

SINGER[®]

SINGER PAKISTAN LIMITED

**CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)**

FOR THE SIX MONTHS ENDED 30 JUNE

2 0 1 0

® This is a Registered Trade Mark of THE SINGER COMPANY LIMITED

SINGER PAKISTAN LIMITED

CONTENTS	PAGE
Company Information	1
Directors' Report	2
Independent auditors' report to the Members on Review of Condensed Interim Financial Information	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account (Un-Audited)	5
Condensed Interim Cash Flow Statement (Un-Audited)	6
Condensed Interim Statement of Changes in Equity (Un-Audited)	7
Notes to the Condensed Interim Financial Statements (Un-Audited)	8

Note: These Accounts are also available on Company's Website www.singer.com.pk

SINGER PAKISTAN LIMITED

COMPANY INFORMATION

Board of Directors

Kamal Shah
Gavin J. Walker
Peter James O'Donnell
Rasheed Y. Chinoy
Jahangir Siddiqui
U. R. Usmani
Ahmed S. Farrukh

Chairman & Chief Executive Officer
(Alternate : Badaruddin F. Vellani)
(Alternate : Fareed Khan)

Chief Operating Officer

Company Secretary

Nasir Hussain

Audit Committee

Badaruddin F. Vellani
Rasheed Y. Chinoy
Jahangir Siddiqui
U. R. Usmani
Fareed Khan
A. H. Dawood

Chairman
Member
Member
Member
Member
Secretary

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Citibank, N. A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
The Bank of Punjab
The Royal Bank of Scotland
United Bank Limited

Auditors

KPMG Taseer Hadi & co.
Chartered Accountants

Share Registrar

Gangjees Registrar Services (Pvt.) Limited
513, Clifton Centre, Khyaban-e-Roomi
Clifton, Block-5, Karachi

Registered Office

Plot No. 39, Sector 19,
Korangi Industrial Area, Korangi
Karachi.

Head Office

608, 6th Floor Beaumont Plaza
Beaumont Road, Near PIDC House
Karachi

SINGER PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2010

The Directors of the Company are pleased to present their Report together with reviewed condensed Interim Financial Statements of the Company for the first half year ended 30 June 2010 and auditor's review report thereon.

Net sales increased by 5.7% to Rs. 1.15 billion, compared to corresponding period last year despite difficult business conditions. The major contribution in sales growth is largely attributed to appliances.

Gross profit for the first half increased to Rs. 248.7 million i.e. an increase of 6.8% over the corresponding period last year. The main factors for the increase in gross profit are higher sales, costs control and earned carrying charges. The tough competition in the market limited our ability to increase prices.

Marketing, selling and distribution costs for the first half increased by Rs. 15.3 million over the corresponding period last year mainly due to increase in advertising and sales promotion to achieve the sales. Administrative expenses increased by only Rs.1.6 million due to inflation. However, Other Operating expenses decreased by Rs.1.2 million mainly due to lower exchange loss.

Profit from Operations for the first half remained at Rs. 106.6 million due to the reasons mentioned above.

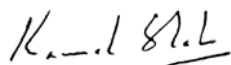
Finance costs increased by only 2.2% due to marginal increase in borrowings, to support the business growth.

Profit after taxation for the first half increased to Rs. 17.1 million as against Rs. 16.3 million, an increase of 4.9% over the corresponding period last year, mainly due to higher other income. Net sales for the second quarter ended 30 June 2010 increased by 3.4% and profit after taxation increased by 4.4%.

Earning per share for the first half is Re. 0.50 against Re. 0.48 in the same period last year.

The Company will remain focused in the second half on its strategy of continuing build up demand for its products through innovative advertising and promotions in difficult market conditions particularly after devastating floods in the Country. However, a lot will depend on the business environment prevailing in the Country.

On behalf of the Board



**Kamal Shah
Chairman**

Karachi: 23 August 2010



KPMG Taseer Hadi & Co. Telephone: +92 (21) 3568 5847
Chartered Accountants Fax : +92 (21) 3568 5095
Sheikh Sultan Trust Building No.2 Internet : www.kpmg.com.pk
Beaumont Road Karachi 75530
Pakistan

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Singer Pakistan Limited** ("the Company") as at 30 June 2010 and the related condensed interim profit and loss account, condensed interim cash flow statement and 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 the "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 as at and for the period ended 30 June 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended 30 June 2010 and 30 June 2009 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Date: 23 August 2010

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Moneeza Usman Butt

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative

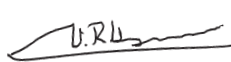
SINGER PAKISTAN LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT 30 JUNE 2010

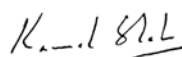
EQUITY AND LIABILITIES	Note	Un-audited 30 June 2010	Audited 31 December 2009
(Rupees in '000)			
Share capital and reserves			
Authorised capital 40,000,000 (2009: 40,000,000) ordinary shares of Rs. 10 each	5.1	<u>400,000</u>	<u>400,000</u>
Issued, subscribed and paid-up capital	5.2	<u>341,140</u>	310,127
Capital reserve		5,000	5,000
Revenue reserve		122,337	126,337
Unappropriated profit		<u>17,770</u>	<u>27,648</u>
		486,247	469,112
Non-current liabilities			
Long term loans - secured		<u>107,083</u>	<u>143,126</u>
Liabilities against assets subject to finance lease		34,805	40,541
Long term deposits		27,450	24,382
Employee retirement benefits - obligation		4,203	5,846
Deferred tax liabilities		23,687	21,650
Deferred income		<u>4,639</u>	<u>5,103</u>
		201,867	240,648
Current liabilities			
Current portion of long term loans		<u>116,563</u>	<u>115,728</u>
Current portion of liabilities against assets subject to finance lease		17,925	17,072
Short term running finance - secured		832,233	672,909
Mark-up accrued on short term running finance and long term loans		40,049	40,759
Trade and other payables		<u>346,904</u>	<u>313,603</u>
		1,353,674	1,160,071
		<u>2,041,788</u>	<u>1,869,831</u>
Contingencies and commitments	6		
ASSETS			
Non-current assets			
Property, plant and equipment	7	<u>209,476</u>	210,499
Intangible assets		4,012	5,083
Employee retirement benefits - prepayments		9,253	11,290
Long term deposits		<u>32,348</u>	<u>31,844</u>
		255,089	258,716
Current assets			
Stores, spares and loose tools		<u>5,903</u>	<u>4,986</u>
Stock-in-trade		451,871	456,583
Trade debts	8	1,081,013	923,587
Advances, deposits and prepayments		29,927	22,968
Other receivables		12,669	10,855
Taxation - net		55,521	49,471
Cash and bank balances		<u>149,795</u>	<u>142,665</u>
		1,786,699	1,611,115
		<u>2,041,788</u>	<u>1,869,831</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Operating Officer


Director


Chief Executive

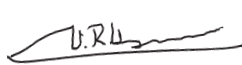
SINGER PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) For the six months period ended 30 June 2010

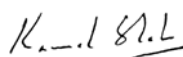
	Note	Three months ended 30 June 2010	Six months ended 30 June 2010	Three months ended 30 June 2009	Six months ended 30 June 2009
----- (Rupees in '000) -----					
Sales		709,925	1,207,464	703,628	1,165,796
Earned carrying charges		76,315	137,899	68,480	137,207
Sales tax / excise duty, commissions and discounts		(112,718)	(197,141)	(120,617)	(216,900)
Net sales	9	673,522	1,148,222	651,491	1,086,103
Cost of sales	10	(528,677)	(899,511)	(529,249)	(853,319)
Gross profit		144,845	248,711	122,242	232,784
Marketing, selling and distribution costs		(68,811)	(115,059)	(49,205)	(99,736)
Administrative expenses		(10,475)	(20,727)	(9,117)	(19,112)
Other operating expenses		(3,866)	(6,364)	(4,262)	(7,549)
		(83,152)	(142,150)	(62,584)	(126,397)
Profit from operations		61,693	106,561	59,658	106,387
Finance costs		(44,774)	(85,776)	(40,328)	(83,953)
		16,919	20,785	19,330	22,434
Other income		4,559	5,577	532	1,734
Profit before taxation		21,478	26,362	19,862	24,168
Taxation		(7,664)	(9,227)	(6,630)	(7,834)
Profit after taxation		13,814	17,135	13,232	16,334
Other comprehensive income		-	-	-	-
Total comprehensive income		13,814	17,135	13,232	16,334
----- (Rupee) -----					
Earnings per share - basic and diluted	11	0.40	0.50	0.39	0.48

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Operating Officer


Director


Chief Executive

SINGER PAKISTAN LIMITED

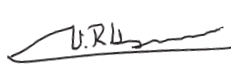
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the six months period ended 30 June 2010

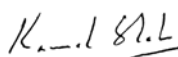
Note	Six months ended 30 June 2010	Six months ended 30 June 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
	(Rupees in '000)	
Profit before taxation	26,362	24,168
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	10,605	10,492
- Amortisation of intangible assets	1,314	1,284
- Finance costs	85,776	83,953
- Amortisation of deferred income	(464)	(464)
- Gain on disposal of property, plant and equipment	(2,393)	(12)
- Provision for / (reversal of) staff retirement benefits	890	(1,464)
	<u>122,090</u>	<u>117,957</u>
Effect on cash flow due to working capital changes (Increase) / decrease in current assets		
Stores and spares	(917)	2,326
Stock-in-trade	4,712	(13,592)
Trade debts	(157,426)	(128,870)
Advances, deposits and prepayments	(6,959)	(2,362)
Other receivables	(1,814)	(2,670)
Increase in current liabilities		
Trade and other payables	33,301	81,395
	<u>(129,103)</u>	<u>(63,773)</u>
Net cash (used in) / generated from operations	<u>(7,013)</u>	<u>54,184</u>
Income tax paid	(13,240)	(8,641)
Finance costs paid	(82,818)	(81,930)
Payment of staff retirement benefits	(496)	(622)
Security deposits received	3,068	502
Long term deposits paid	(504)	(366)
Net cash used in operating activities	<u>(101,003)</u>	<u>(36,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(5,367)	(5,154)
Proceeds from disposal of property, plant and equipment	2,804	12
Net cash used in investing activities	<u>(2,563)</u>	<u>(5,142)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	(35,208)	(9,583)
Lease rentals paid	(13,420)	(12,824)
Net cash flows used in financing activities	<u>(48,628)</u>	<u>(22,407)</u>
Net decrease in cash and cash equivalents	<u>(152,194)</u>	<u>(64,422)</u>
Cash and cash equivalents at beginning of the period	<u>(530,244)</u>	<u>(501,530)</u>
Cash and cash equivalents at end of the period	12 <u>(682,438)</u>	<u>(565,952)</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Operating Officer


Director


Chief Executive

SINGER PAKISTAN LIMITED

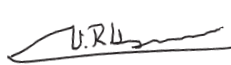
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the six months period ended 30 June 2010

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----				
Balance as at 31 December 2008	275,668	5,000	108,337	52,892	441,897
Transfer to revenue reserve	-	-	18,000	(18,000)	-
Distribution to owners					
Issue of bonus shares for the year ended 31 December 2008 @ 12.5 % per share	34,459	-	-	(34,459)	-
Total comprehensive income for the six months ended 30 June 2009					
Profit for the period	-	-	-	16,334	16,334
Balance as at 30 June 2009	<u>310,127</u>	<u>5,000</u>	<u>126,337</u>	<u>16,767</u>	<u>458,231</u>
Total comprehensive income for the six months ended 31 December 2009					
Profit for the period	-	-	-	10,881	10,881
Balance as at 31 December 2009	<u>310,127</u>	<u>5,000</u>	<u>126,337</u>	<u>27,648</u>	<u>469,112</u>
Transfer from revenue reserve	-	-	(4,000)	4,000	-
Distribution to owners					
Issue of bonus shares for the year ended 31 December 2009 @ 10 % per share	31,013	-	-	(31,013)	-
Total comprehensive income for the six months ended 30 June 2010					
Profit for the period	-	-	-	17,135	17,135
Balance as at 30 June 2010	<u><u>341,140</u></u>	<u><u>5,000</u></u>	<u><u>122,337</u></u>	<u><u>17,770</u></u>	<u><u>486,247</u></u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



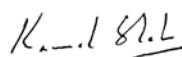
Chief Financial Officer



Chief Operating Officer



Director



Chief Executive

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

1. STATUS AND NATURE OF BUSINESS

Singer Pakistan Limited ("the Company") is incorporated in Pakistan as a public company limited by shares and is quoted on Karachi and Lahore Stock Exchanges. The Company is principally engaged in manufacturing, assembling and sale of sewing machines, domestic consumer appliances and other light engineering products and trading in other electric and domestic consumer appliances. The registered office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

The Company is a subsidiary of Singer (Pakistan) B.V., Netherlands, whereas its ultimate parent company is Retail Holdings N.V., Netherlands.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company for the six months ended 30 June 2010 have 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 Companies Ordinance, 1984 have been followed.

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2009.

These condensed interim financial statements have been prepared under the historical cost convention except for recognition of certain employee retirement benefits at present value.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual audited financial statements of the company for the year ended 31 December 2009.

4. ESTIMATES AND JUDGMENTS

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company as at and for the year ended 31 December 2009.

5. SHARE CAPITAL

5.1 Authorised Share Capital

This represents 40,000,000 (2009: 40,000,000) ordinary shares of Rs. 10 each amounting to Rs. 400,000 thousand (2009: Rs. 400,000 thousand)

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

5.2 Issued, Subscribed and Paid up Capital

The increase is due to issue of bonus shares for the year ended 31 December 2009 @ 10 % per share.

6. CONTINGENCIES AND COMMITMENTS

Contingencies

There are certain pending lawsuits initiated by and against the Company concerning shop leases and ex-employees. However, based on the consultation with the legal advisors, management believes that no significant liability is likely to arise in these cases. Guarantees have been extended by various commercial banks amounting to Rs. 0.966 million (31 December 2009: Rs. 0.966 million).

Commitments

	Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009
Software development	<u>26,509</u>	<u>26,091</u>
Outstanding letters of credit	<u>173,363</u>	<u>246,261</u>

7. PROPERTY, PLANT AND EQUIPMENT

The following is a statement of property, plant and equipment:

Operating assets	175,272	184,310
Capital work-in-progress	<u>34,204</u>	<u>26,189</u>
	<u>209,476</u>	<u>210,499</u>

7.1 Following is the cost of property, plant and equipment that have been added / disposed off during the six months ended 30 June 2010:

	Additions	
	Six months ended 30 June 2010 (Rupees in '000)	Six months ended 30 June 2009
Owned		
Building on leasehold land	200	-
Leasehold improvements	1,035	-
Furniture and equipment	64	2,450
Computers	679	-
Plant and machinery	-	727
	<u>1,978</u>	<u>3,177</u>
Capital work in progress	<u>8,015</u>	<u>2,675</u>
Leased		
Plant and machinery	-	7,285

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

	Disposal (NBV)	
	Six months ended 30 June 2010	Six months ended 30 June 2009
	(Rupees in '000)	
Owned		
Plant and machinery	411	-

7.2 During the six months ended 30 June 2010, additions of Rs 0.243 million (30 June 2009 : Nil) were made to intangible assets.

	Un-audited 30 June 2010	Audited 31 December 2009
	(Rupees in '000)	
8. TRADE DEBTS		
Considered good		
Hire purchase		
- Retail	743,546	648,617
- Institutional	325,752	248,386
	1,069,298	897,003
Unearned carrying charges	(89,821)	(67,085)
	979,477	829,918
Dealers	101,536	93,669
	1,081,013	923,587
Considered doubtful	12,937	15,759
	1,093,950	939,346
Provision for doubtful debts	(12,937)	(15,759)
	1,081,013	923,587

	Three months ended 30 June 2010	Six months ended 30 June 2010	Three months ended 30 June 2009	Six months ended 30 June 2009
	(Rupees in '000)			
9. NET SALES				
Sales				
- Local	682,045	1,168,309	694,080	1,154,183
- Export	27,880	39,155	9,548	11,613
	709,925	1,207,464	703,628	1,165,796
Earned carrying charges	76,315	137,899	68,480	137,207
	786,240	1,345,363	772,108	1,303,003
Sales tax / excise duty	(61,803)	(109,860)	(76,163)	(137,097)
Commissions / discounts	(50,915)	(87,281)	(44,454)	(79,803)
	(112,718)	(197,141)	(120,617)	(216,900)
	673,522	1,148,222	651,491	1,086,103

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

10. COST OF SALES	Three months ended 30 June 2010	Six months ended 30 June 2010	Three months ended 30 June 2009	Six months ended 30 June 2009
(Rupees in '000).....			
Opening stock - finished goods	177,171	264,811	289,542	304,919
Purchases - finished goods	152,681	223,658	219,338	307,668
Cost of goods manufactured	<u>363,167</u>	<u>575,384</u>	<u>343,834</u>	<u>564,197</u>
	<u>693,019</u>	<u>1,063,853</u>	<u>852,714</u>	<u>1,176,784</u>
Closing stock - finished goods	<u>(164,342)</u>	<u>(164,342)</u>	<u>(323,465)</u>	<u>(323,465)</u>
	<u><u>528,677</u></u>	<u><u>899,511</u></u>	<u><u>529,249</u></u>	<u><u>853,319</u></u>

11. EARNINGS PER SHARE - basic and diluted

Profit after taxation	<u>13,814</u>	<u>17,135</u>	<u>13,232</u>	<u>16,334</u>
	----- (Number in '000) -----			
Weighted average number of ordinary shares	<u>34,114</u>	<u>34,114</u>	<u>34,114</u>	<u>34,114</u>
	----- (Rupee) -----			
Earnings per share - basic and diluted	<u>0.40</u>	<u>0.50</u>	<u>0.39</u>	<u>0.48</u>

11.1 There were no convertible dilutive potential ordinary shares in issue as at 30 June 2010 and 30 June 2009.

11.2 The number of shares during the half year ended 30 June 2009 have been adjusted for the effect of bonus shares issued subsequent to that date.

12. CASH AND CASH EQUIVALENTS	Un-audited 30 June 2010	Un-audited 30 June 2009
(Rupees in '000).....	
Cash and bank balances	149,795	109,154
Short term running finances - secured	<u>(832,233)</u>	<u>(675,106)</u>
	<u><u>(682,438)</u></u>	<u><u>(565,952)</u></u>

13. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of parent company Singer (Pakistan) B.V., Netherlands - ultimate parent company Retail Holdings N.V., Netherlands, related foreign group companies, local associated companies, directors of the Company, companies where directors also hold directorships, key management personnel and employee retirement benefit funds. The transactions and outstanding balances with related parties are as follows:

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

Transactions	Note	Six months ended 30 June 2010 (Rupees in '000)	Six months ended 30 June 2009 (Rupees in '000)
Purchase of goods, materials and services	13.1	<u>3,309</u>	<u>3,279</u>
Royalty	13.2	<u>12,015</u>	<u>13,205</u>
Interest expense	13.3	<u>3,218</u>	<u>3,369</u>
Employee retirement benefits	13.4	<u>3,088</u>	<u>706</u>
Remuneration of key management personnel	13.5	<u>19,769</u>	<u>18,879</u>
		Un-audited 30 June 2010 (Rupees in '000)	Audited 31 December 2009 (Rupees in '000)
Balances			
Payable against purchase of goods, materials and services	13.1	<u>926</u>	<u>5,989</u>
Royalty payable	13.2	<u>33,023</u>	<u>31,246</u>
Accrued interest expense	13.3	<u>1,731</u>	<u>1,675</u>
Employee retirement benefits - net receivables	13.4	<u>(5,050)</u>	<u>(5,444)</u>
Dividend on non-remittable shares		<u>517</u>	<u>517</u>
Short term running finance - secured		<u>49,711</u>	<u>45,519</u>

13.1 Purchase of goods, materials and services are entered into on the basis of commercial terms and at market prices which are approved by the Board of Directors.

13.2 The Company accrues royalty to Singer Asia Limited, Cayman Islands (a subsidiary of Retail Holdings N.V., Netherlands) based on sales of the Company in accordance with the royalty agreement.

13.3 This represents interest expense accrued on running finance facility availed from an associated financial institution at negotiated rates.

13.4 Contributions to the employee retirement benefit plans are made in accordance with the terms of employee retirement benefit funds and actuarial advice.

13.5 There are no transactions with the key management personnel other than under their terms of employments / entitlements.

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) For the six months period ended 30 June 2010

14. OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

14.1 Sales to domestic customers in Pakistan are 96.8% (2009: 99%) and to customers outside Pakistan are 3.2% (2009: 1%) of the revenue during the six months ended 30 June 2010.

14.2 All non-current assets of the Company at 30 June 2010 are located in Pakistan.

14.3 Sale to any single customer did not equal or exceed 10% of the Company's revenue during the six months ended 30 June 2010 and six months ended 30 June 2009.

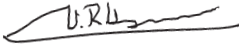
15. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in their meeting held on 23 August 2010.

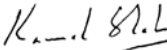
16. GENERAL

Figures have been rounded off to nearest thousand unless stated otherwise.


Chief Financial Officer


Chief Operating Officer


Director


Chief Executive

BOOK POST

UNDER POSTAL CERTIFICATE

If undelivered, please return to:
SINGER PAKISTAN LIMITED
608, 6th Floor, Beaumont Plaza,
Beaumont Road, Near PIDC House, Karachi.