




Dawood Lawrencepur Limited

Exploring **Solutions**

A grayscale photograph of a hand holding a metallic ball-and-stick molecular model. The hand is positioned on the left side of the frame, with fingers gently grasping one of the spheres. The model is composed of several reflective metallic spheres connected by thin rods, forming a complex geometric structure. The background is a soft, out-of-focus gradient.

For the Half Year Ended
June 30, 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.



Contents

02	Company Information
03	Directors' Review
05	Auditors' Report
06	Condensed Interim Balance Sheet
07	Condensed Interim Profit & Loss Account
08	Condensed Interim Statement of Comprehensive Income
09	Condensed Interim Cash Flow Statement
10	Condensed Interim Statement of Changes in Equity
11	Notes to the Condensed Interim Financial Information
17	Condensed Interim Consolidated Balance Sheet
18	Condensed Interim Consolidated Profit and Loss Account
19	Condensed Interim Consolidated Statement of Comprehensive Income
20	Condensed Interim Consolidated Cash Flow Statement
21	Condensed Interim Consolidated Statement of Changes in Equity
22	Notes to the Condensed Interim Consolidated Financial Information

Company Information

Board of Directors

Shahid Hamid Pracha (Chairman)
Inam ur Rahmad (Chief Executive)
Shafiq Ahmed
S.M. Asghar
A. Samad Dawood
Shahzada Dawood
Haroon Mahenti
Sulaiman S. Mehdi
Mir Muhammad Nasir
Sarfaraz 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 statements of Dawood Lawreencepur Limited for the half year ended June 30, 2012.

OPERATING RESULTS

Turnover of the Company for the six months ended June 30, 2012 was Rs 209.9 million as against Rs 156.4 million for the similar period last year with an improved gross margin of 16.7% on account of a better sales mix. Resultantly, the operating loss of the Company reduced to Rs 18.5 million as compared to a loss of Rs 30.21m for the same period last year.

The summary of Group operating results is as follows:

	Half year ended 30 June 2012 Rupees (million)	Half year ended 30 June 2011 Rupees (million)
Sales	209.89	156.38
Operating Loss	(18.54)	(30.21)
Share of profit from associate	274.94	406.72
Profit/(loss) from discontinued operations	14.86	(11.96)
Profit/(loss) after taxation from continuing Operations	236.33	272.28

EARNINGS PER SHARE

Earnings per share on a standalone basis for the half year were Rs. 2.03 per share as compared to Rs. 0.52 per share in June 2011. Earnings per share on a consolidated basis for the Group were Rs 4.25 as compared to Rs. 4.41 per share for the similar period last year.

PROGRESS REVIEW

Whilst shifting its focus towards the renewable energy business, the Company has successfully curtailed losses from its textile business despite a sharp increase in energy and raw material costs. Earlier in the year, it was decided to enter into a time-bound, non-exclusive licensing agreement with an associated concern for sales of brand Lawreencepur. The Agreement came into effect from April 1 and the licensee has started marketing and selling products under the Lawreencepur brand name. This initiative, coupled with a profitable product mix, has contributed towards containing Company losses.

During the period under review, Tenaga Generasi Limited, a wholly owned subsidiary of the Company, was awarded a cost-plus tariff for its 50MW wind power plant. NEPRA did not consider the efficiency of the project compared to others and deducted many of the legitimate costs leading to a very low and unfeasible tariff. Subsequently the Company has decided to proceed with a feed-in tariff and is in the process of amending its Project contracts to reflect this regime.

BUSINESS OUTLOOK

The textile business manufacturing environment is expected to remain challenging given the increase in energy and natural fiber costs. However, the Company is hopeful that the focus brought about by licensing the brand will result in improved market presence, brand image and future profitability.

The rapid increase in the power sector circular debt and the downgrading of Pakistan's credit rating is resulting in an increase in the cost of debt, leading to reduced returns for the sponsors of TGL. Whilst the Company is managing this by opting for a Feed-in tariff that offers a higher upside on returns, circular debt and its impact on the entire power sector remains a key concern. Any further deterioration in circular debt may necessitate a reassessment of the Company's strategic stance on the power sector. In the meantime, TGL continues to work towards achievement of financial close of the Project.

The Company is aggressively focusing on its strategic interest in the renewable energy business, research activity for which has already been initiated. During the half year, the Company has commenced test marketing RE products in the local market and entered into agency agreements for distribution of solar energy products. The need for research and development in the alternate energy space cannot be overemphasized given the current state of the power sector in the Country.

We would like to acknowledge and thank our customers, shareholders and employees for their ongoing contribution and support.

Karachi:
August 13, 2012

On Behalf of the Board


INAM UR RAHMAN
Chief Executive

Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Dawood Lawrencepur Limited ("the Company") as at June 30, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the interim financial information, for the half year then ended (here-in-after referred to as the "interim financial information"). The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2011 have not been reviewed, as we were required to review only the cumulative figures for the half year ended June 30, 2012.

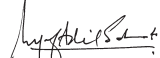
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended June 30, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants



Engagement Partner:

Mushtaq Ali Hirani

Karachi

August 13, 2012

Condensed Interim Balance Sheet (Un-audited)

As at June 30, 2012

	Note	(Un-audited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	51,116	55,336
Intangible assets		421	384
Long term investments	5	341,889	341,017
Long term deposits		10,544	10,544
		403,970	407,281
Current assets			
Stores and spares		43,660	45,206
Stock-in-trade		345,753	319,688
Trade debts		125,072	82,643
Loans and advances		23,639	12,948
Deposits, prepayments and other receivables		61,479	69,268
Short term investments	6	582,957	574,691
Cash and bank balances		28,039	29,270
		1,210,599	1,133,714
Assets classified as 'held for sale'		186,892	188,675
		1,801,461	1,729,670
SHARE CAPITAL AND RESERVES			
Authorized 75,000,000 (2011: 75,000,000)		750,000	750,000
-Ordinary shares of Rs. 10/- each			
Issued, subscribed and paid up capital		590,578	590,578
Reserves		605,633	604,761
Unappropriated profit		405,715	344,536
		1,601,926	1,539,875
LIABILITIES			
Non-current liability			
Deferred liability-staff gratuity		62,820	58,885
Current liabilities			
Trade and other payables		119,402	123,104
Provision for taxation		17,313	7,806
		136,715	130,910
CONTINGENCIES AND COMMITMENTS			
	7		
		1,801,461	1,729,670

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


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)

For The Half Year Ended June 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
-----Rupees in thousand-----				
CONTINUING OPERATIONS				
Sales - net	122,943	80,564	209,893	156,383
Cost of goods sold	(107,544)	(71,564)	(174,748)	(135,079)
Gross profit	15,399	9,000	35,145	21,304
Other operating income	33,119	40,948	126,965	65,407
Selling and distribution expenses	1,684	2,928	4,965	5,772
Administrative expenses	24,776	19,739	42,047	33,575
Finance cost	119	118	214	252
Impairment loss on 'available for sale' investments	-	738	-	738
	(26,579)	(23,523)	(47,226)	(40,337)
Profit before taxation	21,939	26,425	114,884	46,374
Taxation	(8,085)	(2,852)	(9,507)	(3,719)
Profit after taxation from continuing operations	13,854	23,573	105,377	42,655
DISCONTINUED OPERATIONS				
(Loss)/Profit from discontinued operations	(753)	(5,731)	14,860	(11,955)
Profit for the period	13,101	17,842	120,237	30,700
Earnings per share - Basic and diluted Continuing operations (Rs.)	0.23	0.40	1.78	0.72
Earnings per share - Basic and diluted Discontinued operations (Rs.)	(0.01)	(0.10)	0.25	(0.20)

The annexed notes from 1 to 10 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)

For the Half year ended June 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	-----Rupees in thousand-----			
Profit for the period	13,101	17,842	120,237	30,700
Other comprehensive income				
Surplus on remeasurement of 'available for sale' investments	50	410	872	161
Total comprehensive income for the period	<u>13,151</u>	<u>18,252</u>	<u>121,109</u>	<u>30,861</u>

The annexed notes from 1 to 10 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 Half year ended June 30, 2012

	Half year ended June 30, 2012			Half year ended June 30, 2011		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
-----Rupees in thousand-----						
A. CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/(loss) before taxation	114,884	14,860	129,744	46,374	(11,955)	34,419
Adjustments for:						
Depreciation	3,367	1,033	4,400	3,236	1,190	4,426
Amortization	225	-	225	62	124	186
Property plant and equipment written off	1,430	-	1,430	-	-	-
Provision for staff retirement gratuity	7,067	253	7,320	4,708	291	4,999
Gain on disposal of property, plant and equipment	(13,981)	(253)	(14,234)	-	(788)	(788)
Impairment loss on 'available for sale' investments	-	-	-	738	-	738
Gain on sale of short-term investments	(13,901)	-	(13,901)	(5,328)	-	(5,328)
Unrealized gain on remeasurement of short-term investments	(15,366)	-	(15,366)	(38,445)	-	(38,445)
Dividend income	(77,932)	-	(77,932)	(19,483)	-	(19,483)
Finance cost	214	6	220	252	5	257
	6007	15,899	21,906	(7,887)	(11,133)	(19,020)
(Increase) / decrease in current assets						
Stores and spares	1,546	-	1,546	(1,192)	-	(1,192)
Stock in trade	(26,064)	1,782	(24,282)	(83,910)	5,435	(78,475)
Trade debts	(42,429)	-	(42,429)	8,654	98	8,752
Loans and advances	265	-	265	(770)	(55)	(825)
Deposits, prepayments and other receivables	13,431	-	13,431	(2,878)	86,822	83,944
Increase/ (decrease) in current liabilities						
Trade and other payables	(5,001)	-	(5,001)	30,669	13,467	44,136
	(68,252)	1,782	(66,470)	(49,427)	105,767	56,340
Cash (used in) / generated from operations	(52,245)	17,681	(34,564)	(57,314)	94,634	37,321
Finance cost paid	(214)	(6)	(220)	(252)	(5)	(257)
Gratuity paid	(9,027)	-	(9,027)	(3,841)	-	(3,841)
Taxes paid	(10,956)	-	(10,956)	(5,898)	-	(5,898)
Net cash (used in) / generated from operating activities	(72,442)	17,675	(54,767)	(67,304)	94,629	27,325
B. CASH FLOWS FROM INVESTING ACTIVITIES						
Sale proceed from disposal of property, plant and equipment	14,530	523	15,053	-	1,435	1,435
Purchase of property, plant and equipment	(2,594)	-	(2,594)	(1,108)	-	(1,108)
Purchase of intangible assets	(97)	-	(97)	-	-	-
Investment in subsidiary	-	-	-	(170,000)	-	(170,000)
Short term investments - net	21,001	-	21,001	118,000	-	118,000
Dividend received	77,932	-	77,932	19,483	-	19,483
Net cash generated from/(used in) investing activities	110,772	523	111,295	(33,626)	1,435	(32,191)
C. CASH FLOWS FROM FINANCING ACTIVITIES						
Fund transferred from operations	-	-	-	94,930	(94,930)	-
Payment of dividend	(57,759)	-	(57,759)	-	-	-
Net cash (used in) / generated from financing activities	(57,759)	-	(57,759)	94,930	(94,930)	-
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(19,429)	18,198	(1,231)	(6,000)	1,134	(4,866)
Cash and cash equivalents at beginning of the period	110,439	(81,169)	29,270	23,061	1,413	24,474
Cash and cash equivalents at end of the period	91,010	(62,971)	28,039	17,061	2,547	19,608

The annexed notes from 1 to 10 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 Half year ended June 30, 2012

	Capital reserve				General reserve	Unappropriated profit	Unrealized gain on remeasurement of Available for Sale Investments	Total	
	Ordinary shares	Merger reserve	Share premium	Capital redemption reserve fund					
Balance at December 31, 2010	513,547	10,521	136,865	33,311	25,969	395,355	405,309	4,627	1,525,504
Issue of bonus shares	77,031	-	-	-	-	-	(77,031)	-	-
Total comprehensive income for the period	-	-	-	-	-	-	30,700	161	30,861
Balance at June 30, 2011	590,578	10,521	136,865	33,311	25,969	395,355	358,978	4,788	1,556,365
Balance at December 31, 2011	590,578	10,521	136,865	33,311	25,969	395,355	344,536	2,740	1,539,875
Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share	-	-	-	-	-	-	(59,058)	-	(59,058)
Total comprehensive income for the period	-	-	-	-	-	-	120,237	872	121,109
Balance at June 30, 2012	590,578	10,521	136,865	33,311	25,969	395,355	405,715	3,612	1,601,926

Rupees in thousand

The annexed notes from 1 to 10 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 Half Year ended June 30, 2012

1. GENERAL INFORMATION

- 1.1 Dawood Lawrencepur Limited, "the Company" was incorporated in Pakistan in the year 2004 as a public limited company. 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 obligations under certain staff retirement benefits have been measured at present value and certain investments which have been measured at fair market 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 half year ended June 30, 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.

- 2.2 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.
- 2.3 This condensed interim financial information is unaudited, however it is subjected to a limited scope review by the auditors and is being submitted to the shareholders in accordance with Section 245 of the Companies Ordinance, 1984.

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 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.
- 3.2 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 Half Year ended June 30, 2012

4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) June 30, 2012		(Unaudited) June 30, 2011	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
	-----Rupees in thousand-----			
Plant and Machinery	-	25	-	-
Equipment	595	-	1,108	-
Computer equipment	190	-	-	-
Vehicles	1,809	794	-	646
	<u>2,594</u>	<u>819</u>	<u>1,108</u>	<u>646</u>

4.1 Property, plant and equipment include temporary idle property relating to closed down unit with a carrying value of Rs. 20.6 million (December 31, 2011: Rs. 21.46 million).

	Note	(Unaudited)	(Audited)
		June 30, 2012	December 31, 2011
		-----Rupees in thousand-----	
5. LONG TERM INVESTMENTS			
Investment in related parties at cost	5.1	335,822	335,822
Other investments	5.2	6,067	5,195
		<u>341,889</u>	<u>341,017</u>
5.1 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 Chief Executive Officer: Mr. Inam ur Rahman		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. 2,572 million (December 31, 2011: 3,273 million) Chief Executive Officer: Mr. Shahid Hamid Pracha		65,294	65,294
		<u>335,822</u>	<u>335,822</u>

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

For the Half Year ended June 30, 2012

			(Unaudited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----				
5.2	Other investments			
	- Available for sale investments			
	June 30, 2012 No. of Shares / Units	December 31, 2011 Names of Investee		
	Listed Securities			
	200,000	200,000 National Investment Trust	6,052	5,180
			6,052	5,180
	Un-listed Securities			
	795,000	795,000 Karnaphuli Paper Mills Limited	-	-
	100	100 Mianwali Central Co-operative Bank Limited	-	-
	1,500	1,500 Asian Co-operative Society Limited	15	15
			15	15
			6,067	5,195

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

			(Unaudited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----				
6.	SHORT TERM INVESTMENTS			
	Financial assets at fair value through profit or loss	6.1	582,957	574,691
	6.1	Financial assets at fair value through profit or loss		
	June 30, 2012 No. of Units	December 31, 2011 Names of Investee		
	3,235,900	3,560,143 Meezan Cash Fund	161,989	178,506
	1,638,439	1,680,961 UBL Liquidity Plus Fund	164,466	168,911
	1,603,889	1,746,133 MCB Cash Management Optimizer Fund	160,572	179,652
	9,543,060	4,675,740 NAFA Government Securities Liquid Fund	95,930	47,622
			582,957	574,691

6.1.1 Cost of investment in securities classified as 'financial assets at fair value through profit or loss' is Rs. 492.7 million (December 31, 2011: Rs.499.8 million).

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 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 Interim Financial Information (Un-audited)

For the Half Year ended June 30, 2012

During the year ended December 31, 2011, Appellate Tribunal Inland Revenue (ATIR) 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.

7.1.2 The Company is contingently liable against bank guarantees and counter guarantees amounting to Rs 16.29 million (December 31, 2011: Rs. 11.91 million).

7.2 Commitments

7.2.1 The Company has commitments against letters of credit for purchase of raw material amounting to Rs.5.7 million (December 31, 2011: Rs. 28.6 million)

7.2.2 The Company has a commitment to supply fabric to a customer amounting to Rs.1.6 million (December 31, 2011: Rs. 9.8 million).

8. 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. Other significant transactions with related parties are as follows:

Relationship	Nature of Transaction	(Unaudited)	(Unaudited)
		June 30, 2012	June 30, 2011
		-----Rupees in thousand-----	
a. Subsidiary Company			
Tenaga Generasi Limited	Reimbursement of expenses	5,201	4,159
	Short term loan disbursed	-	25,000
	Repayment of short term loan	-	25,000
	Markup paid on short term loan	-	303
	Advance against issuance of share capital	-	170,000
	Subscription of ordinary shares	-	170,000
b. Associated Companies			
Dawood Hercules Corporation Limited	Dividend income	77,932	19,483
	Purchase of asset	855	-
	Reimbursement of expenses	170	459
Sach International (Pvt) Limited	Sale of fabrics	119,912	8,733
	Reimbursement of expenses	3,769	649
	Retirement and other benefits transferred to the Company	5,748	-
	Retirement and other benefits transferred from the Company	-	6,572
Cyan Limited	Insurance claim received	430	43
	Insurance premium refund / paid	-	371
D H Fertilizer Limited	Reimbursement of expenses	652	-

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

For the Half Year ended June 30, 2012

(Unaudited) (Unaudited)
June 30, 2012 June 30, 2011
-----Rupees in thousand-----

Relationship	Nature of Transaction		
c. Other related parties			
Sui Northern Gas Pipelines Limited	Utility charges paid	11,232	10,356
	Sale of fabric	2,590	-
Dawood Foundation	Rental charges paid	3,908	3,398
	Reimbursement of expenses	824	653
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	751	-
Dawood Corporation (Pvt) Limited	Reimbursement of expenses	-	155
d. Key management personnel	Salaries and employee benefits	9,914	8,873

9. APPROVAL OF CONDENSED INTERIM FINANCIAL INFORMATION

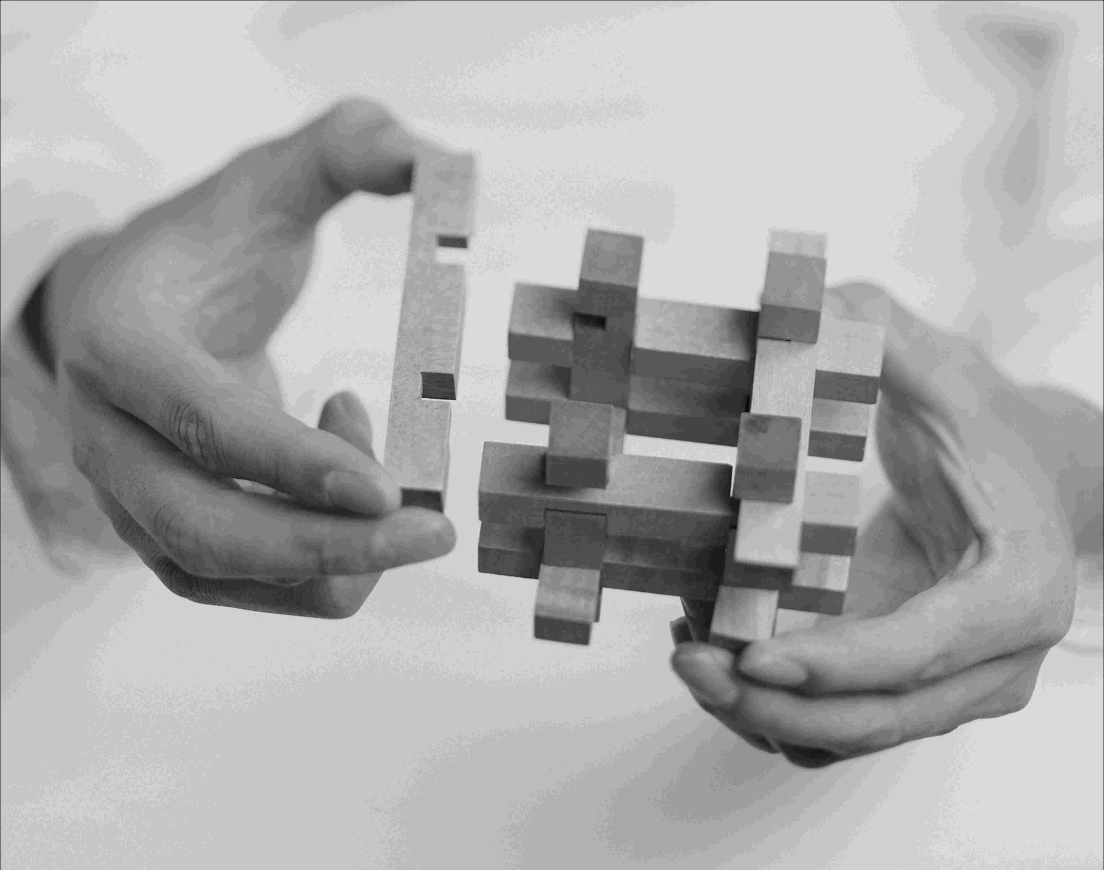
This condensed interim financial information was authorized for issue on August 13, 2012 by the Board of Directors of the Company.

10. GENERAL

Figures have been rounded off to the nearest thousand of 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 June 30, 2012

		(Unaudited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----			
ASSETS			
Non-current assets			
Property, plant and equipment	4	209,382	188,524
Intangible assets		23,429	23,218
		232,811	211,742
Long term investments	5	4,281,483	4,083,174
Long term deposits		10,544	10,544
		4,524,838	4,305,460
Current assets			
Stores and spares		43,660	45,206
Stock-in-trade		345,753	319,688
Trade debtors		125,072	82,643
Loans and advances		23,905	13,080
Deposits, prepayments and other receivables		62,373	69,901
Short term investments	6	630,197	654,837
Cash and bank balances		51,977	52,314
		1,282,937	1,237,669
Assets classified as held for sale		186,892	188,675
		5,994,667	5,731,804
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		645,051	580,393
Unappropriated profit		4,549,328	4,357,199
		5,784,958	5,528,170
Non-current liabilities			
Deferred liability		63,926	59,674
Current liabilities			
Trade and other payables		127,374	135,419
Provision for taxation		18,409	8,541
		145,783	143,960
		5,994,667	5,731,804
CONTINGENCIES AND COMMITMENTS	7		

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


SHAHID HAMID PRACHA
 Chairman


INAM UR RAHMAN
 Chief Executive

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For The Half Year Ended June 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
-----Rupees in thousand-----				
CONTINUING OPERATIONS				
Sales - net	122,943	80,564	209,893	156,383
Cost of goods sold	(107,544)	(71,564)	(174,748)	(135,079)
Gross profit	15,399	9,000	35,145	21,304
Selling and distribution	(1,684)	(2,928)	(4,965)	(5,772)
Administrative expenses	(27,054)	(28,526)	(48,362)	(45,370)
Other operating income	34,681	25,178	53,252	49,539
	5,943	(6,276)	(75)	(1,603)
Finance cost	(220)	(233)	(357)	(367)
Impairment loss on 'available for sale' investments of Holding company	-	(738)	-	(738)
Associated company	-	(56,543)	(37,988)	(56,930)
Share of profit from associates excluding impairment loss on 'available for sale' investments	164,059	161,327	274,935	406,722
	163,839	103,813	236,590	348,687
Profit before taxation	185,181	106,537	271,660	368,388
Provision for taxation - Current	(8,292)	(2,856)	(9,868)	(3,742)
- Share of taxation from associate	(23,020)	(20,754)	(25,465)	(92,364)
	(31,312)	(23,610)	(35,333)	(96,106)
Profit after taxation from continuing operations	153,869	82,927	236,327	272,282
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operations	(753)	(5,731)	14,860	(11,955)
Profit for the period	153,116	77,196	251,187	260,327
Earnings per share - Basic & diluted				
Continuing operations (Rs.)	2.61	1.40	4.00	4.61
Earnings per share - Basic & diluted				
Discontinued operations (Rs.)	(0.01)	(0.10)	0.25	(0.20)

The annexed notes from 1 to 10 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)

For the Half year ended June 30, 2012

	Quarter ended		Half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	-----Rupees in thousand-----			
Profit after taxation	153,116	77,196	251,187	260,327
Other comprehensive income				
(Deficit) / surplus on remeasurement of 'available for sale investments'				
- Holding company	50	410	872	161
- Associate company	68,678	(14,799)	63,786	(66,062)
Total comprehensive income	<u>221,845</u>	<u>62,807</u>	<u>315,846</u>	<u>194,426</u>

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


 SHAHID HAMID PRACHA
 Chairman


 INAM UR RAHMAN
 Chief Executive

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Half year ended June 30, 2012

	Half year ended June 30, 2012			Half year ended June 30, 2011		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
-----Rupees in thousand-----						
A. Cash Flow from Operating Activities:						
Profit/(loss) before taxation	271,660	14,960	286,520	368,388	(11,955)	356,433
Adjustment for:						
Depreciation	3,731	1,033	4,764	3,519	1,190	4,709
Amortization	253	-	253	62	124	186
Provision for gratuity	7,384	253	7,637	5,229	291	5,520
Interest income	(1,025)	-	(1,025)	(776)	-	(776)
Unrealized gain on short term investments	(17,652)	-	(17,652)	(41,160)	-	(41,160)
Property and plant written off	1,430	-	1,430	-	-	-
Gain on sale of short term investment	(14,709)	-	(14,709)	(5,753)	-	(5,753)
Share of profit from associates	(274,935)	-	(274,935)	(406,722)	-	(406,722)
Gain/(loss) on sale of property and equipment	(13,978)	(253)	(14,231)	-	(788)	(788)
Impairment loss on available for sale investment	-	-	-	738	-	738
Impairment loss on available for sale investment- Associate	37,988	-	37,988	56,930	-	56,930
Finance cost	357	6	363	367	5	372
Operating profit/(loss) before working capital changes	504	18,899	16,403	(19,178)	(11,133)	(30,311)
(Increase)/Decrease in Current Assets						
Stores and spares	1,546	-	1,546	(1,192)	-	(1,192)
Stock-in-trade	(26,064)	1,782	(24,282)	(83,910)	5,435	(78,475)
Trade debts	(42,429)	-	(42,429)	8,654	98	8,752
Loans and advances	265	-	265	(770)	(55)	(825)
Deposits, prepayments and other receivables	13,673	-	13,673	(2,836)	86,822	83,986
Increase/(Decrease) in Current Liabilities						
Trade debts and other payable	(10,106)	-	(10,106)	37,411	13,467	50,878
	(63,115)	1,782	(61,333)	(42,643)	105,767	63,124
Cash generated (used)/from in operations	(62,611)	17,681	(44,930)	(61,821)	94,634	32,813
Payments for:						
Gratuity paid	(9,027)	-	(9,027)	(3,841)	-	(3,841)
Tax paid	(11,190)	-	(11,190)	(5,927)	-	(5,927)
Finance cost paid	(357)	(6)	(363)	(367)	(5)	(372)
Net cash (outflow)/inflow from Operating Activities	(83,185)	17,675	(65,510)	(71,956)	94,629	22,673
B. Cash Flow from Investing Activities						
Additions to capital work in progress	(25,306)	-	(25,306)	(32,057)	-	(32,057)
Sale proceeds from disposal of property, plant and equipment	14,574	523	15,097	-	1,435	1,435
Short term investments - net	57,001	-	57,001	8,000	-	8,000
Dividend received	77,932	-	77,932	19,483	-	19,483
Interest received	1,284	-	1,284	-	-	-
Purchase of intangible assets	(298)	-	(298)	-	-	-
Purchase of property, plant and equipment	(2,778)	-	(2,778)	(1,268)	-	(1,268)
Net cash inflow/(outflow) from Investing Activities	122,409	523	122,932	(5,842)	1,435	(4,407)
C. Cash Flow from Financing Activities						
Dividend paid	(57,759)	-	(57,759)	-	-	-
Net cash (outflow) from Financing Activities	(57,759)	-	(57,759)	-	-	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(18,535)	18,198	(337)	(77,798)	96,064	18,266
Cash and cash equivalents at the beginning of the period	133,483	(81,169)	52,314	25,220	1,413	26,633
Cash and cash equivalents at the end of the period	114,948	(62,971)	51,977	(52,578)	97,477	44,899

The annexed notes from 1 to 10 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 Half year ended June 30, 2012

	Capital reserve					General reserve	Unappropriated profit	Unrealized Gain / (loss) on Remeasurement of Available for Sale Investments	Unrealized Gain / (loss) on Remeasurement of Available for Sale Investments in Associate	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	3,872,669	73,243	5,066,107	
Issue of bonus share @ Rs. 15	77,031	-	-	-	-	-	(77,031)	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	260,327	161	(66,062)	
Balance as at June 30, 2011	590,578	10,521	136,865	33,311	25,969	395,355	4,055,965	4,788	5,260,533	
Balance at January 01, 2012	590,578	10,521	136,865	33,311	25,969	395,355	4,357,199	2,740	5,528,170	
Final cash dividend for the year ended December 31, 2011 @ Rs. 1 per share	-	-	-	-	-	-	(59,058)	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	251,187	872	63,786	
Balance as at June 30, 2012	590,578	10,521	136,865	-	33,311	25,969	4,549,328	3,612	5,784,958	

Rupees in thousand

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


SHAHID HAMID PRACHA
Chairman


INAM UR RAHMAN
Chief Executive

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

For the Half Year ended June 30, 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 half year ended June 30, 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.

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.

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

For the Half Year ended June 30, 2012

4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) June 30, 2012		(Unaudited) June 30, 2011	
	Acquisition at cost	Disposal at written down value	Acquisition at cost	Disposal at written down value
	-----Rupees in thousand-----			
Plant & Machinery	-	25	-	-
Furniture, Fixture and Office Equipment	628	-	1,108	-
Computer equipment	341	(46)	158	-
Vehicles	1,808	794	-	646
	<u>2,777</u>	<u>773</u>	<u>1,266</u>	<u>646</u>

5. LONG TERM INVESTMENTS

	Note	(Unaudited) June 30, 2012	(Audited) December 31, 2011
		-----Rupees in thousand-----	
Investment in associated company	5.1	4,275,416	4,077,979
Other investments	5.2	6,067	5,195
		<u>4,281,483</u>	<u>4,083,174</u>
5.1 Investment in associated company			
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. 2,572 million			
(December 31, 2011: 3,273 million)			
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		274,935	818,449
Share of other comprehensive income of associated company		63,786	(62,652)
Share of taxation		(25,465)	(188,744)
Impairment loss on 'available for sale investments'		(37,988)	(57,388)
Dividend received		(77,832)	(19,483)
		<u>197,437</u>	<u>490,182</u>
		<u>4,275,416</u>	<u>4,077,979</u>

Financial results as at March 31, 2012 have been used for the purpose of application of equity method.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the Half Year ended June 30, 2012

5.2 Other investments

Available for sale investments

			(Unaudited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----				
June 30, 2012 No. of Shares / Units	December 31, 2011	Names of Investee		
Listed Securities				
200,000	200,000	National Investment Trust Limited	6,052	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
			6,067	5,195

Cost of Investment in securities classified as 'available for sale' is Rs. 2.45 million (December 31, 2011: Rs. 2.45 million).

6. SHORT TERM INVESTMENTS

Held for trading at fair value through Profit and Loss 6.1

6.1 Held for trading at fair value through Profit and Loss

			(Unaudited) June 30, 2012	(Audited) December 31, 2011
-----Rupees in thousand-----				
June 30, 2012 No. of Units	December 31, 2011	Names of Investee		
3,235,900	3,560,143	Meezan Cash Fund	161,989	178,506
1,638,439	1,680,961	UBL Liquidity Plus Fund	164,466	168,911
2,075,752	2,525,114	MCB Cash Management Optimizer Fund	207,812	259,798
9,543,060	4,675,740	NAFA Government Securities Liquid Fund	95,930	47,622
			630,197	654,837

Cost of investment in securities classified as 'financial assets at fair value through profit or loss' is Rs. 537.6 million (December 31, 2011: Rs.573.6 million).

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- 7.1.1 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 Holding Company.

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

For the Half Year ended June 30, 2012

During the year ended December 31, 2011, Appellate Tribunal Inland Revenue (ATIR) has decided the issue of brought forward losses against the Holding Company, however, the Holding 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.

7.1.2 The Holding Company is contingently liable against guarantees and counter guarantees amounting to Rs 16.29 million (December 31, 2011: Rs. 11.91 million). These are secured against margins.

7.1.3 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.

7.2 Commitments

7.2.1 The Holding Company has commitments against letters of credit for purchase of raw material amounting to Rs.5.7 million (December 31, 2011: Rs. 28.6 million)

7.2.2 The Holding Company has a commitment to supply fabric to a customer amounting to Rs.1.6 million (December 31, 2011: Rs. 9.8 million).

		(Unaudited)	
		June 30, 2012	June 30, 2011
		-----Rupees in thousand-----	
Relationship	Nature of Transaction		
a. Associated companies			
Dawood Hercules Corporation Limited	Dividend income	77,932	19,483
	Purchase of asset	855	-
	Reimbursement of expenses	170	-
Sach International (Private) Limited	Sale of fabric	119,912	8,733
	Reimbursement of expenses	3,769	649
	Retirement and other benefits transferred to the Company	5,748	-
	Retirement and other benefits transferred from the Company	6,572	-
Cyan Limited	Insurance claim received	430	-
	Insurance premium refund / paid	-	371
D H Fertilizer Limited	Reimbursement of expenses	652	-
b. Other related parties			
Sui Northern Gas Pipelines Limited	Utility charges paid	11,232	10,356
	Sale of fabric	2,590	-
The Dawood Foundation	Rental charges paid	3,908	3,398
	Reimbursement of expenses	824	653
Inbox Business Technologies (Pvt) Limited	Hardware maintenance charges paid	751	-
Dawood Corporation (Pvt) Limited	Reimbursement of expenses	-	155
c. Key Management Personnel			
	Salaries and employee benefits	18,152	15,308

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

For the Half Year ended June 30, 2012

9. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on August 13, 2012 by the Board of Directors of the Holding Company.

10. 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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