

SINGER®

SINGER PAKISTAN LIMITED

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

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER

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

SINGER PAKISTAN LIMITED

DIRECTORS' REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

The Directors of the Company are pleased to present their report together with un-audited condensed interim financial statements of the Company for the nine months ended 30 September 2007.

We are pleased to report that during the period under review your Company has continued to grow aggressively inspite of difficult business conditions. Net Sales for the nine months increased by 22.9% and profit after taxation for the period increased by 25.4%. Sales for the nine months increased to Rs.1.248 billion from Rs. 1.025 billion, an increase of Rs. 223 million or 21.7 %. The major contribution in sales growth is attributed to appliances.

Gross profit increased by Rs.58.6 million or 29.9 % over corresponding period of last year. The main reason for increase in gross profit is higher sales, higher earned carrying charges and cost reductions. This was made possible by vigorous efforts of the management to increase sales and control costs, despite inflation.

Marketing, selling and distribution costs increased by Rs. 36.1 million over the corresponding period of last year mainly due to increase in Advertising & Sales Promotion and expansion of retail network. Administrative expenses increased by Rs.2.7 million due to inflation and increased human resources costs required for supporting the growing retail network.

Profit from operations before finance costs for nine months increased by Rs.18.9 million or 25.2 % over the same period of last year. However, Finance costs increased by Rs. 13.2 million due to increased borrowings and mark-up rates.

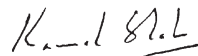
Profit after taxation for nine months increased by 25.4 % over the same period of last year. Earnings per share for the nine months ended improved to Rs.1.46 against Rs. 1.17 in the same period last year.

Net Sales for the quarter ended 30 September 2007 increased to Rs. 338.5 million from Rs. 284.7 million in the corresponding period of last year. Profit after taxation for the quarter increased to Rs. 4.3 million from Rs. 3.6 million in the corresponding period of last year.

The company has dispatched Letter of Rights to the Members on 19 October 2007 and the last date for subscription is 7 December 2007.

The Management of the Company will remain focused on its key strategies of building up demand for its products through expanding its distribution network, introduction of new products, modernization of its product line, innovative advertisement and sales promotion, but a lot will depend on the business environment in the country during the rest of this year.

On behalf of the Board



Kamal Shah
Chairman

Karachi: October 26, 2007

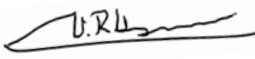
SINGER PAKISTAN LIMITED

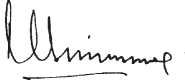
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT 30 SEPTEMBER 2007

	Note	30 September 2007	31 December 2006
ASSETS			
NON-CURRENT ASSETS			
(Rupees in '000)			
Property, plant and equipment	6	148,992	110,312
Intangible assets	7	12,016	822
Investment		6,936	7,026
Employee retirement benefits - prepayment		3,292	3,578
Long term deposits		26,767	20,475
		<u>198,003</u>	<u>142,213</u>
CURRENT ASSETS			
Stores and spares		5,561	3,083
Stock-in-trade		371,302	305,452
Trade debts	8	730,824	675,897
Advances, deposits and prepayments		17,860	13,901
Other receivables		5,499	2,301
Taxation - net		24,335	21,264
Cash and bank balances		74,183	72,534
		<u>1,229,564</u>	<u>1,094,432</u>
CURRENT LIABILITIES			
Trade and other payables		271,520	312,600
Mark-up accrued on short term running finances and long term loans		20,489	17,505
Short term running finance - secured		485,758	398,855
Current portion of long term loans		74,500	68,944
Current portion of liabilities against assets subject to finance leases		9,649	6,806
		<u>861,916</u>	<u>804,710</u>
NET CURRENT ASSETS		<u>367,648</u>	<u>289,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>565,651</u>	<u>431,935</u>
NON-CURRENT LIABILITIES			
Deferred income		7,191	7,887
Long term loans - secured		218,750	134,000
Liabilities against assets subject to finance leases		39,309	15,704
Long term deposits		13,801	10,858
Employee retirement benefits - obligation		2,269	2,193
Deferred tax liabilities		6,405	5,797
		<u>287,725</u>	<u>176,439</u>
NET ASSETS		<u>277,926</u>	<u>255,496</u>
REPRESENTED BY			
SHARE CAPITAL AND RESERVES			
Authorised share capital 25,000,000 (31 December 2006: 15,000,000) ordinary shares of Rs. 10 each		<u>250,000</u>	<u>150,000</u>
Issued, subscribed and paid-up capital		153,149	133,173
Capital reserve		5,000	5,000
Revenue reserve		96,337	84,337
Unappropriated profit		23,440	32,986
		<u>277,926</u>	<u>255,496</u>
Contingencies and commitments	9		

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


Chief Financial Officer


Chief Operating Officer


Director


Chief Executive

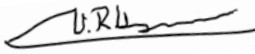
SINGER PAKISTAN LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

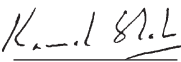
	Note	Quarter ended 30 Sep. 2007	Nine months ended 30 Sep. 2007	Quarter ended 30 Sep. 2006	Nine months ended 30 Sep. 2006
(Rupees in '000)					
Sales		365,011	1,247,719	313,813	1,025,059
Earned carrying charges		46,413	130,264	36,919	104,634
Sales tax, Federal excise duty , commissions and discounts		(72,926)	(245,179)	(66,049)	(208,304)
Net sales	10	338,498	1,132,804	284,683	921,389
Cost of sales	11	(255,443)	(877,889)	(221,151)	(725,106)
Gross profit		83,055	254,915	63,532	196,283
Marketing, selling and distribution costs		(45,309)	(131,716)	(33,420)	(95,647)
Administrative expenses		(8,912)	(22,840)	(7,915)	(20,154)
Other operating expenses		(1,225)	(6,288)	(1,292)	(5,337)
		(55,446)	(160,844)	(42,627)	(121,138)
Profit from operations before finance costs		27,609	94,071	20,905	75,145
Finance costs		(22,464)	(63,038)	(16,993)	(49,879)
		5,145	31,033	3,912	25,266
Other income		1,120	3,075	965	3,472
Profit before taxation		6,265	34,108	4,877	28,738
Taxation		(1,933)	(11,678)	(1,325)	(10,852)
Profit after taxation		4,332	22,430	3,552	17,886
(Rupees)					
Earnings per share - basic and diluted	12	0.28	1.46	0.23	1.17

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Chief Financial Officer


Chief Operating Officer


Director

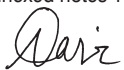

Chief Executive

SINGER PAKISTAN LIMITED

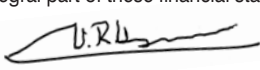
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

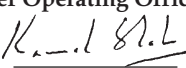
	Note	30 September 2007	30 September 2006
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		34,108	28,738
Adjustment for non-cash charges and other items:			
- Depreciation & Amortisation		14,346	8,700
- Finance costs		63,038	49,879
- Amortisation on investment		90	88
- Gain on sale of property, plant and equipment		(13)	(1,141)
- Amortisation of deferred income		(696)	(696)
- Employee retirement and other service benefits		362	(212)
		<u>111,235</u>	<u>85,356</u>
Working Capital changes			
(Increase) / decrease in stores and spares		(2,478)	39
(Increase) in stock-in-trade		(65,850)	(24,155)
(Increase) in trade debts		(54,927)	(36,824)
(Increase) / decrease in advances, deposits and prepayments		(3,959)	2,143
(Increase) in other receivables		(3,198)	(1,481)
(Decrease) / increase in trade and other payables		(41,080)	25,023
		<u>(171,492)</u>	<u>(35,255)</u>
Net cash (used in) / generated from operations		<u>(60,257)</u>	50,101
Income tax paid		(14,141)	(13,416)
Finance costs paid		(57,925)	(46,869)
Security deposits received		2,943	1,995
Long term deposits paid		(6,292)	(476)
Net cash used in operating activities		<u>(135,672)</u>	<u>(8,665)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		(23,660)	(14,514)
Acquisitions of intangible assets		(7,884)	-
Proceeds from sale of property, plant and equipment		419	1,768
Net cash used in investing activities		<u>(31,125)</u>	<u>(12,746)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Additions in long term loans - net		90,306	36,459
Lease rentals paid		(8,763)	(6,383)
Net cash generated from financing activities		<u>81,543</u>	<u>30,076</u>
Net (decrease) / increase in cash and cash equivalents		<u>(85,254)</u>	8,665
Cash and cash equivalents at the beginning of the period		<u>(326,321)</u>	<u>(270,549)</u>
Cash and cash equivalents at the end of the period	13	<u>(411,575)</u>	<u>(261,884)</u>

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

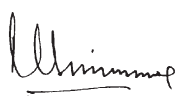


Chief Financial Officer



Chief Operating Officer


Chief Executive



Director

SINGER PAKISTAN LIMITED

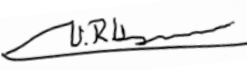
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	Issued subscribed and paid up-capital	Capital reserves	Revenue reserves	Unappropriated profit	Total
	(Rupees in '000)				
Balance as at 31 December 2005	113,339	24,689	59,337	25,840	223,205
Issue of Bonus Shares for the year ended 31 December 2005 @ 17.5%	19,834	(19,689)	-	(145)	-
Transfer to revenue reserves	-	-	25,000	(25,000)	-
Net profit for nine months ended 30 September 2006	-	-	-	17,886	17,886
Balance as at 30 September 2006	133,173	5,000	84,337	18,581	241,091
Net profit for three months ended 31 December 2006	-	-	-	14,405	14,405
Balance as at 31 December 2006	133,173	5,000	84,337	32,986	255,496
Issue of Bonus Shares for the year ended 31 December 2006 @ 15%	19,976	-	-	(19,976)	-
Transfer to revenue reserves	-	-	12,000	(12,000)	-
Net profit for nine months ended 30 September 2007	-	-	-	22,430	22,430
Balance as at 30 September 2007	153,149	5,000	96,337	23,440	277,926

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



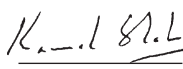
Chief Financial Officer



Chief Operating Officer



Director



Chief Executive

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

1. 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 situated in Karachi.

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

2. These financial statements have been prepared in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 - Interim Financial Reporting.
3. The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended 31 December 2006.
4. The significant judgement, estimates and assumptions used by the management in preparation of these financial statements are same as those applied to the annual financial statements for the year ended 31 December 2006.
5. These financial statements are unaudited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance 1984.
6. Following is the cost of property, plant and equipment that have been added during the nine months ended 30 September 2007. No asset having significant written down value has been disposed off during the nine months.

	Additions	
	Nine months ended 30 September 2007	Nine months ended 30 September 2006
	(Rupees in '000)	
Owned		
Leasehold improvements	17,575	10,194
Plant and machinery	734	1,606
Furniture and equipment	3,326	1,568
Vehicles	59	71
Computers	562	585
Leased		
Plant and machinery	2,020	-
Furniture and equipment	1,565	-
Vehicles	4,623	3,803
Computers	20,894	1,105
Capital work in progress- net	1,545	399

7. The additions in intangible assets during the nine months ended 30 September 2007 represents cost of computer softwares acquired on finance lease amounting to Rs. 3.980 million and capital work in progress incurred amounting to Rs. 7.884 million for Development and Installation Project (software).

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	30 September 2007	31 December 2006
	(Rupees in '000)	
8. TRADE DEBTS		
Considered good		
Hire purchase		
- Retail	555,337	503,659
- Institutional	<u>242,840</u>	<u>204,428</u>
	798,177	708,087
Unearned carrying charges	<u>(118,362)</u>	<u>(92,012)</u>
	679,815	616,075
Dealers	<u>51,009</u>	<u>59,822</u>
	730,824	675,897
Considered doubtful	<u>22,061</u>	<u>16,300</u>
	752,885	692,197
Provision for doubtful debts	<u>(22,061)</u>	<u>(16,300)</u>
	<u>730,824</u>	<u>675,897</u>

9. CONTINGENCIES & COMMITMENTS

9.1 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 (2006: Rs. 0.966 million).

9.2 Commitments

	30 September 2007	31 December 2006
	(Rupees in '000)	
Outstanding letters of credit	<u>84,062</u>	<u>75,929</u>

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	Quarter ended 30 Sep. 2007	Nine months ended 30 Sep. 2007	Quarter ended 30 Sep. 2006	Nine months ended 30 Sep. 2006
----- (Rupees in '000) -----				
10. NET SALES				
Sales				
- Local	364,490	1,246,322	313,813	1,022,574
- Export	521	1,397	-	2,485
	<u>365,011</u>	<u>1,247,719</u>	<u>313,813</u>	<u>1,025,059</u>
Earned carrying charges	46,413	130,264	36,919	104,634
	<u>411,424</u>	<u>1,377,983</u>	<u>350,732</u>	<u>1,129,693</u>
- Sales tax & Federal excise duty	(44,144)	(156,944)	(40,794)	(133,189)
- Commissions / discounts	(28,782)	(88,235)	(25,255)	(75,115)
	<u>(72,926)</u>	<u>(245,179)</u>	<u>(66,049)</u>	<u>(208,304)</u>
	<u>338,498</u>	<u>1,132,804</u>	<u>284,683</u>	<u>921,389</u>
11. COST OF SALES				
Opening stock - finished goods	230,518	168,659	138,835	137,030
Purchases - finished goods	80,859	372,773	41,058	233,145
Cost of goods manufactured	191,559	583,950	204,978	518,651
	<u>502,936</u>	<u>1,125,382</u>	<u>384,871</u>	<u>888,826</u>
Closing stock - finished goods	(247,493)	(247,493)	(163,720)	(163,720)
	<u>255,443</u>	<u>877,889</u>	<u>221,151</u>	<u>725,106</u>
12. EARNINGS PER SHARE				
- basic / diluted				
Profit after taxation (Rupees in thousands)	4,332	22,430	3,552	17,886
Weighted average number of ordinary shares (in thousands)	15,315	15,315	15,315	15,315
Earnings Per share - basic / diluted (Rupees)	0.28	1.46	0.23	1.17
13. CASH AND CASH EQUIVALENTS				
	30 September 2007		30 September 2006	
	(Rupees in '000)			
Cash and bank balances	74,183		98,159	
Short term running finances - secured	(485,758)		(360,043)	
	<u>(411,575)</u>		<u>(261,884)</u>	

SINGER PAKISTAN LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

	Transaction Value		Balance payable / (receivable)	
	Nine months ended 30 Sep. 2007	Nine months ended 30 Sep. 2006	As at 30 Sep. 2007	As at 30 Sep. 2006

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

14. TRANSACTIONS WITH RELATED PARTIES

Associates

Royalty	14.1	<u>11,124</u>	<u>9,106</u>	<u>35,099</u>	<u>28,330</u>
Purchases of goods, materials and services	14.2	<u>195,788</u>	<u>101,119</u>	<u>27,869</u>	<u>17,088</u>
Employee retirement benefits	14.3	<u>4,163</u>	<u>2,446</u>	<u>(1,023)</u>	<u>(3,873)</u>
Remuneration of key management personnel		<u>12,675</u>	<u>11,371</u>	<u>-</u>	<u>-</u>

14.1 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.

14.2 Purchases 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.

14.3 Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefits schemes and actuarial advice.

15. DATE OF AUTHORISATION

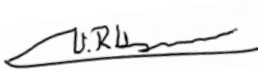
These financial statements were authorised for issue by the Board of Directors in their meeting held on October 26, 2007.

16. GENERAL

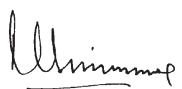
Figures have been rounded off to the nearest thousand rupees unless stated otherwise.



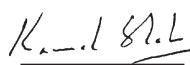
Chief Financial Officer



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.