

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

	December 31 (2005)	December 31 (2004)
	------(Rupees in thousands)-----	
	(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	68,833	59,205
Adjustment for non-cash charges and other items:		
Depreciation	5,840	6,179
Amortisation	77	-
Share in post acquisition profits of associates after taxation	(42,064)	(32,531)
Dividend Income	(2,533)	(1,528)
Gain on sale of goodwill and trademark of trading business	-	(2,500)
Financial charges	2,176	1,503
Profit on bank accounts	(365)	(716)
Gain on disposal of property, plant and equipment	(784)	(1,234)
	(37,653)	(30,827)
Operating profit before working capital changes	31,180	28,378
(Increase)/decrease in current assets		
Stores and spares	(1,440)	355
Stock-in-trade	(3,460)	(28,772)
Trade debts	(48,736)	(23,419)
Loan and advances	2,213	(3,488)
Trade deposits and short-term prepayments	(475)	(424)
Other receivables	8,190	3,947
	(43,708)	(51,801)
Decrease in current liabilities		
Trade and other payables	(16,330)	(7,966)
	(60,038)	(59,767)
Cash used in operating activities	(28,858)	(31,389)
Interest paid	(2,253)	(1,512)
Income tax paid	(4,488)	(11,255)
Encashment of COIs	-	710
Long-term loans	76	-
Long-term deposits	263	371
	(6,402)	(11,686)
Net cash used in operating activities (A)	(35,260)	(43,075)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(6,015)	(11,268)
Dividend Received	22,464	18,165
Proceeds from sale of goodwill and trademark of trading business	-	2,500
Proceeds from disposal of property, plant and equipment	1,348	1,480
Interest income received	285	806
Purchase of short-term investment	(2,000)	-
Net cash used in investing activities (B)	16,082	11,683
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease financing - net	1,472	
Dividends paid	(13,708)	(31,058)
Net cash (used in)/generated from financing activities (C)	(12,236)	(31,058)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(31,414)	(62,450)
Cash and cash equivalents at beginning of the period	14,480	66,480
Cash and cash equivalents at end of the period	(16,934)	4,030
Cash and cash equivalents comprise:		
Cash and bank balances	13,990	49,901
Short-term running finances	(30,924)	(45,871)
	(16,934)	4,030

The annexed notes from 1 to 10 form an integral part of these financial statements.

Mazhar Valjee
Chief Executive Officer

S. Z. Kazmi
Vice Chairman & Director