

PAKISTAN PAPERSACK CORPORATION LIMITED
CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	March 31, (2006)	March 31, (2005)
------(Rupees in thousands)-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,489	47,395
Adjustments for non-cash charges and other items:		
Depreciation	8,341	9,057
Dividend Income	(38,764)	(18,174)
Gain on sale of goodwill and trademark of trading business	-	(2,500)
Financial charges	3,406	2,805
Profit on bank accounts	(705)	(686)
Gain on disposal of property, plant and equipment	(574)	(1,915)
	<u>(28,296)</u>	<u>(11,413)</u>
Operating profit before working capital changes	46,193	35,982
(Increase)/decrease in current assets		
Stores and spares	(1,829)	(514)
Stock-in-trade	(81,147)	(139,878)
Trade debts	(19,974)	(52,714)
Loans and Advances	(1,667)	(632)
Trade Deposits and short-term prepayments	890	624
Other receivables	(2,226)	16,270
	<u>(105,953)</u>	<u>(176,844)</u>
Decrease in current liabilities		
Trade and other payables	67,257	22,534
	<u>(38,696)</u>	<u>(154,310)</u>
Cash used in operating activities	7,497	(118,328)
Interest paid	(3,612)	(2,245)
Income tax refund received	3,518	-
Income tax paid	(8,668)	(14,761)
Long-term loans	77	-
Long-term deposits	(237)	53
	<u>(8,922)</u>	<u>(16,953)</u>
Net cash used in operating activities (A)	(1,425)	(135,281)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(10,307)	(12,278)
Dividend Received	38,764	18,174
Sale proceeds from sale of goodwill and trademark of trading business	-	2,500
Sale proceeds from disposal of fixed assets	1,934	2,656
Disinvestment in shares	-	200
Interest income received	215	844
Net cash generated from investing activities (B)	30,606	12,096
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease financing - net	2,473	-
Dividends paid	(13,793)	(31,058)
Net cash used in financing activities (C)	(11,320)	(31,058)
Net decrease in cash and cash equivalents (A+B+C)	17,861	(154,243)
Cash and cash equivalents at the beginning of the period	10,925	61,276
Cash and cash equivalents at end of the period	<u>28,786</u>	<u>(92,967)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	57,136	689
Short-term running finance	(28,350)	(93,656)
	<u>28,786</u>	<u>(92,967)</u>

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