

Thal Limited

Condensed Interim Financial Statements
For the Half Year Ended December 31, 2012
(Un-audited)



Thal Limited

CONTENTS

| | Page No. |
|--|----------|
| Director's Report | 2 |
| FINANCIAL STATEMENTS | |
| Auditors' Review Report | 5 |
| Balance Sheet | 6 |
| Profit & Loss Account | 7 |
| Statement of Comprehensive Income | 8 |
| Cash Flow Statement | 9 |
| Statement of Changes in Equity | 10 |
| Notes to the Financial Statements | 11 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| Balance Sheet | 16 |
| Profit & Loss Account | 17 |
| Statement of Comprehensive Income | 18 |
| Cash Flow Statement | 19 |
| Statement of Changes in Equity | 20 |
| Notes to the Financial Statements | 21 |
| Corporate Directory | |

Thal Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors of the Company place before you the performance for the half year ended December 31, 2012.

The sales revenue of the Company declined to Rs 5.113 billion in H1 - 2012-13 from Rs 5.809 billion in H1 2011-12 a reduction of Rs 696 million or 12%. The profit after tax however showed an improvement from Rs 562 million (H1 - 2011-12) to Rs 578 million (H1 2012-13) a marginal increase of 2%.

The basic and diluted Earnings Per Share (EPS) for 2012~13 was Rs 7.14 as compared to Rs.6.93 in the corresponding half last year.

The Board has approved an interim cash dividend @ 50% i.e. Rs 2.50 per share for the half year ended December 31, 2012.

Engineering Segment

The turnover of the Engineering Segment for H1 2012-13 was Rs 2.793 billion down from Rs 3.843 billion in H1 2011-12 a reduction of Rs 1.050 billion or 27%.

Thermal Systems Business:

Depressed automotive sales during the Second Quarter of FY 2012-13 resulted in OEM revenue of the business to drop by 44% as compared to same period last year. However, for the same period, the aftermarket sales revenue registered a 12% increase as a result of concentrated efforts of the sales and support team.

The prevalent political & economic uncertainty continues to depress the market, while the unabated import of used cars has not helped the cause either. Increase in cost of raw materials, devaluation of the rupee and unfavorable policies have combined to make the business environment extremely challenging. The above factors have combined to put a dampening effect on the sales volume and therefore adversely affected the business margins.

Electric Systems Business:

The half year ended on Dec 31, 2012 witnessed the largest dip in sales volumes and revenue of the business due to less off take by the OEMs which was primarily because of the impact of an average of 5,000 used cars imported / month.

The abrupt decrease in sales volume resulted in higher inventories since materials were imported on the bases of budgeted production volumes of the OEMs. The accumulation of inventories and lower sales revenue caused a liquidity crunch and non-utilization of production capacity resulting in increased per unit cost of goods manufactured.

The business, however, was successfully able to commence deliveries for another model of wire harness for Pak Suzuki in the second quarter. With concentrated focus on enhancing relationship with Pak Suzuki, business opportunities will continue to be explored.

Sales volumes for the 3rd quarter of 2012-13 are expected to improve as compared to the previous quarter but will still remain less than the same period of last year. Although the used

car issue has been addressed by GOP and an SRO has been accordingly issued restricting the age of used car to 3 years previously 5 years but there are pressures from certain quarters of the Government to revert back to status-quo, hence some uncertainty in the market. It is estimated that the import of used cars have caused approximately Rs 15 billion loss to the national exchequer apart from financial impact on the auto part suppliers.

The new Auto Industry Development Plan is under finalization and it is our earnest suggestion that the new policy should address matters of long term stability and provide an environment conducive to natural growth and prosperity of an industry known as the 'mother' of all industries.

Building Material & Allied Product Segment

The Sales revenue of Building Material & Allied Product Segment grew from Rs 1.966 billion in H1 2011-12 to Rs 2.320 billion an increase of Rs 354 million or 18%.

Jute Business:

The Jute business witnessed a phenomenal growth in exports during the period under review as the export of jute goods reached Rs 810 million (US\$ 8.538 million) compared to Rs 344 million (US\$ 3.914 million) of the same period last year, an increase of Rs 466 million i.e. 135%. The production of Jute goods during the period was 14,572 M. Tons as compared to the production of 13,346 M. Tons during the corresponding period last year, an increase of 1,226 M. tons or 9%. The business has also been impacted by the increase in minimum labor wages from Rs 7,000/= to Rs 9,000/= and a 9% increase in power costs, the impact of which could not be passed on fully.

The exports horizon is quite optimistic and we expect more penetration in international market. In the local market, we foresee a healthy demand of grain sacks in the ensuing wheat season from the Government Food Departments and also hope for improvement in the local market as well.

Papersack Business:

The Papersack business strived to sustain its position in the local cement segment, in the face of growing competition from the woven polypropylene sack manufacturers. Additionally, the cost pressures arising out of devaluation of Pak Rupee and increasing cost of inputs have strained the business' liquidity and bottom line.

On the export front, the business continued to make inroads into new export markets, with its first exports of papersacks to India, while repeat orders from the Middle East region and UK have reassured us of our consistent product quality.

The business continues to expand its Self Opening Satchels (SOS) bags segment, with new international franchises entering into discussions for supply of paper bags to substitute current imports.

In the coming period, the business expects the local market conditions to improve, with some cost increase being passed on to customers. The diversified product portfolio, export markets and efficiency improvement initiatives will further improve the business' capability to sustain itself in difficult times.

Laminates Business:

The deteriorating law & order condition in the country, acute energy shortages and continuous devaluation of the Pak Rupee, have dented the Laminates business' volumes and profitability

in the local market.

The business continues to expand the global reach of its brand "FORMITE", and has managed to sustain its current share and further explore new export markets.

The business' continues to build on its brand - FORMITE - and will continue to add new products to its portfolio as planned, in order to offer a complete range of solutions to its valued customers in Pakistan and abroad.

The trying conditions in the local market of frequent strikes leading to shutdown of markets as well as unethical practices followed by the unorganized sector will continue to impact the business adversely.

In such conditions, the business plans to concentrate on its core competencies of product reliability and quality and rely on its brand "FORMITE", to ensure that the business rides out these conditions. The support from export markets and institutional / corporate customers will ensure that the business remains on its long-term target.

Makro-Habib Pakistan Limited:

Makro continues to stay focused and plays its role in the Cash and Carry business in Pakistan. The operation of the store is handled by MHCCP under the terms of the Operation Agreement.

The Stay Order issued by the Supreme Court of Pakistan continues to remain in force until the next date of hearing.

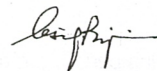
Habib METRO Pakistan (Private) Limited (HMPL):

HMPL has started its business operation and we are pleased to report that Thal received its share of interim dividend for the quarter ended September 30, 2012 amounting to Rs 56 million. HMPL has declared a 2nd interim dividend for the quarter ended December 31, 2012 and Thal's share amounts to Rs 71 million.

ACKNOWLEDGEMENT:

In the end we would like to convey our appreciation to all our Customers, Dealers, Bankers and Technical Partners for their continued support and confidence in the Company. We also want to recognize the efforts of all our team members, who have worked diligently to achieve the results.

On behalf of the Board



(ASIF RIZVI)
Chief Executive

Karachi: February 23, 2013.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530, Pakistan
Tel: +9221 3565 0007
Fax: +9221 3568 1965
www.ey.com

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Thal Limited as at 31 December 2012 and the related condensed interim profit and loss account and condensed interim statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "Interim financial information") for the six-months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Audit Engagement Partner: Arslan Khalid

Date: 23 February 2013

Karachi

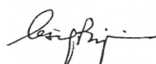
Thal Limited

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2012

| | Note | December 31, 2012 (Un-audited) (Rupees in thousands) | June 30, 2012 (Audited) |
|--|------|---|-------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 580,191 | 590,508 |
| Investment property | | 1,036 | 1,040 |
| Long-term investments | 5 | 3,505,224 | 3,501,536 |
| Long-term loans and deposits | | 6,524 | 6,600 |
| Long-term prepayments | | 9,450 | 11,340 |
| Deferred tax asset | | 4,890 | - |
| | | 4,107,315 | 4,111,024 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 119,563 | 95,169 |
| Stock-in-trade | 6 | 3,362,521 | 2,902,257 |
| Trade debts | | 694,532 | 841,530 |
| Loans, advances, deposits, prepayments and other receivables | | 68,093 | 100,742 |
| Short-term investments | 7 | 503,834 | 886,910 |
| Accrued profit on bank deposits | | 4,101 | 13,136 |
| Income Tax - net | 8 | 14,606 | 7,160 |
| Cash and bank balances | | 723,738 | 1,069,449 |
| | | 5,490,988 | 5,916,353 |
| TOTAL ASSETS | | 9,598,303 | 10,027,377 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | 500,000 | 500,000 |
| 100,000,000 (Jun 30, 2012: 100,000,000) ordinary shares of Rs.5 each | | | |
| Issued, subscribed and paid-up capital | | 405,150 | 368,318 |
| Reserves | | 7,777,610 | 7,655,891 |
| | | 8,182,760 | 8,024,209 |
| NON-CURRENT LIABILITIES | | | |
| Liabilities against assets subject to finance lease | | - | 157 |
| Deferred tax liability | | - | 3,138 |
| | | - | 3,295 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,390,127 | 1,496,787 |
| Short-term borrowings | | 11,050 | 52,403 |
| Current portion of long term finance | | - | 442,500 |
| Current portion of liabilities against assets subject to finance lease | | - | 102 |
| Accrued mark-up | | 194 | 4,203 |
| Sales tax payable | | 14,172 | 3,878 |
| | | 1,415,543 | 1,999,873 |
| CONTINGENCIES AND COMMITMENTS | 9 | - | - |
| TOTAL EQUITIES AND LIABILITIES | | 9,598,303 | 10,027,377 |

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



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF-YEAR ENDED DECEMBER 31, 2012

(Un-audited)

| Note | Half-year ended | | Quarter ended | |
|-------------------------------|-----------------------|------------------|------------------|------------------|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |
| | (Rupees in thousands) | | | |
| Turnover - net | 5,113,411 | 5,809,205 | 2,209,985 | 2,886,091 |
| Cost of sales | 4,351,609 | 4,784,293 | 1,916,269 | 2,420,187 |
| Gross Profit | 761,802 | 1,024,912 | 293,716 | 465,904 |
| Distribution costs | (68,416) | (71,681) | (25,482) | (36,401) |
| Administrative expenses | (156,442) | (141,397) | (79,121) | (76,345) |
| | (224,858) | (213,078) | (104,603) | (112,746) |
| Other operating income | 280,467 | 124,146 | 108,611 | 41,756 |
| Operating Profit | 817,411 | 935,980 | 297,724 | 394,914 |
| Finance costs | (9,856) | (62,928) | (1,800) | (31,644) |
| Other charges | (50,731) | (55,984) | (12,467) | (19,653) |
| | (60,587) | (118,912) | (14,267) | (51,297) |
| Profit before taxation | 756,824 | 817,068 | 283,457 | 343,617 |
| Taxation | (178,396) | (255,491) | (56,332) | (110,082) |
| Profit after taxation | 578,428 | 561,577 | 227,125 | 233,535 |

Rupees

(Restated)

| | | | | | |
|--------------------------------------|----|------|------|------|------|
| Basic and diluted earnings per share | 10 | 7.14 | 6.93 | 2.80 | 2.88 |
|--------------------------------------|----|------|------|------|------|

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


ASIF RIZVI
 Chief Executive


SOHAIL P. AHMED
 Vice Chairman

Thal Limited

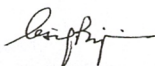
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED DECEMBER 31, 2012 (Un-audited)

| Half-year ended | | Quarter ended | |
|------------------|------------------|------------------|------------------|
| Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |


(Rupees in thousands)

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Profit after taxation | 578,428 | 561,577 | 227,125 | 233,535 |
| Other comprehensive income | | | | |
| Gain on revaluation of available for sale investments | 3,688 | (10,489) | (8,397) | (14,244) |
| Total comprehensive income for the period - net of tax | 582,116 | 551,088 | 218,728 | 219,291 |

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



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED DECEMBER 31, 2012 (Un-audited)

| | December 31, | |
|--|-----------------------|-----------|
| | 2012 | 2011 |
| | (Rupees in thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 756,824 | 817,068 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 47,198 | 49,613 |
| Finance costs | 9,856 | 62,928 |
| Profit earned | (54,540) | (31,884) |
| Liabilities no longer payable written back | (2) | (179) |
| Gain on revaluation of investments at fair value through profit and loss | (13,700) | (7,659) |
| Dividend income | (190,771) | (60,295) |
| (Reversal) / Provision for impairment of debts - net | (931) | 13 |
| Provision for retirement benefits | 701 | 1,175 |
| Gain on disposal of property, plant and equipment | (573) | (1,154) |
| | (202,762) | 12,558 |
| | 554,062 | 829,626 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (24,394) | (21,339) |
| Stock-in-trade | (460,264) | (895,503) |
| Trade debts | 147,929 | (30,848) |
| Loans, advances, deposits, prepayments and other receivables | 32,649 | (83,457) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | (72,502) | 164,826 |
| Sales tax payable | 10,294 | (9,131) |
| | (366,288) | (875,452) |
| Cash generated from / (used in) operations | 187,774 | (45,826) |
| Finance costs paid | (13,865) | (69,532) |
| Dividends paid | (415,764) | (150,925) |
| Retirement benefits paid | (2,268) | (2,105) |
| Income tax paid | (234,261) | (160,057) |
| Payment to subsidiary against tax losses | - | (54,894) |
| Net cash used in operating activities | (478,384) | (483,339) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (38,453) | (90,029) |
| Long term loans and deposits | 1,966 | 2,127 |
| Dividends received | 190,771 | 60,295 |
| Profit received | 60,375 | 39,111 |
| Proceeds from disposal of property, plant and equipment | 2,149 | 4,233 |
| Investment in a subsidiary | - | (87) |
| Short term investments purchased | (23) | (198,523) |
| Net cash Generated from / (used in) investing activities | 216,785 | (182,873) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finance repaid | (442,500) | (107,500) |
| Export refinance obtained | - | 112,900 |
| Repayment of liabilities against assets subject to finance lease | (259) | (1,917) |
| Net cash (used in) / generated from financing activities | (442,759) | 3,483 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (704,358) | (662,729) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,617,046 | 830,725 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 912,688 | 167,996 |
| Cash and bank balances | 723,738 | 212,848 |
| Short-term investments | 200,000 | - |
| Running finance | (11,050) | (44,852) |
| | 912,688 | 167,996 |

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


ASIF RIZVI
Chief Executive


SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED DECEMBER 31, 2012 (Un-audited)

| | Issued, subscribed & paid-up capital | Reserves | | | | Total equity |
|--|--|-----------------|-----------------|--------------------------|---|--------------|
| | | Capital reserve | General reserve | Unappropriated profit | Gain /(Loss) on changes in fair value of available for sale investments | |
| Balance as at June 30, 2011 | 306,932 | 55,704 | 5,112,999 | 1,091,353 | 47,417 | 6,614,405 |
| Profit for the period | | | | 561,577 | | 561,577 |
| Other comprehensive income | - | - | - | | (10,489) | (10,489) |
| Total comprehensive income | - | - | - | 561,577 | (10,489) | 551,088 |
| Issue of bonus shares in the ratio of 2 : 10 | 61,386 | - | - | (61,386) | - | - |
| Final dividend @ Rs. 2.50/= per share | - | - | - | (153,466) | - | (153,466) |
| Transfer to revenue reserve | - | - | 875,000 | (875,000) | - | - |
| Balance as at December 31, 2011 | 368,318 | 55,704 | 5,987,999 | 563,078 | 36,928 | 7,012,027 |
| Balance as at June 30, 2012 | 368,318 | 55,704 | 5,987,999 | 1,566,073 | 46,115 | 8,024,209 |
| Profit for the period | - | - | - | 578,428 | | 578,428 |
| Other comprehensive income | - | - | - | - | 3,688 | 3,688 |
| Total comprehensive income | - | - | - | 578,428 | 3,688 | 582,116 |
| Issue of bonus shares in the ratio of 2 : 10 | 36,832 | - | - | (36,832) | - | - |
| Final dividend @ Rs. 5.75/= per share | - | - | - | (423,565) | - | (423,565) |
| Transfer to revenue reserve | - | - | 1,105,000 | (1,105,000) | - | - |
| Balance as at December 31, 2012 | 405,150 | 55,704 | 7,092,999 | 579,104 | 49,803 | 8,182,760 |

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


ASIF RIZVI
Chief Executive


SOHAIL P. AHMED
Vice Chairman

Thal Limited

SELECTED EXPLANATORY NOTE TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED DECEMBER 31, 2012

(Un-audited)

1 THE COMPANY AND ITS OPERATIONS

- 1.1** Thal Limited (the Company) was incorporated on January 31, 1966 as a public company limited by shares under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges.

The Company is engaged in the manufacture of jute goods, engineering goods, papersack and laminate sheets. The Jute operation is at Muzaffargarh, engineering operation at Karachi, papersack operation at Hub and Gadood and laminate operation located at Hub. The registered office of the Company is situated at 4th Floor, House of Habib, 3 Jinnah Co-operative Housing Society, Block 7/8, Sharea Faisal, Karachi.

- 1.2** These condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associates are accounted for on the basis of direct equity interest and are not consolidated or accounted for using equity method.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 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** These condensed interim financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.
- 2.3** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors except for the figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2012 except that the Company has adopted certain amended International Financial Reporting Standards (as referred to in note 6 to the financial statements for the year ended June 30, 2012). The adoption of such amended standards and interpretation did not have any effect on these condensed interim financial statements.

Thal Limited

4 PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made in property, plant and equipment during the period:

| | Additions (at cost) | | Deletions (at book value) | |
|---------------------------------|------------------------|----------------------|------------------------------|----------------------|
| | Half-year ended | | Half-year ended | |
| | December 31, 2012 | December 31, 2011 | December 31, 2012 | December 31, 2011 |
| | (Rupees in thousands) | | | |
| Owned Assets | | | | |
| Factory building | 5,335 | 9,535 | - | - |
| Plant and machinery | 10,242 | 310 | 8 | 381 |
| Furniture and fittings | 1,710 | 427 | - | 442 |
| Vehicles | 3,330 | 4,813 | 1,520 | 2,016 |
| Office and mills equipment | 2,958 | 370 | - | 145 |
| Computer equipment | 3,546 | 1,472 | 48 | 95 |
| Jigs and fixtures | - | 3,773 | - | - |
| | 27,121 | 20,700 | 1,576 | 3,079 |
| Capital work-in-progress | | | | |
| Civil Works | 11,332 | 15,586 | - | - |
| Plant and machinery | - | 63,278 | - | - |
| | 11,332 | 78,864 | - | - |
| | 38,453 | 99,564 | 1,576 | 3,079 |

4.1 During the half-year, capital work in progress amounting to Rs. 13.224 million (December 31, 2011 : Rs. 9.535 million) was transferred to owned assets.

5 LONG-TERM INVESTMENTS

Investment in related parties

Subsidiaries, unquoted - at cost

Noble Computer Services (Pvt) Limited.
Pakistan Industrial Aids (Pvt) Ltd.
Makro Habib Pakistan Limited
Habib METRO Pakistan (Private) Limited
A-One Enterprises (Private) Limited

| December 31, 2012 (Un-audited) | June 30, 2012 (Audited) |
|--------------------------------------|-------------------------------|
| (Rupees in thousands) | |

| | |
|------------------|------------------|
| 1,086 | 1,086 |
| 10,000 | 10,000 |
| 223,885 | 223,885 |
| 2,789,223 | 2,789,223 |
| 61,395 | 61,395 |
| 3,085,589 | 3,085,589 |

Associates - at cost

Listed

Indus Motor Company Limited
Habib Insurance Company Limited
Agriauto Industries Limited
Shabbir Tiles and Ceramics Limited

Unlisted

METRO Habib Cash & Carry Pakistan (Private) Limited

| | |
|----------------|----------------|
| 48,900 | 48,900 |
| 561 | 561 |
| 9,473 | 9,473 |
| 15,585 | 15,585 |
| 284,105 | 284,105 |
| 358,624 | 358,624 |

Other investments - at fair value

Available for-sale - Quoted

Habib Sugar Mills Limited
GlaxoSmithKline (Pakistan) Limited
Dyneema Pakistan Limited

| | |
|------------------|------------------|
| 46,113 | 40,717 |
| 102 | 88 |
| 14,796 | 16,518 |
| 61,011 | 57,323 |
| 3,505,224 | 3,501,536 |

Thal Limited

| | December 31, 2012 (Un-audited) | June 30, 2012 (Audited) |
|-------------------------|--------------------------------------|-------------------------------|
| | (Rupees in thousands) | |
| 6 STOCK-IN-TRADE | | |
| Raw material | | |
| In hand | 2,234,517 | 1,809,286 |
| In transit | 345,892 | 533,510 |
| | <u>2,580,409</u> | <u>2,342,796</u> |
| Work-in-process | 175,260 | 168,264 |
| Finished goods | 606,852 | 391,197 |
| | <u>3,362,521</u> | <u>2,902,257</u> |

- 6.1** This includes items amounting to Rs. 38.482 million (June 30, 2012 : Rs. 143.703) carried at net realizable value. [Cost Rs. 40.900 million (June 30, 2012 : Rs. 150.415 million)]

7 SHORT TERM INVESTMENT

This includes investment Term Deposit Receipts amounting to Rs. 204.412 million (June 30, 2012 : Rs. 601.189 million) and money market mutual funds amounting to Rs. 299.422 million (June 30, 2012: Rs. 285.721 million).

8 INCOME TAX - NET

| | December 31, 2012 (Un-audited) | June 30, 2012 (Audited) |
|---|--------------------------------------|-------------------------------|
| | (Rupees in thousands) | |
| Group tax relief adjustments | 593,466 | 613,494 |
| Income tax provisions less tax payments - net | <u>(578,860)</u> | <u>(606,334)</u> |
| | <u>14,606</u> | <u>7,160</u> |

- 8.1** This includes the following:

Group relief under Section 59B of the Income Tax Ordinance, 2001.

Group taxation adjustment under Section 59AA of the Income Tax Ordinance, 2001

| | |
|----------------|----------------|
| 593,466 | 593,466 |
| - | 20,028 |
| <u>593,466</u> | <u>613,494</u> |

- 8.1.1** In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for set off against the income of its holding Company subject to certain conditions as prescribed under the Ordinance.

Accordingly, the Company has adjusted its tax liabilities for the tax years 2008-2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.

There was no change in the status of assessments of the Company for the tax years 2008 to 2010 as reported in the annual financial statements for the year ended June 30, 2012.

- 8.1.2** For the year ending 30 June 2013, the company has decided not to opt for group taxation under section 59AA of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the provision for taxation is made on the same basis in these condensed interim financial statements. The Company and its subsidiary Company - Makro-Habib Pakistan Limited was taxed as one fiscal unit for the years ended 30 June 2011 and 30 June 2012 under section 59AA of the Ordinance.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2012 other than the following:

- 9.1.1** Letter of guarantees issued by banks on behalf of the company amounts to Rs. 161.032 million (June 30, 2012 : Rs. 136.919 million)
- 9.1.2** Post dated cheques issued to Collector of Customs amounts to Rs. 157.291 million (June 30, 2012 : Rs. 175.359 million)
- 9.1.3** Appellate Tribunal Inland Revenue allowed relief to the Company and consequently tax demand of Rs. 12.681 million stands deleted as reported earlier under contingency note no. 26.1.2 in the annual financial statements for the year ended June 30, 2012.
- 9.2 Commitments**
- 9.2.1** Letter of credits outstanding for raw material and spares amounts to Rs. 823.198 million (June 30, 2012 : Rs. 1,151.605 million).
- 9.2.2** Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 25.855 million (June 30, 2012: 27.548 million)

Thal Limited

10 BASIC AND DILUTED EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

| | Half-year ended | |
|--|--------------------------------------|----------------------|
| | December 31, 2012 | December 31, 2011 |
| | (Un-audited) | |
| | (Rupees in thousands) | |
| Profit after taxation | 578,428 | 561,577 |
| | Number of shares in thousands | |
| | (Restated) | |
| Number of ordinary shares of Rs. 5/- each in issue | 81,030 | 81,030 |
| | Rupees | |
| | (Restated) | |
| Basic and diluted earnings per share | 7.14 | 6.93 |

Earnings per share for the half year ended 31 December 2011 have been restated for the effect of bonus issue during the period.

11 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period are as follows:

| | Half-year ended | |
|---|------------------------------|----------------------|
| | December 31, 2012 | December 31, 2011 |
| | (Un-audited) | |
| | (Rupees in thousands) | |
| Transactions | | |
| Sales | 2,095,781 | 3,335,917 |
| Payment to subsidiary for tax losses | - | 20,783 |
| Professional Services acquired | 34,374 | 28,187 |
| Insurance premium | 16,496 | 17,645 |
| Purchase of goods | 51,435 | 1,020 |
| Insurance claim received | 452 | 3,776 |
| Mark-up and bank charges paid | 3,422 | 23,680 |
| Profit received | 61,898 | 32,532 |
| Supplies purchased | 8,835 | 7,679 |
| Contribution to provident fund | 16,076 | 12,642 |
| Contribution to retirement benefit fund | 1,132 | 1,175 |
| Rent paid | 198 | - |
| Key management personnel remuneration | 40,095 | 32,196 |
| | | |
| | December 31, | June 30, |
| | 2012 | 2012 |
| | (Un-audited) | (Audited) |
| | (Rupees in thousands) | |
| Balances | | |
| Trade debts | 63,850 | 192,102 |
| Other receivables | 4,285 | 1,605 |
| Bank balances | 665,200 | 1,021,577 |
| Trade and other payables | 1,299 | 28,826 |
| Short term borrowings | 10,561 | 46,456 |
| Long term finance | - | 67,500 |

Thal Limited

12 DATE OF AUTHORISATION FOR ISSUE

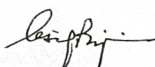
These condensed interim financial statements were authorised for issue on February 23, 2013 by the Board of Directors of the Company.

13 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on February 23, 2013 have proposed an interim dividend @ 50% i.e. Rs. 2.50 per ordinary share amounting to Rs. 202,575/= million.

14 GENERAL

Figures have been rounded off to the nearest thousands.



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2012

| | Note | December 31, 2012 (Un-audited) | June 30, 2012 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| (Rupees in thousands) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 1,216,021 | 1,252,150 |
| Intangible assets | 5 | 979 | 647 |
| Investment property | | 7,714,292 | 7,814,470 |
| Long-term investments | 6 | 1,894,132 | 2,081,956 |
| Long-term loans and deposits | | 9,379 | 9,455 |
| Long-term prepayments | | 78,577 | 83,104 |
| | | 10,913,380 | 11,241,782 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 119,563 | 95,169 |
| Stock-in-trade | 7 | 3,580,914 | 3,161,842 |
| Trade debts | | 719,827 | 886,045 |
| Loans, advances, deposits, prepayments and other receivables | | 180,103 | 285,063 |
| Short-term investments | 8 | 1,093,615 | 915,313 |
| Accrued profit on bank deposits | | 10,292 | 13,550 |
| Sales tax refundable | | - | 14,662 |
| Cash and bank balances | | 873,892 | 1,240,033 |
| | | 6,578,206 | 6,611,677 |
| TOTAL ASSETS | | 17,491,586 | 17,853,459 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| 100,000,000 (June 30, 2012: 100,000,000) ordinary shares of Rs.5/- each | | 500,000 | 500,000 |
| Issued, subscribed and paid-up capital | | 405,150 | 368,318 |
| Share deposit money | | 12 | 12 |
| Reserves | | 9,450,989 | 9,319,092 |
| Equity attributable to equity holders' of the parent | | 9,856,151 | 9,687,422 |
| Non-controlling interest | | 5,449,757 | 5,346,797 |
| Total equity | | 15,305,908 | 15,034,219 |
| NON-CURRENT LIABILITIES | | | |
| Long term finance | | - | 159,375 |
| Liabilities against assets subject to finance lease | | - | 157 |
| Deferred tax liability | | 25,196 | 33,099 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 2,111,920 | 1,846,285 |
| Short-term borrowings | | 11,050 | 52,403 |
| Deferred income | | 30,033 | 37,899 |
| Current portion of long term finance | | - | 655,000 |
| Current portion of liabilities against assets subject to finance lease | | - | 102 |
| Accrued markup | | 194 | 11,571 |
| Taxation - net | 9 | 4,814 | 19,471 |
| Sales tax payable | | 2,471 | 3,878 |
| | | 2,160,482 | 2,626,609 |
| CONTINGENCIES AND COMMITMENTS | 11 | - | - |
| TOTAL EQUITIES AND LIABILITIES | | 17,491,586 | 17,853,459 |

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


ASIF RIZVI
 Chief Executive


SOHAIL P. AHMED
 Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE HALF-YEAR ENDED DECEMBER 31, 2012

(Un-audited)

| | Note | Half-year ended | | Quarter ended | |
|--|------|-----------------------|------------------|------------------|------------------|
| | | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |
| | | (Rupees in thousands) | | | |
| CONTINUING OPERATIONS | | | | | |
| Turnover - net | | 6,526,818 | 7,283,609 | 2,860,471 | 3,560,657 |
| Cost of sales | | 5,599,070 | 6,065,203 | 2,480,920 | 2,988,900 |
| Gross Profit | | 927,748 | 1,218,406 | 379,551 | 571,757 |
| Distribution costs | | (79,443) | (80,242) | (31,163) | (40,650) |
| Administrative expenses | | (559,880) | (324,285) | (256,961) | (93,129) |
| | | (639,323) | (404,527) | (288,124) | (133,779) |
| Other operating income | | 823,251 | 118,063 | 401,511 | 26,689 |
| Operating Profit | | 1,111,676 | 931,942 | 492,938 | 464,667 |
| Finance costs | | (21,580) | (63,649) | (1,817) | (12,184) |
| Other charges | | (51,027) | (56,213) | (12,657) | (19,755) |
| | | (72,607) | (119,862) | (14,474) | (31,939) |
| | | 1,039,069 | 812,080 | 478,464 | 432,728 |
| Share of net profit of associates - after tax | | (57,550) | 144,520 | (89,497) | 66,145 |
| Profit before taxation | | 981,519 | 956,600 | 388,967 | 498,873 |
| Taxation | | (253,018) | (259,452) | (97,785) | (121,229) |
| Profit after taxation from continuing operations | | 728,501 | 697,148 | 291,182 | 374,648 |
| Discontinued Operations | 10 | - | (45,195) | - | (34,827) |
| Profit for the period | | 728,501 | 651,953 | 291,182 | 339,821 |
| Attributable to: | | | | | |
| - Equity holders of the Holding Company | | 587,996 | 651,953 | 213,075 | 339,840 |
| - Non-controlling interest | | 140,505 | - | 78,107 | (19) |
| | | 728,501 | 651,953 | 291,182 | 339,821 |
| Rupees | | | | | |
| (Restated) | | | | | |
| Basic and diluted earning per share attributable to the equity holders of the Holding Company | 12 | 7.26 | 8.05 | 2.63 | 4.19 |
| Basic and diluted earning per share from continuing operations attributable to the equity holders of the Holding Company | 12 | 7.26 | 8.60 | 2.63 | 4.62 |

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


ASIF RIZVI
 Chief Executive


SOHAIL P. AHMED
 Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED DECEMBER 31, 2012
(Un-audited)

| Note | Half-year ended | | Quarter ended | |
|--|-----------------------|------------------|------------------|------------------|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |
| | (Rupees in thousands) | | | |
| Profit after taxation | 728,501 | 651,953 | 291,182 | 339,821 |
| Other comprehensive income | | | | |
| Fair value gain on available-for-sale investments | 945 | (8,098) | (8,397) | (13,087) |
| Unrealised gain on hedging instruments | 3,353 | - | - | - |
| Other comprehensive income for the period - net of tax | 4,298 | (8,098) | (8,397) | (13,087) |
| Total comprehensive income for the period - net of tax | 732,799 | 643,855 | 282,785 | 326,734 |
| Total comprehensive income attributable to equity holders of the Holding Company arises from: | | | | |
| - Continued operations | 732,799 | 689,050 | 282,785 | 361,561 |
| - Discontinued operations | 10 - | (45,195) | - | (34,827) |
| | 732,799 | 643,855 | 282,785 | 326,734 |
| Attributable to: | | | | |
| - Equity holders of the Holding Company | 592,294 | 643,855 | 204,678 | 326,753 |
| - Non-controlling interest | 140,505 | - | 78,107 | (19) |
| | 732,799 | 643,855 | 282,785 | 326,734 |

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


ASIF RIZVI
Chief Executive


SOHAIL P. AHMED
Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED DECEMBER, 2012

(Un-audited)

| | December 31, 2012 | 2011 |
|--|-----------------------|-----------|
| | (Rupees in thousands) | |
| CONTINUING OPERATIONS | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 981,519 | 956,600 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation and Amortization | 205,922 | 76,524 |
| Share in profit of associates - after taxation | 57,550 | (144,520) |
| Finance costs | 9,856 | 63,634 |
| Profit earned | (79,272) | (34,210) |
| Liabilities no longer payable written back | (386) | (179) |
| Gain on revaluation of investments at fair value through profit and loss | (13,700) | (7,659) |
| Dividend income | (1,225) | (817) |
| Reversal for impairment of debts | (1,332) | (3,307) |
| Provision for slow moving items | | (15,301) |
| Provision for retirement benefits | 701 | 1,175 |
| Gain on sale of property, plant and equipment | 400 | (1,762) |
| | 178,514 | (66,422) |
| | 1,160,033 | 890,178 |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (24,394) | (21,339) |
| Stock-in-trade | (419,072) | (888,484) |
| Trade debts | 170,585 | (34,249) |
| Loans, advances, deposits, prepayments and other receivables | 137,804 | (109,667) |
| Deferred income | 9 | 2,795 |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 259,765 | 112,348 |
| Sales tax payable | 8,915 | (9,131) |
| | 133,612 | (947,727) |
| Cash generated from / (used in) operations | 1,293,645 | (57,549) |
| Finance costs paid | (13,865) | (71,248) |
| Dividends paid | (509,628) | (150,925) |
| Retirement benefits paid | (2,268) | (4,325) |
| Income tax paid | (315,577) | (166,176) |
| Net cash generated from / (used in) operating activities | 452,307 | (448,223) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (82,382) | (106,751) |
| Long term loans and deposits | 1,966 | 2,127 |
| Dividends received | 190,771 | 60,295 |
| Profit received | 80,002 | 41,437 |
| Proceeds from disposal of property, plant and equipment | 8,338 | 6,026 |
| Investment in subsidiary | | (87) |
| Purchase of investments | (25,064) | (194,081) |
| Net cash generated from / (used in) investing activities | 173,631 | (191,034) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term finance repaid | (814,375) | (107,500) |
| Export refinance repaid | - | 112,900 |
| Repayment of liabilities against assets subject to finance lease | (259) | (1,917) |
| Net cash (used in) / generated from financing activities | (814,634) | 3,483 |
| DISCONTINUED OPERATIONS | | |
| Operating cashflows | - | (47,842) |
| Investing cashflows | - | (10,931) |
| Financing cashflows | - | (106,250) |
| Cash and cash equivalents | - | (98,566) |
| Net cash flows from discontinued operations | - | (263,589) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (188,696) | (899,363) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 1,786,538 | 822,744 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 1,597,842 | (76,619) |
| Cash and bank balances | 873,892 | 305,524 |
| Short-term investments | 735,000 | - |
| Running Finance | (11,050) | (382,143) |
| | 1,597,842 | (76,619) |

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.


ASIF RIZVI
 Chief Executive

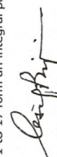

SOHAIL P. AHMED
 Vice Chairman

Thal Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED DECEMBER 31, 2012 (Un-audited)

| | Issued, subscribed & paid-up capital | Share deposit money | Capital reserve | General reserve | RESERVES | Unrealised gain/(loss) on investments | Gain/(Loss) on changes in fair value of available for sale investments | Non-controlling interest | Total equity |
|--|--------------------------------------|---------------------|-----------------|------------------|------------------|---------------------------------------|--|--------------------------|-------------------|
| Balance as at June 30, 2011 | 306,932 | 12 | 67,929 | 5,114,874 | 1,551,600 | - | 48,660 | 87 | 7,090,094 |
| Profit for the period | - | - | - | - | 651,953 | - | - | - | 651,953 |
| Other comprehensive income | - | - | - | - | - | - | (8,098) | - | (8,098) |
| Total comprehensive income | - | - | - | - | 651,953 | - | (8,098) | - | 643,855 |
| Issue of bonus shares in the ratio of 2 : 10 | 61,386 | - | - | - | (61,386) | - | - | - | - |
| Final dividend @ Rs. 250/= per share | - | - | - | - | (153,466) | - | - | - | (153,466) |
| Transfer to revenue reserve | - | - | - | 875,000 | (875,000) | - | - | - | - |
| Acquisition of non controlling interest | - | - | - | - | - | - | - | (87) | (87) |
| Balance as at December 31, 2011 | 368,318 | 12 | 67,929 | 5,989,874 | 1,113,701 | - | 40,562 | - | 7,580,396 |
| Balance as at June 30, 2012 | 368,318 | 12 | 67,929 | 5,989,874 | 3,211,379 | (3,353) | 53,263 | 5,346,797 | 15,034,219 |
| Profit for the period | - | - | - | - | 587,996 | 3,353 | 945 | 140,505 | 728,501 |
| Other comprehensive income | - | - | - | - | - | - | - | - | 4,298 |
| Total comprehensive income | - | - | - | - | 587,996 | 3,353 | 945 | 140,505 | 732,799 |
| Issue of bonus shares in the ratio of 2 : 10 | 36,832 | - | - | - | (36,832) | - | - | - | - |
| Final dividend @ Rs. 575/= per share | - | - | - | - | (423,565) | - | - | - | (423,565) |
| Transfer to revenue reserve | - | - | - | 1,145,000 | (1,145,000) | - | - | - | - |
| Interim dividend @ Rs. 0.346 per share for the year ending June 30, 2013 | - | - | - | - | - | - | - | (37,545) | (37,545) |
| Balance as at December 31, 2012 | 405,150 | 12 | 67,929 | 7,134,874 | 2,193,978 | - | 54,208 | 5,449,757 | 15,305,908 |

The annexed notes from 1 to 17 form an integral part of these condensed interim consolidated financial statements.



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman

Thal Limited

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED DECEMBER 31, 2012

(Un-audited)

1 THE HOLDING COMPANY AND ITS OPERATIONS

Thal Limited (the holding Company) was incorporated on January 31, 1966 as a public company limited by shares under the Companies Act, 1913 (now the Companies Ordinance, 1984) and is listed on the Karachi and Lahore Stock Exchanges.

The holding company is engaged in the manufacture of jute goods, engineering goods, papersacks and laminate sheets. The registered office of the holding company is situated at 4th Floor, House of Habib, 3 Jinnah Co-operative Housing Society, Block 7/8, Sharea Faisal, Karachi.

The Group comprises of the holding company and its subsidiaries, Noble Computer Services (Private) Limited, Pakistan Industrial Aids (Private) Limited, Makro-Habib Pakistan Limited, A-One Enterprises (Pvt) Limited and Habib Metro Pakistan (Pvt) Ltd.

Noble Computer Services (Private) Limited is engaged in providing share registrar and related accounting services, share floatation services, data entry services and internal audit services.

Pakistan Industrial Aids (Private) Limited is engaged in trading of various products.

Makro-Habib Pakistan Limited is engaged in a chain of wholesale / retail cash and carry stores.

A-One Enterprises (Pvt) Limited owns a land at multan road, Lahore.

Habib Metro Pakistan (Pvt) Limited, main business is to own and manage properties.

These subsidiaries have been consolidated in these interim condensed consolidated financial statements.

2 BASIS OF PREPERATION

These condensed interim consolidated financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. Inc case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim consolidated financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended June 30, 2012.

4 PROPERTY, PLANT AND EQUIPMENT

The following additions and deletions were made in property, plant and equipment during the period:

| | Additions (at cost) | | Deletions (at book value) | |
|--|------------------------|----------------------|------------------------------|----------------------|
| | Half-year ended | | Half-year ended | |
| | December 31, 2012 | December 31, 2011 | December 31, 2012 | December 31, 2011 |
| | (Rupees in thousands) | | | |
| Owned Assets | | | | |
| Land - Freehold | 499 | - | - | - |
| Factory Building | 5,335 | 9,535 | - | - |
| Non Factory Building on freehold land | - | 144 | - | - |
| Non Factory Building on leasehold land | - | 8,486 | - | - |
| Plant and machinery | 13,684 | 7,555 | 1,226 | 381 |
| Furniture and fittings | 2,077 | 7,460 | 1,639 | 450 |
| Vehicles | 7,823 | 10,628 | 5,169 | 4,631 |
| Office and mills equipment | 3,186 | 939 | 441 | 145 |
| Computer equipment | 4,303 | 5,037 | 263 | 226 |
| Jigs and Fixtures | - | 3,773 | - | - |
| | 36,907 | 53,557 | 8,738 | 5,833 |
| Capital work-in-progress | | | | |
| Civil works | 11,332 | 19,291 | - | - |
| Plant and machinery | - | 74,094 | - | - |
| Advance against: | | | | |
| Civil works | - | 157 | - | - |
| Purchase of vehicles | 2,087 | 1,424 | - | - |
| | 13,419 | 94,966 | - | - |
| | 50,326 | 148,523 | 8,738 | 5,833 |

4.1 During the period, capital work in progress amounting to Rs. 21.790 million (December 31, 2011 : Rs. 21.846 million) was transferred to owned assets.

5 Intangible assets

| | | | | |
|----------|-----|-----|-----|---|
| Software | 470 | 141 | 470 | - |
|----------|-----|-----|-----|---|

Thal Limited

6 LONG-TERM INVESTMENT

December 31, June 30,
2012 2012
(Un-audited) (Audited)
(Rupees in thousands)

Associates - stated as per equity method

Quoted

Indus Motors Limited

Habib Insurance Company Limited

Agriauto Industries Limited

Shabbir Tiles and Ceramics Limited

Unlisted

METRO Habib Cash & Carry Pakistan (Private) Limited

| | |
|-----------|-----------|
| 983,799 | 967,201 |
| 37,447 | 34,446 |
| 179,724 | 177,044 |
| 21,493 | 20,673 |
| 610,658 | 825,269 |
| 1,833,121 | 2,024,633 |

Other investments - at fair value

Available-for-sale

Quoted

Habib Sugar Mills Limited

GlaxoSmithKline (Pakistan) Limited

Dynea Pakistan Limited

| | |
|-----------|-----------|
| 46,113 | 40,717 |
| 102 | 88 |
| 14,796 | 16,518 |
| 61,011 | 57,323 |
| 1,894,132 | 2,081,956 |

7 STOCK-IN-TRADE

Raw material

In hand

In transit

Work-in-process

Finished goods

Provision for obsolescence and shrinkage

| | |
|-----------|-----------|
| 2,234,517 | 1,809,286 |
| 345,903 | 540,045 |
| 2,580,420 | 2,349,331 |
| 175,260 | 168,264 |
| 837,245 | 651,681 |
| (12,011) | (7,434) |
| 825,234 | 644,247 |
| 3,580,914 | 3,161,842 |

This includes items amounting to Rs. 51.122 million (June 30, 2012 : Rs. 156.343) carried at net realizable value. [Cost Rs. 54.150 million (June 30, 2012 : Rs. 163.665 million)]

8 SHORT TERM INVESTMENTS

This includes investment Term Deposit Receipts amounting to Rs. 754.412 million (June 30, 2012 : Rs. 601.189 million) and money market mutual funds amounting to Rs. 339.203 million (June 30, 2012: Rs. 314.124 million).

9 INCOME TAX - Net

Group tax relief adjustments

Income Tax provision less tax payments - net

| | |
|-----------|-----------|
| 593,466 | 614,150 |
| (598,280) | (633,621) |
| (4,814) | (19,471) |

- 9.1.1 In terms of the provisions of Section 59B of the Income Tax Ordinance, 2001 (the Ordinance), a subsidiary company may surrender its tax losses in favour of its holding company for set off against the income of its holding Company subject to certain conditions as prescribed under the Ordinance.

Accordingly, the Company has adjusted its tax liabilities for the tax years 2008-2010 by acquiring the losses of its subsidiary company and consequently an aggregate sum of Rs. 593.466 million equivalent to the tax value of the losses acquired has been paid to the subsidiary company.

There was no change in the status of assessments of the Company for the tax years 2008 to 2010 as reported in the annual financial statements for the year ended June 30, 2012.

- 9.1.2 For the year ending 30 June 2013, the company has decided not to opt for group taxation under section 59AA of the Income Tax Ordinance, 2001 (the Ordinance). Accordingly, the provision for taxation is made on the same basis in these condensed interim financial statements. The Company and its subsidiary Company - Makro-Habib Pakistan Limited was taxed as one fiscal unit for the years ended 30 June 2011 and 30 June 2012 under section 59AA of the Ordinance.

Thal Limited

| | December 31, 2012 | December 31, 2011 |
|---|-----------------------|----------------------|
| | (Un-audited) | |
| | (Rupees in thousands) | |
| 10 Discontinued Operations | | |
| Analysis of the result of discontinued operations, is as follows: | | |
| Revenues | - | 5,996,651 |
| Expenses | - | (6,041,846) |
| Profit/(Loss) of discontinued operations - net of taxation | - | (45,195) |

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2012 other than the following:

- 11.1.1 Letter of guarantees issued by banks on behalf of the Group amounts to Rs. 166.816 million (June 30, 2012 : Rs. 142.703 million);
- 11.1.2 Post dated cheques issued to collector of Customs amounts to Rs. 157.291 million (June 30, 2012 : Rs. 175.359 million);
- 11.1.3 Appellate Tribunal Inland Revenue allowed relief to the Company and consequently tax demand of Rs. 12.681 million stands deleted as reported earlier under contingency note no. 30.1.2 in the annual consolidated financial statements for the year ended June 30, 2012.

11.2 Commitments

- 11.2.1 Letter of credits outstanding for capital expenditure, raw material and spares amounts to Rs. 823.698 million (June 30, 2012 : Rs. 1,152.105 million).
- 11.2.2 Commitments for rentals under operating lease agreements in respect of Land amount to Rs. 3,243.292 million (June 30, 2012 : Rs. 3,255.792 million)
- 11.2.3 Commitments for rentals under Ijarah agreements in respect of vehicles amount to Rs. 25.855 million (June 30, 2012 : Rs. 27.548 million).

12 BASIC AND DILUTED EARNINGS PER SHARE

| | Half-year ended | |
|--|--------------------------------------|----------------------|
| | December 31, 2012 | December 31, 2011 |
| | (Un-audited) | |
| | (Rupees in thousands) | |
| Profit for the period after taxation attributable to the shareholders of the holding company | 587,996 | 651,953 |
| | Number of shares in thousands | |
| Number of ordinary shares of Rs. 5/- each in issue | 81,030 | 81,030 |
| | Rupees | |
| Basic and diluted earnings per share | 7.26 | 8.05 |

The number of ordinary shares and earning per share for the half-year ended December 31, 2011 has been adjusted for the effect of bonus shares issued during the period.

The basic and diluted EPS from continuing operations is as under:

| | | |
|--|--------------------------------------|---------|
| Profit for the period after taxation from continuing operations attributable to the shareholders of the Holding Company. | 587,996 | 697,148 |
| | Number of shares in thousands | |
| Number of ordinary shares of Rs. 5/- each in issue | 81,030 | 81,030 |
| | Rupees | |
| | 7.26 | 8.60 |

Earnings per share for the half year ended 31 December 2011 have been restated for the effect of bonus issue during the period.

Thal Limited

13 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Group comprise companies with common directorship, retirement funds, directors and key management personnel. Detail of transactions with related parties during the period, other than those which have been disclosed elsewhere in these interim condensed consolidated financial statements, are as follows:

| | Half-year ended | |
|---|------------------------|--------------|
| | December 31, | December 31, |
| | 2012 | 2011 |
| | (Un-audited) | |
| | (Rupees in thousands) | |
| Transactions | | |
| Sales | 2,118,607 | 3,335,917 |
| Professional Services rendered | 64,460 | 60,484 |
| Rental Income | 583,964 | - |
| Insurance premium | 17,403 | 17,645 |
| Sale/purchase of assets | 3,760 | - |
| Purchase of goods | 44,281 | 1,020 |
| Insurance claim received | 525 | 3,776 |
| Mark-up and bank charges paid | 3,456 | 23,680 |
| Profit received | 85,621 | 32,532 |
| Licence fee, signage and others | 3,923 | 21,549 |
| Contribution to provident fund | 17,907 | 17,809 |
| Contribution to retirement benefit fund | 1,132 | 1,175 |
| Rent paid | 666 | 467 |
| Key management personnel remuneration | 89,209 | 48,910 |
| | | |
| | December 31, | June 30, |
| | 2012 | 2012 |
| | (Un-audited) (Audited) | |
| | (Rupees in thousands) | |
| Balances | | |
| Trade debts | 67,328 | 210,056 |
| Other receivables | 687 | 131,142 |
| Bank balances | 685,535 | 1,164,097 |
| Trade and other payables | 59,669 | 11,886 |
| Short term borrowings | 10,561 | 46,456 |
| Long term finance | - | 67,500 |

Thal Limited

14 SEGMENT ANALYSIS

| | HALF-YEAR ENDED | | | | | |
|---|------------------|---------------------------------------|------------------|------------------|------------------|------------------|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2011 | Dec. 31, 2011 |
| | Engineering | Building material and allied products | Others | Elimination | Total | Total |
| CONTINUING OPERATIONS | | | | | | |
| SALES REVENUE | 2,792,919 | 3,842,915 | 2,320,492 | 1,966,290 | 1,479,790 | 1,510,270 |
| | | | | | (66,383) | (35,866) |
| | | | | | | 7,283,609 |
| SEGMENT RESULT | 580,049 | 877,436 | 145,323 | 100,266 | 459,228 | 51,070 |
| Unallocated corporate (expenses) / Income: | | | | | | |
| Administrative & distribution costs | | | | | | 1,028,772 |
| Other operating income | | | | | | (188,428) |
| Operating profit | | | | | | 1,111,676 |
| Finance cost | | | | | | (63,649) |
| Other charges | | | | | | (51,027) |
| Share in profit of associates | | | | | | (57,550) |
| Taxation | | | | | | (253,019) |
| DISCONTINUED OPERATIONS | | | | | | 697,148 |
| Operating loss from discontinued operations | | | | (45,195) | | (45,195) |
| | | | | | | 728,501 |
| | | | | | | 728,501 |

---Rupees in thousand---

SEGMENT ANALYSIS

| | QUARTER ENDED | | | | | |
|---|------------------|---------------------------------------|------------------|------------------|------------------|------------------|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2011 | Dec. 31, 2011 |
| | Engineering | Building material and allied products | Others | Elimination | Total | Total |
| CONTINUING OPERATIONS | | | | | | |
| SALES REVENUE | 1,102,377 | 1,821,628 | 1,107,608 | 1,064,463 | 689,420 | 686,088 |
| | | | | | (38,934) | (11,527) |
| | | | | | | 2,860,471 |
| SEGMENT RESULT | 217,739 | 408,990 | 66,388 | 32,680 | 258,431 | 80,306 |
| Unallocated corporate (expenses) / Income: | | | | | | |
| Administrative & distribution costs | | | | | | 542,558 |
| Other operating income | | | | | | (94,999) |
| Operating profit | | | | | | 45,379 |
| Finance cost | | | | | | (12,184) |
| Other charges | | | | | | (1,817) |
| Share in profit of associates | | | | | | (1,355) |
| Taxation | | | | | | (89,497) |
| DISCONTINUED OPERATIONS | | | | | | 374,648 |
| Operating loss from discontinued operations | | | | (34,827) | | (34,827) |
| | | | | | | 291,182 |
| | | | | | | 291,182 |

---Rupees in thousand---

Thal Limited

The Engineering segment is engaged in the manufacturing of automotive parts.

The Building material and allied products segment include jute, papersack and laminate operations.

The third segment includes the cash & carry business, trading , share registrar & management services and real estate.

15 DATE OF AUTHORISATION FOR ISSUE

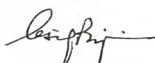
These condensed interim consolidated financial statements were authorised for issue on February 23, 2013 by the Board of Directors of the Holding Company.

16 NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Holding Company in their meeting held on February 23, 2013 have proposed an interim dividend @ 50% i.e. Rs. 2.50 per ordinary share amounting to Rs. 202,575/= million.

17 GENERAL

Figures have been rounded off to the nearest thousands.



ASIF RIZVI
Chief Executive



SOHAIL P. AHMED
Vice Chairman



Corporate Information

Board of Directors

| | |
|---------------------|-----------------|
| Rafiq M. Habib | Chairman |
| Sohail P. Ahmed | Vice Chairman |
| Asif Rizvi | Chief Executive |
| Ali S. Habib | Director |
| Mohamedali R. Habib | Director |
| Mazhar Valjee | Director |
| Shahid Mahmood Khan | Director |

Audit Committee

| | |
|---------------------|----------|
| Shahid Mahmood Khan | Chairman |
| (Independent) | |
| Mohamedali R. Habib | Member |
| Sohail P. Ahmed | Member |
| Ali S. Habib | Member |

Human Resource & Remuneration Committee

| | |
|---------------|----------|
| Mazhar Valjee | Chairman |
| Ali S. Habib | Member |
| Asif Rizvi | Member |

Business Review Committee

| | |
|-----------------|----------|
| Ali S. Habib | Chairman |
| Sohail P. Ahmed | Member |
| Asif Rizvi | Member |

Chief Financial Officer

Shahid Saleem

Company Secretary

Ali Asghar Moten

Internal Auditors

Noble Computer Services (Private) Limited

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisers

A. K. Brohi & Co., Karachi.
K. A. Wahab & Co., Karachi.
Fazl-e-Ghani associates, Karachi.

Tax Advisers

Ernst & Young Ford Rhodes Sidat Hyder

Bankers

Albaraka Islamic Bank
Bank Al - Habib Limited
Barclays Bank, PLC Pakistan
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

4th Floor, House of Habib,
3-Jinnah Cooperative Housing Society,
Block 7/8, Shahra-e-Faisal,
Karachi - Pakistan.
Tel : 92(21) 3431-2030, 3431-2185
E-mail : tl@hoh.net
Web : www.thallimited.com

Share Registrar

Noble Computer Services (Private) Limited
First Floor, House of Habib,
3-Jinnah Cooperative Housing Society,
Block 7/8, Shahra-e-Faisal,
Karachi - Pakistan.
Tel : 92(21) 3432-5482-7, 3432-5442

Listing on Stock Exchanges

Thal Limited equity shares are listed on
Karachi and Lahore Stock Exchanges

Stock Code

The stock code for dealer in equity shares of
Thal Limited at KSE & LSE is THALL

BOOK POST

**PRINTED MATTER
UNDER POSTAL CERTIFICATE**



If undelivered please return to:

Thal Limited

4th floor, House of Habib,
3-Jinnah Cooperative Housing Society, Block 7/8
Shahra-e-faisal, Karachi - 75350

Printed at UniPrint

