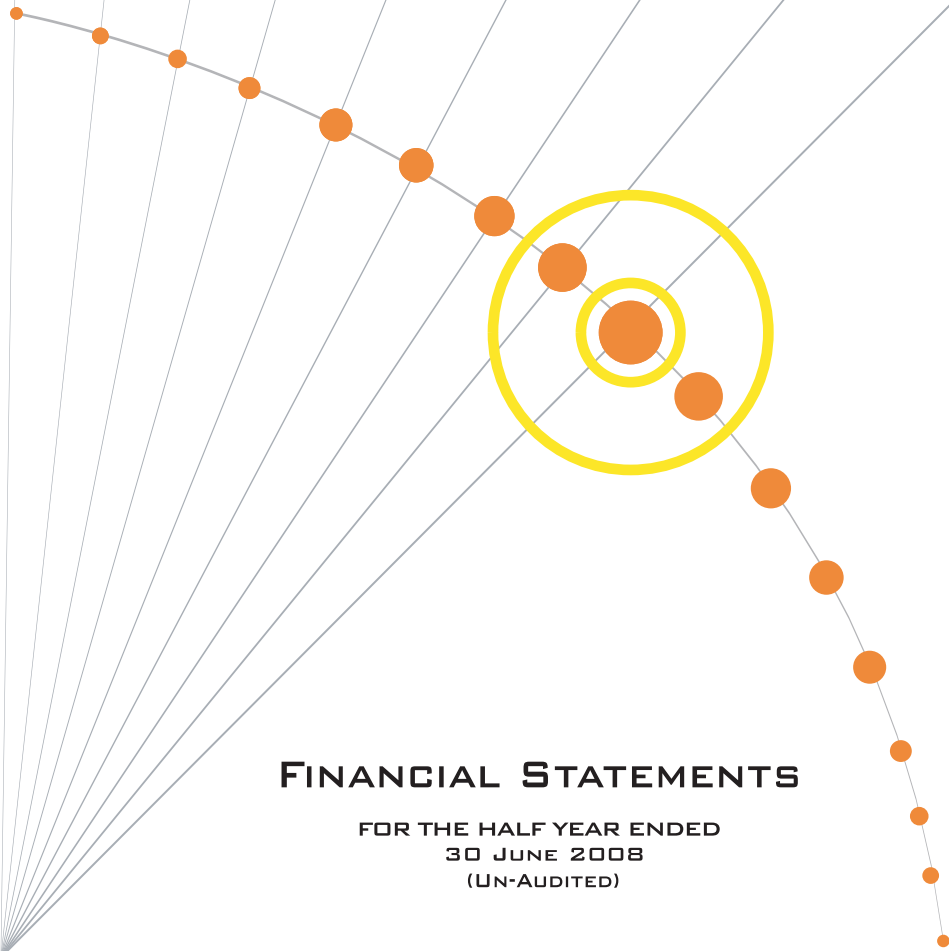




**AZGARD-9**

**AZGARD NINE LIMITED**



**FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED  
30 JUNE 2008  
(UN-AUDITED)**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Mueen Afzal Chairman  
Mr. Ahmed H. Shaikh Chief Executive  
Chief Justice (Retd.) Mian Mahboob Ahmad  
Mr. Aehsun M.H. Shaikh  
Mr. Ali Jehangir Siddiqui  
Mr. Khalid A.H. Al-Sagar  
Mr. Mohammed Khaishgi

### COMPANY SECRETARY

Mr. Muhammad Ijaz Haider

### CHIEF FINANCIAL OFFICER

Mr. Abid Amin

### AUDIT COMMITTEE

Chief Justice (Retd.) Mian Mahboob Ahmad - Chairman  
Mr. Mueen Afzal  
Mr. Aehsun M.H. Shaikh  
Mr. Ali Jehangir Siddiqui  
Mr. Khalid A.H. Al-Sagar

### MANAGEMENT TEAM

Mr. Ahmed H. Shaikh  
Mr. Tariq Mohammad Khan  
Mr. Abid Amin  
Mr. Irfan Nazir  
Mr. Tahir Munir  
Mr. Atif Farooqi  
Mr. Usman Rasheed

### FINANCE COMMITTEE

Mr. Ahmed H. Shaikh  
Mr. Ali Jehangir Siddiqui  
Mr. Tariq Mohammad Khan

### HUMAN RESOURCE COMMITTEE

Mr. Ahmed H. Shaikh  
Mr. Tariq Mohammad Khan  
Mr. Salim Khan

### BANKERS

JS Bank Limited  
MCB Bank Limited  
Citibank N.A.  
The Royal Bank of Scotland Limited  
Faysal Bank Limited  
Habib Bank Limited  
Saudi Pak Industrial & Agricultural  
Investment Company (Private) Limited  
HSBC Bank Middle East Limited  
United Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Habib Bank AG Zurich  
NIB Bank Limited  
National Bank of Pakistan  
Allied Bank Limited  
My Bank Limited  
KASB Bank Limited  
Pak Oman Investment Company Limited  
Saudi Pak Commercial Bank Limited

### LEGAL ADVISORS

Hamid Law Associates

### AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### TAX ADVISORS

Faruq Ali & Co.  
Chartered Accountants

### REGISTERED OFFICE

Ismail Aiwan-e-Science  
Off Shahrah-e-Roomi  
Lahore, 54600  
Ph: +92 (0)42 111-786-645  
Fax: +92 (0)42 5761791

### PROJECT LOCATIONS

#### Unit I

2.5 KM off Manga, Raiwind Road,  
District Kasur.  
Ph: +92 (0)42 5384081  
Fax: +92 (0)42 5384093

#### Unit II

Alipur Road, Muzaffargarh.  
Ph: +92 (0)661 422503, 422651  
Fax: +92 (0)661 422652

#### Unit III

20 KM off Ferozepur Road,  
6 KM Badian Road on Ruhi Nala  
Der Khurd, Lahore.  
Ph: +92 (0)42 8460333, 8488862

## DIRECTORS' REVIEW

The Board of Directors of Azgard Nine Limited ("the Company") is pleased to present their second quarterly report together with reviewed interim financial statements for the period ended 30 June 2008.

Despite of the volatile environment in the country on account of political uncertainty, extreme inflationary pressure and shortages of all kinds including energy, the company completed its second quarter successfully with Sales growing by 47% as compared to the same quarter last year. More significantly, sales grew by 24% more than the previous quarter this year.

At the same time, the operating profit increased by 91% over the same quarter last year on the back of growing operating margins. This is a noteworthy improvement in the operations of the Company, demonstrating strong sales growth and a more value added product mix.

### FINANCIAL PERFORMANCE HIGHLIGHTS OF AZGARD NINE LIMITED

The summary of the financial results for the second quarter is given below:

Financial Results	Growth %	30 June 2008 Rupees	30 June 2007 Rupees
Sales - net	47.39	4,622,741,884	3,136,475,386
Operating profit	91.28	1,192,734,648	623,556,106
Financial charges	57.84	815,772,154	516,839,061
Profit before tax	80.17	354,646,423	196,842,414
Profit after tax	78.74	308,075,892	172,358,881

Consolidated Results of Azgard Nine Limited and its wholly owned subsidiary Pak American Fertilizers Limited:

Financial Results	Growth %	30 June 2008 Rupees	30 June 2007 Rupees
Sales - net	40.87	6,856,997,257	4,867,448,663
Operating profit	52.81	2,157,107,078	1,411,607,188
Financial charges	44.18	1,413,434,474	980,332,780
Profit before tax	72.25	930,495,746	540,194,079
Profit after tax	115.35	843,831,646	391,896,889

### EARNING PER SHARE

Azgard Nine Limited [Stand Alone]

	30 June 2008 Rupees	30 June 2007 Rupees
Earnings per share for quarter ended	0.46	0.26
Earnings per share for half year ended	0.88	0.46

Consolidated with wholly owned Subsidiary

	30 June 2008 Rupees	30 June 2007 Rupees
Earnings per share for quarter ended	0.46	1.08
Earnings per share for half year ended	2.59	1.16

### THE COMPANY BUSINESSES

#### THE TEXTILE APPAREL CHAIN

As is apparent from the numbers, the management's drive to grow the "Top Line" and to improve the value addition of the product mix has been successful. Going forward, the following factors can be considered to be positive:

- " The Montebello Acquisition - the full impact of this acquisition is expected to be visible by the 4th Quarter. This will further improve the Top Line and the value addition of the product mix.
- " The continuity of the R&D facility at the rate of 6% by the Government until 30 June 2009. Its details are however yet to be notified.

The Company's plans to balance, modernize and rehabilitate (BMR) its textile chain are underway.

Emphasis is being placed by the management on quality and service by training of the workforce to achieve the required skill levels and better machine efficiencies.

The Company has imported a dual fuel generator. This will arrive in October and commence operations by the end of this year. It will be instrumental in improving its operational efficiencies, and providing for more judicious consumption of energy in order to curtail costs.

## DIRECTORS' REVIEW

### THE AGRICHEMICAL BUSINESS

The Company's Agrichemicals Business, through its 100% owned subsidiary Pak American Fertilizers Limited "PAFL", retains its position as the fifth largest urea manufacturer in the country with a urea and DAP market share of 8%.

The Subsidiary's balancing modernizing and rehabilitation (BMR) of its ammonia and urea plants continues successfully and is expected to enhance its urea and ammonia capacity to 135% of name plate capacity. The revamp is to be completed by mid of 2009 with an estimated cost of US \$ 55 Million. Its Tara Brand, launched in January 2007, maintains its position as the premium quality urea product in the country and further promotion of the brand is being made by farm workshops and improvement programs designed to educate the farmers about its potential benefits.

### FUTURE MARKET OUTLOOK

In view of the global dynamics changing in the Textile sector due to free trade regime and the resultant tough competition from other cotton growing countries such as China, India and Central Asian Republics, the Company's timely investments in the European market provide an excellent opportunity for growth. We expect the impact of the Company's strategy for the Textile Apparel business through the Montebello takeover along with the continued growth of the Garments business to become more visible by the fourth quarter.

Similarly, the management continues to strive for value addition to product range by investing in human resources, achieving cost reductions and optimizing capacity utilization.

The outlook for the Fertilizer business remains stable. Rising interest rates are a concern. While supply side shortages for Urea and a clear policy on DAP pricing are positives, if DAP off take is in line with expectations then the outlook for the rest of the year remains stable to positive.

### ACKNOWLEDGEMENT

The Board would like to avail this opportunity to thank our valued customers and the financial institutions whose faith and support over the years has fostered a mutually beneficial relationship which has played a pivotal role in the growth of the Company's businesses.

The board also wishes to place on record its appreciation for the employees of the Company. All this has become possible due to their hard work and commitment.

On behalf of the Board

Lahore: 29 August 2008

Ahmed H. Shaikh  
Chief Executive

## REVIEW REPORT TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim balance sheet of Azgard Nine Limited ("the Company") as of 30 June 2008, and the related profit and loss account, statements of cash flows and changes in equity for the six months period then ended, and a summary of significant accounting policies and other explanatory notes (here-in-after collectively referred to as "the interim financial information").

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. 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 the 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 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 does not give a true and fair view of the financial position of the Company as at 30 June 2008, and of its financial performance and its cash flows for the six month period then ended in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarter ended 30 June 2008 in the condensed interim profit and loss account have not been reviewed and we do not express opinion on them.

Lahore: 29 August 2008

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

# CONDENSED INTERIM BALANCE SHEET

as at 30 June 2008

		30 June 2008 <i>Rupees</i>	31 December 2007 <i>Rupees</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised share capital			
		15,000,000,000	15,000,000,000
		<u>15,000,000,000</u>	<u>15,000,000,000</u>
		3,827,118,540	3,788,822,900
		3,639,664,949	3,530,626,122
		2,276,045,248	2,400,605,174
		<u>9,742,828,737</u>	<u>9,720,054,196</u>
		229,279,886	239,073,077
<b>Surplus on Revaluation of Property, Plant and Equipment</b>			
<b>Non-current Liabilities</b>			
	4	4,160,825,484	4,491,185,372
	5	3,100,425,002	2,973,551,252
	6	28,893,794	14,357,005
		<u>7,290,144,280</u>	<u>7,479,093,629</u>
<b>Current Liabilities</b>			
	7	1,246,100,065	981,049,256
		4,911,770,918	3,820,688,516
		105,364,745	34,369,582
		1,215,833,017	1,030,875,769
		318,165,249	317,690,929
		17,744,458	9,694,014
		<u>7,814,978,452</u>	<u>6,194,368,066</u>
	8	-	-
		<u>25,077,231,355</u>	<u>23,632,588,968</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
	9	7,751,555,475	7,643,649,558
		449,262,012	167,987,854
		48,326,761	51,142,669
	10	5,906,614,091	6,391,905,201
		19,777,502	20,239,502
		<u>14,175,535,841</u>	<u>14,274,924,784</u>
<b>Current Assets</b>			
		219,416,318	125,468,877
		3,139,240,025	2,246,132,173
		2,122,341,747	1,657,196,735
		372,352,280	388,993,278
		1,157,589,729	1,004,944,292
		77,924,856	51,050,683
	11	3,724,394,552	3,838,444,830
		88,436,007	45,433,316
		<u>10,901,695,514</u>	<u>9,357,664,184</u>
		<u>25,077,231,355</u>	<u>23,632,588,968</u>

*The annexed notes 1 to 14 form an integral part of these financial statements.*

Lahore

Chief Executive

Director

## CONDENSED INTERIM PROFIT & LOSS ACCOUNT

for the half year ended 30 June 2008

	Half Year Ended		Quarter Ended	
	30 June 2008 <i>Rupees</i>	30 June 2007 <i>Rupees</i>	30 June 2008 <i>Rupees</i>	30 June 2007 <i>Rupees</i>
Sales - Net	4,622,741,884	3,136,475,386	2,566,740,675	1,619,375,731
Cost of sales	(3,176,850,618)	(2,350,525,902)	(1,715,350,971)	(1,241,000,097)
<b>Gross Profit</b>	<b>1,445,891,266</b>	<b>785,949,484</b>	<b>851,389,704</b>	<b>378,375,634</b>
Administrative and selling expenses	(253,156,618)	(162,393,378)	(143,316,612)	(81,358,713)
	<b>1,192,734,648</b>	<b>623,556,106</b>	<b>708,073,092</b>	<b>297,016,921</b>
Other income - Net	(22,316,071)	90,125,369	(13,680,462)	55,645,745
Finance cost	(815,772,154)	(516,839,061)	(509,267,761)	(243,569,352)
<b>Profit before taxation</b>	<b>354,646,423</b>	<b>196,842,414</b>	<b>185,124,869</b>	<b>109,093,314</b>
Provision for taxation	(46,570,531)	(24,483,598)	(25,676,615)	(13,674,598)
<b>Profit after taxation</b>	<b>308,075,892</b>	<b>172,358,816</b>	<b>159,448,254</b>	<b>95,418,716</b>
<b>Earning per share - basic and diluted</b>	<b>0.88</b>	<b>0.46</b>	<b>0.46</b>	<b>0.26</b>

*The annexed notes 1 to 14 form an integral part of these financial statements.*

Lahore

Chief Executive

Director



## CONDENSED INTERIM CASH FLOW STATEMENT

for the half year ended 30 June 2008

	30 June 2008 <i>Rupees</i>	30 June 2007 <i>Rupees</i>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	354,646,423	196,842,414
Adjustment for non-cash items	1,103,828,493	706,230,754
<b>Operating profit before changes in working capital</b>	<b>1,458,474,916</b>	903,073,168
Changes in working capital	<b>(1,421,243,800)</b>	(451,471,374)
	<b>37,231,116</b>	451,601,794
Finance cost paid	<b>(814,323,387)</b>	(432,990,243)
Taxes paid	<b>(73,444,704)</b>	(31,386,286)
<b>Net cash used in operating activities</b>	<b>(850,536,975)</b>	(12,774,735)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	<b>(630,327,945)</b>	(455,415,764)
Development costs	<b>(5,299,818)</b>	(2,056,744)
Proceeds from disposal of property, plant and equipment	<b>1,662,001</b>	1,959,043
Long term investments	<b>486,827,630</b>	-
Short term investments	<b>134,112,814</b>	55,747,390
Dividend received	<b>1,730,500</b>	-
Interest on bank deposits	<b>842,871</b>	231,456
<b>Net cash used in investing activities</b>	<b>(10,451,947)</b>	(399,534,619)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redeemable capital	<b>(33,178,734)</b>	(31,678,735)
Long term finances	<b>239,483,250</b>	(147,318,109)
Dividend paid	<b>(382,878,565)</b>	(21,516,279)
Liabilities against assets subject to finance lease	<b>(13,009,130)</b>	185,716,015
Short term borrowings	<b>1,093,574,792</b>	(30,167,740)
<b>Net cash flow from / (used in) financing activities</b>	<b>903,991,613</b>	(44,964,848)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>43,002,691</b>	(457,274,202)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>45,433,316</b>	580,905,624
<b>Cash and cash equivalents at the end of the period</b>	<b>88,436,007</b>	123,631,422

*The annexed notes 1 to 14 form an integral part of these financial statements.*

Lahore

Chief Executive

Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2008

	Issued, subscribed and paid-up capital	Share premium	Hedging reserve	Reserve on merger	Reserves				Unappropriated profit	Total equity	Surplus on revaluation of property, plant and equipment
					Preference share redemption reserve	Surplus on revaluation of investments	Total reserves	Total equity			
<b>As at 31 December 2006</b>	3,788,838,900	2,633,371,139	523,658,637	105,152,005	313,500,000	2,580,401	3,578,262,182	1,807,067,052	9,174,168,134	257,360,867	
Surplus on revaluation of property, plant and equipment transferred to unappropriated profit on account of incremental depreciation	-	-	-	-	-	-	-	9,143,896	9,143,896	(9,143,896)	
Profit for the half year ended 30 June 2007	-	-	-	-	-	-	-	172,358,816	172,358,816	-	
Profit transferred to preference shares redemption reserve	-	-	-	-	50,500,000	-	50,500,000	(50,500,000)	-	-	
Final dividend on ordinary shares for the year ended 31 December 2006	-	-	-	-	-	-	-	(343,381,063)	(343,381,063)	-	
Net decrease in fair value of derivative financial instruments	-	-	(59,175,595)	-	-	-	(59,175,595)	-	(59,175,595)	-	
Surplus on revaluation of investments available for sale	-	-	-	-	-	2,543,126	2,543,126	-	2,543,126	-	
<b>As at 30 June 2007</b>	3,788,838,900	2,633,371,139	464,483,042	105,152,005	364,000,000	5,123,527	3,572,129,713	1,584,088,701	8,955,057,314	248,216,971	
<b>As at 31 December 2007</b>	3,788,822,900	2,633,387,139	370,801,102	105,152,005	414,500,000	6,785,876	3,530,226,122	2,400,655,174	9,720,054,196	239,073,077	
Conversion of preference shares	(140,000)	140,000	-	-	-	-	140,000	-	-	-	
Conversion of redeemable capital	38,435,640	104,314,360	-	-	-	-	104,314,360	-	142,750,000	-	
Surplus on revaluation of property, plant and equipment transferred to unappropriated profit on account of incremental depreciation	-	-	-	-	-	-	-	9,735,191	9,735,191	(9,735,191)	
Profit for the half year ended 30 June 2008	-	-	-	-	-	-	-	308,075,892	308,075,892	-	
Profit transferred to preference shares redemption reserve	-	-	-	-	50,500,000	-	51,500,000	(51,500,000)	-	-	
Final dividend on ordinary shares for the year ended 31 December 2007	-	-	-	-	-	-	-	(390,329,009)	(390,329,009)	-	
Net decrease in fair value of derivative financial instruments	-	-	(50,091,213)	-	-	-	(50,091,213)	-	(50,091,213)	-	
Surplus on revaluation of investments available for sale	-	-	-	-	-	3,175,680	3,175,680	-	3,175,680	-	
<b>As at 30 June 2008</b>	3,827,118,540	2,737,841,489	320,709,889	105,152,005	465,000,000	9,861,556	3,639,864,949	2,276,045,248	9,742,828,737	229,279,886	

The annexed notes 1 to 14 form an integral part of these financial statements.

Lahore

Chief Executive

Director

AZGARD NINE LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2008

### 1 REPORTING ENTITY

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and is currently listed on Karachi Stock Exchange (Guarantee) Limited. The Company is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacturing of yarn, denim and denim products. The registered office of the Company is situated at Ismail Aiwan-e-Science, off Shahrah-e-Roomi, Lahore.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements are unaudited. However, a limited scope review of these interim financial statements has been performed by the auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their report thereon.

These financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and are in compliance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The comparative balance sheet as at 31 December 2007 and the related notes to the condensed interim financial statements are based on audited financial statements. The comparative profit and loss account, cash flow statements and statement of changes in equity for six months period ended 30 June 2007 and the related notes are based on unaudited, reviewed interim financial statements. The profit and loss account for the quarters ended 30 June 2007 and 30 June 2008 are neither audited nor reviewed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

#### 2.3 Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 2.4 Functional currency

These financial statements are prepared in Pak Rupees which is the Company's functional currency.

### 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 31 December 2007.

### 4 REDEEMABLE CAPITAL - SECURED

	30 June 2008	31 December 2007
	<i>Rupees</i>	<i>Rupees</i>
Term Finance Certificates	4,557,838,830	4,733,767,564
Less: Current maturity shown under current liabilities	397,013,346	242,582,192
	<u>4,160,825,484</u>	<u>4,491,185,372</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2008

<b>5 LONG TERM FINANCES - SECURED</b>	<b>30 June 2008</b>	31 December 2007
	<i>Rupees</i>	<i>Rupees</i>
These represent long term finances utilized under markup arrangements		
Banking companies	3,929,700,726	3,687,725,085
Less: Current maturity shown under current liabilities	829,275,724	714,173,833
	<u>3,100,425,002</u>	<u>2,973,551,252</u>

<b>6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Present value of minimum lease payments	48,704,789	38,650,236
Less: Current portion shown under current liabilities	19,810,995	24,293,231
	<u>28,893,794</u>	<u>14,357,005</u>

### 7 SHORT TERM BORROWINGS

Short term borrowings represent amounts outstanding under aggregate funded and unfunded facilities available of Rs. 11,708 million (31 December 2007: Rs. 9,124 million). These have been obtained from various banking companies and financial institutions at markup rates ranging from Re. 0.18 to Re 0.42 per Rs. 1,000 per day.

### 8 CONTINGENCIES AND COMMITMENTS

#### Contingencies

There is no change in contingencies since 31 December 2007.

#### Commitments

Commitments against irrevocable letters of credit outstanding as at 30 June 2008 amount to Rs. 1,072 million (31 December 2007: Rs. 708.07 million). There were no other significant commitments as at the reporting date.

	<b>Note</b>	<b>30 June 2008</b>	31 December 2007
		<i>Rupees</i>	<i>Rupees</i>
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>			
Net book value as at beginning of the period		7,643,649,558	7,601,895,866
Additions during the period	9.1	372,117,470	579,606,001
Net book value of assets disposed / transferred during the period		(1,085,088)	(1,564,525)
Depreciation charged during the period		(263,126,465)	(536,287,784)
Net book value as at end of the period		<u>7,751,555,475</u>	<u>7,643,649,558</u>

#### 9.1 Additions - Cost

##### Assets owned by the Company

Free hold land	10,186,194	3,311,000
Building on freehold land	193,427,317	90,353,682
Plant and machinery	71,217,497	392,795,740
Furniture and fixtures	5,343,333	5,757,818
Vehicles	10,127,110	10,145,086
Tools and equipment	42,358,018	31,938,813
Office equipment	6,709,822	8,067,309
Electric installations	6,216,196	6,826,736

##### Assets subject to finance lease

Plant and machinery	2,578,500	-
Vehicles	23,953,483	30,409,817
	<u>372,117,470</u>	<u>579,606,001</u>

#### 9.2 Disposals - Cost

##### Assets owned by the Company

Vehicles	2,376,526	3,080,687
Office equipment	-	103,000

##### Assets subject to finance lease

Vehicles	614,451	-
	<u>2,990,977</u>	<u>3,183,687</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 30 June 2008

30 June 2008 31 December 2007

*Rupees Rupees*

### 10 LONG TERM INVESTMENTS

Investments available for sale

Cost	<b>5,304,416,680</b>	4,290,861,093
Accumulated impairment loss	<b>(2,647,488)</b>	(2,647,488)
Fair value adjustment	<b>4,844,899</b>	3,691,596
	<b>5,306,614,091</b>	4,291,905,201

Investment held to maturity	<b>600,000,000</b>	2,100,000,000
	<b>5,906,614,091</b>	6,391,905,201

**10.1** Azsoft (Private) Limited has been wound up during the period under the Easy Exit Scheme ("EES") of the Securities and Exchange Commission of Pakistan. The loss being the difference between the book value of investment in and the Company's share in net assets of Azsoft (Private) Limited at the time of winding up has been charged to profit or loss.

**10.2** The Company is in the process of acquiring 100% stake in Montebello SRL (owner of an Italian fabric brand) through Farital AB, a special purpose vehicle incorporated in Sweden. Out of the total consideration of Euro 23.758 million the Company has made a payment of Euro. 9,500,000 upto the reporting date.

30 June 2008 31 December 2007

*Rupees Rupees*

### 11 SHORT TERM INVESTMENTS

Investments at fair value through profit or loss	<b>19,361,470</b>	135,434,125
Investments available for sale	<b>3,705,033,082</b>	3,703,010,705
	<b>3,724,394,552</b>	3,838,444,830

### 12 DIVIDEND PAID DURING THE PERIOD

During the period, the Company paid 12.5% (Rs. 1.25 per share) dividend on ordinary shares for the year ended 31 December 2007.

### 13 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29 August 2008 by the Board of Directors of the Company.

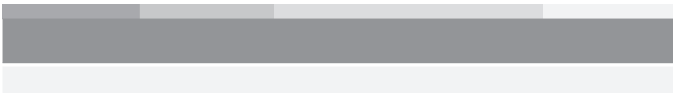
### 14 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore

Chief Executive

Director



# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

as at 30 June 2008

	Note	30 June 2008 <i>Rupees</i>	31 December 2007 <i>Rupees</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital			
1,500,000,000 Ordinary and Preference shares of Rs. 10/- each		<b>15,000,000,000</b>	15,000,000,000
Issued, subscribed and paid up capital		<b>3,827,118,540</b>	3,788,822,900
Reserves		<b>3,924,247,351</b>	3,984,215,478
Unappropriated profits		<b>1,967,559,362</b>	1,556,263,534
		<b>9,718,925,253</b>	9,329,301,912
<b>Minority Interest</b>		-	1,793
<b>Surplus on Revaluation of Property, Plant and Equipment</b>		<b>229,279,886</b>	239,073,077
<b>Non-current Liabilities</b>			
Redeemable Capital - Secured	4	<b>11,878,950,973</b>	10,404,259,542
Long term finances - Secured	5	<b>3,100,425,002</b>	2,973,551,252
Liabilities against assets subject to finance lease	6	<b>62,712,165</b>	32,507,391
Long-term payables		<b>50,026,872</b>	31,135,199
Deferred taxation		<b>1,838,231,475</b>	1,811,694,727
		<b>16,930,346,487</b>	15,253,148,111
<b>Current Liabilities</b>			
Current portion of non-current liabilities		<b>1,257,105,436</b>	986,968,631
Short-term borrowings- Secured	7	<b>6,503,441,686</b>	4,442,219,557
Derivative financial liabilities		<b>105,364,745</b>	34,369,582
Trade and other payables		<b>4,435,727,193</b>	2,928,160,558
Mark-up accrued on borrowings		<b>609,819,507</b>	473,174,881
Unclaimed dividend		<b>17,744,458</b>	9,694,014
		<b>12,929,203,025</b>	8,874,587,223
<b>Contingencies and Commitments</b>	8	-	-
		<b>39,807,754,651</b>	33,696,112,116
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	9	<b>20,122,295,300</b>	20,081,750,375
Capital work in progress		<b>828,553,617</b>	401,285,046
Intangible assets		<b>3,759,387,617</b>	3,762,203,525
Long term investments	10	<b>1,015,660,858</b>	100,923
Long term deposits		<b>52,938,840</b>	44,060,692
		<b>25,778,836,232</b>	24,289,400,561
<b>Current Assets</b>			
Stores, spares and loose tools		<b>845,684,526</b>	782,565,098
Stock in trade		<b>5,190,221,729</b>	2,532,099,663
Trade receivables		<b>2,430,289,261</b>	2,366,279,392
Derivative financial assets		<b>667,069,634</b>	849,253,210
Advances, deposits, prepayments and other receivables		<b>1,403,820,134</b>	1,283,185,773
Current tax asset		<b>117,630,092</b>	80,352,096
Short term investments	11	<b>1,919,624,475</b>	882,894,125
Cash and bank balances		<b>1,454,578,568</b>	630,082,198
		<b>14,028,918,419</b>	9,406,711,555
		<b>39,807,754,651</b>	33,696,112,116

The annexed notes 1 to 15 form an integral part of these financial statements.

Lahore

Chief Executive

Director

CONDENSED INTERIM CONSOLIDATED PROFIT & LOSS ACCOUNT

for the half year ended 30 June 2008

	Half Year Ended		Quarter Ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Sales - Net	6,856,997,257	4,867,448,663	3,797,914,757	2,690,193,794
Cost of sales	4,231,372,762	3,096,364,916	2,228,250,701	1,663,635,718
<b>Gross Profit</b>	<b>2,625,624,495</b>	<b>1,771,083,747</b>	<b>1,569,664,056</b>	<b>1,026,558,076</b>
Administrative and selling expenses	468,517,417	360,476,559	285,792,640	182,739,198
	<b>2,157,107,078</b>	<b>1,410,607,188</b>	<b>1,283,871,416</b>	<b>843,818,878</b>
Other income - Net	186,823,142	109,919,671	(360,855,318)	72,989,695
Finance cost	1,413,434,474	980,332,780	805,036,463	416,831,621
<b>Profit before taxation</b>	<b>930,495,746</b>	<b>540,194,079</b>	<b>117,979,635</b>	<b>499,976,952</b>
Taxation				
- Current	60,027,350	33,138,472	34,118,028	19,028,695
- Deferred	26,536,750	115,158,718	(9,296,939)	128,455,504
	<b>86,564,100</b>	<b>148,297,190</b>	<b>24,821,089</b>	<b>147,484,199</b>
<b>Profit after taxation</b>	<b>843,931,646</b>	<b>391,896,889</b>	<b>93,158,546</b>	<b>352,492,753</b>
Minority Interest	-	-	-	-
<b>Profit attributable to Group</b>	<b>843,931,646</b>	<b>391,896,889</b>	<b>93,158,546</b>	<b>352,492,753</b>
<b>Earnings per share - basic and diluted</b>	<b>2.59</b>	<b>1.16</b>	<b>0.46</b>	<b>1.08</b>

*The annexed notes 1 to 15 form an integral part of these financial statements.*

Lahore

Chief Executive

Director



## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

for the half year ended 30 June 2008

	30 June 2008	30 June 2007
	<i>Rupees</i>	<i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	930,495,746	499,976,952
Adjustment for non-cash items	<b>1,692,169,287</b>	833,676,701
Operating profit before changes in working capital	<b>2,622,665,033</b>	1,333,653,653
Changes in working capital	<b>(1,390,572,282)</b>	(359,611)
Cash generated from operations	<b>1,232,092,751</b>	1,333,294,042
Financial charges paid	<b>(1,276,979,086)</b>	(611,116,060)
Taxes paid	<b>(97,467,911)</b>	(19,294,807)
Net cash used in / flow from operating activities	<b>(142,354,246)</b>	702,883,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	<b>(888,491,409)</b>	(565,918,972)
Development costs	<b>(5,299,818)</b>	(1,209,681)
Proceeds from disposal of property, plant and equipment	<b>4,042,749</b>	502,670
Proceeds from disposal of subsidiary	<b>1,773,857</b>	-
Long term investments	<b>(1,015,553,588)</b>	-
Interest received	<b>842,871</b>	5,467,409
Dividend received	<b>1,730,500</b>	-
Short term investments	<b>(823,388,686)</b>	(151,030,349)
Net cash used in investing activities	<b>(2,724,343,524)</b>	(712,188,923)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Redeemable capital	<b>1,773,252,585</b>	(154,678,735)
Long term financing	<b>241,975,640</b>	(108,333,333)
Dividend paid	<b>(382,878,565)</b>	(5,758,735)
Short term finances-net	<b>2,061,222,129</b>	(51,954,356)
Finance lease liabilities paid / obtained	<b>(2,377,649)</b>	4,987,090
Net cash flow from / (used in) financing activities	<b>3,691,194,140</b>	(315,738,069)
Net increase / (decrease) in cash and cash equivalents	<b>824,496,370</b>	(325,043,817)
Cash and cash equivalents at beginning of the period	<b>630,082,198</b>	1,132,958,300
Cash and cash equivalents at end of the period	<b>1,454,578,568</b>	807,914,483

*The annexed notes 1 to 15 form an integral part of these financial statements.*

Lahore

Chief Executive

Director

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 June 2008

	Reserves										
	Issued, subscribed and paid-up capital	Share premium	Hedging reserve	Exchange gain on translation of foreign subsidiary	Reserve on merger	Preference share redemption reserve	Surplus on revaluation of investments	Total reserves	Unappropriated profit	Total property, plant and equipment equity	Surplus on revaluation of equipment
<b>As at 01 January 2007</b>	3,788,838,900	2,633,371,139	523,658,637	27,878	105,152,005	313,500,000	587,148	3,576,236,807	586,927,934	7,952,063,641	257,360,867
Prior period adjustments	-	-	-	-	-	-	-	-	144,526,888	144,526,888	-
- Depreciation	-	-	-	-	-	-	-	-	(79,943,579)	(79,943,579)	-
- Deferred tax	-	-	-	-	-	-	-	-	651,511,243	8,016,646,950	257,360,867
Balance as at 01 January 2007 - restated	3,788,838,900	2,633,371,139	523,658,637	27,878	105,152,005	313,500,000	587,148	3,576,236,807	391,896,889	8,016,646,950	257,360,867
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of Property, Plant and Equipment transferred to retained earnings during the period relating to incremental depreciation and disposal	-	-	-	-	-	-	-	-	9,143,896	9,143,896	(9,143,896)
Preference shares redemption reserve	-	-	-	-	-	50,500,000	-	50,500,000	(50,500,000)	-	-
Ordinary shares dividend	-	-	-	-	-	-	-	-	(343,981,063)	(343,981,063)	-
Increase in fair value of foreign currency interest rate swap contract entered into by a part cash flow hedge	-	-	368,927,898	-	-	-	-	368,927,898	-	368,927,898	-
<b>As at 30 June 2007</b>	3,788,838,900	2,633,371,139	892,586,535	27,878	105,152,005	364,000,000	587,148	3,995,724,705	656,070,965	8,442,634,570	248,216,971
<b>As at 01 January 2008</b>	3,788,822,900	2,633,387,139	831,061,034	33,041	105,152,005	414,500,000	82,259	3,984,215,478	1,556,263,534	9,329,301,912	239,073,077
Conversion of redeemable capital	(140,000)	140,000	-	-	-	-	-	140,000	-	-	-
Profit for the period	38,453,040	104,314,380	-	-	-	-	-	104,314,380	843,931,646	142,560,000	-
Surplus on revaluation of Property, Plant and Equipment transferred to retained earnings during the period relating to incremental depreciation and disposal	-	-	-	-	-	-	-	-	-	843,931,646	-
Preference shares redemption reserve	-	-	-	-	-	51,500,000	-	51,500,000	(51,500,000)	-	(9,793,191)
Ordinary shares dividend	-	-	-	-	-	-	-	-	(390,929,009)	(390,929,009)	-
Gain arising on foreign currency interest rate swap contract entered into by a part cash flow hedge	-	-	(215,633,791)	-	-	-	-	(215,633,791)	-	(215,633,791)	-
Exchange difference on translation of foreign subsidiary	-	-	-	(285,043)	-	-	-	(285,043)	-	(285,043)	-
Revaluation of long term investments	-	-	-	-	-	-	6,347	6,347	-	6,347	-
<b>As at 30 June 2008</b>	3,827,118,540	2,737,841,489	615,427,243	(282,002)	105,152,005	466,000,000	88,606	3,924,247,351	1,967,559,362	9,718,925,253	229,279,886

The annexed notes 1 to 15 form an integral part of these financial statements.

Lahore

Chief Executive

Director

AZGARD NINE LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 30 June 2008

### 1 REPORTING ENTITY

Azgard Nine Limited ("the Company") was incorporated in Pakistan as a Public Limited Company and is currently listed on Karachi Stock Exchange (Guarantee) Limited. The Company is a composite spinning, weaving, dyeing and stitching unit engaged in the manufacturing of yarn, denim and denim products. The registered office of the Company is situated at Ismail Aiwana-e-Science, off Shahrah-e-Roomi, Lahore.

ANL has 100% equity interest in Pak American Fertilizers Limited (PAFL) and 51% equity interest in Nafees International Tekstil Snayi Ve Ticaret Anonim Sirketi (NIT). ANL had 99.90% equity interest in Azsoft (Private) Limited (APL) which has been wound up under Easy exit scheme announced by SECP.

PAFL was incorporated on 15 December 1959 as an unquoted public limited company, which was wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited (NFC), a Government owned Corporation uptill 15 July 2007. Subsequent to that date 100% shares of the company have been sold to ANL, as a part of privatization process of the Government of Pakistan as stipulated in the Share Purchase Agreement dated 15 July 2007. The factory and registered office of the company is situated at Iskanderabad (Daud Khel), District Mianwali. The principal business of the company is the production and sale of Urea fertilizer.

NIT was incorporated in Turkey and principal activity of the company is sale of denim and allied products.

APL was incorporated in Pakistan and principal activity of the company was development, implementation and sale of software products and providing related services.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed consolidated interim financial statements are unaudited.

These financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and are in compliance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The comparative balance sheet as at 31 December 2007 and the related notes to the condensed consolidated interim financial statements are based on audited financial statements. The comparative profit and loss account, cash flow statements and statement of changes in equity for six months period ended 30 June 2007 and the related notes are based on unaudited interim financial statements. The profit and loss account for the quarters ended 30 June 2007 and 30 June 2008 are neither audited nor reviewed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value, employees retirement benefits at present value and certain items of property, plant and equipment at revalued amounts. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

#### 2.3 Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

#### 2.4 Functional currency

These financial statements are prepared in Pak Rupees which is the Company's functional currency.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 30 June 2008

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed consolidated interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended 31 December 2007.

	30 June 2008 <i>Rupees</i>	31 December 2007 <i>Rupees</i>
<b>4 REDEEMABLE CAPITAL</b>		
Term Finance Certificates:		
Holding Company	4,557,838,830	2,330,312,532
Subsidiary - PAFL	<u>7,721,485,489</u>	<u>6,486,000,000</u>
	<b>12,279,324,319</b>	10,648,821,734
Less: Current portion shown under current liabilities	<b>400,373,346</b>	244,562,192
	<u><b>11,878,950,973</b></u>	<u>10,404,259,542</u>

**5 LONG TERM FINANCING -SECURED**

These represent long term finances utilized under markup arrangements

Financial institutions	3,929,700,726	3,687,725,085
Less: Current portion shown under current liabilities	<b>829,275,724</b>	714,173,833
	<u><b>3,100,425,002</b></u>	<u>2,973,551,252</u>

**6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**

Present value of Minimum lease payment	90,168,531	60,739,997
Less: Current portion shown under current liabilities	<b>27,456,366</b>	28,232,606
	<u><b>62,712,165</b></u>	<u>32,507,391</u>

**7 SHORT TERM BORROWINGS**

Short term borrowings include aggregate funded and unfunded facilities available of Rs.20,233 million (31 December, 2007:Rs. 16,118 million). These have been obtained from banking companies and financial institutions at the mark-up ranging between Re.0.18 to Re.0.42 per Rs. 1,000 per day.

**8 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

There is no change in contingencies since 31 December 2007.

**Commitments**

Commitments against irrevocable letters of credit outstanding as at 30 June 2008 amount to Rs. 1,072 million (31 December 2007: Rs. 708.07 million). There were no other significant commitments as at the reporting date.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 30 June 2008

	Note	30 June 2008 Rupees	31 December 2007 Rupees
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>			
Net book value as at the beginning of the period		<b>20,081,750,375</b>	19,835,155,084
Additions during the period	9.1	<b>493,029,021</b>	977,832,707
Net book value of assets disposed during the period		<b>(3,033,086)</b>	(1,647,428)
Depreciation charged during the period		<b>(449,451,010)</b>	(729,589,988)
Net book value as at the end of the period		<b><u>20,122,295,300</u></b>	<u>20,081,750,375</u>
<b>9.1 Additions - Cost</b>			
<b>Assets owned by the Company</b>			
Freehold land		<b>10,186,194</b>	3,311,000
Building on freehold land		<b>216,812,244</b>	94,308,667
Plant and Machinery		<b>76,975,977</b>	736,350,715
Joint residential colony assets		<b>679,261</b>	286,496
Furniture and fixtures		<b>8,464,173</b>	9,829,230
Vehicles		<b>10,127,110</b>	10,210,962
Sui gas installations		-	757,637
Tools and equipment		<b>44,262,571</b>	32,432,512
Office equipments		<b>6,709,822</b>	8,067,309
Electric installation		<b>6,216,196</b>	6,826,736
Books and literature		<b>318,170</b>	-
Catalysts		<b>79,295,344</b>	27,167,876
Plantation		<b>285,976</b>	-
<b>Assets subject to finance lease</b>			
Plant and machinery		<b>2,578,500</b>	-
Vehicles		<b>30,117,483</b>	48,283,567
		<b><u>493,029,021</u></b>	<u>977,832,707</u>
<b>9.2 Disposals - Cost</b>			
<b>Assets owned by the Company</b>			
Furniture and fixtures		<b>508,295</b>	25,104
Vehicles		<b>2,376,526</b>	11,336,260
Road, rail transport		<b>431,871</b>	-
Tools and equipment		-	15,515
Office equipments		<b>535,470</b>	103,000
Electric installation		<b>721,400</b>	-
<b>Assets subject to finance lease</b>			
Vehicles		<b>1,493,451</b>	-
		<b><u>6,067,013</u></b>	<u>11,479,879</u>
<b>10 LONG TERM INVESTMENTS</b>			
Investments available for sale			
Cost		<b>1,016,569,020</b>	1,015,432
Accumulated impairment loss		<b>(996,768)</b>	(996,768)
Fair value adjustment		<b>88,606</b>	82,259
		<b><u>1,015,660,858</u></b>	<u>100,923</u>
<b>10.1</b> Azgard Nine Limited is in the process of acquiring 100% stake in Montebello SRL (owner of an Italian fabric brand) through Farital AB, a special purpose vehicle incorporated in Sweden. Out of the total consideration of Euro 23.758 million the Company has made a payment of Euro. 9,500,000 upto the reporting date.			
<b>11 SHORT TERM INVESTMENTS</b>			
Investments at fair value through profit or loss		<b><u>1,919,624,475</u></b>	<u>882,894,125</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 30 June 2008

**12 SEGMENT INFORMATION**

Primary reporting format - business segments

The Group is organized into three main business segments:

- Manufacture and sale of textile products;
- Manufacture and sale of fertilizer; and
- Development, implementation and sale of software products and providing related services.

Segment results for the six months ended 30 June 2008 are as follows:

	Textile <i>Rupees</i>	Fertilizer <i>Rupees</i>	Software <i>Rupees</i>	Group <i>Rupees</i>
Revenue	4,636,734,499	2,245,714,356	-	6,882,448,855
Operating profit	1,193,339,696	963,673,444	93,938	2,157,107,078
Other income	(22,103,578)	208,926,720	-	186,823,142
Finance cost	(815,772,155)	(597,662,319)	-	(1,413,434,474)
<b>Profit before tax</b>	355,463,963	574,937,845	93,938	930,495,746
Income tax expense	(46,570,531)	(39,993,568)	-	(86,564,099)
<b>Profit for the period</b>	308,893,432	534,944,277	93,938	843,931,646

Other segment items included in the income statement are as follows:

	Textile <i>Rupees</i>	Fertilizer <i>Rupees</i>	Software <i>Rupees</i>	Group <i>Rupees</i>
Depreciation	263,126,465	186,324,545	-	449,451,010
Amortization	8,115,726	-	-	8,115,726

**Segment assets**

Segment assets consist primarily of property, plant and equipment, capital work in progress, derivatives designated as hedges of future cash flows, intangible and other current assets.

**Segment liabilities**

Segment liabilities comprise of operating liabilities (including derivatives designated as hedges of future commercial transactions).

**Capital expenditure**

Capital expenditure comprises additions to property, plant and equipment, intangible assets and capital work in progress.

**Inter segment pricing**

Inter segment pricing is determined on an arm's length basis.

The segment assets and liabilities at 30 June 2008 and capital expenditure for the period then ended are as follows:

	Textile <i>Rupees</i>	Fertilizer <i>Rupees</i>	Software <i>Rupees</i>	Group <i>Rupees</i>
Assets	17,601,576,459	22,371,720,769	-	39,973,297,229
Liabilities	15,380,364,438	14,708,464,960	-	30,088,829,398
Capital expenditure	630,327,945	258,163,464	-	888,491,409

**Other segment information**

The group has closed its software segment during the period by opting for winding up under easy exit scheme announced by Securities and Exchange Commission of Pakistan.

**13 DIVIDEND PAID DURING THE PERIOD**

During the period, the Company paid 12.5% (Rs. 1.25 per share) dividend on ordinary shares for the year ended 31 December 2007.

**14 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 29 August 2008 by the Board of Directors of the Company.

**15 GENERAL**

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

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