

**PAKISTAN TOBACCO  
COMPANY**

FAX

09<sup>th</sup> August, 2010

Silver Square, Plot No. 15,  
F-11 Markaz, Islamabad

Tel: +92 (51) 2083200-01  
Fax: +92 (51) 2224215-16  
Website: www.ptc.com.pk

The General Manager  
Karachi Stock Exchange (Guarantee) Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir

**Financial Results for the Half Year ended 30<sup>th</sup> June, 2010**

We have to inform you that the Board of Directors of our Company in their meeting held on 09<sup>th</sup> August, 2010 at 1.30 p.m. at Islamabad recommended the following:

**Cash Dividend**

The cigarette market in the first six months declined as a result of cumulative affects of Excise led prices increases, which impacted the volumes and profitability of the legitimate industry. The Excise incidence could not be fully passed on to the consumers due to demand elasticity. Considering the profitability pressure and tough business environment, the Directors did not declare any interim dividend.

The financial results of the Company are as follows:

|                                   | Quarter ended      |                    | Half Year ended    |                    |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                   | June 30, 2010      | June 30, 2009      | June 30, 2010      | June 30, 2009      |
|                                   |                    |                    |                    | Rs'000             |
| Gross turnover                    | 15,831,690         | 16,615,658         | 31,584,792         | 30,662,689         |
| Excise duties                     | (7,884,219)        | (7,741,973)        | (15,644,711)       | (14,306,476)       |
| Sales tax                         | (2,254,363)        | (2,368,126)        | (4,487,654)        | (4,378,297)        |
| Net turnover                      | <u>5,693,108</u>   | <u>6,505,559</u>   | <u>11,452,427</u>  | <u>11,977,916</u>  |
| Cost of sales                     | <u>(3,887,427)</u> | <u>(3,832,541)</u> | <u>(7,633,126)</u> | <u>(7,219,272)</u> |
| Gross profit                      | 1,805,681          | 2,673,018          | 3,819,301          | 4,758,644          |
| Selling and distribution expenses | (668,656)          | (514,407)          | (1,228,190)        | (945,843)          |
| Administrative expenses           | (319,428)          | (288,647)          | (615,327)          | (505,764)          |
| Other operating expenses          | (65,836)           | (167,296)          | (155,083)          | (292,037)          |
| Other operating income            | 17,592             | 35,998             | 22,574             | 38,990             |
|                                   | <u>(1,036,328)</u> | <u>(934,352)</u>   | <u>(1,976,026)</u> | <u>(1,704,654)</u> |
| Operating profit                  | 769,353            | 1,738,666          | 1,843,275          | 3,053,990          |