

BIAFO INDUSTRIES LIMITED

***QUARTERLY REPORT FOR THE PERIOD
ENDED SEPTEMBER 30, 2005***

BIAFO INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE QUARTER ENDED SEPTEMBER, 2005

Your Directors are pleased to submit the un-audited accounts for the quarter July-September, 2005.

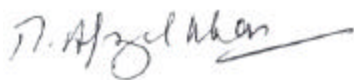
The overall net sales of your company for the quarter were at Rs.67.3million, significantly up in every sector as compared to the same period last year.

With the net sales at Rs.67.3 million your profit after taxation rose to Rs.13.7 million as compared to Rs.7.6 million in the same quarter of last year.

As advised in the Annual Report of last year, costs of raw materials continue to rise & we were not able to raise the selling prices correspondingly as competition does not allow us to increase such prices by ourselves.

The prospects for the current year while generally positive may be affected by the disastrous earth quake of October, 2005 in the Northern areas.

Your Board takes this opportunity to again express its appreciation to all its employees for their continuous hard work and dedication.



M. AFZAL KHAN
Chairman

ISLAMABAD
OCTOBER 27, 2005

BIAFO INDUSTRIES LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 2005

	SEP 2005	JUN 2005
	Rupees	Rupees
FIXED ASSETS - tangible		
Property, plant and equipment	299,200,857	301,639,723
LONG TERM DEPOSITS	544,749	544,749
CURRENT ASSETS		
Stores, spares and loose tools	4,733,285	5,423,111
Stock in trade	27,388,531	21,877,076
Trade debts	30,451,147	36,103,117
Advances	4,027,485	2,961,146
Trade deposits and short term prepayments	1,195,617	910,706
Income tax	5,298,435	4,583,532
Other receivables	127,500	127,500
Cash and bank balances	4,644,858	5,185,854
	<u>77,866,860</u>	<u>77,172,042</u>
CURRENT LIABILITIES		
Trade and other payables	18,047,289	17,702,102
Accrued markup	1,653,692	1,384,331
Short term borrowings	26,429,439	9,270,952
Current portion of:		
Long term loans	9,253,545	10,359,038
Liabilities against assets subject to finance lease	1,104,873	637,396
	<u>56,488,838</u>	<u>39,353,819</u>
NET CURRENT ASSETS	21,378,022	37,818,223
LONG TERM LOANS	49,532,600	81,584,559
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	2,411,231	2,117,851
PROVISION FOR STAFF RETIREMENT BENEFITS	744,050	1,192,375
DEFERRED TAXATION	30,921,882	31,286,987
	<u><u>237,513,865</u></u>	<u><u>223,820,923</u></u>
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Share capital	200,000,000	200,000,000
Accumulated loss	<u>(48,176,603)</u>	<u>(62,547,599)</u>
	151,823,397	137,452,401
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT -net of tax	85,690,468	86,368,522
	<u><u>237,513,865</u></u>	<u><u>223,820,923</u></u>

P. Afzal Khan

Chairman

(Signature)

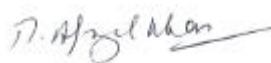
Chief Executive

Islamabad
27 October , 2005

BIAFO INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED 30 SEPTEMBER 2005

	2005		2004	
	SEPTEMBER QUARTER	PERIOD TO DATE	SEPTEMBER QUARTER	PERIOD TO DATE
	Rupees	Rupees	Rupees	Rupees
GROSS SALES	87,378,529	87,378,529	57,886,476	57,886,476
Less: Sales tax	6,627,881	6,627,881	4,826,336	4,826,336
Discounts and commission	13,395,735	13,395,735	8,507,000	8,507,000
NET SALES	67,354,913	67,354,913	44,553,140	44,553,140
Less: Cost of sales	47,339,159	47,339,159	29,956,203	29,956,203
GROSS PROFIT	20,015,754	20,015,754	14,596,937	14,596,937
Other operating income	65,618	65,618	-	-
Selling and distribution costs	(1,643,337)	(1,643,337)	(1,489,000)	(1,489,000)
Administrative expenses	(2,065,956)	(2,065,956)	(2,438,159)	(2,438,159)
PROFIT FROM OPERATIONS	16,372,079	16,372,079	10,669,778	10,669,778
Finance cost	(1,852,163)	(1,852,163)	(2,564,000)	(2,564,000)
PROFIT FOR THE QUARTER	14,519,915	14,519,915	8,105,778	8,105,778
Workers' profit participation fund	(725,996)	(725,996)	(405,289)	(405,289)
PROFIT BEFORE TAXATION	13,793,919	13,793,919	7,700,489	7,700,489
Taxation				
Current	(452,620)	(452,620)	(286,000)	(286,000)
Deferred	365,106	365,106	214,335	214,335
	(87,514)	(87,514)	(71,665)	(71,665)
PROFIT AFTER TAXATION	13,706,405	13,706,405	7,628,824	7,628,824
EARNINGS PER SHARE - BASIC	0.69	0.69	0.38	0.38

Islamabad
27 October, 2005



Chairman



Chief Executive

BIAFO INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2005

	SEP 2005 Rupees	SEP 2004 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,793,919	7,700,489
Adjustments for:		
Depreciation	3,504,865	2,508,000
Finance cost	1,852,163	2,564,000
Provision for workers profit participation fund	725,996	405,000
Provision for doubtful debts and advances	-	132,000
Provision for staff retirement benefits	-	52,000
Loss/(gain) on disposal/sale of fixed assets	(65,618)	-
	<u>6,017,407</u>	<u>5,661,000</u>
Operating profit before working capital changes	19,811,326	13,361,489
Working capital changes		
Decrease / (increase) in store, spares and loose tools	689,826	(557,000)
Decrease / (increase) in stock in trade	(5,511,455)	3,450,000
Decrease / (Increase) in trade debts	5,651,970	2,303,000
(Increase) / decrease in advances, deposits, prepayments and other receivables	(1,351,250)	(850,000)
(Decrease)/ increase in trade, other payables and accrued liabilities	(380,803)	(6,370,000)
	<u>(901,713)</u>	<u>(2,024,000)</u>
Cash generated from operations	18,909,613	11,337,489
Finance cost paid	(1,582,802)	(684,000)
Retirement benefits paid	(448,325)	(22,000)
Taxes paid	(1,018,324)	(91,000)
	<u>(3,049,451)</u>	<u>(797,000)</u>
Net cash generated from operating activities	15,860,162	10,540,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(472,700)	-
Proceeds from disposal/sale of property, plant and equipment	305,250	-
Net cash (used in) / generated from investing activities	(167,450)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(234,743)	(230,000)
(Payment) / Proceeds of long term loans	(33,157,452)	4,686,000
Net cash used in financing activities	(33,392,195)	4,456,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,699,483)	14,996,489
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	(4,085,098)	(19,871,000)
CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	<u>(21,784,581)</u>	<u>(4,874,511)</u>

Islamabad
27 October, 2005



Chairman



Chief Executive

BIAFO INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2005

	Issued, subscribed and paid up capital	Accumulated loss	Total
	Rupees	Rupees	Rupees
Balance as at 30 June 2004	200,000,000	(96,689,418)	103,310,582
Change in accounting policy with respect to dividends declared after the balance sheet date	-	8,000,000	8,000,000
Restated balance as at 01 July 2004	200,000,000	(88,689,418)	111,310,582
Net profit for the quarter	-	7,628,824	7,628,824
Incremental depreciation on surplus on revaluation of property, plant and equipment during the quarter - net of deferred tax	-	398,051	398,051
Final dividend for the year ended June 30, 2004	-	(8,000,000)	(8,000,000)
Balance as at 30 September 2004	200,000,000	(88,662,543)	111,337,457
Balance as at 30 June 2005	200,000,000	(62,547,599)	137,452,401
Net profit for the quarter	-	13,706,405	13,706,405
Incremental depreciation on surplus on revaluation of property, plant and equipment during the quarter - net of deferred tax	-	664,591	664,591
Balance as at 30 September 2005	200,000,000	(48,176,603)	151,823,397

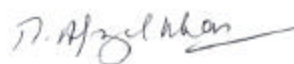
SELECTED NOTES TO THE CONDENSED ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2005

These accounts are un-audited and are being submitted as required under the Company's Ordinance 1984 and applicable International Accounting Standards.

The accounting policies adopted for the preparation of these Quarterly accounts are the same as those applied for the proceeding audited accounts for the year ended June 30, 2005.

Figures for the comparative period have been rearranged where necessary for the purpose of comparison.

Islamabad
 27 October , 2005



Chairman



Chief Executive