

EXIDE



FIRST QUARTER REPORT
JUNE 30, 2008

BOOK POST



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EXIDE

PAKISTAN LTD.

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EXIDE PAKISTAN LIMITED

CHAIRMAN'S REVIEW

I am pleased to present on behalf of the Board of Directors, the Un-audited Accounts of the Company for the 1st Quarter ended June 30, 2008.

THE ECONOMY

Pakistan's economy during last twelve months was at its worst in the last five years due to political turmoil, energy and food crunch, infrastructural dislocation and poor law and order conditions. Despite this GDP growth of 5.8 percent achieved against the target of 7.2 percent for the fiscal year 2007-2008.

Pakistan's trade deficit has widened to US\$20.7 billion for 2007-08 which is 53 percent more over US\$13.6 billion for 2006-07 because of food import bill and steep increase in prices of crude oil in the global market. Current account deficit has widened by 103 percent and all time high of \$14.4 billion during the fiscal year 2008. The expanding trade deficit depleted country's foreign exchange reserves from a high of over \$16 billion to \$11 billion by end of the year.

THE INDUSTRY

Healthy growth of automotive sector in the past years and increased demand of batteries for uninterrupted power supply systems are instrumental in better utilization of organized sector battery industry capacities, which grew by 26 percent during the period under review. However, the auto industry witnessed decline of 12% during 2007-08 as compared to 2006-07. The domestic auto sector has been passing through a difficult situation, where the dynamics of the industry are turning out to be unfavorable for both demand as well as cost side. The demand is shrinking due to decline in auto financing and rise in cost as well as government taxations.

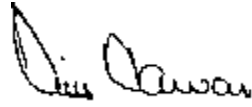
OPERATING RESULTS

Net sales revenue for the quarter under review was Rs.1.3 billion against Rs.672.7 million in the same period last year due to price increase and growth in replacement business. Gross profit improved from Rs.81.4 million to Rs.128.1 million. Operating profit increased by 61% to Rs.69.9 million from Rs.43.5 million recorded last year. Financial charges increased from Rs.7.6 million to Rs.15.5 million in view of increase in working capital requirement and KIBOR based mark-up rate. Profit before tax was Rs.40.8 million as compared to Rs.34.3 million recorded in the last year.

FUTURE PROSPECTS

It is hoped that indigenous organized battery industry will continue to perform satisfactory, but the profitability will remain under pressure on account of rupee devaluation, rising cost of fuel prices and market competition. Your management is determined to avail full benefit of the opportunities by continued focus on quality, productivity, cost control and after sales service to improve its competitiveness.

The merger of your company with Automotive Battery Company Limited, will further improve capacity utilization, market share, profitability which will in turn ensure better return to the share holders.



ARIF HASHWANI
Chairman

Karachi: July 30, 2008

EXIDE PAKISTAN LIMITED
BALANCE SHEET
AS AT JUNE 30, 2008

	(Unaudited) June 30, 2008	(Audited) March 31, 2008
	-----Rupees'000-----	
Property, plant and equipment	540,105	536,855
Long-term investments	40,094	40,094
Long-term loans and advances-unsecured	-	1,084
Long-term deposits	14,418	13,856
Current Assets		
Spares	19,225	25,403
Stock-in-trade	769,581	920,042
Tradedebts	102,886	138,939
Loans and advances	1,470	3,547
Short-term prepayments, deposits and other receivables	55,440	54,391
Taxation recoverable	16,043	17,214
Cash and bank balances	163,486	96,049
	1,128,131	1,255,585
Current Liabilities and Provisions		
Trade and other payables	469,712	408,478
Current portion of long-term finance	20,000	20,000
Mark-up accrued on finances	11,946	14,889
Dividend payable	-	-
Short-term finance	268,973	452,319
	770,631	895,686
Net Current Assets	357,500	359,899
Long-term Financing	90,000	100,000
Deferred Taxation	22,017	22,367
Total Net Assets	840,100	829,421
Financed by:		
Share Capital and Reserves		
Authorised capital		
10,000,000 ordinary shares of Rs 10 each	100,000	100,000
Issued, subscribed and paid-up capital	54,057	54,057
Capital reserves	259	259
Revenue reserves	488,991	413,991
Unappropriated profit	57,687	122,007
	600,994	590,314
Surplus on Revaluation of Fixed Assets-net of tax	239,106	239,107
Shareholder's Equity	840,100	829,421

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



ALTAF HASHWANI
Director



S.I. AHMAD
Chief Executive

EXIDE PAKISTAN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED JUNE 30, 2008

	Batteries		Chemicals		Total	
	For the 1st Quarter ended June 30, 2008	For the 1st Quarter ended June 30, 2007	For the 1st Quarter ended June 30, 2008	For the 1st Quarter ended June 30, 2007	For the 1st Quarter ended June 30, 2008	For the 1st Quarter ended June 30, 2007
	-----Rupees'000-----					
Netsales	1,165,253	642,466	166,588	30,188	1,331,841	672,654
Cost of goods sold	1,062,607	567,216	141,116	24,009	1,203,723	591,225
Gross profit	102,646	75,250	25,472	6,179	128,118	81,429
Distribution cost	44,193	26,056	1,451	1,144	45,644	27,200
Administrative expenses	10,989	10,222	1,572	480	12,561	10,702
Total Operating expenses	55,182	36,278	3,023	1,624	58,205	37,902
Operating profit	47,464	38,972	22,449	4,555	69,913	43,527
Other operating income					1,283	931
					71,196	44,458
Financial charges					15,548	7,558
Other charges					14,895	2,627
					30,443	10,185
Profit before taxation					40,753	34,273
Provision for taxation						
- current-for the period					13,506	12,650
- deferred					350	336
					13,856	12,986
Profit after taxation					26,897	21,287
					(Rupees)	
Earnings per share					4.98	3.94

Appropriations have been reflected in the Statement of Changes in Equity.

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



ALTAF HASHWANI
Director




S.I. AHMAD
Chief Executive

**EXIDEPAKISTANLIMITED
CASHFLOWSTATEMENT(UNAUDITED)
FORTHEQUARTERENDEDJUNE30,2008**

	2008	2007
	----- (Rupees'000)-----	
CASHFLOWFROMOPERATINGACTIVITIES		
Cashgeneratedfromoperations	312,141	195,703
Staffgratuitypaid	-	-
Financialchargespaid	(18,491)	(10,548)
Taxespaid	(12,686)	(13,541)
Decreaseinlong-termloans	1,084	23
Increaseinlong-termdeposits	(562)	1,734
Netcashinflowfromoperatingactivities	281,486	173,371
CASHFLOWFROMINVESTINGACTIVITIES		
Paymentforcapitalexpenditure	(14,245)	(29,069)
Proceedsfromsaleoffixedassets	-	-
Netcashoutflowoninvestingactivities	(14,245)	(29,069)
CASHFLOWFROMFINANCINGACTIVITIES		
ImportFinances	53,996	-
Long-termfinancing	(10,000)	(10,000)
Dividendspaid	(6,458)	-
Netcashoutflowonfinancingactivities	37,538	(10,000)
NetIncreaseincashandcashequivalents	304,779	134,302
Cashandcashequivalentsatthebeginningoftheyear	(316,270)	(229,552)
Cashandcashequivalentsattheendofthefirstquarter	(11,491)	(95,250)

Theannexednotesformanintegralpartofthesefinancialstatements.



ALTAHASHWANI
Director



S.I.AHMAD
ChiefExecutive

**EXIDEPAKISTANLIMITED
STATEMENTOFCHANGESINEQUITY(UNAUDITED)
FORTHEQUARTERENDEDJUNE30,2008**

	Issued, subscribed andpaid-up capital	Capital reserves	Revenue reserves	Unappropriated profit	Total
	----- (Rupees'000)-----				
BalanceatMarch31,2007	54,057	259	343,991	106,714	505,021
Profitaftertaxationforthefirst quarterendedJune30,2007	-	-	-	21,287	21,287
Transferredfromsurpluson revaluationoffixed assets-netoftax	-	-	-	750	750
BalanceatJune30,2007	<u>54,057</u>	<u>259</u>	<u>343,991</u>	<u>128,751</u>	<u>527,058</u>
BalanceatMarch31,2008	54,057	259	413,991	122,007	590,314
Finaldividendfortheyear endedMarch31,2008	-	-	-	(16,217)	(16,217)
Transfertorevenuereserveforthe yearended March31,2008	-	-	75,000	(75,000)	-
Profitaftertaxationforthefirst quarterendedJune30,2008	-	-	-	26,897	26,897
Transferredfromsurpluson revaluationoffixed assets-netoftax	-	-	-	-	-
BalanceatJune30,2008	<u>54,057</u>	<u>259</u>	<u>488,991</u>	<u>57,687</u>	<u>600,994</u>

Theannexednotesformanintegralpartofthesefinancialstatements.



ALTAHASHWANI
Director



S.I.AHMAD
ChiefExecutive

EXIDE PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED JUNE 30, 2008

1. These financial statements are unaudited and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984
2. These financial statements have been prepared in accordance with the requirements of International Accounting Standard-34 (IAS-34) "Interim Financial Reporting".
3. The accounting policies adopted in preparation of these financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended 30 June 2008.

	Additions	Disposals
	----- (Rupees'000) -----	
Plant and machinery	2,555	-
Furniture and equipments	872	-
Vehicles	2,214	-
	5,641	-

5. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of local associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel, which are under the terms of their employment, are as follows:

	2008	2007
	----- (Rupees'000) -----	
Sale of goods	1,124	2,130
Expenses charged to associated undertakings	523	253
Expenses charged by associated undertakings	91	91
Interest charged on loan from director	17	287
Rent expense	3,530	3,530

Key management personnel receive an amount of Rs. 1,580 thousand (2007: Rs. 1,410 thousand) out of which Rs. 96 thousand (2007: 112 thousand) relate to post employment benefits.

6. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

7. ESTIMATES


Judgments and estimates made by the management in the preparation of these interim financial statements were the same as those that were applied to the financial statements for the year ended March 31, 2008.

8. GENERAL

Amounts have been rounded off to the nearest thousand unless otherwise stated.

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on July 30, 2008 by the Board of Directors of the Company.



ALTAF HASHWANI
 Director



S.I. AHMAD
 Chief Executive

CORPORATE PROFILE

BOARD OF DIRECTORS

Arif Hashwani *-Chairman*
 S.I. Ahmed *-Managing Director/Chief Executive*
 Altaf Hashwani
 Hussain Hashwani
 Muhammad Asif
 S. Haider Mehdi
 S.M. Faiq

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

S. Haider Mehdi

AUDIT COMMITTEE

Altaf Hashwani *-Chairman*
 Hussain Hashwani
 S.M. Faiq
 Khurram Ali *-Secretary*

BANKERS

Allied Bank Ltd.
 Askari Bank Limited
 Citibank N.A.
 Habib Bank Ltd.
 MCB Bank Limited
 Oman International Bank S.A.O.G.
 NIB Bank Limited
 Standard Chartered Bank Pakistan Ltd.
 HSBC Bank Middle East Ltd.
 United Bank Ltd.

AUDITORS

A.F. Ferguson & Co.

SOLICITORS

Orr, Dignam & Co.

REGISTERED OFFICE

A-44, Hill Street,
 Manghopir Road,
 S.I.T.E., Karachi-75700.
 Website: www.exidepk@exide.com.pk

EXIDE PAKISTAN LIMITED
CASHFLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED JUNE 30, 2008

2008 2007

----- (Rupees'000) -----

CASHFLOW FROM OPERATING ACTIVITIES

Cash generated from operations	312,141	195,703
Staff gratuity paid	-	-
Financial charges paid	(18,491)	(10,548)
Taxes paid	(12,686)	(13,541)
Decrease in long-term loans	1,084	23
Increase in long-term deposits	(562)	1,734
Net cash inflow from operating activities	281,486	173,371

CASHFLOW FROM INVESTING ACTIVITIES

Payment for capital expenditure	(14,245)	(29,069)
Proceeds from sale of fixed assets	-	-
Net cash outflow on investing activities	(14,245)	(29,069)

CASHFLOW FROM FINANCING ACTIVITIES

Import Finances	53,996	-
Long-term financing	(10,000)	(10,000)
Dividends paid	(6,458)	-
Net cash outflow on financing activities	37,538	(10,000)
Net increase in cash and cash equivalents	304,779	134,302
Cash and cash equivalents at the beginning of the year	(316,270)	(229,552)
Cash and cash equivalents at the end of the first quarter	(11,491)	(95,250)

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



ALTAF HASHWANI
Director



S. I. AHMAD
Chief Executive