

HALF YEARLY ACCOUNTS (un-audited)
for the six months period ended June 30, 2015

MAKING
**FOOD &
ENERGY**
AVAILABLE, AFFORDABLE
& SUSTAINABLE



DAWOOD HERCULES CORPORATION LIMITED



COMPANY INFORMATION

Board of Directors

Mr. Hussain Dawood	Chairman
Mr. Samad Dawood	Chief Executive Officer
Mr. M. Abdul Aleem	Director
Mr. Shahzada Dawood	Director
Ms. Sabrina Dawood	Director
Mr. Parvez Ghias	Director
Mr. Hasan Reza Ur Rahim	Director
Mr. Saad Raja	Director

Board Audit Committee

Mr. M. Abdul Aleem	Chairman
Mr. Parvez Ghias	Member

Board Compensation Committee

Mr. Hussain Dawood	Chairman
Mr. M. Abdul Aleem	Member
Mr. Parvez Ghias	Member

Board Investment Committee

Mr. Hussain Dawood	Chairman
Mr. Hasan Reza ur Rahim	Member

Chief Financial Officer & Company Secretary

Mr. Shafiq Ahmed

Registered Office

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Fax: +92 (21) 35633972
Email: shareholders@dawoodhercules.com
Website: www.dawoodhercules.com

Bankers

Bank AL Habib Limited
Habib Bank Limited
Allied Bank Limited
United Bank Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
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Legal Advisors

M/s. HaidermotaBNR & Co.
(Barristers at law)
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DIRECTORS' REVIEW

The Directors are pleased to present their report together with the unaudited condensed interim financial statements of the Company and the unaudited condensed interim financial statements of the Group for the second quarter and six months ended 30th June 2015.

1. Business overview

(a) Investments

The new Board of Engro Corporation was elected in April 2015. The major initiative for improved governance include 1) increasing the skills and diversity on the Board 2) reduce executive representation and increase the number of independents. Furthermore, independent directors now chair all committees on the Engro Corp board.

As approved by the shareholders at the Extraordinary General Meeting held on 8th June 2015, investments in Engro Corporation Limited (ECL) and The Hub Power Company Limited (HUBCO) held by DH Fertilizers Limited were purchased by the Company at the market value quoted on the Karachi Stock Exchange on the date of purchase. Accordingly, the Company's direct investment in ECL increased to 37.22% from 33.41% and HUBCO increased to 14.91% from 4.09%.

(b) Fertilizers

In line with the previously stated position of the Company, DHCL had re-entered into negotiation with Pakarab Fertilizers Limited for the disposal of its wholly owned subsidiary DH Fertilizers Limited (DHFL). After detailed negotiations, the Company entered into a Share Purchase Agreement (SPA) with Pakarab Fertilizers Limited on 15 June 2015 for the sale of its entire shareholding in DHFL. As per the SPA, the Company will divest its entire shareholding in DHFL at a sale price which was set at Rs 1,992 million (net of enterprise value of Rs 6,600 million less long term loans of Rs 4,608 million) equivalent to Rs 19.92 per share as against the cost of Rs 16.15 per share.

As stated in the last Directors Report of 31 March 2015, that the Company had targeted to close the above stated matter by 30 June 2015, the Directors are pleased to inform the shareholders that petition filed by PAFL in the Honourable High Court of Sindh for the specific performance has been dismissed upon filing of joint application by PAFL and the Company for the dismissal of the petition on 18 June 2015. Further subsequent to the period ended 30 June 2015, the shares of DHFL have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL as per the terms of the SPA).

Effective 16 March 2015, Engro Fertilizers Limited have been allowed concessionary gas for its Enven Plant and accordingly gas to both Old and Enven Plants were available for the entire quarter. In order to ensure continuous gas supply to its old plant, the company as per the arrangement with the gas distribution company/GoP, has installed compressors for Guddu which is now complete as per the arrangement with the counterparty.

Relevant to the Company's business review, E Fert urea production for the second quarter was 453 KT as compared to 392 KT for the similar quarter last year i.e. an increase of 15.5% on a year to year basis. During the second quarter E Fert earnings per share was Rs 2.85 as compared to Rs 1.50 for the similar period last year. This was mainly attributed to higher sales, concessionary gas price and lower financial charges.



On the matter of Gas Infrastructure Development Surcharge, E Fert at the request of the government and without compromising its legal stance, and the fertilizer industry agreed to pay GIDC arrears barring on concessionary gas to the government. E Fert had paid its first installment of Rs 14.0 billion in June 2015.

(c) Foods

Due to the robust performance in the dairy and beverages segment, E Foods attained a growth of 25% in the second quarter ended 30 June 2015. Major issues at the Company's distribution system have been fixed. Sustained and impactful investment in brands and effective pricing strategy were the key elements of E Foods in maintaining a market share of 55%. Revenues of the company registered a growth of 25% over the similar period last year. The overall profitability of the Company for the quarter was Rs 1,978 million as compared to Rs 329 million for the similar period last year. Profitability was further bolstered due to lower commodity prices.

E Foods dairy and beverages segments have registered a volumetric growth of 25% over the similar period last year, ice cream and frozen desserts segments witnessed a volumetric growth of 11%, while E Foods dairy farm segment posted a profit of Rs 18 million as against Rs 10 million in the similar period last year. E Foods earnings per share for the second quarter increased to Rs 1.19 from Rs 0.14, an increase of 870%.

Mr. Sarfaraz Rehman has completed his tenure of three years on 31 July 2015 and in his place Mr. Babur Sultan is appointed as an interim CEO of E Foods effective 1 August 2015. A permanent successor shall be appointed in due course.

(d) Energy and Energy infrastructure

Engro Elengy, Pakistan first liquefied natural gas terminal has from the commissioning of its terminal on 26th March 2015, has so far handled seven cargo ships of LNG in just 110 days. The company has received independent LNG cargo in a ship, which was transferred to FSRU for regasification, which is another achievement being handled for the first time in the country.

The successful culmination of the ship-to-ship transfer for the first time in the country's history is the success story of Engro's expertise in deploying world-class solutions against challenging circumstances..

During the quarter ended 31 March 2015, HUBCO plant operated at an average load factor of 64% as against the available capacity of 82 %. Total electricity sold to WAPDA for the quarter was 1,652 GWh. Narowal plant operated at an average load factor of 76% and at billable availability capacity of 100%.

Earning per share of the HUBCO for the quarter was Rs 2.55 as against Rs 1.90 for the similar period last year.

2. Financial performance

Upon subsequent transfer of shares of DH Fertilizers Limited (DHFL) to Fatima Fertilizer Company Limited on 3rd July 2015, the operations relating to DHFL have been classified as discontinued operations and the investment as at 30 June 2015 have been shown as asset held for disposal. During the period, value of investment in ECL and HUBCO

increased to Rs 37,478 million from earlier of Rs 18,716 million upon purchase from DHFL.

The financial performance of the Company on standalone basis for the six months ended 30 June 2015 is summarized below:

	Quarter ended		Six months ended	
	30 June, 2015	30 June, 2014	30 June, 2015	30 June, 2014
	----- PKR million -----			
Revenue	19,069	-	19,228	1,144
Operating profit	18,334	(134)	18,130	958
Profit after tax	18,149	(254)	17,909	788
Earnings / (loss) per share	37.71	(0.52)	37.21	1.64

Consolidated earnings per share for the Group from continuing operations in the second quarter ended June 30, 2015 was Rs 2.12 as against Rs 1.44 in the same period last year and a loss of Rs 0.35 from discontinued operations (2014: Rs 0.31 loss per share).

3. Appropriation

The Board has declared interim cash dividend of 120% (Rs 12/- per share) for the half year ended June 30, 2015 amounting to Rs 5,775 million (June 30, 2014: Nil).

4. Future outlook

Foods:

E2e Business Enterprises (Private) Limited (e2eBE) after encountering operational issues in the initial phase of its project completion is now ready to take on its production activities from the start of next paddy season. It is expected that e2eBE would be able to meet its production targets and create shareholder's value.

Energy:

Thar Project is on track to achieve financial close by the end of the year. The 660 MW mine-mouth power plant and the coal mine project is being developed in partnership with the Sindh Government as well as some local investors.

HUBCO is currently working to demerge its Narowal Plant into a separate entity. Work on scheme of arrangement, valuation of assets and approvals from the relevant stakeholders are in progress.

The Hub Power Company has signed a joint venture agreement (JVA) with China Power International Holding Limited (CPIH), a wholly-owned core enterprise of China Power Investment Corporation. By virtue of this agreement, HUBCO and CPIH will jointly develop 2x660MW imported coal-based power plant and a coal jetty at HUBCO's existing site at Hub, Baluchistan. HUBCO has also committed to invest US\$20 million equivalent in the coal mining project at Thar and has invested Rs. 240 million to-date.



Samad Dawood
Chief Executive



A. F. FERGUSON & CO.

Auditors' report to the members on review of unconsolidated condensed interim financial information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of Dawood Hercules Corporation Limited (the Company) as at June 30, 2015 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement together with the notes forming part thereof for the six months 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. The figures included in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended June 30, 2015 and 2014 and the notes forming part thereof have not been reviewed as we are required to review only the cumulative figures for the six months period ended June 30, 2015.

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 the 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 of and for the six months period ended June 30, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Karachi: August 25, 2015

Audit Engagement Partner: Khurshid Hasan

Unconsolidated condensed interim balance sheet (unaudited - note 2)

As at June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	106,564	77,926
Intangible assets		67	134
Defined benefit asset - funded gratuity		2,233	264
Long term investments	7	37,715,732	20,569,752
		<u>37,824,596</u>	<u>20,648,076</u>
CURRENT ASSETS			
Short term advances		7,529	1,423
Short term deposits and prepayments		50,717	11,304
Other receivables		10,962	11,459
Short term investments		-	175,000
Interest accrued on bank deposits and investments		-	915
Cash and bank balances		638,593	10,253
		<u>707,801</u>	<u>210,354</u>
Investments classified as held for sale	8	1,615,129	-
		<u>40,147,526</u>	<u>20,858,430</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up share capital		4,812,871	4,812,871
Revenue reserves		32,473,355	15,044,945
		<u>37,286,226</u>	<u>19,857,816</u>
NON CURRENT LIABILITIES			
Long term financing	9	941,322	242,585
Defined benefit liability - unfunded gratuity		1,125	687
		<u>942,447</u>	<u>243,272</u>
CURRENT LIABILITIES			
Current portion of long term financing	9	95,203	87,880
Short term running finance	10	9,465	436,011
Trade and other payables	11	927,439	197,292
Advance from Fatima Fertilizer Company Limited	12	800,000	-
Accrued mark-up		35,250	34,148
Taxation - net		51,496	2,011
		<u>1,918,853</u>	<u>757,342</u>
		<u>40,147,526</u>	<u>20,858,430</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Unconsolidated condensed interim profit and loss account - (unaudited - note 2)

For the quarter and six months period ended June 30, 2015

Note	Quarter ended		Six months period ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
------(Rupees in '000)-----				
Dividend income:				
- subsidiary company classified as held for sale	18,018,796	-	18,018,796	-
- associated companies	1,050,075	-	1,208,903	1,144,093
	19,068,871	-	19,227,699	1,144,093
Administrative expenses	(736,210)	(75,846)	(1,098,198)	(140,608)
Gross profit / (loss)	18,332,661	(75,846)	18,129,501	1,003,485
Other operating expenses	(210)	(238)	(210)	(478)
Other income / (loss)	1,958	(57,919)	506	(44,564)
Operating profit / (loss)	18,334,409	(134,003)	18,129,797	958,443
Finance costs	(30,167)	(32,797)	(53,587)	(58,349)
Profit / (loss) before taxation	18,304,242	(166,800)	18,076,210	900,094
Taxation	(155,411)	(86,981)	(167,323)	(111,927)
Profit / (loss) after taxation	18,148,831	(253,781)	17,908,887	788,167
Earnings / (loss) per share (Rupees)				
- basic and diluted	37.71	(0.52)	37.21	1.64

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Unconsolidated condensed interim statement of total comprehensive income (unaudited - note 2)

For the quarter and six months period ended June 30, 2015

	Quarter ended		Six months period ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	------(Rupees in '000)-----			
Profit / (loss) after taxation	18,148,831	(253,781)	17,908,887	788,167
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurements of staff retirement benefits	810	-	810	-
Total comprehensive income / (loss) for the period	18,149,641	(253,781)	17,909,697	788,167

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Unconsolidated condensed interim statement of changes in equity (unaudited - note 2)

For the six months period ended June 30, 2015

	Issued, subscribed and paid up capital	Revenue reserves			Total
		General reserve	Un- appropriated profit	Sub-total	
------(Rupees in '000)-----					
Balance as at January 1, 2014	4,812,871	700,000	13,965,990	14,665,990	19,478,861
Total comprehensive income					
Profit after taxation	-	-	788,167	788,167	788,167
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	788,167	788,167	788,167
Final cash dividend for the year ended December 31, 2013 (Re 1/- per ordinary share)	-	-	(481,287)	(481,287)	(481,287)
Balance as at June 30, 2014	4,812,871	700,000	14,272,870	14,972,870	19,785,741
Balance as at January 1, 2015	4,812,871	700,000	14,344,945	15,044,945	19,857,816
Total comprehensive income					
Profit after taxation	-	-	17,908,887	17,908,887	17,908,887
Other comprehensive income	-	-	810	810	810
Total comprehensive income for the period	-	-	17,909,697	17,909,697	17,909,697
Final cash dividend for the year ended December 31, 2014 (Re 1/- per ordinary share)	-	-	(481,287)	(481,287)	(481,287)
Balance as at June 30, 2015	4,812,871	700,000	31,773,355	32,473,355	37,286,226

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

1. GENERAL INFORMATION

1.1 Dawood Hercules Corporation Limited (the Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is to manage investments in its subsidiary and associated companies. The registered office of the Company is situated at Dawood Center, M.T. Khan Road, Karachi.

1.2 During the period ended June 30, 2015, the Company entered into re-negotiation with Pakarab Fertilizers Limited (PAFL) for the disposal of entire shareholding in its wholly owned subsidiary DH Fertilizers Limited (DHFL) and Bubber Sher (Private) Limited (BSPL). After detailed negotiations, the Company signed a Share Purchase Agreement (SPA) PAFL on June 15, 2015. As per the SPA, sale price has been fixed at Rs 1,992 million (net of enterprise value of Rs 6,600 million and long term loans of Rs 4,608 million) equivalent to Rs 19.92 per share as against the cost of Rs 16.15 per share.

Subsequent to the signing of SPA an application was filed with Honourable High Court of Sindh for the dismissal of suit filed by PAFL. On June 18, 2015 the Honorable High Court of Sindh has dismissed the said petition filed by PAFL. Further, subsequent to the period ended June 30, 2015, the shares of DHFL and BSPL have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL as per the terms of the SPA).

1.3 During the period, the company has purchased the investments held by DHFL in Engro Corporation Limited (ECL) and the Hub Power Company limited (HUBCO). These shares were acquired after complying with requirement with Section 208 of the Ordinance, and approval of the Competition Commission of Pakistan. The shares were purchased at the market value quoted on Karachi Stock Exchange on the date of purchase. The number of shares acquired are as follows:

	June 30, 2015 (Unaudited)
Engro Corporation Limited	19,960,000
The Hub Power Company Limited	125,140,000

2. BASIS OF PREPARATION AND PRESENTATION

2.1 These unconsolidated condensed interim financial statements of the Company for the six months period ended June 30, 2015 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. These unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

- 2.2 These unconsolidated condensed interim financial statements comprise of the condensed interim balance sheet as at June 30, 2015 and the condensed interim profit and loss account, the condensed interim statement of total comprehensive income, the condensed interim statement of changes in equity, the condensed interim cash flow statement and notes thereto for the six months period then ended which have been subjected to a review in accordance with Listing Regulations but not audited. These unconsolidated condensed interim financial statements also include the condensed interim profit and loss account for the quarter ended June 30, 2015 which was not subjected to review.
- 2.3 The comparative balance sheet presented in these unconsolidated condensed interim financial statements as at December 31, 2014 has been extracted from the audited financial statements of the Company for the year then ended. The comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of total comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement for the six months period ended June 30, 2014 have been extracted from the unconsolidated condensed interim financial statements of the Company for the six months period then ended. The comparative condensed interim profit and loss account for the quarter ended June 30, 2014 is also included in these unconsolidated condensed interim financial statements.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2014.

- 3.1 New standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2015 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended December 31, 2014.

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

5. SEASONALITY OF OPERATIONS

The principal activity of the Company is to manage investments in its subsidiary and associated companies. Revenue of the Company mainly comprises dividend income which is dependent on the profitability and the decisions of directors and shareholders of the subsidiary and associated companies regarding the declaration and approval of dividends, whereas the majority of costs of the Company are fixed and hence are more evenly spread throughout the year.

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	93,564	77,926
Capital work-in-progress		13,000	-
		<u>106,564</u>	<u>77,926</u>
6.1 Net book value at the beginning of the period / year		77,926	57,607
Add: Additions during the period / year	6.1.1	24,351	40,901
		102,277	98,508
Less: Disposals during the period / year - net book value	6.1.2	1	9,220
Depreciation charged during the period / year		8,712	11,362
		8,713	20,582
Net book value at the end of the period / year		93,564	77,926
6.1.1 Additions during the period / year			
Leasehold improvements		-	10,406
Furniture, fittings and equipment		796	6,743
Motor vehicles		17,584	19,346
Data processing equipment		5,971	4,406
		<u>24,351</u>	<u>40,901</u>
6.1.2 Disposals during the period / year - net book value			
Data processing equipment		1	384
Motor vehicles		-	8,836
		<u>1</u>	<u>9,220</u>

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
7. LONG TERM INVESTMENTS			
Investment in subsidiary companies	7.1	-	1,615,119
Investment in associates - quoted	7.2	37,478,025	18,716,926
Investment in an associate - unquoted	7.3	237,707	237,707
		<u>37,715,732</u>	<u>20,569,752</u>
7.1 Investment in subsidiary companies			
DH Fertilizers Limited - unquoted	7.1.1	-	1,615,119
Bubber Sher (Private) Limited	7.1.2	-	-
		<u>-</u>	<u>1,615,119</u>
7.1.1 DH Fertilizers Limited - unquoted			
100,000,000 (December 31, 2014: 100,000,000) ordinary shares of Rs 10 each		1,615,119	1,615,119
Less: 100,000,000 (December 31, 2014: Nil) ordinary shares classified as held for sale	7.1.1.2	(1,615,119)	-
Nil (2014: 100,000,000) ordinary shares of Rs 10 each		<u>-</u>	<u>1,615,119</u>
Percentage of holding Nil (December 31, 2014: 100%)			
7.1.1.1 DH Fertilizers Limited (DHFL), is a public unlisted company incorporated under the Ordinance and its principal activity is the production, purchase and sale of fertilizers.			
7.1.1.2 As explained in detail in note 1.2 above, investment in DHFL has been classified as held for sale (note 8) as at June 30, 2015 following the signing of the SPA with Pakarab Fertilizers Limited (PAFL). Subsequent to June 30, 2015, these shares have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL).			
7.1.2 Bubber Sher (Private) Limited			
During the period, the Company invested in Bubber Sher (Private) Limited (BSPL) at a cost of Rs 10,000 divided into 1,000 ordinary shares of Rs 10/- each. BSPL is a private limited company and its principal activity is sale, marketing and distribution of fertilizers and its derivatives, insecticides, pesticides and all kinds of agricultural, 'fruit growing and other' chemicals. Shareholding in BSPL has also been classified as held for sale (note 8) as at June 30, 2015 following the signing of a separate SPA with PAFL. Subsequent to June 30, 2015, these shares have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL)			
	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
7.2 Investment in associates - quoted			
Engro Corporation Limited	7.2.1	23,308,927	17,425,249
The Hub Power Company Limited	7.2.2	14,169,098	1,291,677
		<u>37,478,025</u>	<u>18,716,926</u>

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
7.2.1	Engro Corporation Limited 175,012,555 (December 31, 2014: 175,012,555) ordinary shares of Rs 10 each	17,425,249	17,425,249
	Add: 19,960,000 (2014: Nil) ordinary shares purchased from DHFL	5,883,678	-
	194,972,555 (December 31, 2014: 175,012,555) ordinary shares of Rs 10 each	<u>23,308,927</u>	<u>17,425,249</u>

Percentage of holding 37.22% (December 31, 2014: 33.41%)

7.2.1.1 The market value of investment in Engro Corporation Limited (ECL) as at June 30, 2015 was Rs 57,868 million (December 31, 2014: Rs 38,767 million).

7.2.1.2 As more fully explained in 1.3, these shares were purchased from DHFL at market value of Rs 294.60 per share prevailing on the date of transaction i.e. June 8, 2015.

7.2.1.3 The details of shares pledged as security against finance facilities are as follows:

Bank	As at June 30, 2015			As at December 31, 2014		
	Number of shares pledged (in '000)	Face value of pledged shares ------(Rupees in '000) -----	Market value of pledged shares	Number of shares pledged (in '000)	Face value of pledged shares ------(Rupees in '000) -----	Market value of pledged shares
Pledged against financing facilities availed by the Company						
Bank AL Habib Limited	5,540	55,400	1,644,272	5,540	55,400	1,227,165
United Bank Limited	1,900	19,000	563,920	1,900	19,000	420,869
Pledged against financing facilities availed by DHFL						
Meezan Bank Limited	29,000	290,000	8,607,200	29,000	290,000	6,423,790

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
7.2.2	The Hub Power Company Limited 39,707,000 (December 31, 2014: 39,707,000) ordinary shares of Rs 10 each	1,291,677	1,291,677
	Add: 7,735,000 (2014: Nil) shares purchased from Patek (Private) Limited	731,698	-
	Add: 125,140,000 (2014: Nil) shares purchased from DHFL	12,145,723	-
	172,582,000 (December 31, 2014: 39,707,000) ordinary shares of Rs 10 each	<u>14,169,098</u>	<u>1,291,677</u>

Percentage of holding 14.91% (December 31, 2014: 3.43%)

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

- 7.2.2.1 The market value of investment in the Hub Power Company Limited (HUBCO) as at June 30, 2015 was Rs 16,148 million (December 31, 2014: Rs 3,111 million).
- 7.2.2.2 Shareholders of the Company in their Annual General Meeting held on April 24, 2015 authorised the purchase of these shares from Patek (Private) Limited. The purchase transaction was executed on May 21, 2015 at the market value of Rs 94.50 per share prevailing on that date through the Negotiated Deal Market mechanism of the Karachi Stock Exchange.
- 7.2.2.3 As more fully explained in note 1.3, these shares were purchased from DHFL at market value of Rs 97.00 per share prevailing on the date of transaction i.e. June 8, 2015.
- 7.2.2.4 The Company effectively has 14.91% (2014: 14.25%) of the voting power in HUBCO by virtue of its investments. Due to the representation of the Company's nominees on the Board of Directors of HUBCO, participation in policy making process and being the single largest private shareholder, the Company has significant influence over HUBCO.
- 7.2.2.5 The details of shares pledged as security against long term finance and short term running finance facilities are as follows:

Bank	As at June 30, 2015			As at December 31, 2014		
	Number of shares pledged	Face value of pledged shares	Market value of pledged shares	Number of shares pledged	Face value of pledged shares	Market value of pledged shares
	(in '000)	----- (Rupees in '000) -----		(in '000)	----- (Rupees in '000) -----	
Pledged against financing facilities availed by the Company						
Long Term:						
Allied Bank Limited	23,781	237,810	2,225,188	12,581	125,810	985,847
Short Term:						
Bank AL Habib Limited	13,500	135,000	1,263,195	13,500	135,000	1,057,860
United Bank Limited	10,000	100,000	935,700	10,000	100,000	783,600
Pledged against financing facilities availed by DHFL						
Allied Bank Limited	74,420	744,200	6,963,479	-	-	-
Habib Metropolitan Bank	10,280	102,800	961,900	-	-	-
Habib Bank Limited	6,100	61,000	570,777	-	-	-

Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	----- (Rupees in '000) -----	

7.3 Investment in an associate - unquoted

e2e Business Enterprises (Private) Limited 23,770,701 (December 31, 2014: 23,770,701) ordinary shares of Rs 10 each

7.3.1	237,707	237,707
-------	----------------	----------------

Percentage of holding 39% (December 31, 2014: 39%)

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

- 7.3.1 e2e Business Enterprises (Private) Limited (e2eBE) is a company set up for the production of Rice Bran Oil (RBO). This is a green field project having annual production capacity of 9,700 tons of RBO.

June 30,
2015
(Unaudited)
(Rupees in '000)

8. INVESTMENTS CLASSIFIED AS HELD FOR SALE

DH Fertilizers Limited - unquoted
Bubber Sher (Private) Limited

1,615,119
10
1,615,129

- 8.1 As explained in note 1.2 above, the investments in DHFL and BSPL have been classified as held for sale upon signing of SPAs with PAFL. As per the SPA, sale price has been agreed at Rs 1,992 million (net of enterprise value of Rs 6,600 million and long term loans of Rs 4,608 million) equivalent to Rs 19.92 per share as against the cost of Rs 16.15 per share. Subsequent to June 30, 2015, these shares have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL).
- 8.2 Following the principles of IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations', the investments have been measured at their cost being lower than their fair value less costs to sell.
- 8.3 The administrative expenses include an amount of Rs 305 million payable in respect of expenses in relation to the sale of DHFL.

Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	------(Rupees in '000)-----	

9. LONG TERM FINANCING

Long term finance under

mark-up arrangement

Syndicated term finance arrangement

9.2	286,525	330,465					
9.3	750,000	-					
9.1	1,036,525	330,465					

Less: Current portion of long term financing

95,203	87,880
941,322	242,585

- 9.1 Balance as at January 1
- Availed during the period / year
- Repayments during the period / year
- Balance as at June 30 / December 31

9.3	330,465	338,798					
	750,000	26,000					
	(43,940)	(34,333)					
	1,036,525	330,465					

- 9.2 This represents utilised portion of long term finance facility under mark-up arrangement from Allied Bank Limited (ABL) aggregating Rs 380 million (December 31, 2014: Rs 380 million). The finance facility is secured by way of hypothecation charge over all assets of the Company with 25% margin and pledge of HUBCO shares with 50% margin as more fully explained in note 7.2.2.5. The facility carries mark-up at the rate of six months KIBOR plus 200 basis points per annum. The facility is for the period of 5 years and is payable semi annually in arrears with the first principal repayment made on July 5, 2013. The facility will be repaid in full by July 2017.

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

9.3 This represents utilised portion of syndicated term finance facility of Rs 4,000 million (December 31, 2014: Nil) sanctioned by a syndicate of banks led by Allied Bank Limited as investment agent. The facility is secured against shares of HUBCO at 50% margin as detailed in note 7.2.2.5. The facility carries mark-up at the rate of six months KIBOR plus 200 basis points per annum payable semi annually. The facility is for a period of 5 years and the principal will be payable semi annually in equal installments at the expiry of the 2 years' grace period.

10. SHORT TERM RUNNING FINANCE

This represents utilised portion of short term running finance facilities aggregating to Rs 3,000 million (December 31, 2014: Rs 2,000 million) from commercial banks obtained under mark-up arrangements expiring on various dates upto May 31, 2016. These facilities are secured by way of pledge of ECL and HUBCO shares as more fully explained in note 7.2.1.3 and 7.2.2.5. Rate of mark-up applicable to these facilities ranges between three months KIBOR plus 100 to 125 basis points (December 31, 2014: three months KIBOR plus 100 to 125 basis points) per annum.

June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----	

11. TRADE AND OTHER PAYABLES

Creditors	326,997	2,958
Accrued expenses	574,993	169,963
Unclaimed dividend	25,427	23,466
Others	22	905
	<u>927,439</u>	<u>197,292</u>

12. ADVANCE AGAINST DISPOSAL OF DHFL

This represents advance of Rs 800 million received from Fatima Fertilizer Company Limited against total sale consideration of Rs 1,992 million.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingent liabilities

13.1.1 The Company has issued a corporate guarantee to a syndicate of financial institutions through Meezan Bank Limited acting as investment agent to guarantee up to a maximum of Rs 6,400 million (December 31, 2014: Rs 6,400 million) relating to the Diminishing Musharaka Finance facility of Rs 4,800 million (December 31, 2014: Rs 4,800 million) availed by DHFL. The corporate guarantee will remain in full force and effect for a period of seven and a half years commencing from December 27, 2011.

June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----	

13.2 Commitments in respect of operating lease not later than one year

	<u>5,332</u>	<u>2,315</u>
--	--------------	--------------

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

	Note	Six months period ended	
		June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
		------(Rupees in '000)-----	
14. DIVIDEND INCOME			
DH Fertilizers Limited	14.1	18,018,796	-
Engro Corporation Limited	14.2	1,050,075	1,044,825
The Hub Power Company Limited		158,828	99,268
		<u>19,227,699</u>	<u>1,144,093</u>

14.1 As explained in note 8 to these unconsolidated condensed interim financial statements, DHFL has been classified as held for sale under IFRS 5.

14.2 This includes the receipt of Nil specie dividend (December 31, 2014: one share of Engro Fertilizers Limited for every ten shares of ECL amounting to Rs 1,044.825 million).

	Note	Six months period ended	
		June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
		------(Rupees in '000)-----	
15. CASH UTILISED IN OPERATIONS			
Profit before taxation		18,076,210	900,094
Adjustments for non cash expenses and other items:			
Depreciation and amortisation		8,779	6,142
Finance cost		53,587	58,349
(Gain) / loss on disposal of property, plant and equipment		(17)	75
Loss on disposal of assets classified as held for sale		-	22
Loss on remeasurement of assets classified as held for sale		-	44,603
Unrealised exchange loss		1,958	-
Dividend income		(19,227,699)	(1,144,093)
Provision for staff retirement and other service benefits		2,026	1,551
Income received from bank deposits		(2,447)	(136)
Working capital changes	15.1	682,121	(178,919)
Cash utilised in operations		<u>(405,482)</u>	<u>(312,312)</u>

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

	Note	Six months period ended	
		June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
------(Rupees in '000)-----			
15.1	Working capital changes		
	(Increase) / decrease in current assets		
	Short term advances	(6,106)	(223)
	Short term deposits and prepayments	(39,413)	9,416
	Other receivables	497	(15,402)
	Interest accrued on bank deposits and investments	915	-
		<u>(44,107)</u>	<u>(6,209)</u>
	Increase / (decrease) in trade and other payables	<u>726,228</u>	<u>(172,710)</u>
		<u>682,121</u>	<u>(178,919)</u>
16.	CASH AND CASH EQUIVALENTS		
	Cash and bank balance	638,593	10,253
	Short term investments	-	175,000
	Short term running finance	10 (9,465)	(436,011)
		<u>629,128</u>	<u>(250,758)</u>

17. FINANCIAL RISK MANAGEMENT AND FINANCIAL DISCLOSURES

17.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2014. There have been no changes in any risk management policies since the year end.

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

18. RELATED PARTY TRANSACTIONS

Significant transactions with related parties are as follows:

	Six months period ended	
	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
	------(Rupees in '000)-----	
Subsidiary companies		
Reimbursement of expenses by the Company	46	-
Reimbursement of expenses to the Company	1,193	10,576
Sale of goods and services	159	320
Purchase of goods and services	12	444
Purchase of investments	18,018,796	-
Dividend income	18,018,796	-
Investment in subsidiary - Bubber Sher (Private) Limited	10	-
Associates		
Purchase of goods and services	11,372	6,837
Sale of goods and services	2,867	2,894
Dividend income	1,208,903	1,144,093
Reimbursement of expenses from associates	2,567	7,195
Reimbursement of expenses to associates	1,208	1,000
Investment in e2eBE	-	31,200
Commitment in respect of operating lease	5,332	3,651
Donations	-	487
Membership fee and other subscriptions	86	243
Investment committed in e2eBE	-	31,287
Key management personnel		
Salaries and other short term employee benefits	96,985	58,987
Post retirement benefit plans	11,393	4,337
Sale of property, plant and equipment	-	50
Other related parties		
Reimbursement of expenses to the Company	-	2,199
Contribution to staff gratuity fund	2,747	1,289
Contribution to staff provident fund	10,037	2,785

Notes to and forming part of the unconsolidated condensed interim financial statements - (unaudited - note 2)

For the six months period ended June 30, 2015

19. GENERAL

- 19.1 All financial information, except as otherwise stated, has been rounded to the nearest thousand of rupees.
- 19.2 These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors on August 25, 2015.

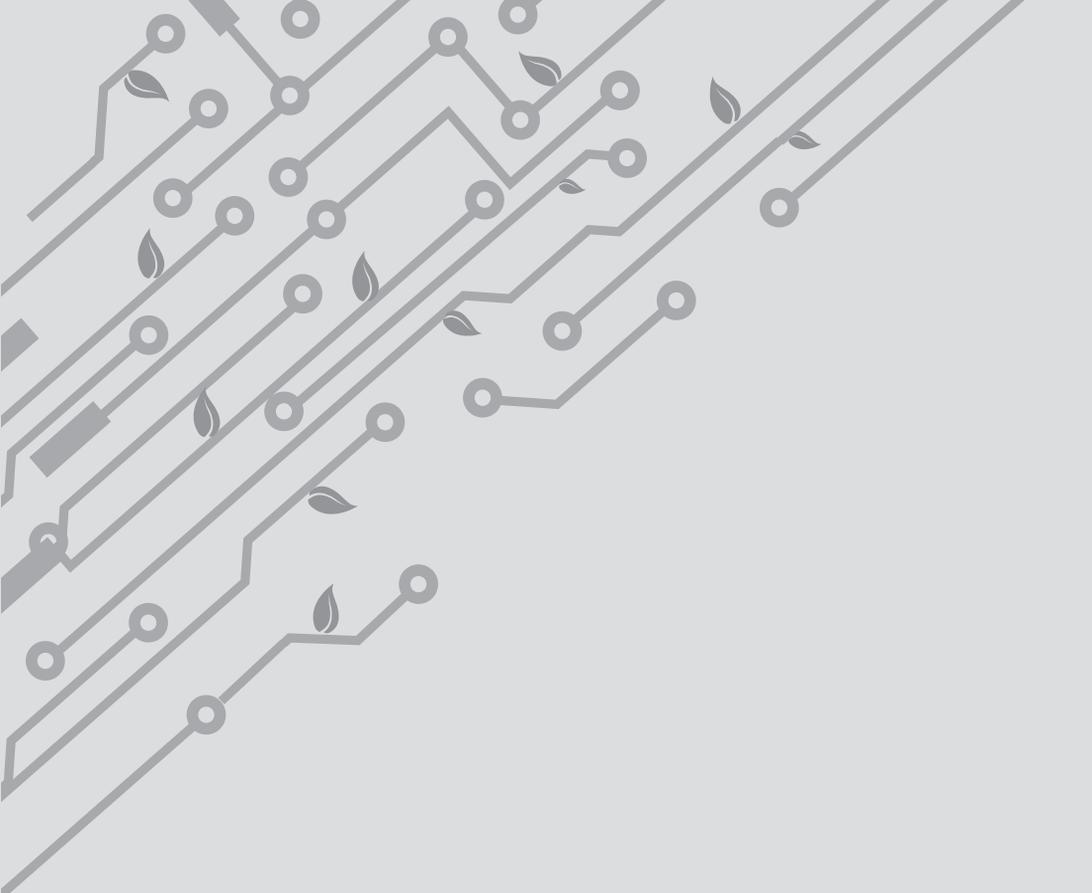
20. NON-ADJUSTING EVENT AFTER THE REPORTING DATE

The Board of Directors in its meeting held on August 25, 2015 has proposed an interim cash dividend of Rs 12/- per share amounting to Rs 5,775 million for the half year ended June 30, 2015 (June 30, 2014: Nil). These unconsolidated condensed interim financial statements do not recognise the proposed dividend as deduction from unappropriated profit as it has been proposed subsequent to the balance sheet date.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director



Consolidated condensed interim financial statements

For the half year ended June 30, 2015

Consolidated condensed interim balance sheet

As at June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	106,564	1,939,822
Intangible assets		67	3,133
Defined benefit asset - funded gratuity		2,233	-
Investment in associates	6	38,674,441	36,306,035
		38,783,305	38,248,990
CURRENT ASSETS			
Stores, spares and loose tools		-	728,416
Stock in trade		-	60,679
Trade debts		-	146
Short term loans and advances		7,529	17,082
Short term deposits and prepayments		50,717	15,506
Other receivables		10,962	24,577
Interest accrued on bank deposits and investments		-	915
Taxation - net		-	389,217
Short term investments		-	175,000
Cash and bank balances		638,602	127,870
		707,810	1,539,408
Assets of subsidiary classified as held for sale	7	3,021,291	-
TOTAL ASSETS		42,512,406	39,788,398
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		10,000,000	10,000,000
Issued, subscribed and paid up capital		4,812,871	4,812,871
Revenue reserves		27,391,755	26,438,200
		32,204,626	31,251,071
NON CURRENT LIABILITIES			
Long term financing	8	941,322	4,195,185
Deferred taxation		1,279,098	1,358,756
Deferred liabilities		1,125	83,416
		2,221,545	5,637,357
CURRENT LIABILITIES			
Current portion of long term financing	8	95,203	1,327,530
Short term finance	9	9,465	436,011
Trade and other payables		927,439	1,080,584
Advance from Fatima Fertilizer Company Limited		800,000	-
Accrued mark-up		35,250	55,845
Taxation - net		51,673	-
		1,919,030	2,899,970
Liabilities of subsidiary classified as held for sale	7	6,167,205	-
TOTAL EQUITY AND LIABILITIES		42,512,406	39,788,398

CONTINGENCIES & COMMITMENTS

10

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Consolidated condensed interim profit and loss account - unaudited

For the quarter and six months period ended June 30, 2015

Note	Quarter ended		Six months period ended	
	June 30, 2015	June 30, 2014 Restated	June 30, 2015	June 30, 2014 Restated
-----Rupees in '000-----				
Net sales	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Selling and distribution expenses	-	-	-	-
Administrative expenses	(736,210)	(75,846)	(1,098,198)	(140,608)
Other operating expenses	(210)	(19,279)	(210)	(478)
Other income	1,956	(57,918)	504	(44,563)
Operating loss	(734,464)	(153,043)	(1,097,904)	(185,649)
Finance cost	(30,167)	(13,756)	(53,587)	(58,349)
Share of profit of associates	2,021,478	1,172,772	3,457,181	2,229,512
Profit before taxation	1,256,847	1,005,973	2,305,690	1,985,514
Taxation	(239,221)	(196,276)	(333,820)	(174,896)
Profit after tax from continuing operations	1,017,626	809,697	1,971,870	1,810,618
Loss after tax from discontinued operations	7.2 (167,143)	(150,333)	(545,706)	(544,884)
Total profit after taxation	850,483	659,364	1,426,164	1,265,734
Earnings / (loss) per share (Rupees) - basic and diluted				
- from continuing operations	2.11	1.68	4.10	3.76
- from discontinued operations	(0.35)	(0.31)	(1.13)	(1.13)

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Consolidated condensed interim statement of total comprehensive income - unaudited

For the quarter and six months period ended June 30, 2015

	Quarter ended		Six months period ended	
	June 30, 2015	June 30, 2014 Restated	June 30, 2015	June 30, 2014 Restated
------(Rupees in '000)-----				
Total profit after taxation	850,483	659,364	1,426,164	1,265,734
Other comprehensive income				
<i>Items that may not be subsequently reclassified to profit and loss</i>				
Remeasurement of staff retirement benefits	810	-	810	-
Impact on taxation	-	-	-	-
	810	-	810	-
<i>Items that may be subsequently reclassified to profit and loss</i>				
Share of other comprehensive income of associates	13,269	(552)	8,751	(27,145)
Impact on taxation	(1,348)	44	(883)	2,693
	11,921	(508)	7,868	(24,452)
Other comprehensive income / (loss) for the period	12,731	(508)	8,678	(24,452)
Total comprehensive income for the period	863,214	658,856	1,434,842	1,241,282
Total comprehensive income arising from:				
- continuing operations	1,030,357	809,189	1,980,548	1,786,166
- discontinued operations	(167,143)	(150,333)	(545,706)	(544,884)
	863,214	658,856	1,434,842	1,241,282

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Consolidated condensed interim statement of changes in equity - unaudited

For the six months period ended June 30, 2015

	Revenue reserves				Sub-total	Total
	Issued, sub- scribed and paid up share capital	General reserve	Un- appropriated profit	Share of other com- prehensive income of associates		
------(Rupees in '000)-----						
Balance as at January 1, 2014 - restated	4,812,871	700,000	23,247,833	11,458	23,959,291	28,772,162
Total comprehensive income						
Profit after taxation	-	-	1,265,734	-	1,265,734	1,265,734
Other comprehensive loss	-	-	-	(24,452)	(24,452)	(24,452)
Total comprehensive income for the period	-	-	1,265,734	(24,452)	1,241,282	1,241,282
Final cash dividend for the year ended December 31, 2013 (Re 1/- per share)	-	-	(481,287)	-	(481,287)	(481,287)
Balance as at June 30, 2014 - restated	<u>4,812,871</u>	<u>700,000</u>	<u>24,032,280</u>	<u>(12,994)</u>	<u>24,719,286</u>	<u>29,532,157</u>
Balance as at January 1, 2015	4,812,871	700,000	25,742,455	(4,255)	26,438,200	31,251,071
Total comprehensive income						
Profit after taxation	-	-	1,426,164	-	1,426,164	1,426,164
Other comprehensive income	-	-	-	8,678	8,678	8,678
Total comprehensive income for the period	-	-	1,426,164	8,678	1,434,842	1,434,842
Final cash dividend for the year ended December 31, 2014 (Re 1/- per share)	-	-	(481,287)	-	(481,287)	(481,287)
Balance as at June 30, 2015	<u>4,812,871</u>	<u>700,000</u>	<u>26,687,332</u>	<u>4,423</u>	<u>27,391,755</u>	<u>32,204,626</u>

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Consolidated condensed interim cash flow statement - unaudited

For the six months period ended June 30, 2015

	Note	Six months period ended	
		June 30, 2015	June 30, 2014 Restated
-----Rupees in '000-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilised in operations	11	(418,481)	(312,311)
Finance cost paid		(52,485)	(44,497)
Taxes paid		(117,838)	(7,686)
Staff retirement and other service benefits paid		(2,747)	(1,289)
Discontinued operations		(678,108)	(2,790,820)
Net cash utilised in operating activities		(1,269,659)	(3,156,603)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(24,351)	(20,142)
Proceeds from disposal of property, plant and equipment		18	136
Interest received on bank deposits and investments		2,447	136
Proceeds from disposal of assets classified as held for sale		-	575
Investment in associate		(742,303)	(31,200)
Advances received against disposal of DH Fertilizer Limited		800,000	-
Dividends received		1,208,902	99,268
Discontinued operations		613,916	1,689,079
Net cash generated from investing activities		1,858,629	1,737,852
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing acquired		750,000	26,000
Long term financing repaid		(43,940)	(16,940)
Dividends paid		(479,326)	(479,255)
Discontinued operations		(584,750)	(903,500)
Net cash utilised in financing activities		(358,016)	(1,373,695)
Net increase / (decrease) in cash and cash equivalents		230,954	(2,792,446)
Cash and cash equivalents at the beginning of the period		(133,141)	(762,284)
Cash and cash equivalents at the end of the period	12	97,813	(3,554,730)

The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Hercules Corporation Limited (the Holding Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act, 1913 (now Companies Ordinance, 1984) (the Ordinance) and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Holding Company is to manage investments in its subsidiary and associated companies. The registered office of the Holding Company is situated at Dawood Center, M.T. Khan Road, Karachi.

1.2 The Group consists of :

The Holding Company: Dawood Hercules Corporation Limited; and

Company name	%age of direct holding		Principal activity
	June 30, 2015	June 30, 2014	

Subsidiaries:

- DH Fertilizers Limited - note 1.3	100.00%	100.00%	Production, purchase and sale of fertilizers.
- Bubber Sher (Private) Limited - note 1.3	100.00%		- Sell, distribute and market fertilizers and chemicals.

Associates:

- Engro Corporation Limited	37.22%	38.13%	Manage investments in its subsidiary companies and joint ventures engaged in fertilizers, PVC resin manufacturing, food, energy, exploration, LNG and chemical terminal and storage business.
- The Hub Power Company Limited	14.91%	14.25%	Develop, own, operate and maintain power stations.
- e2e Business Enterprises (Private) Limited	39.00%	39.00%	Own, manage and operate Rice Bran Oil (RBO) extraction facility and operate the sales and distribution facilities of the produced RBO.

1.3 During the period ended June 30, 2015, the Company had entered into re-negotiation with Pakarab Fertilizers Limited (PAFL) for the disposal of entire shareholding in its wholly owned subsidiary DH Fertilizers Limited (DHFL) and Bubber Sher (Private) Limited (BSPL). After detailed negotiations, the Company has signed a Share Purchase Agreement (SPA) with PAFL on June 15, 2015. As per the SPA, sale price has been fixed at Rs 1,992 million (net of enterprise value of Rs 6,600 million less long term loans of Rs 4,608 million) equivalent to Rs 19.92 per share as against the cost of Rs 16.15 per share.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

Subsequent to the signing of SPA, a joint application was filed with Honorable High Court of Sindh for the dismissal of suit filed by PAFL. On June 18, 2015 the Honorable High Court of Sindh has dismissed the said petition filed by PAFL. Further subsequent to the period ended June 30, 2015, the shares of DHFL and BSPL have been transferred in the name of Fatima Fertilizer Company Limited (assignee of PAFL as per the terms of the SPA).

2. BASIS OF PREPARATION AND PRESENTATION

2.1 These consolidated condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions and directives issued under the Ordinance. In case where the requirements differ, the provisions of or directives issued under the Ordinance have been followed.

2.2 The comparative consolidated balance sheet as at December 31, 2014 presented in these consolidated condensed interim financial statements has been extracted from the audited financial statements of The Group for the year then ended. The comparative consolidated condensed interim profit and loss account, consolidated condensed interim statement of total comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim cash flow statement for the quarter and six months period ended June 30, 2014 have been extracted from the consolidated condensed interim financial statements of The Group for the quarter and six months period then ended.

2.3 These consolidated condensed interim financial statements are being submitted to the shareholders in accordance with section 245 of the Ordinance and should be read in conjunction with the consolidated financial statements as at and for the year ended December 31, 2014.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of The Group as at and for the year ended December 31, 2014.

3.1 New standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2015 are considered not to be relevant or to have any significant effect on The Group's financial reporting and operations and are, therefore, not disclosed in these consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of consolidated condensed interim financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

In preparing these consolidated condensed interim financial statements, the significant judgments made by management in applying The Group's accounting policies and key sources of estimating uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended December 31, 2014.

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
----- (Rupees in '000) -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,495,554	1,568,696
Capital work-in-progress		163,744	149,056
Major spare parts and stand-by equipment		217,112	222,070
		<u>1,876,410</u>	<u>1,939,822</u>
Assets classified as held for sale	7.1	(1,769,846)	-
		<u>106,564</u>	<u>1,939,822</u>
5.1 Net book value at the beginning of the period / year		1,568,696	1,725,664
Add: Additions during the period / year	5.1.1	24,891	50,983
Add: Transfers during the period / year		-	2,254
		<u>1,593,587</u>	<u>1,778,901</u>
Less: Disposals during the period / year		579	13,947
Assets written off during the period/year		-	198
Depreciation charged during the period / year		97,454	196,060
		<u>98,033</u>	<u>210,205</u>
Net book value at the end of the period / year		<u>1,495,554</u>	<u>1,568,696</u>
5.1.1 Additions during the period / year			
Plant and machinery		-	4,300
Furniture, fittings and equipment		796	6,964
Motor vehicles		17,584	21,773
Leasehold improvements		-	10,406
Data processing equipment		6,511	7,540
		<u>24,891</u>	<u>50,983</u>
6. INVESTMENT IN ASSOCIATES			
Engro Corporation Limited - quoted	6.1	31,829,204	30,430,714
The Hub Power Company Limited - quoted	6.2	6,659,902	5,643,701
e2e Business Enterprises (Private) Limited - unquoted	6.3	185,336	231,620
		<u>38,674,441</u>	<u>36,306,035</u>

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
	----- (Rupees in '000) -----	
6.1 Engro Corporation Limited (ECL) - quoted		
194,972,555 (December 31, 2014: 194,972,555) ordinary shares of Rs 10 each		
Opening balance	30,430,714	28,482,780
Share of post acquisition profit for the period / year	2,559,248	2,796,651
Share of other comprehensive income / (loss)	9,076	(15,301)
Gain on dilution of share	-	720,515
Dividend received during the period / year	(1,169,835)	(1,553,931)
	<u>1,398,490</u>	<u>1,947,934</u>
Closing balance	<u>31,829,204</u>	<u>30,430,714</u>

Percentage of holding 37.22% (December 31, 2014: 37.22%)

- 6.1.1 Market value of investment in ECL as at June 30, 2015 was Rs 57,868 million (December 31, 2014: Rs 43,188 million).
- 6.1.2 Financial results of ECL for the quarter ended March 31, 2015 have been used for the application of equity method of accounting for consolidation purposes, since financial results of ECL for the quarter ended June 30, 2015 were not available till the finalization of these consolidated condensed interim financial statements.
- 6.1.3 Upto December 31, 2014, Subsidiary Company (DHFL) held 3.81% investment in ECL. The Holding Company purchased these investments during the period ended June 30, 2015 after complying with all regulatory formalities.
- 6.1.4 The details of shares pledged as security against finance facilities obtained by the Group are as follows:

	As at June 30, 2015			As at December 31, 2014		
	Number of shares pledged	Face value of pledged shares	Market value of pledged shares	Number of shares pledged	Face value of pledged shares	Market value of pledged shares
	(in '000)	----- (Rupees in '000) -----		(in '000)	----- (Rupees in '000) -----	
Bank						
Pledged against financing facilities availed by the Company						
Bank AL Habib Limited	5,540	55,400	1,644,272	5,540	55,400	1,227,165
United Bank Limited	1,900	19,000	563,920	1,900	19,000	420,869
Pledged against financing facilities availed by DHFL						
Meezan Bank Limited	29,000	290,000	8,607,200	29,000	290,000	6,423,790
Habib Metropolitan Bank	-	-	-	19,960	199,600	4,421,340

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
----- (Rupees in '000) -----			
6.2	The Hub Power Company Limited (HUBCO) - quoted		
	164,847,000 (December 31, 2014: 164,847,000) ordinary shares of Rs 10 each		
	Opening balance	5,643,701	5,566,420
	7,735,000 (2014: Nil) shares purchased from Patek (Private) Limited	6.2.3 731,698	-
	Share of post acquisition profit for the period / year	944,217	1,150,887
	Share of other comprehensive loss	(325)	(2,100)
	Dividend received during the period / year	(659,388)	(1,071,506)
		284,503	77,281
	Closing balance	6,659,902	5,643,701

Percentage of holding 14.91% (December 31, 2014: 14.25%)

- 6.2.1 The Group has 14.91% of the voting power in HUBCO. Due to the representation of The Group's nominees on the Board of Directors of HUBCO, participation in policy making process and being the single largest shareholder, The Group has significant influence over HUBCO.
- 6.2.2 The market value of the investment in HUBCO as at June 30, 2015 was Rs 16,148 million (December 31, 2014: Rs 12,917 million).
- 6.2.3 Shareholders of the Company in their Annual General Meeting held on April 24, 2015 authorised the purchase of these shares from Patek (Private) Limited. The purchase transaction was executed on May 21, 2015 at the market value prevailing on that date through the Negotiated Deal Market mechanism of the Karachi Stock Exchange.
- 6.2.4 Financial results of HUBCO for the quarter ended March 31, 2015 have been used for the application of equity method of accounting for consolidation purposes as the financial results for the quarter ended June 30, 2015 were not available till the finalization of these consolidated condensed interim financial statements.
- 6.2.5 Upto December 31, 2014, Subsidiary Company (DHFL) held 10.82% investment in HUBCO. The Holding Company purchased these investments during the period ended June 30, 2015 after complying with all regulatory formalities.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

6.2.6 The details of shares pledged as security against finance facilities obtained by the Group are as follows:

Bank	As at June 30, 2015			As at December 31, 2014		
	Number of shares pledged	Face value of pledged shares	Market value of pledged shares	Number of shares pledged	Face value of pledged shares	Market value of pledged shares
	(in '000)	-----Rupees in '000) -----		(in '000)	-----Rupees in '000) -----	
Pledged against financing facilities availed by the Company						
Allied Bank Limited	23,781	237,810	2,225,188	12,581	125,810	985,847
Bank AL Habib Limited	13,500	135,000	1,263,195	13,500	135,000	1,057,860
United Bank Limited	10,000	100,000	935,700	10,000	100,000	783,600
Pledged against financing facilities availed by DHFL						
Allied Bank Limited	74,420	744,200	6,963,479	74,420	744,200	5,831,551
Habib Metropolitan Bank	10,280	102,800	961,900	10,280	102,800	805,541
Habib Bank Limited	6,100	61,000	570,777	12,600	126,000	987,336

June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
-----Rupees in '000)-----	

6.3 e2e Business Enterprises (Private) Limited - unquoted

Opening balance as at January 1		
23,770,701 (2014: 17,514,633) ordinary shares of Rs 10 each	231,620	175,146
Add: Nil (2014: 6,256,068) ordinary shares subscribed to during the period / year	-	62,561
	<u>231,620</u>	<u>237,707</u>
Share of post acquisition losses for the period / year	(46,284)	(6,087)
Closing balance	<u>185,336</u>	<u>231,620</u>

Percentage of holding 39% (December 31, 2014: 39%)

6.3.1 e2eBE is in the construction phase of the RBO project, costs are being incurred on an ongoing basis which are expected to be recovered after commencement of commercial production. However, following the equity method of accounting, the share of losses incurred to date has been recognized in these consolidated condensed interim financial statements.

6.3.2 Condensed interim financial statements of e2eBE reflecting financial results as at June 30, 2015 have been used for the purpose of application of the equity method.

7. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

7.1 Disposal group

The assets and liabilities related to DH Fertilizers Limited (DHFL) have been presented as held for sale following the signing of SPA with Pakarab Fertilizer Limited as detailed in note 1.3. The completion date for the transaction is January 1, 2016. DHFL assets and liabilities are a disposal group and as at June 30, 2015 it has also been classified as a discontinued operation.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

DHFL assets and liabilities were measured at their carrying amounts being lower than their fair value less costs to sell at June 30, 2015.

The major classes of assets and liabilities of DHFL are as follows:

	June 30, 2015 (Unaudited) (Rupees in '000)
Assets classified as held for sale	
Property, plant and equipment	1,769,846
Intangible assets	2,379
Inventory	75,900
Cash and bank balances	2,933
Other current assets	1,170,233
	3,021,291
Liabilities classified as held for sale	
Long term loans (including current portion)	4,607,500
Other long term liabilities	273,379
Trade and other payables	741,685
Short term borrowings	534,257
Other current liabilities	10,384
	6,167,205

7.2 Discontinued operations

As mentioned in note 7.1 above, DHFL has been presented as a discontinued operation in these consolidated condensed interim financial statements. Financial information relating to DHFL for the six months period ended June 30, 2015 is set out below. The profit and loss account and cash flow statement distinguish discontinued operations from continuing operations. Comparative figures have been restated.

	Quarter ended		Six months period ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
	------(Rupees in '000)-----			
Revenue	284,183	155,345	356,117	322,063
Expenses	(495,433)	(299,657)	(907,850)	(831,341)
Loss before taxation from discontinued operations	(211,250)	(144,312)	(551,733)	(509,278)
Income tax	44,107	(6,021)	6,027	(35,606)
Loss after taxation from discontinued operations	(167,143)	(150,333)	(545,706)	(544,884)

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
		------(Rupees in '000)-----	
8. LONG TERM FINANCING			
Long term finance under mark-up arrangement	8.1	286,525	330,465
Syndicated term finance arrangement	8.2	750,000	-
Diminishing Musharaka arrangement	8.3	3,365,500	3,691,500
Syndicated term finance	8.4	1,242,000	1,500,750
		5,644,025	5,522,715
Less: Liabilities of subsidiary classified as held for sale	7.1	4,607,500	-
Less: Current portion of long term financing		95,203	1,327,530
		941,322	4,195,185

8.1 The Holding Company has availed a long term finance facility under mark-up arrangement from Allied Bank Limited (ABL) aggregating to Rs 380 million (December 31, 2014: Rs 380 million). The finance facility is secured by way of hypothecation charge over all assets of the Holding Company with 25% margin and pledge of HUBCO shares as explained in note 6.2.6. The facility carries markup at the rate of six months KIBOR plus 200 basis points per annum. The facility is for a period of 5 years and is payable semi annually in arrears with the first principal repayment made on July 5, 2013. The facility will be repaid in full by July 2017.

8.2 During the quarter, a syndicated term finance facility of Rs 4,000 million (December 31, 2014: Nil) has been sanctioned by a syndicate of banks led by Allied Bank Limited as investment agent for the Holding Company. The unutilised amount of the said facility as at June 30, 2015 was Rs 3,250 million (December 31, 2014: Nil). The facility is secured against shares of HUBCO as explained in note 6.2.6. The facility carries mark-up at the rate of six months KIBOR plus 200 basis points per annum payable semi annually. The facility is for a period of 5 years and the principal will be payable semi annually in equal installments at the expiry of the 2 years' grace period.

8.3 DH Fertilizers Limited (the Subsidiary Company) has obtained a long term finance facility of Rs 4,800 million (December 31, 2014: Rs 4,800 million) from a consortium of banks under Diminishing Musharaka arrangement with Meezan Bank Limited acting as Investment Agent. The facility was for a period of 5 years, inclusive of grace period of 2 years while the first Musharaka buyout became due and was paid on June 27, 2014. In December 2014, the Subsidiary Company entered into an agreement for the restructuring of said facility of the outstanding amount of Rs 4,000 million whereby tenure of loan was extended to 7.5 years from 5 years. The mark-up is payable semi-annually in arrears at the rate of six months KIBOR plus 110 basis points. The facility is secured by a first charge equal to the bank musharaka share plus 25% margin on specific movable assets of the Subsidiary Company and a corporate guarantee by the Holding Company. At the time of restructuring, the Holding Company also pledged 29 million shares of ECL in favour of Meezan Bank Limited as mentioned in note 6.1.4. Since this liability relates to the Subsidiary Company it has been classified as held for sale as explained in note 1.3.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

- 8.4 The Subsidiary Company also obtained a syndicated long term finance facility of Rs 2,070 million (December 31, 2014: Rs 2,070 million) from a consortium of banks led by Allied Bank Limited. The facility is for a period of 5 years, the first repayment became due and was paid on June 12, 2014. Mark-up is payable semi annually in arrears at the rate of six months KIBOR plus 100 basis points per annum. The facility is secured against pledge of HUBCO shares as explained in note 6.2.6 and further ranking hypothecation charge over all present and future fixed assets of the Subsidiary Company. Since this liability relates to the Subsidiary Company it has been classified as held for sale as explained in note 1.3.

	Note	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
------(Rupees in '000)-----			
9. SHORT TERM RUNNING FINANCE			
Short term running finance utilised	9.1 & 9.2	543,722	436,011
Liabilities of subsidiary classified as held for sale	7.1	(534,257)	-
		<u>9,465</u>	<u>436,011</u>

- 9.1 This includes Rs 9 million (December 31, 2014: Rs 436 million) availed by the Holding Company from commercial banks out of the total finance facilities of Rs 3,000 million (December 31, 2014: Rs 2,000 million) under mark-up arrangements expiring on various dates upto May 31, 2016. The facilities are secured by way of pledge of ECL and HUBCO shares as more fully explained in notes 6.1.4 and 6.2.6. Rate of mark-up applicable to these facilities ranges between KIBOR plus 100 to 125 basis points (December 31, 2014: KIBOR plus 100 to 125 basis points) per annum.

- 9.2 This includes Rs 535 million (December 31, 2014: Rs Nil) availed by the Subsidiary Company from commercial banks out of the total facility of Rs 898 million (December 31, 2014: Rs 2,898 million) and expiring on various dates upto December 31, 2015. These facilities are secured by way of pledge of HUBCO shares as more fully explained in note 6.2.6. Rate of mark-up applicable to these facilities ranges between KIBOR plus 50 basis points to 100 basis points (December 31, 2014: KIBOR plus 50 basis points to 100 basis points) per annum. Since this liability relates to the Subsidiary Company it has been classified as held for sale as explained in note 1.3.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingent liabilities

The Holding Company has issued a corporate guarantee to a syndicate of financial institutions through Meezan Bank Limited acting as investment agent to guarantee up to a maximum of Rs 6,400 million (December 31, 2014: Rs 6,400 million) relating to the diminishing musharaka finance facility of Rs 4,800 million (December 31, 2014: Rs 4,800 million) availed by DH Fertilizers Limited. The corporate guarantee will remain in full force and effect for a period of seven and a half years commencing from December 27, 2011.

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

		June 30, 2015 (Unaudited) ------(Rupees in '000)-----	December 31, 2014 (Audited)
10.2	Commitments in respect of operating lease	5,332	2,315
		Six months period ended	
	Note	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited) Restated
		------(Rupees in '000)-----	
11.	CASH UTILISED IN OPERATIONS		
	Profit before taxation	2,305,690	1,985,514
	Adjustment for non cash expenses and other items:		
	Depreciation and amortization	8,779	6,142
	Finance cost	53,587	58,349
	(Profit) / loss on disposal of property, plant and equipment	(17)	75
	Loss on disposal of assets classified as held for sale	-	22
	Loss on remeasurement of investments classified as held for sale	-	44,603
	Unrealized exchange loss	1,958	-
	Share of profit from associates	(3,457,181)	(2,229,512)
	Provision for employees' retirement and other service benefits	2,026	1,551
	Income received from bank deposits	(2,445)	(136)
	Working capital changes	669,121	(178,919)
	Cash utilised in operations	(418,481)	(312,311)
11.1	Working capital changes		
	(Increase) / decrease in current assets		
	Short term loans and advances	(19,106)	(223)
	Short term deposits and prepayments	(39,413)	9,416
	Other receivables	497	(15,402)
	Interest accrued on bank deposits and investments	915	-
		(57,107)	(6,209)
	Increase / (decrease) in trade and other payables	726,228	(172,710)
		669,121	(178,919)

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

	Note	Six months period ended	
		June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited) Restated
----- (Rupees in '000) -----			
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		641,535	282,223
Short term running finance		(543,722)	(3,836,953)
Cash and cash equivalents		97,813	(3,554,730)
Cash and cash equivalents of subsidiary classified as held for sale	7.1	(531,324)	(2,261,709)
Cash and cash equivalents from continuing operations		629,137	(1,293,021)

13. FINANCIAL RISK MANAGEMENT AND FINANCIAL DISCLOSURES

13.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk.

The consolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with The Group's annual financial statements as at December 31, 2014. There have been no changes in any risk management policies since the previous year end.

14. RELATED PARTY TRANSACTIONS

Significant transactions during the period were as follows:

	Six months period ended	
	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
----- (Rupees in '000) -----		
Associates		
Dividend income	1,793,223	1,576,104
Investment in e2eBE	-	31,200
Investment committed in e2eBE	-	31,287
Related parties		
Markup on Musharika Loan - Meezan Bank Limited	74,276	116,726
Sale of goods and services	2,867	3,973
Purchase of goods and services	11,138	6,837
Sale of fixed assets	923	743
Reimbursement of expenses from related parties	4,223	15,572
Reimbursement of expenses to related parties	1,208	1,000
Donations	-	487
Rental income	-	7,200
Membership fees and other subscriptions	320	243

Notes to and forming part of the consolidated condensed interim financial statements

For the six months period ended June 30, 2015

	Six months period ended	
	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
	------(Rupees in '000)-----	
Other related parties		
Key management personnel compensation	229,345	209,817
Consulting professional fees	-	3,000
Contributions to employees' post retirement benefit plans	29,327	30,049
Reimbursement of expenses from other related parties	-	2,199
Sale of property, plant and equipment	-	1,152

15. GENERAL

- 15.1 All financial information, except as otherwise stated, has been rounded to the nearest thousand of rupees.
- 15.2 The Board of Directors of the Holding Company in its meeting held on August 25, 2015 has proposed an interim cash dividend of Rs 12/- per share amounting to Rs 5,775 million for the half year ended June 30, 2015 (June 30, 2014: Nil). These consolidated condensed interim financial statements do not recognise the proposed dividend as deduction from unappropriated profit as it has been proposed subsequent to the balance sheet date.
- 15.2 These consolidated condensed interim financial statements were authorized for issue by the Board of Directors on August 25, 2015.

Karachi
Date: August 25, 2015


Samad Dawood
Chief Executive


M. A. Aleem
Director

Dawood Hercules Corporation Limited

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