



BIAFO INDUSTRIES LIMITED

***ACCOUNTS FOR THE QUARTER ENDED
30 SEPTEMBER 2006***

BIAFO INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2006

Your Directors are pleased to submit the unaudited accounts for the quarter July - September 30, 2006.

The net sales of your company increased by 27.6% to Rs. 85.94 M compared to the same period last year. Profit for the period increased by 60% to Rs. 23.24 M and profit after taxation by 61.5% to Rs. 22.13 M compared to the same period last year.

Gross profit on net sales in this period were 33.4% as against 29.7% compared to the same period last year.

The increase in sales was a reflection of increase in demand from the cement sector, large projects, agency business and exports to Saindak project.

Your Board expects to sustain and improve the company's business and its financials in a challenging environment.

Your Board is pleased to declare an Interim Dividend @ 5% or Rs.0.50 for the quarter ended 30 September, 2006.

Your Board takes the opportunity to once again express its appreciation to all its team members for their continued commitment and hard work.



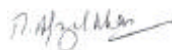
Khawaja Amanullah Askari
Chief Executive

Islamabad
October 05, 2006

**BIAFO INDUSTRIES LIMITED
BALANCE SHEET
AS AT 30 SEPTEMBER 2006**

	30 SEP 2006 Un-audited Rupees	30 June 2006 Audited Rupees
FIXED ASSETS - tangible		
Property, plant and equipment	275,629,963	281,215,991
LONG TERM DEPOSITS	<u>544,749</u>	<u>544,749</u>
	276,174,712	281,760,740
CURRENT ASSETS		
Stores, spares and loose tools	5,340,767	5,341,982
Stock in trade	37,248,269	30,869,364
Trade debts	46,424,395	44,689,777
Advances	5,964,013	3,052,467
Trade deposits and short term prepayments	1,282,654	893,219
Income tax	9,098,631	9,428,490
Other receivables	277,742	241,707
Cash and bank balances	<u>17,709,214</u>	<u>7,733,204</u>
	123,345,686	102,250,210
CURRENT LIABILITIES		
Trade and other payables	27,498,876	27,569,162
Accrued markup	608,250	384,875
Short term borrowings	14,985	5,923,568
Current portion of:		
Long term loans	16,155,761	7,861,653
Liabilities against assets subject to finance lease	<u>883,681</u>	<u>890,329</u>
	45,161,553	42,629,587
NET CURRENT ASSETS	78,184,133	59,620,623
LONG TERM LOANS	<u>8,757,290</u>	<u>17,051,398</u>
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	1,757,795	1,971,455
PROVISION FOR STAFF RETIREMENT BENEFITS	329,836	329,836
DEFERRED TAXATION	<u>25,996,213</u>	<u>26,639,878</u>
	36,841,134	45,992,567
	<u>317,517,711</u>	<u>295,388,796</u>
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Share capital	200,000,000	200,000,000
Accumulated gain	<u>37,678,991</u>	<u>14,354,696</u>
	237,678,991	214,354,696
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT -net of tax	79,838,720	81,034,100
	<u>317,517,711</u>	<u>295,388,796</u>

October 05, 2006
Islamabad



Director

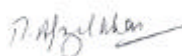


Chief Executive

BIAFO INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2006

	2006		2005	
	SEPTEMBER QUARTER Rupees	PERIOD TO DATE Rupees	SEPTEMBER QUARTER Rupees	PERIOD TO DATE Rupees
GROSS SALES	110,084,957	110,084,957	87,378,529	87,378,529
Less: Sales tax	8,564,668	8,564,668	6,627,881	6,627,881
Discount and commission	15,579,000	15,579,000	13,395,735	13,395,735
NET SALES	85,941,289	85,941,289	67,354,913	67,354,913
Less: Cost of sales	57,220,026	57,220,026	47,339,159	47,339,159
GROSS PROFIT	28,721,263	28,721,263	20,015,754	20,015,754
Other operating income	-	-	65,618	65,618
	28,721,263	28,721,263	20,081,372	20,081,372
Selling and Distribution cost	2,048,527	2,048,527	1,643,337	1,643,337
Administrative expenses	2,455,524	2,455,524	2,065,956	2,065,956
PROFIT FROM OPERATIONS	24,217,212	24,217,212	16,372,079	16,372,079
Finance cost	972,401	972,401	1,852,163	1,852,163
PROFIT FOR THE PERIOD	23,244,811	23,244,811	14,519,916	14,519,916
Worker's Profit Participation Fund	1,162,241	1,162,241	725,996	725,996
PROFIT BEFORE TAXATION	22,082,570	22,082,570	13,793,920	13,793,920
Taxation				
Current	(597,320)	(597,320)	(452,620)	(452,620)
Deferred	643,666	643,666	365,106	365,106
	46,346	46,346	(87,514)	(87,514)
PROFIT AFTER TAXATION	22,128,916	22,128,916	13,706,406	13,706,406
EARNINGS PER SHARE - BASIC	1.11	1.11	0.69	0.69

October 05, 2006
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Director

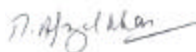


Chief Executive

BIAFO INDUSTRIES LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	30 SEP 2006	30 SEP 2005
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,128,916	13,793,919
Adjustments for:		
Depreciation	6,330,112	3,504,865
Finance cost	972,401	1,852,163
Provision for workers profit participation fund	1,162,241	725,996
Gain on disposal of fixed assets	-	(65,618)
	<u>8,464,753</u>	<u>6,017,407</u>
Operating profit before working capital changes	30,593,669	19,811,326
Working capital changes		
Decrease in store, spares and loose tools	1,215	689,826
(Increase) in stock in trade	(6,378,905)	(5,511,455)
(Increase) /Decrease in trade debts	(1,734,618)	5,651,970
(Increase) in advances, deposits, prepayments and other receivables	(3,337,016)	(1,351,250)
Decrease /(Increase) in trade, other payables and accrued liabilities	(1,232,527)	(380,803)
	<u>(12,681,851)</u>	<u>(901,713)</u>
Cash generated from operations	17,911,818	18,909,613
Finance cost paid	(794,783)	(1,582,802)
Retirement benefits paid	-	(448,325)
Taxes paid	(267,461)	(1,018,324)
	<u>(1,062,244)</u>	<u>(3,049,451)</u>
Net cash from operating activities	16,849,573	15,860,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(744,083)	(472,700)
Proceeds from disposal/sale of property, plant and equipment	-	305,250
Net cash used in investing activities	(744,083)	(167,450)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(220,896)	(234,743)
Payment of long term loan during the period - net	-	(33,157,452)
Net cash used in financing activities	(220,896)	(33,392,195)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	15,884,594	(17,699,483)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE QUARTER	1,809,636	(4,085,098)
CASH AND CASH EQUIVALENTS AT END OF THE QUARTER	<u>17,694,230</u>	<u>(21,784,581)</u>

October 05, 2006
Islamabad



Director



Chief Executive

BIAFO INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	Issued, Subscribed and Paid up Capital	Accumulated gain / (loss)	Total
	Rupees	Rupees	Rupees
Balance as at 30 June 2005	200,000,000	(62,547,599)	137,452,401
Net profit for the period	-	13,706,405	13,706,405
Incremental depreciation on surplus on revaluation of property, plant and equipment during the period - net of deferred tax	-	664,591	664,591
Balance as at 30th September 2005	<u>200,000,000</u>	<u>(48,176,603)</u>	<u>151,823,397</u>
Balance as at 30 June 2006	200,000,000	14,354,696	214,354,696
Net profit for the period	-	22,128,916	22,128,916
Incremental depreciation on surplus on revaluation of property, plant and equipment during the period - net of deferred tax	-	1,195,379	1,195,379
Balance as at 30th September 2006	<u>200,000,000</u>	<u>37,678,991</u>	<u>237,678,991</u>

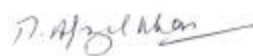
SELECTED NOTES TO THE CONDENSED ACCOUNTS FOR THE QUARTER ENDED SEPTEMBER 30, 2006

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 Quarterly accounts are the same as those applied for the preceding audited accounts for the year ended June 30, 2006.

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

October 05, 2006
 Islamabad



Director



Chief Executive