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Corporate Information

Principal Place of Business	72-B, Kot Lakhpat, Industrial Area, Lahore Ph: 042- 35830881, 35156567 Fax: 042-35114127, 35215825 E-mail: info@treetonline.com Homepage: www.packsol.com.pk
Modaraba Company and Registered Office	Global Econo Trade (Private) Limited 72-B, Kot Lakhpat, Industrial Area, Lahore
Packaging Solutions - Plant Location	Kacha Tiba Rohi Nala, 22-KM, Ferozpur Road, Lahore
Paper & Board Mill - Plant Location	31-KM Lahore Sheikhpura Road
Soap – Plant Location	Ghakkar [Leased Facility]
Chief Executive Officer / Director	Syed Shahid Ali
Directors	Syed Sheharyar Ali Muhammad Shafique Anjum Shahid Zia
Auditors of the Modaraba	KPMG Taseer Hadi & Co. Chartered Accountants
Auditors of the Modaraba Company	Hyder Bhimji & Company Chartered Accountants
Audit Committee	<ul style="list-style-type: none">● Muhammad Shafique Anjum - Chairman● Syed Shahid Ali - Member● Shahid Zia - Member
Share Registrar	Scarlet I.T. Systems (Private) Limited 24-Ferozpur Road, Lahore Phone: (042) 37087113, 37570202 Fax: (042) 37570303 E-mail: treet@scarletsystem.com
Legal Advisors	Saleem & Baig - Advocates
Shariah Advisor	Mufti Iftikhar Baig
Bankers to the Modaraba	<ol style="list-style-type: none">1. Allied Bank Limited2. BankIslami Pakistan Limited3. Bank Alfalah Limited4. Barclays Bank PLC, Pakistan5. Dubai Islamic Bank Pakistan Limited6. Faysal Bank Limited7. Habib Bank Limited8. MCB Bank Limited9. NIB Bank Limited10. United Bank Limited
Chief Accountant – Modaraba Company	Sohail Habib
Chief Accountant – Modaraba	Sajjad Haider Khan
Company Secretary	Ayaz Ahmed

Directors' Report

Board of Directors of Global Econo Trade (Private) Limited (GET), the management Company of First Treet Manufacturing Modaraba (FTMM), is pleased to present financial statements for the third quarter and nine months ending on March 31, 2013.

Financial Results

Rs. in 000'	2012-2013	2011-2012
Net Sales	1,545,603	1,685,922
Gross Profit	152,949	202,524
Net Profit	86,411	152,762
Profit per Certificate	0.66	1.91
Transfer to Statutory Reserve	Nil	Nil
Book Value per Certificate	11.33	12.18

Segment-Wise Sales:

Rs. in 000'	2012-2013			
	Soap	Corrugation	Paper & Board	Total
Sales	478,225	949,074	118,304	1,545,603
Inter-Segment Sales	-	49,121	271,043	320,164
	478,225	998,195	389,347	1,865,767

Rs. in 000'	2011- 2012			
	Soap	Corrugation	Paper & Board	Total
Sales	585,552	935,506	164,864	1,685,922
Inter-Segment Sales	-	48,655	255,957	304,612
	585,552	984,161	420,821	1,990,534
Sales Growth %	(18.33)%	1.43%	(7.48)%	(6.27)%

Margins are generally maintained in corrugation and Paper & Board segments. However, decrease in margins of Soap segment is due to lower sales volumes but efforts are being made to make-up the volume to some extent in the coming months. Moreover, increase in power tariffs and expensive in-house power generations are constant clog on the margins, particularly in the paper & board industry.

But management of your Modaraba is committed to deploy the best marketing mix and cost strategies to maintain the margins.

Interim Dividend

The Directors of your Modaraba has declared interim dividend @Rs. 0.30 per certificate (i.e. 3%) on December 14, 2012 on the basis of quarterly results. The entitlement date for the said dividend was January 04, 2013. Dividend warrants were dispatched on January 09, 2013.

Acknowledgement

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Lahore Stock Exchange (Guarantee) Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks to our certificate holders for the trust and confidence reposed in us.

For and on behalf of the Board



Syed Shahid Ali
Chief Executive Officer

LAHORE:
April 17, 2013


Condensed Interim Balance Sheet

As at March 31, 2013 (Un-audited)

Note	March 31, 2013 Un-audited (Rupees in thousand)	June 30, 2012 Audited
Property, plant and equipment	375,207	322,813
Long term deposits	27,982	29,001
	403,189	351,814
CURRENT ASSETS		
Stores and spares	91,713	74,322
Stock-in-trade	401,906	433,749
Trade debts - unsecured considered good	276,283	245,645
Short term investments	-	-
Loans, advances, deposits, prepayments and other receivables	212,190	192,462
Cash and bank balances	211,225	367,208
	1,193,317	1,313,386
CURRENT LIABILITIES		
Trade and other payables	118,477	150,354
NET CURRENT ASSETS	1,074,840	1,163,032
NET ASSETS	1,478,029	1,514,846
FINANCED BY:		
Issued, subscribed and paid-up capital	1,304,000	800,000
Certificate deposit money	-	504,000
Statutory Reserve	179,960	179,960
Unappropriated profit/(Accumulated loss)	(6,583)	30,886
MODARABA CERTIFICATE HOLDERS' EQUITY	1,477,377	1,514,846
Contingencies and commitments	5	-
	1,478,029	1,514,846

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:
April 17, 2013


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director


Condensed Interim Profit and Loss Account

For the period ended March 31, 2013 (Un-audited)

	Note	Quarter ended		9 Months ended	
		January to March 2013	January to March 2012	July to March 2013	July to March 2012
(Rupees in thousand)					
Net sales	6	510,951	528,825	1,545,603	1,685,922
Cost of Goods Sold	7	(479,838)	(469,167)	(1,392,654)	(1,483,398)
Gross Profit		31,113	59,658	152,949	202,524
Operating expenses:					
- Administrative expenses		(3,379)	(2,382)	(11,896)	(7,901)
- Selling & distribution expenses		(1,328)	(15,092)	(63,020)	(43,221)
		(4,707)	(17,474)	(74,916)	(51,122)
Operating Profit		26,406	42,184	78,033	151,402
Other income		1,535	558	8,800	2,080
		27,941	42,742	86,833	153,482
Financial expenses		(153)	(158)	(422)	(720)
Profit before taxation		27,788	42,584	86,411	152,762
Taxation		-	-	-	-
Profit after taxation		27,788	42,584	86,411	152,762
Earnings per certificate		0.21	0.53	0.66	1.91

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:
April 17, 2013


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director


Condensed Interim Statement of Comprehensive Income

For the period ended March 31, 2013 (Un-audited)

	Quarter ended		9 Months ended	
	January to March 2013	January to March 2012	July to March 2013	July to March 2012
	----- (Rupees in thousand) -----			
Profit for the period	27,788	42,584	86,411	152,762
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	27,788	42,584	86,411	152,762

The annexed notes 1 to 10 form an integral part of these un-audited condensed interim financial information.

LAHORE:
 April 17, 2013


Syed Shahid Ali
 Chief Executive Officer


Muhammad Shafique Anjum
 Director


Condensed Interim Cash Flow Statement

For the period ended March 31, 2013 (Un-audited)

	July to March 2013	July to March 2012
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	86,411	152,762
Adjustments for non cash items :		
Financial charges for the period	422	720
Depreciation on property, plant and equipment	21,557	21,146
Profit on bank deposits	(5,982)	(2,264)
	15,997	19,602
Operating profit before working capital changes	102,408	172,364
(Increase) / decrease in operating assets:		
Stores and spares	(17,391)	(11,985)
Stock-in-trade	31,843	(51,042)
Trade debts	(30,638)	(139,325)
Loans, advances, deposits, prepayments and other receivables	2,951	100,853
	(13,235)	(101,499)
Increase / (decrease) in operating liabilities		
Trade and other payables	(31,877)	2,637
Cash generated from operations	57,296	73,502
Financial charges paid	(422)	(720)
Taxes paid	(22,678)	(5,907)
	(23,100)	(6,627)
Net cash from operating activities	34,196	66,875
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(73,951)	(10,159)
Long term deposits	1,019	(16,846)
Profit received on bank deposits	5,982	2,264
Net cash outflow from investing activities	(66,950)	(24,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loan	-	(11,483)
Long Term Deposits	652	-
Dividend paid	(123,880)	(55,520)
Net cash from financing activities	(123,228)	(67,003)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(155,982)	(24,869)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	367,207	58,762
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	211,225	33,893
CASH AND CASH EQUIVALENTS		
Cash and bank balances	211,225	33,893
Finance under mark-up arrangements	-	-
	211,225	33,893

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:
April 17, 2013


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director


Condensed Interim Statement of Changes in Equity

For the period ended March 31, 2013 (Un-audited)

	Certificate Capital	Certificate Deposit Money	Statutory Reserve	Accumulated Profit / (Loss)	Total
..... (Rupees in thousand)					
Balance as at June 30, 2011	800,000	-	85,872	(7,683)	878,189
Net Profit for the period	-	-	-	152,762	152,762
Final cash dividend @ 6.94% for the year ended 30 June 2011	-	-	-	(55,520)	(55,520)
Balance as on March 31, 2012	800,000	-	85,872	89,559	975,431
Balance as at June 30, 2012	800,000	504,000	179,960	30,886	1,514,846
Modaraba Certificates	504,000	(504,000)	-	-	-
Net Profit for the period	-	-	-	86,411	86,411
Final cash dividend @ 6.5% for the year ended 30 June 2012	-	-	-	(84,760)	(84,760)
Interim cash dividend @ 3%	-	-	-	(39,120)	(39,120)
Balance as on March 31, 2013	1,304,000	-	179,960	(6,583)	1,477,377

The attached notes 1 to 10 form an integral part of this condensed interim financial information.

LAHORE:
April 17, 2013


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Notes to the Condensed Interim Financial Information

For the period ended March 31, 2013 (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

First Treet Manufacturing Modaraba "the Modaraba" is a multi purpose, perpetual and multi dimensional Modaraba formed on July 27, 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed there-under and is managed by Global Econo Trade (Pvt) Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Industrial Area Kotlakhpat, Lahore. The Modaraba is listed on Lahore Stock Exchange (Guarantee) Limited.

A packaging plant under the name of "Packaging Solutions" has been set up by the Modaraba. The principal activity of "Packaging Solutions" is to manufacture and sell, all kinds of corrugated boxes and packaging.

The Modaraba is also engaged in the business of manufacturing and sale of soaps. The soap operation was started from July 01, 2009.

A paper and board plant under the name of "Packaging Solutions - Paper and Board Mill" has also been setup under the Modaraba.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standards "34-Interim Financial Reporting" as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). These should be read in conjunction with financial statements of the Modaraba for the year ended June 30, 2012.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial information are consistent with those followed in the preparation of the Modaraba's annual financial statements for the year ended June 30, 2012, except for adoption of revised IAS 1 as noted below:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 01, 2009), was issued in September 2007. The revised standard prohibits the preparation of items of income and expenses (that is, 'non - owner changes in equity') in the statement of changes in equity, requiring 'non-owner equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Modaraba has chosen to present all non-owner changes in equity in one performance statement - statement of comprehensive income (profit and loss account). The modaraba does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have significant impact on the presentation of the Modaraba's financial statements and does not require the restatement or reclassification of comparative information.

4. SIGNIFICANT ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited and published financial statements for the year ended June 30, 2012.

5. CONTINGENCIES AND COMMITMENTS

There is no material change in the position of contingent liabilities since the last annual balance sheet.

	Note	Quarter year ended		9 Months ended	
		January to March 2013	January to March 2012	July to March 2013	July to March 2012
(Rupees in thousand)					
6. SALES					
Packaging products	6.1	311,637	333,942	949,074	935,506
Paper and board	6.2	29,040	36,058	118,304	164,864
Soaps	6.3	170,274	158,825	478,225	585,552
		510,951	528,825	1,545,603	1,685,922
6.1 Packaging Products					
Local Sales		360,768	387,079	1,098,571	1,079,392
Less: sales tax		49,021	53,137	149,338	143,886
Less: trade discount		110	-	159	-
		311,637	333,942	949,074	935,506
6.2 Paper and Board					
Local Sales		33,450	41,293	136,501	189,556
Less: sales tax		4,229	5,235	18,016	24,692
Less: trade discount		181	-	181	-
		29,040	36,058	118,304	164,864
6.3 Soaps					
Local Sales		233,776	238,924	602,812	704,811
Less: sales tax		40,422	80,099	101,507	119,259
Less: trade discount		23,080	-	23,080	-
		170,274	158,825	478,225	585,552
7. COST OF SALES					
Packaging products	7.1	208,409	205,040	620,829	632,335
Paper and board	7.2	98,457	125,643	336,495	355,690
Soaps	7.3	172,972	138,484	435,330	495,373
		479,838	469,167	1,392,654	1,483,398
7.1 Packaging Products					
Raw and packing material consumed		154,909	156,176	473,583	484,841
Stores and spares consumed		6,595	9,151	20,949	26,003
Salaries, wages and other benefits		23,786	18,523	64,369	54,388
Fuel and power		12,242	12,298	34,179	37,878
Depreciation		3,243	3,222	9,856	9,706
Other expenses		9,451	9,469	25,685	26,049
		210,226	208,839	628,621	638,865
Opening stock of work-in-process		6,752	3,668	3,044	3,575
Closing stock of work-in-process		(3,754)	(4,763)	(3,754)	(4,763)
Cost of goods manufactured		213,224	207,744	627,911	637,677
Opening stock of finished goods		10,472	10,350	8,205	7,712
Closing stock of finished goods		(15,287)	(13,054)	(15,287)	(13,054)
		208,409	205,040	620,829	632,335

	Quarter year ended		9 Months ended	
	January to March 2013	January to March 2012	July to March 2013	July to March 2012
----- (Rupees in thousand) -----				
7.2 Paper and board				
Raw and packing material consumed	49,464	61,658	169,833	187,995
Stores and spares consumed	3,238	6,974	13,054	15,421
Salaries, wages and other benefits	10,323	11,841	32,526	32,486
Fuel and power	26,271	27,463	90,901	89,148
Depreciation	3,199	3,187	9,684	9,610
Other expenses	5,158	15,403	15,698	25,730
	97,653	126,526	331,696	360,390
Opening stock of work-in-process	288	318	191	-
Closing stock of work-in-process	(245)	(280)	(245)	(280)
Cost of goods manufactured	97,696	126,564	331,642	360,110
Opening stock of finished goods	5,122	10,187	9,214	6,688
Closing stock of finished goods	(4,361)	(11,108)	(4,361)	(11,108)
	98,457	125,643	336,495	355,690
7.3 Soaps				
Raw material consumed	144,996	146,240	376,771	487,570
Stores and spares consumed	1,770	1,332	4,556	4,548
Salaries, wages and other benefits	7,079	7,940	23,231	18,241
Fuel and power	14,247	7,768	32,889	23,571
Plant rental	2,100	1,944	6,299	5,832
Other expenses	4,443	2,401	10,177	9,114
	174,635	167,625	453,923	548,876
Opening stock of work-in-process	37,947	42,487	34,913	14,682
Closing stock of work-in-process	(39,067)	(27,144)	(39,067)	(27,144)
Cost of goods manufactured	173,515	182,968	449,769	536,414
Opening stock of finished goods	40,870	15,384	24,563	18,827
Purchases	-	-	2,411	-
Closing stock of finished goods	(41,413)	(59,868)	(41,413)	(59,868)
	172,972	138,484	435,330	495,373

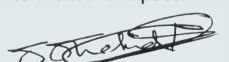
	July to March 2013	July to March 2012
(Rupees in thousand)		
8. TRANSACTIONS WITH RELATED PARTIES		
Purchases and services received	137,609	142,102
Goods sold and services rendered	5,629	458,684

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

9. This condensed interim financial information was authorized for issue by the board of directors of the Modaraba Company on April 17, 2013.

10. Amounts have been rounded off to thousand rupees.

LAHORE:
April 17, 2013


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director