

PAKISTAN PAPERSACK CORPORATION LIMITED
CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED DECEMBER 31, 2005
(UN-AUDITED)

	December 31 (2005)	December 31 (2004)
------(Rupees in thousands)-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	44,490	41,646
Adjustments for non-cash charges and other items:		
Depreciation	5,238	5,494
Dividend Income	(22,464)	(18,165)
Gain on sale of goodwill and trademark of trading business	-	(2,500)
Financial charges	2,170	1,501
Profit on bank accounts	(194)	(682)
Gain on disposal of property, plant and equipment	(726)	(1,226)
	(15,976)	(15,578)
Operating profit before working capital changes	28,514	26,068
(Increase)/decrease in current assets		
Stores and spares	(1,458)	355
Stock-in-trade	(3,460)	(28,712)
Trade debts	(48,021)	(24,339)
Loan and Advances	1,655	(5,121)
Trade Deposits and short-term prepayments	(250)	55
Other receivables	8,362	3,750
	(43,172)	(54,012)
Decrease in current liabilities		
Trade and other payables	(16,088)	(7,227)
	(59,260)	(61,239)
Cash used in operating activities	(30,746)	(35,171)
Interest paid	(2,247)	(1,510)
Income tax paid	(3,794)	(10,289)
Long-term loans	76	
Long-term deposits	(111)	(3)
	(6,076)	(11,802)
Net cash used in operating activities (A)	(36,822)	(46,973)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(5,343)	(7,890)
Dividend Received	22,464	18,165
Proceeds from sale of goodwill and trademark of trading business	-	2,500
Proceeds from disposal of fixed assets	1,108	1,441
Interest income received	82	772
	18,311	14,988
Net cash inflow from investing activities (B)	18,311	14,988
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease financing - net	1,472	-
Repayment of Liability against asset subject to finance lease	-	-
Dividends paid	(13,708)	(31,058)
	(12,236)	(31,058)
Net cash used in financing activities (C)	(12,236)	(31,058)
Net decrease in cash and cash equivalents (A+B+C)	(30,747)	(63,043)
Cash and cash equivalents at the beginning of the period	10,925	61,276
Cash and cash equivalents at end of the period	(19,822)	(1,767)
Cash and cash equivalents comprise:		
Cash and bank balances	11,102	44,104
Short-term running finance	(30,924)	(45,871)
	(19,822)	(1,767)

The annexed notes from 1 to 11 form an integral part of these financial statements.

Mazhar Valjee
Chief Executive Officer

S. Z. Kazmi
Vice Chairman & Director