



First Treet Manufacturing Modaraba
(Managed & Controlled by Global Econo Trade(Pvt.) Ltd.)

Quarterly Report

For the quarter and nine months ended
March 31, 2011

| | |
|------------|-------|
| 359,464 | 0.3% |
| 8,632,724 | 7.7% |
| 59,087 | 0.1% |
| 13,963,095 | 12.4% |
| 5,266,055 | 4.7% |
| 10,323,178 | 9.2% |
| 5,283,470 | 4.7% |
| 4,330,582 | 3.8% |

Contents

| | |
|--|----|
| Corporate Information | 3 |
| Directors' Review | 4 |
| Condensed Interim Balance Sheet | 6 |
| Condensed Interim Profit and Loss Account | 7 |
| Condensed Interim Cash Flow Statement | 8 |
| Condensed Interim Statement of Changes in Equity | 9 |
| Notes to the Condensed Interim Financial Information | 10 |



Corporate Information

| | |
|--|---|
| Principal Place of Business | 72-B, Kotlakhpat, Industrial Area, Lahore |
| Modaraba Company and Registered Office | Global Econo Trade (Private) Limited 72-B, Kotlakhpat, Industrial Area, Lahore |
| Packaging Solutions - Plant Location | Kacha Tiba Rohi Nala, 22-KM, Ferozepur Road, Lahore |
| Paper & Board Mill - Plant Location | 31-KM Lahore Sheikhpura Road |
| Soap – Plant Location | Ghakkar [under Toll Manufacturing Arrangement] |
| Chief Executive Officer | Syed Shahid Ali |
| Directors | Syed Sheharyar Ali Muhammad Shafique Anjum Shahid Zia |
| Auditors of the Modaraba | Hyder Bhimji & Company Chartered Accountants |
| Auditors of the Modaraba Company | KPMG Taseer Hadi & Co. 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-Ferozepur Road, Lahore Phone: (042) 37087113, 37570202 Fax: (042) 37570303 E-mail: treet@scarletsystem.com |
| Legal Advisors | Saleem & Baig - Advocates |
| Bankers to the Modaraba | <ol style="list-style-type: none">1. NIB Bank Limited2. MCB Bank Limited3. Allied Bank Limited4. Habib Bank Limited5. Barclays Bank PLC, Pakistan6. United Bank Limited7. BankIslami Pakistan Limited |
| Chief Accountant – Modaraba Company | Sohail Habib |
| Chief Accountant – Modaraba | Sajjad Haider Khan |
| Company Secretary | Ayaz Ahmed |

Directors' Review

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, 2011.

Financial Results

| (Rs. in thousand) | 2010-2011 | 2009-2010 |
|-------------------------------|-----------|-----------|
| Net Sales | 1,266,238 | 1,082,175 |
| Gross Profit | 139,743 | 122,329 |
| Net Profit | 87,560 | 67,328 |
| Profit per Certificate | 1.09 | 1.35 |
| Transfer to Statutory Reserve | Nil | Nil |
| Book Value per Certificate | 10.52 | 09.89 |

Segment Wise Sales

| 2010-2011 | | | |
|---------------------|---------|-------------|---------------|
| (Rs. in thousand) | Soap | Corrugation | Paper & Board |
| Sales | 504,340 | 688,168 | 73,730 |
| Inter Segment Sales | - | 42,820 | 268,353 |
| | 504,340 | 730,988 | 342,083 |

| 2009- 2010 | | | |
|---------------------|---------|-------------|---------------|
| Rs. in 000' | Soap | Corrugation | Paper & Board |
| Sales | 378,967 | 694,069 | 9,139 |
| Inter Segment Sales | - | - | 13,165 |
| | 378,967 | 694,069 | 22,304 |
| Sales Growth % | 33.08% | 5.32% | |

Margins are generally slightly improved but still under pressure due to the following reasons:

- Increase in raw material prices;
- Increase in depreciation due to addition in fixed assets;
- Increase in power tariffs and in-house power generations;
- General inflationary pressure in the economy;
- General political environment of the Country;

But management of your Modaraba is confident to restore the margins in the coming months because of better sales stratagem, price rationalization and raw material sourcing.

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

Dated: April 28, 2011
Lahore

Condensed Interim Balance Sheet

As at March 31, 2011 (Un-audited)

| | Note | March 31, 2011 Un-audited (Rupees in thousand) | June 30, 2010 Audited |
|---|------|---|-----------------------------|
| Property, plant and equipment | | 344,269 | 323,704 |
| Long term deposits | | 20,160 | 14,974 |
| | | 364,429 | 338,678 |
| CURRENT ASSETS | | | |
| Stores and spares | | 28,312 | 39,422 |
| Stock - in trade | | 277,789 | 182,444 |
| Trade debts - unsecured considered good | | 248,456 | 238,858 |
| Loans, advances, deposits, prepayments and other receivables | | 276,066 | 109,983 |
| Cash and bank balances | | 46,080 | 38,627 |
| | | 876,703 | 609,334 |
| CURRENT LIABILITIES | | | |
| Finance under mark-up-arrangements - secured | | - | 200,000 |
| Trade and other payables | | 398,611 | 271,211 |
| | | 398,611 | 471,211 |
| NET CURRENT ASSETS | | 478,092 | 138,123 |
| NET ASSETS | | 842,521 | 476,801 |
| FINANCED BY: | | | |
| Issued, subscribed and paid-up capital | | 800,000 | 500,000 |
| Statutory Reserve | | 24,258 | 24,258 |
| Accumulated profit /(loss) | | 18,263 | (47,457) |
| MODARABA CERTIFICATE HOLDERS' EQUITY | | 842,521 | 476,801 |
| Contingencies and commitments | 5 | - | - |
| | | 842,521 | 476,801 |

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

LAHORE:
April 28, 2011


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Profit and Loss Account

For the Quarter and 9 months ended March 31, 2011 (Un-audited)

| | Note | Quarter ended | | 9 months ended | |
|-----------------------------------|------|-----------------------------|-----------------------------|--------------------------|--------------------------|
| | | January to March 2011 | January to March 2010 | July to March 2011 | July to March 2010 |
| (Rupees in thousand) | | | | | |
| Net sales | 6 | 493,717 | 349,076 | 1,266,238 | 1,082,175 |
| Cost of Goods Sold | 7 | (429,280) | (317,869) | (1,126,495) | (959,846) |
| Gross Profit | | 64,437 | 31,207 | 139,743 | 122,329 |
| Operating expenses : | | | | | |
| - Administrative expenses | | (4,108) | (1,541) | (13,156) | (7,793) |
| - Selling & distribution expenses | | (12,675) | (10,650) | (36,497) | (24,998) |
| | | (16,783) | (12,191) | (49,653) | (32,791) |
| Operating Profit | | 47,654 | 19,016 | 90,090 | 89,538 |
| Other income | | 1,538 | 2,155 | 4,705 | 4,759 |
| | | 49,192 | 21,171 | 94,795 | 94,297 |
| Financial expenses | | (219) | (10,054) | (7,235) | (26,969) |
| Profit before taxation | | 48,973 | 11,117 | 87,560 | 67,328 |
| Taxation | | - | - | - | - |
| Profit after taxation | | 48,973 | 11,117 | 87,560 | 67,328 |
| Earnings per certificate | | 0.61 | 0.22 | 1.09 | 1.35 |

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

LAHORE:
April 28, 2011


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Cash Flow Statement

For the Quarter and 9 months ended March 31, 2011 (Un-audited)

| | July to March 2011 | July to March 2010 |
|--|-----------------------|-----------------------|
| | (Rupees in thousand) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 87,560 | 67,328 |
| Adjustments for non cash items: | | |
| Financial charges for the period | 7,235 | 26,969 |
| Depreciation on property, plant and equipment | 19,623 | 8,947 |
| Profit on bank deposits | (2,839) | (3,559) |
| | 24,019 | 32,357 |
| Operating profit before working capital changes | 111,579 | 99,685 |
| (Increase) / decrease in operating assets : | | |
| Stores and spares | 11,110 | (18,415) |
| Stock-in-trade | (95,345) | 14,551 |
| Trade debts | (9,598) | (97,490) |
| Loans, advances, deposits, prepayments and other receivables | (156,783) | (225,622) |
| | (250,616) | (326,976) |
| Increase / (decrease) in operating liabilities | | |
| Trade and other payables | 128,438 | 357,184 |
| Cash generated from operations | (10,599) | 129,893 |
| Financial charges paid | (7,235) | (26,950) |
| Taxes paid | (10,339) | (8,054) |
| | (17,574) | (35,004) |
| Net cash from operating activities | (28,173) | 94,889 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (40,187) | (79,027) |
| Long term deposits | (5,186) | (15,924) |
| Profit received on bank deposits | 2,839 | 5,093 |
| Net cash outflow from investing activities | (42,534) | (89,858) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Modaraba Certificates | 300,000 | - |
| Dividend paid | (21,840) | - |
| Net cash from financing activities | 278,160 | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 207,453 | 5,031 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | (161,373) | (235,225) |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 46,080 | (230,194) |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 46,080 | 69,806 |
| Finance under mark-up arrangements | - | (300,000) |
| | 46,080 | (230,194) |

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

LAHORE:
April 28, 2011


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Condensed Interim Statement of Changes in Equity

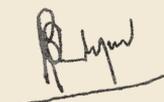
For the Quarter and 9 months ended March 31, 2011 (Un-audited)

| | Certificate Capital | Statutory Reserve | Unappropriated Profit / (Loss) | Total |
|---|------------------------|----------------------|-----------------------------------|----------|
| (Rupees in thousand) | | | | |
| Balance as at June 30, 2009 | 500,000 | - | (71,715) | 428,285 |
| Net Profit for the period | - | - | 67,328 | 67,328 |
| | 500,000 | - | (4,387) | 495,613 |
| Balance as at June 30, 2010 | 500,000 | 24,258 | (47,457) | 476,801 |
| Modaraba Certificates | 300,000 | - | - | 300,000 |
| Net Profit for the period | - | - | 87,560 | 87,560 |
| Profit distribution for the year @ 90% of profit | - | - | (21,840) | (21,840) |
| Balance as on March 31, 2011 | 800,000 | 24,258 | 18,263 | 842,521 |

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

LAHORE:
April 28, 2011


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director

Notes to the Condensed Interim Financial Information For the Quarter and 9 months ended March 31, 2011 (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, 2010.

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, 2010, 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, 2010.

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 2011 | January to March 2010 | July to March 2011 | July to March 2010 |
| (Rupees in thousand) | | | | | |
| 6. SALES - Net | | | | | |
| Packaging products | 6.1 | 252,694 | 224,893 | 688,168 | 694,069 |
| Paper and board | 6.2 | 51,890 | 9,139 | 73,730 | 9,139 |
| Soaps | 6.3 | 189,133 | 115,044 | 504,340 | 378,967 |
| | | 493,717 | 349,076 | 1,266,238 | 1,082,175 |
| 6.1 Packaging Products | | | | | |
| Local Sales | | 294,744 | 255,938 | 803,797 | 801,474 |
| Less: sales tax | | 42,050 | 31,045 | 115,629 | 107,405 |
| | | 252,694 | 224,893 | 688,168 | 694,069 |
| 6.2 Paper and Board | | | | | |
| Local Sales | | 60,711 | 10,479 | 86,264 | 10,479 |
| Less: sales tax | | 8,821 | 1,340 | 12,534 | 1,340 |
| | | 51,890 | 9,139 | 73,730 | 9,139 |
| 6.3 Soaps | | | | | |
| Local Sales | | 230,436 | 145,341 | 613,546 | 460,401 |
| Less: sales tax | | 41,303 | 30,297 | 109,206 | 81,434 |
| | | 189,133 | 115,044 | 504,340 | 378,967 |
| 7. COST OF SALES | | | | | |
| Packaging products | 7.1 | 144,623 | 179,943 | 404,328 | 609,946 |
| Paper and board | 7.2 | 124,047 | 30,257 | 305,016 | 30,257 |
| Soaps | 7.3 | 160,610 | 107,669 | 417,151 | 319,643 |
| | | 429,280 | 317,869 | 1,126,495 | 959,846 |
| 7.1 Packaging Products | | | | | |
| Raw and packing material consumed | | 105,224 | 150,128 | 288,032 | 525,595 |
| Stores and spares consumed | | 7,374 | 5,113 | 22,640 | 12,578 |
| Salaries, wages and other benefits | | 14,299 | 7,318 | 43,565 | 38,451 |
| Fuel and power | | 11,082 | 3,202 | 27,191 | 11,585 |
| Depreciation | | 2,887 | 2,939 | 9,647 | 8,947 |
| Other expenses | | 3,109 | 5,363 | 13,496 | 15,967 |
| | | 143,975 | 174,063 | 404,571 | 613,123 |
| Opening stock of work in process | | 6,771 | 3,367 | 5,108 | 1,914 |
| Closing stock of work in process | | (6,871) | (3,788) | (6,871) | (3,788) |
| Cost of goods manufactured | | 143,875 | 173,642 | 402,808 | 611,249 |
| Opening stock of finished goods | | 2,777 | 11,699 | 3,549 | 4,095 |
| Closing stock of finished goods | | (2,029) | (5,398) | (2,029) | (5,398) |
| | | 144,623 | 179,943 | 404,328 | 609,946 |

| | Quarter year ended | | 9 months ended | |
|------------------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|
| | January to March 2011 | January to March 2010 | July to March 2011 | July to March 2010 |
| (Rupees in thousand) | | | | |
| 7.2 Paper and board | | | | |
| Raw and packing material consumed | 68,759 | 12,968 | 171,629 | 12,968 |
| Stores and spares consumed | 6,250 | (906) | 12,573 | (906) |
| Salaries, wages and other benefits | 9,977 | 10,671 | 27,303 | 10,671 |
| Fuel and power | 28,815 | 7,654 | 75,289 | 7,654 |
| Depreciation | 3,141 | - | 9,564 | - |
| Other expenses | 6,231 | 1,258 | 10,192 | 1,258 |
| | 123,173 | 31,645 | 306,550 | 31,645 |
| Opening stock of work in process | 101 | - | - | - |
| Closing stock of work in process | (164) | (21) | (164) | (21) |
| Cost of goods manufactured | 123,110 | 31,624 | 306,386 | 31,624 |
| Opening stock of finished goods | 5,204 | - | 2,897 | - |
| Closing stock of finished goods | (4,267) | (1,367) | (4,267) | (1,367) |
| | 124,047 | 30,257 | 305,016 | 30,257 |
| 7.3 Soaps | | | | |
| Raw material consumed | 143,599 | 97,414 | 354,645 | 335,682 |
| Stores and spares consumed | 1,479 | 1,880 | 4,094 | 5,535 |
| Salaries, wages and other benefits | 4,872 | 4,022 | 13,814 | 10,090 |
| Fuel and power | 12,238 | 5,212 | 30,132 | 7,636 |
| Plant rental | 2,340 | 1,500 | 5,940 | 5,100 |
| Other expenses | 3,123 | 1,694 | 5,840 | 4,417 |
| | 167,651 | 111,722 | 414,465 | 368,460 |
| Opening stock of work in process | 30,932 | 22,615 | 23,868 | - |
| Closing stock of work in process | (30,977) | (30,303) | (30,977) | (30,303) |
| Cost of goods manufactured | 167,606 | 104,034 | 407,356 | 338,157 |
| Opening stock of finished goods | 1,961 | 22,149 | 18,752 | - |
| Closing stock of finished goods | (8,957) | (18,514) | (8,957) | (18,514) |
| | 160,610 | 107,669 | 417,151 | 319,643 |

| | July to March 2011 | July to March 2010 |
|---|-----------------------|-----------------------|
| (Rupees in thousand) | | |
| 8. TRANSACTIONS WITH RELATED PARTIES | | |
| Purchases and services received | 129,000 | 142,206 |
| Goods sold and services rendered | 496,432 | 355,006 |

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 28, 2011.

10. Amounts have been rounded off to thousand rupees.

LAHORE:
April 28, 2011


Syed Shahid Ali
Chief Executive Officer


Muhammad Shafique Anjum
Director



TREET GROUP OF COMPANIES



TREET CORPORATION LTD.



GLOBAL ECONO TRADE (Pvt.) LTD.

A wholly owned subsidiary of TREET CORPORATION LTD.



TCL LABOR HIRE COMPANY (Pvt.) LTD

A wholly owned subsidiary of GLOBAL ECONO TRADE (Pvt.) LIMITED



FIRST TREET MANUFACTURING MODARABA

Managed By GLOBAL ECONO TRADE (Pvt.) LIMITED



SOAP DIVISION

(A Project Under FTMM)



PACKAGING SOLUTIONS CORRUGATION

(A Project Under FTMM)



MOTOR BIKE PROJECT



PACKAGING SOLUTIONS PAPER AND BOARD MILL

(A Project Under FTMM)