

Half Year Ended Report

December 31, 2012

(Un-audited)

DADEX

Dadex Eternit Limited

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Company Information

Board of Directors	Abu Talib H.K. Dada- Chairman (Non - Executive Director) Sikander Dada (Executive Director) Maqbool H.H. Rahimtoola (Non - Executive Director) Qazi Sajid Ali (Non - Executive Director) Shahzad M. Husain (Non - Executive Director) Zulfiqar Ali Lakhani (Non - Executive Director) Samad Dada (Non - Executive Director) Alternate: Shahid Islam (Non - Executive Director)
Chief Executive Officer	Sikander Dada
Acting Chief Financial Officer/ Acting Company Secretary	Muhammad Yousuf
Board Audit Committee	Qazi Sajid Ali - Chairman Shahzad M. Husain Samad Dada Alternate: Shahid Islam
Human Resource and Remuneration Committee	Maqbool H.H. Rahimtoola - Chairman Sikander Dada Qazi Sajid Ali
Head of Internal Audit / Secretary Board Audit Committee	Shazam Butt
Management Team	Sikander Dada - Chief Executive Officer Tanveer Saleem- Director (Technical Services & Quality Assurance) Shazam Butt - Chief Information Officer / Head of Internal Audit Muhammad Ebrahim - General Manager (Zarkaasht Division) Munawar Abbas- General Manager (Operations) Nadeem Naqvi - General Manager (Project Sales) Imtiaz Khan - General Manager (Logistics & Export Sales) Syed Ashar Husain - General Manager (Retail Business) Muhammad Yousuf - Acting Chief Financial Officer / Acting Company Secretary
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Internal Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Bankers	Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan Oman International Bank S.A.O.G Standard Chartered Bank (Pakistan) Limited United Bank Limited (UBL Ameen)
Legal Advisor	SurrIDGE & BeechENO 3rd Floor, Finlay House, I.I. Chundrigar Road, Karachi.
Registered Office	Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi- 75400 Tel: (92-21) 111000789 Fax: (92-21) 34315716, 34315725 Email: info@dadex.com.pk
Share Registrar	M/s. JWAFFS Registrar Services (Private) Limited 505, 5th Floor, Kashif Centre, Near Hotel Mehran, Main Shahrah-e-Faisal, Karachi. Phone: (92-21) 35643871-72 Fax: (92-21) 35643873 Email: jwaffs@live.com
Web Site	www.dadex.com

DIRECTORS' REVIEW

The Directors are pleased to present their review together with the financial statements (limited review) of the Company for the six months ended December 31, 2012.

In the period under review, the Company achieved a net turnover of Rs.1.192 billion (December 2011: Rs. 1.032 billion), being 15.5% higher than the turnover achieved during the corresponding previous period.

Cost increases in fuel, higher electricity and gas tariffs during this period have partially been offset by an increase in gross margins. The small loss for the period of Rs. 5.126 million (December 2011: Profit of Rs. 25.003 million) is primarily due to higher financial costs resulting from higher inventory levels maintained to avail lower raw material pricing and increased availability of finished goods for the Company's markets. The Loss per share of the Company is Rs. 0.48 (December 2011: Earning per share of Rs. 2.32).

Despite the difficult operating general environment, the Company has performed well within its budgetary parameters and looking ahead in the periods to come, expects to continue its domestic growth and initiate expansion into export markets.

The continued internal general law and order situation in the country means that the general economic uncertainty weighs heavily on the industrial growth in the country. Rising inflationary trends have further exacerbated this situation.

Against this backdrop, the Company remains confident that it will attain the forecast levels of production and revenues. The management focus remains on cost minimization, operational efficiencies and expanding the customer base to achieve improved results in the coming periods.

The Directors would like to extend their thanks to the management team and appreciate the continued support and commitments of all the stakeholders and all cadres of employees of the Company for their continued hard and sincere work and expect them to put in extra efforts in the second half of the year to help the Company to achieve a profitable year.

On behalf of the Board

Karachi: February 28, 2013

Qazi Sajid Ali
Director

Sikander Dada
Chief Executive

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

Introduction

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Review Engagement Partner: Shariq Ali Zaidi
Karachi

Date: February 28, 2013

A member firm of Ernst & Young Global Limited

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2012**

	Note	December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,286,973	1,296,736
Long-term investment	6	494	494
Long-term loans		2,319	2,120
Long-term deposits		46,668	46,668
Deferred tax asset	7	69,183	52,012
		<u>1,405,637</u>	<u>1,398,030</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		36,328	34,275
Stock-in-trade	8	912,735	796,422
Trade debts	9	194,666	126,616
Loans and advances		35,723	44,054
Trade deposits and short-term prepayments		26,948	21,529
Accrued interest and other receivables	10	14,677	2,390
Sales tax and excise duty - net		71,848	73,216
Taxation - net		125,168	96,840
Cash and bank balances		4,213	4,676
		<u>1,422,306</u>	<u>1,200,018</u>
TOTAL ASSETS		<u>2,827,943</u>	<u>2,598,048</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		177,900	175,798
		<u>285,540</u>	<u>283,438</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		802,452	809,680
CURRENT LIABILITIES			
Trade and other payables	11	756,879	810,058
Accrued mark-up		26,199	18,259
Short-term borrowings	12	956,873	676,613
		<u>1,739,951</u>	<u>1,504,930</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>2,827,943</u>	<u>2,598,048</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)**

	Note	Half year ended		Quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
----- (Rupees in `000) -----					
Turnover - net		1,192,378	1,032,799	613,264	503,826
Cost of sales	14	(917,694)	(838,863)	(462,115)	(406,286)
Gross profit		274,684	193,936	151,149	97,540
Distribution cost	15	(131,631)	(115,208)	(77,078)	(56,425)
Administrative expenses	16	(104,325)	(67,758)	(58,015)	(35,698)
Other operating expenses		(14,265)	(15,884)	(9,955)	(13,502)
Other operating income		22,492	24,880	2,577	14,385
Operating profit		46,955	19,966	8,678	6,300
Finance costs	17	(58,631)	(26,667)	(27,345)	(18,016)
Share of profit / (loss) on investment in an associate	6.2	-	-	-	-
Loss before taxation		(11,676)	(6,701)	(18,667)	(11,716)
Taxation	18	6,550	31,704	12,367	38,424
(Loss) / profit for the period		(5,126)	25,003	(6,300)	26,708
(Loss) / earnings per share - Basic and diluted		Rs. (0.48)	Rs. 2.32	Rs. (0.59)	Rs. 2.48

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UNAUDITED)**

Note	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	(Rupees in `000)			
(Loss) / profit for the period	(5,126)	25,003	(6,300)	26,708
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(5,126)</u>	<u>25,003</u>	<u>(6,300)</u>	<u>26,708</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

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**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)**

	Note	Half year ended	
		December 31, 2012	December 31, 2011
---- (Rupees in '000) ----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows used in operations	20	(169,226)	(146,374)
Income tax paid		(38,949)	(25,601)
Long-term loans - net		(199)	1,049
Long-term deposits - net		-	72
Net cash flows used in operating activities		(208,374)	(170,854)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	5.1.1 & 5.2.1	(20,680)	(8,622)
Proceeds from disposal of property, plant and Equipment		-	2,187
Interest received		44	1,634
Net cash flows used in investing activities		(20,636)	(4,801)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowing - net		280,260	447,821
Interest / mark-up paid		(50,691)	(22,364)
Dividends paid	21	(1,022)	(146,059)
Net cash flows from financing activities		228,547	279,398
Net (decrease) / increase in cash and cash equivalents		(463)	103,743
Cash and cash equivalents at the beginning of the period		4,676	4,741
Cash and cash equivalents at the end of the period		4,213	108,484

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves			Grand Total	
		Capital reserves - share premium	Revenue reserves			Total
			General	Unappropriated profit		
----- (Rupees in `000) -----						
Balance as at July 1, 2011	107,640	5,655	411,500	(18,592)	398,563	506,203
Transfer from general reserve for the year ended June 30, 2011	-	-	(200,000)	200,000	-	-
Interim dividend on ordinary shares @ 178% for the year ended June 30, 2012	-	-	-	(191,598)	(191,598)	(191,598)
Profit for the period	-	-	-	25,003	25,003	25,003
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	25,003	25,003	25,003
Balance as at December 31, 2011	<u>107,640</u>	<u>5,655</u>	<u>211,500</u>	<u>14,813</u>	<u>231,968</u>	<u>339,608</u>
Balance as at July 1, 2012	107,640	5,655	-	170,143	175,798	283,438
Transfer from general reserve for the year ended June 30, 2012	-	-	160,000	(160,000)	-	-
Incremental depreciation for the period on account of surplus on revaluation of fixed assets	-	-	-	7,228	7,228	7,228
Loss for the period	-	-	-	(5,126)	(5,126)	(5,126)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(5,126)	(5,126)	(5,126)
Balance as at December 31, 2012	<u>107,640</u>	<u>5,655</u>	<u>160,000</u>	<u>12,245</u>	<u>177,900</u>	<u>285,540</u>

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2012
(UN-AUDITED)**

1. NATURE AND STATUS OF BUSINESS

- 1.1** Dadex Eternit Limited (the Company) is a limited liability company incorporated in Pakistan on April 13, 1959 as a public limited company under the Companies Ordinance, 1984 and is quoted on Karachi Stock Exchange. The registered office of the Company is situated at Dadex House, 34-A/1, Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi. The Company has three factories situated at Karachi, Hyderabad and Sunder (Lahore). The principal business of the Company is to manufacture and the sale of construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building products. The Company is also engaged in providing irrigation solutions for agriculture and landscaping.
- 1.2** Sikander (Private) Limited is the holding company, who held 6,800,648 (June 30, 2012: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (June 30, 2012: 63.18 percent) shareholding as of the balance sheet date.

2. STATEMENT OF COMPLIANCE

This condensed interim financial report of the Company for the six months period ended December 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. BASIS OF PRESENTATION

- 3.1** These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.
- 3.2** The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2012 and December 31, 2011 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2012 and December 31, 2011.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2012, except for the adoption of the following new and amended standards:

New and amended standards and interpretations

The Company has adopted the following amended IFRSs which became effective for the current period:

IAS 1 - Presentation of Financial Statements: Presentation of items of other comprehensive income (Amendment).

IAS 12 - Income Taxes: Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any material effect on the condensed interim financial statements of the Company.

	Note	December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
----- (Rupees in '000) -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	1,265,318	1,291,077
Capital work-in-progress	5.2	21,655	5,659
		<u>1,286,973</u>	<u>1,296,736</u>
5.1	The following is the movement in operating assets during the period/year:		
Opening balance (WDV)		1,291,077	282,668
Add: Additions during the period/year	5.1.1	4,684	267,232
Surplus on revaluation of operating assets during the period/year		-	1,100,337
		<u>1,295,761</u>	<u>1,650,237</u>
Less: Transfers to investment property (WDV)		-	3,195
Transfers to non-current assets held for sale (WDV)		-	2,204
Disposals during the period / year (WDV)		-	293,103
Depreciation charge for the period / year	5.1.2	30,443	60,658
Operating assets (WDV)		<u>1,265,318</u>	<u>1,291,077</u>
5.1.1	Additions including transfers during the period / year		
Freehold land		-	245,400
Building		3,207	1,841
Plant and machinery		99	19,111
Furniture and fittings		-	34
Vehicle and transportation equipment		-	602
Office and factory equipment		1,378	244
	5.2.1	<u>4,684</u>	<u>267,232</u>
5.1.2	Depreciation charged during the period / year		
Cost of sales	14	27,206	49,207
Distribution cost		2,065	4,848
Administrative expenses		1,172	6,603
		<u>30,443</u>	<u>60,658</u>
5.2	Capital work-in-progress		
Plant and machinery - Green House Farming System		13,979	13,979
Impairment loss on plant and machinery		(8,609)	(8,609)
		<u>5,370</u>	<u>5,370</u>
Advance against purchase of operating assets	5.2.1	16,285	289
		<u>21,655</u>	<u>5,659</u>

5.2.1 During the period, advances of Rs.18.901 million were made to suppliers, assets of Rs.2.793 million were transferred to operating assets and advances of Rs.0.112 million were received back by the Company.

6. LONG-TERM INVESTMENT - Equity method

6.1 The Company has 48.04 percent (June 30, 2012: 48.04 percent) shareholding [i.e. 625,000 (June 30, 2012: 625,000) ordinary shares of Rs.10/- each] in Berdex Construction Chemicals (Private) Limited (Berdex). Berdex is engaged in marketing and distribution of construction chemicals in Pakistan. The cost of investment in Berdex amounted to Rs.5 million.

6.2 Based on the un-audited financial statements of Berdex for the year ended June 30, 2012, Berdex has reported a loss of Rs.0.753 million and accumulated losses of Rs.11.983 million. Due to unavailability of the financial statements of Berdex for the half year ended December 31, 2012, the Company has not accounted for an adjustment in these condensed interim financial statements. Further, the impact of such adjustment, if any, are considered immaterial by the management of the Company due to limited operations by Berdex during the period.

	Note	December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
7. DEFERRED TAX ASSET		---- (Rupees in '000) ----	
Deferred tax liabilities on taxable temporary difference:			
- accelerated tax depreciation on owned assets		(21,826)	(25,634)
Deferred tax assets on deductible temporary differences:			
- provision for slow moving and obsolete stores, spare parts and loose tools		4,680	4,669
- taxable losses		82,579	69,234
- other deductible temporary differences		3,750	3,743
		91,009	77,646
	7.1	<u>69,183</u>	<u>52,012</u>

7.1 Deferred tax asset to the extent of Rs. 81.783 million (June 30, 2012: Rs.75.857 million) has not been recognized in these condensed interim financial statements due to uncertainty about the timing of reversal of such temporary differences in line with the accounting policy of the Company.

	Note	December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
8. STOCK-IN-TRADE		---- (Rupees in '000) ----	
Raw materials			
- in hand	8.1	529,132	385,365
- in transit		60,317	79,477
		<u>589,449</u>	<u>464,842</u>
Work-in-process			
Finished goods			
- Manufactured	8.2	185,617	186,232
- Trading [including in transit of Rs.Nil (June 30, 2012: Rs.16.730 million)]	8.3	79,433	53,369
		<u>265,050</u>	<u>239,601</u>
		<u>912,735</u>	<u>796,422</u>

- 8.1** Includes raw materials costing Rs.1.813 million (June 30, 2012: Rs.1.860 million) which are carried at net realizable value of Rs.0.693 million (June 30, 2012: Rs.0.737 million).
- 8.2** Includes products costing Rs.31.593 million (June 30, 2012: Rs. 55.946 million) which are carried at net realizable value of Rs.10.952 million (June 30, 2012: Rs.19.187 million).
- 8.3** Includes products costing Rs.100.683 million (June 30, 2012: Rs.110.213 million) which are carried at net realizable value of Rs.24.387 million (June 30, 2012: Rs.24.666 million).

9. TRADE DEBTS - unsecured

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.117.011 million (June 30, 2012: Rs.113.954 million). Such provision includes an amount of Rs.15.632 million (June 30, 2012: Rs.15.632 million) recoverable from an ex-employee, who had reportedly collected the amount from customers and did not surrender the same to the Company. A law suit has been filed against the ex-employee to recover the above amount.

10. ACCRUED INTEREST AND OTHER RECEIVABLES

Included herein receivable from Karachi Electric Supply Company Limited (KESC) of Rs.10.227 million on account of excess electricity charges billed by KESC to the Company. During the period, based on the advice of its legal counsel in light of the favorable decision of Honorable High Court of Sindh dated March 22, 2011 the Company has made an adjustment for aforesaid amount being an excess amount paid in prior years. In this respect, the Company is in process of taking legal action to recover the above amount from KESC.

11. TRADE AND OTHER PAYABLES

Included herein creditors, bills payable and advance from customers of Rs.127.756 million, Rs.173.884 million and Rs.155.481 million (June 30, 2012: Rs.106.856 million, Rs.241.973 million and Rs.159.346 million) respectively.

		December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
	Note	---- (Rupees in '000) ----	
12. SHORT-TERM BORROWINGS - secured			
Running finances utilized under mark-up arrangements		889,873	632,334
Foreign currency term finances		-	44,279
Finance against trust receipt		<u>67,000</u>	-
	12.1	<u>956,873</u>	<u>676,613</u>

- 12.1** Represents facilities obtained from various commercial banks amounting to Rs.1.050 million (June 30, 2012: Rs.950 million) out of which Rs.93.127 million (June 30, 2012: Rs.273.387 million) remains unutilized as at the balance sheet date.

- 12.2** The principal terms and conditions of the outstanding borrowings have remained the same as disclosed in the annual financial statements of the Company for the year ended June 30, 2012 except for the finance against trust receipt facility availed during the period carrying markup at the rate of 3 months KIBOR plus 1.75 percent per annum and is repayable latest by March 31, 2013.

13. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and commitments as reported in the annual financial statements of the Company for the year ended 30 June 2012 except for post dated cheques of Rs.103.955 million (June 30, 2012: Rs.54.170 million) issued in favour of Collector of Customs on account of import of raw material under SRO 565(I)/2006 dated June 05, 2006 as amended vide SRO 564(I)/2008 dated June 11, 2008 and letter of credit of Rs.136.551 million (30 June 2012: Rs.346.557 million).

	Half year ended		Quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- (Unaudited) -----			
Note	----- (Rupees in `000) -----			
14. COST OF SALES				
Manufactured				
Raw materials consumed				
Opening stock	464,842	203,588	736,263	191,487
Purchases	807,337	643,582	175,861	300,818
Closing stock	8 (589,449)	(218,862)	(589,449)	(218,862)
	682,730	628,308	322,675	273,443
Export rebate - duties	-	(421)	-	(421)
	682,730	627,887	322,675	273,022
Stores, spare parts and loose tools consumed	16,410	24,667	5,748	12,247
Salaries, wages and benefits [including Rs.1.80 million (December 31, 2011: Rs.1.80 million) in respect of bonus to workers]	52,879	57,804	24,874	30,061
Procured services	17,465	11,693	8,091	3,198
Fuel, water and power	10 34,686	45,756	5,817	20,556
Insurance	3,026	3,026	1,513	1,513
Traveling	58	91	22	46
Communication	802	969	299	420
Depreciation	5.1.2 27,206	21,084	13,609	10,559
Rent, rates and taxes	2,309	2,645	898	1,545
Repairs and maintenance	15,906	8,720	8,554	4,700
Printing and stationery	350	313	184	98
Other expenses	927	773	534	521
	172,024	177,541	70,143	85,464
Opening stock of work-in-process	91,979	72,903	94,344	90,910
Closing stock of work-in-process	8 (58,236)	(81,441)	(58,236)	(81,441)
Cost of goods manufactured	888,497	796,890	428,926	367,955
Opening stock of finished goods	186,232	217,411	224,041	233,593
Closing stock of finished goods	8 (185,617)	(225,116)	(185,617)	(225,116)
	889,112	789,185	467,350	376,432
Trading				
Opening stock	53,369	133,012	46,613	165,944
Purchases	58,530	62,079	31,202	8,177
	111,899	195,091	77,815	174,121
Closing stock	8 (79,433)	(141,084)	(79,433)	(141,084)
	32,466	54,007	(1,618)	33,037
Sale of scrap	(3,884)	(4,329)	(3,617)	(3,183)
	917,694	838,863	462,115	406,286

15. DISTRIBUTION COST

Included herein transportation and local charges on local and export sales and commission expense of Rs.22.944 million and Rs.41.205 million (December 31, 2011: Rs.45.280 million and Rs.9.840 million) respectively.

16. ADMINISTRATIVE EXPENSES

Included herein salaries and other benefits, ijarah rentals of commercial property and legal and professional charges of Rs.25.381 million, Rs.40.915 million and Rs.15.360 million (December 31, 2011: Rs.18.247 million, Rs. Nil and Rs.25.007 million) respectively.

17. FINANCE COSTS

Included herein markup on short term borrowings of Rs.57.425 million (December 31, 2011: Rs. 24.070 million).

	Note	Half year ended	
		December 31, 2012	December 31, 2011
18. TAXATION		----- (Unaudited) -----	----- (Unaudited) -----
		----- (Rupees in '000) -----	
Current		(10,621)	(15,440)
Deferred		17,171	47,144
		<u>6,550</u>	<u>31,704</u>

19. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of holding company, associated companies, staff retirement funds, Chief Executive, directors and key management personnel. Transactions with related parties and associated undertakings during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Related parties	Nature of transaction	Half year ended	
		December 31, 2012	December 31, 2011
		----- (Unaudited) -----	----- (Unaudited) -----
		----- (Rupees in '000) -----	
Holding company			
Sikandar (Private) Limited	Rent paid	-	319
Associated companies due to common directorship			
Berger Paints Pakistan Limited	Purchase of goods	87	86
Cyber Internet Services (Private) Limited	Sale of goods	18,000	16,892
Century Insurance Company Limited (CiCL)	General Insurance Insurance premium paid to New Jubilee Insurance Company Limited [CiCL is co-insurer with 20% share (December 31, 2011: 20% share)]	750	389
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	5,001	4,455
Key management personnel			
Sikandar Dada (Chief Executive)	Salary and other employment benefits	7,763	3,287

	Note	Half year ended	
		December 31, 2012	December 31, 2011
		----- (Unaudited) ----- ----- (Rupees in '000) -----	
20. CASH FLOWS USED IN OPERATIONS			
Loss before taxation		(11,676)	(6,701)
Adjustments for non cash charges and other items:			
Depreciation - property, plant and equipment	5.1.2	30,443	25,661
- investment property		-	913
Amortization		-	451
Gain on disposal of property, plant and equipment		-	(1,139)
Interest income		(44)	(2,814)
Finance costs		58,631	26,667
Provision against doubtful debts - net		3,057	4,512
Reversal of provision against doubtful deposits - net		(853)	-
Working capital changes	20.1	(248,784)	(193,924)
		<u>(169,226)</u>	<u>(146,374)</u>
20.1 Working capital changes			
<i>Decrease / (increase) in current assets</i>			
Stores, spare parts and loose tools		(2,053)	366
Stock-in-trade		(116,313)	(39,589)
Trade debts		(71,107)	42,807
Loans and advances		8,331	(38,964)
Trade deposits and short-term prepayments		(4,566)	(5,942)
Other receivables		(12,281)	8,466
Sales tax and excise duty - net		1,368	(23,805)
		<u>(196,621)</u>	<u>(56,661)</u>
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		(52,163)	(137,263)
		<u>(248,784)</u>	<u>(193,924)</u>
21. DIVIDEND PAID			
Declared and paid during the six months period			
Interim cash dividend declared Rs. Nil (December 31, 2011: Rs.191.598 million)			
Cash dividend paid		1,022	146,059
		<u>1,022</u>	<u>146,059</u>

22. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
Half year ended December 31, 2012 (Unaudited)				
TURNOVER - net	<u>384,872</u>	<u>806,617</u>	<u>889</u>	<u>1,192,378</u>
RESULT				
Segment result	<u>(607)</u>	<u>40,734</u>	<u>(1,183)</u>	<u>38,944</u>
Unallocated expense				
Other operating expenses				(14,265)
Other operating income				22,276
Finance costs				(58,631)
Share of profit on investment in an associate				-
Taxation				6,550
Loss for the period				<u>(5,126)</u>
Half year ended December 31, 2011 (Unaudited)				
TURNOVER - net	<u>450,054</u>	<u>567,984</u>	<u>14,761</u>	<u>1,032,799</u>
RESULT				
Segment result	<u>25,812</u>	<u>(15,518)</u>	<u>1,300</u>	<u>11,594</u>
Unallocated expense				
Other operating expenses				(15,884)
Other operating income				24,256
Finance costs				(26,667)
Share of profit on investment in an associate				-
Taxation				31,704
Profit for the period				<u>25,003</u>
ASSETS AND LIABILITIES				
December 31, 2012 (Unaudited)				
Segment assets	<u>357,128</u>	<u>1,186,061</u>	<u>105,820</u>	<u>1,649,009</u>
Unallocated corporate assets				<u>1,178,934</u>
Total assets				<u>2,827,943</u>
Segment liabilities	<u>335,180</u>	<u>286,487</u>	<u>4,248</u>	<u>625,915</u>
Unallocated corporate liabilities				<u>1,114,036</u>
Total liabilities				<u>1,739,951</u>
June 30, 2012 (Audited)				
Segment assets	<u>409,557</u>	<u>918,945</u>	<u>44,638</u>	1,373,140
Unallocated corporate assets				1,224,908
Total assets				<u>2,598,048</u>
Segment liabilities	<u>182,304</u>	<u>394,947</u>	<u>146,306</u>	723,557
Unallocated corporate liabilities				781,373
Total liabilities				<u>1,504,930</u>

22.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs.1,161.832 million and Rs.30.546 million (December 31, 2011: Rs.987.440 million and Rs.45.359 million) respectively.

December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
----- (Rupees in '000) -----	

Non-current assets

Pakistan	<u>1,336,454</u>	<u>1,346,018</u>
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23. DATE OF AUTHORISATION FOR ISSUE

23.1 These condensed interim financial statements have been authorised for issue on February 28, 2013 by the Board of Directors of the Company.

24. GENERAL

24.1 Certain prior period figures have been rearranged, wherever necessary. However, there are no material reclassifications to report.

24.2 All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

Muhammad Yousuf
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

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CORPORATE