)	-	(245,395)
Gain / (loss) on sale of property and equipment	(304)	(253)	(557)	-	-	-
Impairment loss on available for sale investment	37,988	-	37,988	387	-	387
Finance cost	137	-	137	134	3	137
Operating profit/(loss) before working capital changes	3,376	22,291	25,667	(3,139)	(5,383)	(8,522)
(Increase) / Decrease in Current Assets						
Stores and spares	1,565	-	1,565	508	-	508
Stock-in-trade	(31,771)	(719)	(32,490)	(47,089)	2,753	(44,336)
Trade debts	11,996	(3,945)	8,051	18,167	(5)	18,162
Loans and advances	(13,204)	-	(13,204)	66	(87)	(21)
Deposits, prepayments and other receivables	9,890	-	9,890	(3,544)	85,448	81,904
Increase / (Decrease) in Current Liabilities						
Trade debts and other payable	28,871	-	28,871	31,266	13,701	44,967
	7,257	(4,664)	2,593	(626)	101,810	101,184
Cash generated from / (used) in operations	10,633	17,627	28,260	(3,765)	96,427	92,662
Gratuity paid	(1,642)	-	(1,642)	(1,426)	(191)	(1,617)
Tax paid	(1,702)	-	(1,702)	(2,132)	(180)	(2,312)
Finance charges paid	(137)	-	(137)	(134)	(3)	(137)
Net cash inflow / (outflow) from Operating Activities	7,152	17,627	24,779	(7,457)	96,053	88,596
B. Cash Flow from Investing Activities						
Capital work in progress	(16,585)	-	(16,585)	(2,361)	-	(2,361)
Sale proceeds of fixed assets	819	522	1,341	-	184	184
Short term investments - net	7,000	-	7,000	(85,000)	-	(85,000)
Income from investments	-	-	-	516	-	516
Funds transferred from / (to) operations	-	-	-	96,701	(96,701)	-
Interest received	1,283	-	1,283	-	-	-
Purchase of intangible assets	(257)	-	(257)	-	-	-
Fixed capital expenditure	(955)	-	(955)	(281)	-	(281)
Net cash (outflow) / inflow from Investing Activities	(8,695)	522	(8,173)	9,575	(96,517)	(86,942)
C. Cash Flow from Financing Activities						
Dividend paid	-	-	-	(3)	-	(3)
Net cash (outflow) from Financing Activities	-	-	-	(3)	-	(3)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,543)	18,149	16,606	2,115	(464)	1,651
Cash and cash equivalents at the beginning of the quarter	133,483	(81,169)	52,314	25,220	1,413	26,633
Cash and cash equivalents at the end of the quarter	131,940	(63,020)	68,920	27,335	949	28,284

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity (Un-Audited)

For the First Quarter Ended March 31, 2012

	Capital Reserves					Unappropriated Profit	Unrealized gain/(loss) on remeasurement of available for sale investments	Unrealized gain/(loss) on remeasurement of available for sale investments in associates	Total
	Ordinary Shares	Merger Reserve	Share Premium	Capital Reserve	Capital Redemption Reserve Fund				
	-----Rupees in '000-----								
Balance at January 01, 2011	513,547	10,521	136,865	33,311	25,969	395,355	4,627	73,243	5,066,107
Profit for the period ended March 31, 2011	-	-	-	-	-	-	183,130	-	183,130
Other comprehensive income for the quarter ended March 31, 2011	-	-	-	-	-	-	(249)	(51,263)	(51,512)
Balance at March 31, 2011	513,547	10,521	136,865	33,311	25,969	395,355	4,378	21,980	5,197,725
Balance at January 01, 2012	590,578	10,521	136,865	33,311	25,969	395,355	2,740	(24,368)	5,528,170
Profit for the period ended March 31, 2012	-	-	-	-	-	-	98,071	-	98,071
Other comprehensive income for the quarter ended March 31, 2012	-	-	-	-	-	-	822	(4,892)	(4,070)
Balance at March 31, 2012	590,578	10,521	136,865	33,311	25,969	395,355	3,562	(29,260)	5,622,171

The annexed notes from 1 to 13 form an integral part of this condensed interim consolidated financial information.



SHAHID HAMID PRACHA
Chairman



INAM UR RAHMAN
Chief Executive

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited)

For the First Quarter Ended March 31, 2012

1. GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Holding Company" was incorporated in Pakistan in the year 2004 as a public limited company formed as a result of Scheme of Arrangement for Amalgamation in terms of the provisions of the Companies Ordinance, 1984 between Dawood Cotton Mills Limited, Dilon Limited, Burewala Textile Mills Limited and Lawrencepur Woolen and Textile Mills Limited. The shares of the Holding Company are listed on the Karachi and Lahore Stock Exchanges. The Holding Company is principally engaged in the business of manufacture and sale of yarn and fabrics made from natural and man-made fibers and blends thereof. The registered office of the Company is situated at 3rd Floor, Dawood Centre, M.T. Khan Road, Karachi.
- 1.2 The Holding Company in the year 2008 suspended its manufacturing unit operations located at Dawoodabad, Burewala, District Vehari, and closed down the mill in 2009. The assets (plant, machinery and current assets) relating to the closed down unit have been classified as discontinued operations and are accounted for as per the requirements of IFRS-5 'non-current assets held for sale and discontinued operations'.
- 1.3 The Holding Company has a wholly owned subsidiary namely Tenaga Generasi Limited "the Subsidiary Company". The Subsidiary Company was incorporated in 2005 as an unlisted public company under the Companies Ordinance, 1984 to primarily carry out business of power generation as independent power producer of wind power. The Subsidiary Company is in the process of setting up a wind energy project in Mirpur Sakro, District Thatta, Sindh. The registered office of the Subsidiary Company is situated at Dawood Centre, M.T. Khan Road, Karachi.

2. BASIS OF PREPARATION

This condensed interim consolidated financial information includes the financial information of Dawood Lawrencepur Limited (the Holding Company). The condensed interim financial information of the Subsidiary Company has been consolidated on a line by line basis. This condensed interim consolidated financial information has been prepared under the historical cost convention, except certain investments have been measured at fair value and investment in associate is accounted for using the equity method. All amounts are in Pakistani Rupees which is the functional and presentation currency of the Company unless stated otherwise.

2.1 Statement of compliance

This condensed interim consolidated financial information for the first quarter ended March 31, 2012 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in this condensed interim consolidated financial information have been limited based on the International Accounting Standard 34 - Interim Financial Reporting. They do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2011.

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited)
For the First Quarter Ended March 31, 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND RISK MANAGEMENT POLICIES

3.1 The accounting policies, underlying estimates and methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of annual audited financial statements for the year ended December 31, 2011.

3.2 The financial risk management objectives and policies adopted are consistent with those disclosed in the financial statements for the year ended December 31, 2011.

	Note	March 31, 2012 (Un-audited) Rupees in '000	December 31, 2011 (Audited)
4. LONG TERM INVESTMENTS			
Investment in associated company	4.1	4,143,530	4,077,979
Other investments	4.2	6,017	5,195
		<u>4,149,547</u>	<u>4,083,174</u>
4.1 Investment in associated company			
Associated Company - quoted			
Dawood Hercules Corporation Limited (DHCL)			
Percentage holding 16.19% (December 31, 2011: 16.19%) 77,931,896 (December 31, 2011: 77,931,896) fully paid ordinary shares of Rs. 10/- each			
Market value Rs. 3.037 billion (December 31, 2011: 3.273 billion)			
Chief Executive Officer: Mr. Shahid Hamid Pracha			
Opening balance :			
Cost		65,294	65,294
Share of post acquisition profits		4,037,053	3,484,219
Share of other comprehensive income of associated company		(24,368)	38,284
		<u>4,077,979</u>	<u>3,587,797</u>
Movement during the period / year :			
Share of profit		110,876	818,449
Share of other comprehensive income of associated company		(4,892)	(62,652)
Share of taxation		(2,445)	(188,744)
Impairment loss on 'available for sale investments'		(37,988)	(57,388)
Dividend received		-	(19,483)
		<u>65,551</u>	<u>490,182</u>
		<u>4,143,530</u>	<u>4,077,979</u>

Financial results as at December 31, 2011 have been used for the purpose of application of equity method.

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited)
For the First Quarter Ended March 31, 2012

			March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
			Rupees in '000	
4.2 Other investments				
Available for sale investments				
31-Mar-12	31-Dec-11			
No. of Shares/Units		Name of Investee		
Listed Securities				
200,000	200,000	National Investment Trust Limited	6,002	5,180
Un-Listed Securities				
1,500	1,500	Asian Co-operative Society Limited	15	15
795,000	795,000	Karnaphuli Paper Mills Limited	-	-
100	100	Mianwali Central Co-operative Bank Limited	-	-
			15	15
			6,017	5,195

Cost of Investment in securities classified as 'available for sale' is Rs. 2.455 million (December 31,2011: Rs. 2.455 million).

		March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
		Rupees in '000	
5. STOCK IN TRADE			
Raw material		67,261	56,764
Work in process		138,387	101,500
Finished goods		155,588	134,173
Waste		2,684	2,412
		363,920	294,849
Raw material in transit		2,533	39,833
		366,453	334,682
Provision for slow moving and obsolete items		(14,994)	(14,994)
		351,459	319,688

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited)
For the First Quarter Ended March 31, 2012

	Note	March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
Rupees in '000			
6. SHORT TERM INVESTMENTS			
Held for trading at fair value through Profit and Loss	6.1	663,649	654,837
6.1 Held for trading at fair value through Profit and Loss			
31-Mar-12	31-Dec-11	Name of Investee	
No. of Units			
3,751,941	3,560,143	Meezan Cash Fund	188,197
1,772,816	1,680,961	UBL Liquidity Plus Fund - Class - C	178,214
2,483,434	2,525,114	MCB Cash Management Optimizer	248,405
4,847,165	4,675,740	NAFA Government Securities Liquid Fund	48,833
			47,622
		663,649	654,837

Cost of Investment in securities classified as 'held for trading' is Rs. 573.411 million (December 31, 2011: 573.255 million).

	March 31, 2012 (Un-audited)	December 31, 2011 (Audited)
Rupees in '000		
7. TRADE AND OTHER PAYABLES		
Creditors	57,728	18,004
Accrued expenses	45,992	45,134
Unclaimed dividend	21,031	21,031
Due to Islamic Development Bank	25,969	25,969
Others	14,239	25,281
	164,959	135,419

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

- a) The Taxation Officer while framing assessment for the tax year 2003 made errors in allowing expenses relating to gratuity, lease rentals, employee perquisites and utilities amounting to Rs. 29.34 million, and for tax years 2004 to 2005 had made additions on account of allocation of expenses between the normal and presumptive income of the Company amounting to Rs. 136.10 million and had disallowed Rs. 20.62 million as adjustment of brought forward losses of the Company.

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited) For the First Quarter Ended March 31, 2012

During the year ended December 31, 2011, Appellate Tribunal Inland Revenue (ATIR) has decided the issue of brought forward losses against the Company, however, the Company has filed an appeal before the High Court and a decision is awaited. The remaining issues have been set aside by the said Tribunal and remanded to the taxation officer for reconsideration. The tax impact of all cases amounts to Rs. 65.12 million.

- b) The Holding Company is contingently liable against the guarantees and the counter guarantees amounting to Rs. 11.91 million (December 31, 2011: Rs. 11.91 million). These are secured against margins.
- c) The Subsidiary Company has arranged a bank guarantee of USD 250,000 (2011: USD 250,000) to Alternative Energy Development Board (AEDB) for Letter of Interest. The guarantee is valid upto June 30, 2012.

8.2 Commitments

The Holding Company has commitments against letters of credit for purchases amounting to Rs. 49.8 million (December 31, 2011: Rs. 28.6 million).

The Holding Company has commitment to supply fabric to a customers amounting to Rs. 9.8 million (December 31, 2011: Rs. 9.8 million).

March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
--------------------------------	--------------------------------

Rupees in '000

9. ADMINISTRATIVE EXPENSES

	March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
Salaries and allowances	11,299	11,398
Legal and professional	1,945	46
Rent, rates and taxes	1,803	1,751
Depreciation	1,212	473
Renewable energy project expenses	727	-
Printing and stationery	710	458
Fees and subscription	717	796
Conveyance and travelling	575	402
Postage and telephone	502	428
Repairs and maintenance	306	416
Insurance	417	29
Electricity and gas	140	145
Auditors' remuneration	146	128
Entertainment	182	178
Amortization	121	20
Bank charges	95	134
Miscellaneous	402	42
	21,299	16,844

10. DISCONTINUED OPERATIONS

Includes Rs. 15.65 thousands (2011: Nil) from sale of scrap.

Notes to the Condensed Consolidated Interim Financial Information (Un-Audited)
For the First Quarter Ended March 31, 2012

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated undertakings, other related group companies, directors of the Group and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

		March 31, 2012 (Un-audited)	March 31, 2011 (Un-audited)
		Rupees in '000	
Relationship	Nature of transaction		
a. Associated companies			
Dawood Hercules Corporation Limited	Purchase of asset	855	-
	Reimbursement of expenses	170	-
Sach International (Private) Limited	Sale of fabric	18,332	3,026
	Reimbursement of expenses	2,685	83
Cyan Limited	Insurance claim received	430	-
D H Fertilizer Limited	Reimbursement of expenses	338	-
b. Other related parties			
Sui Northern Gas Pipelines Limited	Utility charges paid	5,425	5,817
The Dawood Foundation	Rental charges paid	1,954	1,699
	Reimbursement of expenses	418	-
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	250	-
c. Key Management Personnel			
	Salaries and employee benefits	10,529	6,504

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information were authorized for issue on April 26, 2012 by the Board of Directors of the Company.

13. GENERAL

Figures have been rounded off to the nearest thousand rupees.


SHAHID HAMID PRACHA
Chairman


INAM UR RAHMAN
Chief Executive



Dawood Lawrencepur Limited

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