CONTENTS

Corporate Information	2
Directors' Report	3
Auditors' Review Report	5
Balance Sheet	6
Profit & Loss Account	8
Cash Flow Statement	9
Statement of Changes in Equity	11
Notes to the Financial Statements	12-18

CORPORATE INFORMATION

BOARD OF DIRECTORS

Manzoor Hayat Noon	(Chairman/Chief Executive)
K. Iqbal Talib	
Javed Ali Khan	
Safdar M. Hayat Qureshi	
Adnan Hayat Noon	
Salman Hayat Noon	
Zaheer Ahmad Khan	
Saeed Iqbal	(PICIC)

AUDIT COMMITTEE

Adnan Hayat Noon	(Chairman)
Zaheer Ahmad Khan	
Salman Hayat Noon	

MANAGEMENT

K. Iqbal Talib	Managing Director
Ahmad Ali	Resident Director
Ehsan R. Shaikh	Chief Financial Officer

SECRETARY

Syed Anwar Ali

AUDITORS

Hameed Chaudhri & Co.,
Chartered Accountants

LEGAL ADVISERS

Hassan & Hassan (Advocates)

HEAD OFFICE

6th Floor, EFU House,
Jail Road, Gulberg, Lahore

REGISTERED OFFICE

1st Floor, Alfalah Building,
Shahrah-e-Quaid-e-Azam, Lahore.

SHARES DEPARTMENT

66 – Garden Block,
New Garden Town, Lahore.

MILLS

Bhalwal, District Sargodha.

WEBSITE www.noonsugar.net

DIRECTORS' REPORT

Dear Members,

In order to fulfill the statutory requirements, your Directors present financial statements for the half-year ended 31 March 2007, duly reviewed by the auditors alongwith their report on the Company's operating performance for the current financial year.

Your Mills started crushing season from 25 November 2006 which lasted 140 days upto 13 April 2007, compared with 130 days of the last season. During this period, 35,194 tons sugar was produced from 467,269 tons sugarcane with an average sucrose recovery of 7.52% against 24,660 tons sugar (including 6,024 tons from raw sugar) from 278,181 tons sugarcane with 6.71% recovery of the previous season. As a result of relatively higher sugarcane production, its supply to Mills remained smooth and consistent during the season which has reflected in 56% increase in average daily crushing over the last season, yielding 68% higher crushing and 89% higher production from cane, also due to a comparatively higher average recovery.

As reported earlier, the sugarcane crop in our region was again hit by severe frost resulting in a drastic drop in recovery which had already remained low due to massive propagation of low yielding "Richman" variety (SPF238) of sugarcane, belatedly declared as unapproved and undesirable variety by the Government of Punjab. The incidence of frost in two consecutive years is a rare phenomenon and the first such occurrence in the history of your Mills.

The national sugar production for 2006-07 season at 3.5 million tons registered an increase of 17% over last year's production of 3.0 million tons. Considering the annual domestic requirement of sugar at around 4.0 million tons, the gap of about 0.5 million tons will be filled by the buffer stock of around 0.6 million tons carried over by TCP from the last year's un-checked imports at high prices.

A hefty increase of 33% in the minimum sugarcane procurement price over 2005-06 season's support price had a direct bearing on the cost of sugar production, which has not been absorbed by the selling price of sugar, though assured by the Government while fixing the price of cane and projecting a fair price of product. The disposal of TCP's buffer stock at highly subsidised rates and off-loading by sugar mills of Southern Punjab, who have natural advantage of lower cost of production as a result of consistently higher sucrose recovery in that region, has further worsened the market situation.

The new milling unit of 8,000 TCD and BMR equipment for the Process House were operational during the later part of the current season owing to delays in local supply of certain units but remained on interrupted test runs due to teething problems, which were gradually overcome before close of the season. The enhanced facility will Inshallah be fully operational from the next season to start contributing towards the operating results of the Company.

During the period under review, the Distillery Plant produced 7.1 million litres of ethyl alcohol compared with 5.4 million litres produced during the corresponding period of last year. As reported earlier, the capacity utilisation of the distillery plant remained restricted due to lack of interest in the international market for both Anhydrous and Industrial grade ethanol and a sharp fall in export prices was not correspondingly reflected in the cost of raw material during the crushing season. The Management was however, successful in securing two firm orders for 5.6 million litres industrial grade alcohol for shipments during July and August 2007. A fall in international price of molasses towards the end of Season, combined with lack of demand from the distillers, has also improved the feasibility of conversion at the falling export price of ethanol. Efforts are under way to add another parcel of 3.0 million litres for export before the end of the current financial year.

Due to a bumper crop in Brazil and India, the two largest producers in the world, the market conditions, for both sugar and ethanol, are expected to remain uncertain during the current year. The Management will however, continue its efforts to optimise profitability of the Company in the given circumstances.

The Auditors, in their review report have referred to the contents of note 8.2 and expressed their opinion about its effects on the interim financial statements. The Company had adequately disclosed the subsequent rejection of Provincial Government's Appeal in this case by Lahore High Court and its current status of potential liability in the latest annual financial statements referred in note 3 of the interim financial statements.

The Board would like to thank the shareholders and bankers for their trust and continued support extended to the Company for its smooth operation.

For and on behalf of the Board

Lahore: 26 May 2007

MANZOOR HAYAT NOON
Chairman & Chief Executive

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed condensed interim balance sheet of NOON SUGAR MILLS LIMITED as at 31 March 2007 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the “condensed interim financial statements”) for the half-year then ended. These condensed interim financial statements are the responsibility of the Company’s management. Our responsibility is to issue a report on these condensed interim financial statements based on our review. The figures of the profit and loss account for the quarters ended 31 March 2006 and 2007 have not been reviewed as we are required to review only the cumulative figures for the half-year ended 31 March 2007.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed interim financial statements are free of material misstatement. A review is limited primarily to inquiries of Company’s personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, except for the contents of note 8.2 and the extent to which this may affect the annexed condensed interim financial statements, nothing has come to our attention that causes us to believe that the annexed condensed interim financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Lahore: May 28 2007

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

CONDENSED INTERIM BALANCE SHEET

	Note	Un-audited 31 Mar., 2007	Audited 30 Sep., 2006
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		**150,000**	150,000
Issued, subscribed and paid-up capital	6	**136,508**	113,757
Reserves		**767,884**	790,635
Unappropriated profit		**84,307**	88,084
		988,699	992,476
NON-CURRENT LIABILITIES			
Long term finances	7	**429,390**	430,254
Liabilities against assets subject to finance lease		**118**	799
Provision for cane quality premium	8	**–**	–
Long term deposits		**1,902**	1,795
Staff retirement benefits-gratuity		**54,220**	51,090
Deferred taxation		**17,654**	15,840
		503,284	499,778
CURRENT LIABILITIES			
Current portion of:			
– long term finances		**79,168**	41,561
– liabilities against assets subject to finance lease		**1,318**	1,984
Short term finances		**586,080**	239,900
Trade and other payables		**235,786**	69,736
Accrued mark-up		**18,431**	10,330
Workers' welfare fund		**1,690**	1,690
Taxation		**22,357**	19,563
		944,830	384,764
CONTINGENCIES AND COMMITMENTS	9	**–**	–
		2,436,813	1,877,018

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

K. IQBAL TALIB
Managing Director

AS AT 31 MARCH 2007

	Note	Un-audited 31 March 2007	Audited 30 Sep., 2006
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**1,418,356**	1,267,074
Investment property		**17,394**	17,447
Investments	11	**82,754**	88,112
Loans and advances		**1,313**	902
Deposits		**712**	712
		1,520,529	1,374,247
CURRENT ASSETS			
Stores, spares and loose tools		**51,544**	49,022
Stock-in-trade		**739,855**	374,592
Trade debtors – unsecured, considered good		**9,524**	24,115
Income tax refundable, advance income tax and tax deducted at source		**19,661**	15,230
Loans and advances		**9,780**	14,782
Deposits and prepayments		**2,956**	3,130
Other receivables	12	**4,892**	3,694
Cash and bank balances		**78,072**	18,206
		916,284	502,771
		2,436,813	1,877,018

MANZOOR HAYAT NOON
Chairman & Chief Executive

CONDENSED INTERIM
PROFIT AND LOSS ACCOUNT (Un-audited)
For the Quarter and Half Year Ended 31 March 2007

	For the 2nd Quarter		Cumulative	
	Jan. – Mar. 2007	**Jan. – Mar. 2006**	**Oct. - Mar. 2007**	**Oct. - Mar. 2006**
	(Rupees in thousand)			
Sales				
Local	**278,372**	235,077	**554,953**	381,572
Export	**–**	43,147	**82,792**	43,147
	278,372	278,224	**637,745**	424,719
Less:				
Sales tax	**37,386**	31,752	**77,434**	52,036
Commission	**656**	373	**1,041**	571
Discount	**–**	–	**–**	22
	38,042	32,125	**78,475**	52,629
Sales – net	**240,330**	246,099	**559,270**	372,090
Cost of sales	**206,293**	217,675	**505,485**	321,975
Gross profit	**34,037**	28,424	**53,785**	50,115
Administrative expenses	**15,855**	14,886	**29,626**	26,641
Distribution cost	**2,535**	5,434	**9,580**	6,429
	18,390	20,320	**39,206**	33,070
Operating profit	**15,647**	8,104	**14,579**	17,045
Other operating income	**2,252**	1,906	**5,124**	8,306
Interest and mark-up	**82**	(576)	**121**	1,789
	2,334	1,330	**5,245**	10,095
	17,981	9,434	**19,824**	27,140
Finance cost	**11,151**	6,146	**16,490**	7,246
Other operating expenses	**(92)**	539	**261**	2,402
	11,059	6,685	**16,751**	9,648
Profit before taxation and share of (loss) / profit from an Associated Company	**6,922**	2,749	**3,073**	17,492
Share of (loss) / profit from an Associated Company – net of taxation	**(2,512)**	5,742	**(2,512)**	5,742
Profit before taxation	**4,410**	8,491	**561**	23,234
Taxation				
–current – note 13	**1,191**	(1,786)	**2,794**	1,900
–deferred	**580**	13,050	**1,814**	13,050
	1,771	11,264	**4,608**	14,950
Profit / (Loss) after taxation	**2,639**	(2,773)	**(4,047)**	8,284
	(R u p e e s)			
Earnings / (loss) per share –basic	**0.19**	(0.20)	**(0.30)**	0.61

– The annexed notes form an integral part of these condensed interim financial statements.

– Appropriations have been reflected in the statement of changes in equity.

K. IQBAL TALIB
Managing Director

MANZOOR HAYAT NOON
Chairman & Chief Executive

CONDENSED INTERIM
CASH FLOW STATEMENT (Un-audited)
For the Half Year Ended 31 March 2007

	Half - year ended	
	31 March 2007	**31 March 2006**
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period – Before taxation	**561**	23,234
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets and investment property	**25,883**	25,114
Gain on sale of operating fixed assets – net	**(627)**	(1,014)
Unclaimed balances written-back	**–**	(44)
Dividend on preference shares	**(1,200)**	(1,200)
Staff retirement benefits-gratuity	**4,333**	4,374
Interest and mark-up income	**(121)**	(1,789)
Provision against slow moving stores and spares inventory	**(1,076)**	508
Finance cost	**16,490**	6,918
Share of loss/(profit) from an associated Company – net of taxation	**2,512**	(5,742)
CASH FLOW FROM OPERATING ACTIVITIES – Before working capital changes	**46,755**	50,359
(Increase)/decrease in current assets:		
Stores, spares and loose tools	**(1,446)**	(2,889)
Stock-in-trade	**(365,263)**	(547,952)
Trade debtors	**14,591**	(25,770)
Loan and advances	**5,219**	(13,741)
Deposits and prepayments	**174**	(2,032)
Other receivables	**2**	211
Increase/(decrease) in trade and other payables	**166,074**	(37,018)
	(180,649)	(629,191)
CASH OUTFLOW FROM OPERATING ACTIVITIES	**(133,894)**	(578,832)
Taxes Paid	**(4,431)**	(8,507)
Staff retirement benefits (gratuity) paid	**(1,203)**	(2,748)
Long term deposits – net	**–**	25
NET CASH OUTFLOW FROM OPERATING ACTIVITIES – After taxation	**(139,528)**	(590,062)

	Half - year ended	
	31 March 2007	31 March 2006
	(Rupees in thousand)	
NET CASH OUTFLOW FROM OPERATING ACTIVITIES – After taxation	**(139,528)**	(590,062)
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment acquired	**(177,504)**	(301,304)
Sale proceeds of operating fixed assets	**1,019**	1,674
Long term deposits from employees – net	**107**	(1,013)
Long term loans and advances to employees-net	**(628)**	(168)
Interest, profit and dividend received	**3,237**	4,681
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(173,769)**	(296,130)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances – net	**36,743**	261,169
Lease finances – net	**(1,347)**	(1,559)
Short term finances – net	**346,180**	442,919
Finance cost paid	**(8,389)**	(6,007)
Dividends paid	**(24)**	(25,848)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**373,163**	670,674
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**59,866**	(215,518)
CASH AND CASH EQUIVALENTS – At the beginning of the period	**18,206**	237,671
CASH AND CASH EQUIVALENTS – At the end of the period	**78,072**	22,153

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

K. IQBAL TALIB
Managing Director

MANZOOR HAYAT NOON
Chairman & Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(Un-audited)
For the Half Year Ended 31 March 2007

	Share Capital	Share premium reserve	Revenue reserve	Unappro-priated profit	Total
	---------------Rupees in thousand---------------				
Balance as at 30 September 2005	**113,757**	**170,635**	**620,000**	**44,957**	**949,349**
Cash dividend for the year ended 30 September, 2005 @ Rs. 3 per share	–	–	–	(34,127)	(34,127)
Profit for the half-year ended 31 March 2006	–	–	–	8,284	8,284
Balance as at 31 March 2006	**113,757**	170,635	**620,000**	**19,114**	**923,506**
Profit for the half-year ended 30 September, 2006	–	–	–	68,501	68,501
Share of item of an Associated Company directly credited to equity	–	–	–	469	469
Balance as at 30 September 2006	**113,757**	**170,635**	620,000	**88,084**	**992,476**
Nominal value of ordinary bonus shares issued	22,751	(22,751)	–	–	–
Loss for the half-year ended 31 March, 2007	–	–	–	(4,047)	(4,047)
Share of item of an Associated Company directly credited to equity	–	–	–	270	270
Balance as at 31 March 2007	**136,508**	**147,884**	**620,000**	**84,307**	**988,699**

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

K. IQBAL TALIB
Managing Director

MANZOOR HAYAT NOON
Chairman & Chief Executive

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Un-audited)
For the Half Year Ended 31 March 2007

1. The Company was incorporated in the year 1964 as a Public Company and its shares are quoted on the Stock Exchanges in Pakistan. It is principally engaged in production and sale of white sugar and spirit. The Company's Mills are located at Bhalwal, District Sargodha and its Head Office at 6th Floor, EFU House, Jail Road, Gulberg, Lahore.

2. These interim financial statements (the financial statements) are presented in condensed form in accordance with international Accounting Standard 34 (Interim Financial Reporting). The financial statement have been reviewed by the external Auditors as required by the Code of Corporate Governance and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

3. These financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 30 September 2006.

4. The accounting policies and methods of computation, which have been used in the preparation of these financial statements, are the same as those applied in the preparation of the financial statements as at and for the year ended 30 September 2006.

5. The significant judgment, estimates and assumptions used by the management in preparation of these financial statements are the same as those applied to the annual financial statements as at and for the year ended 30 September 2006.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

The Company, during the current period, has issued 2,275,131 fully paid-up ordinary shares of Rs. 10 each as bonus shares.

	Un-audited 31 March 2007	Audited 30 September 2006
	(Rupees in thousand)	
7. LONG TERM FINANCES - Secured		
Pakistan Industrial Credit & Investment Corporation Ltd.	**8,558**	10,562
United Bank Ltd.	**300,000**	300,000
MCB Bank Ltd.	**200,000**	161,253
	508,558	471,815
Less: current portion grouped under current liabilities	**79,168**	41,561
	429,390	430,254

8. PROVISION FOR CANE QUALITY PREMIUM

8.1 The provision related to different yearly Notifications issued by the Government of Punjab for fixation of cane support price and Quality Premium above 'Bench Mark Average Recovery' for the respective years, payable to the growers.

The Company, having achieved higher than the 'Bench Mark Recovery' had filed writ petitions with the Lahore High Court (LHC) for some of the years.

The LHC, vide its judgment dated 22 December 1994, had accepted the said petitions. The Provincial Government of Punjab (GoP) filed time-barred intra-court appeals against the said judgment. These appeals were withdrawn by the Additional Advocate General Punjab on 19 March 1995, making statement to the effect that the Government would consider filing of petition before the Supreme Court of Pakistan. However, later the Advocate General filed review applications, seeking review of the order withdrawing the intra-court appeals. These review applications were admitted for regular hearing by a Division Bench of the LHC, which vide its judgment dated 26 February 2004 dismissed review applications of the GoP. The GoP has filed petitions for leave to appeal on 31 March 2007 and 02 April 2007 before the Supreme Court of Pakistan against the aforementioned judgment of LHC.

8.2 Provisions for cane quality premium aggregating Rs. 79.335 million, made during the financial years 1981-82 to 1994-95, were written-back in the preceding year's financial statements as the management was of the view that no outflow of resources would be required after the ultimate completion of pending legal proceedings.

9. CONTINGENCIES AND COMMITMENTS

9.1 Except for the matter stated in note 8, there has been no significant change in the status of contingencies since the date of preceding published annual financial statements for the year ended 30 September 2006.

	Un-audited 31 March 2007	**Audited 30 September 2006**
	(Rupees in million)	
9.2 Commitments outstanding against:		
– capital expenditure	**37.023**	120.855
– others	**4.284**	–
	41.307	120.855

	Note	Un-audited Half-year ended 31 March 2007	Audited Year ended 30 September 2006
		(Rupees in thousand)	

10. PROPERTY, PLANT AND EQUIPMENT

	Note	2007	2006
Operating fixed assets	**10.1**	**470,902**	469,909
Non-operating plant & machinery		**7,000**	7,000
Capital work-in-progress – at cost	**10.2**	**923,177**	776,151
Stores held for capital expenditure		**17,277**	14,014
		1,418,356	1,267,074

10.1 Operating fixed assets

	2007	2006
Opening book value	**469,909**	431,259
Additions / transfers during the period / year:		
Owned:		
Buildings on freehold land		
–colony	–	2,886
–factory	**2,058**	7,728
Plant and machinery	**14,829**	73,411
Workshop equipment	–	100
Scales and weighbridges	**941**	2,032
Other equipment	**727**	–
Electric installations and fittings	**310**	193
Office equipment	**222**	67
Furniture and fixtures	**274**	407
Vehicles		
–additions	**7,855**	5,685
–transfers from leased assets	**2,278**	544
Farm equipment	–	109
	29,494	93,162
Book value of assets disposed-off during the period / year	**(393)**	(837)
Book value of leased assets transferred to owned assets during the period / year	**(2,278)**	(544)
Depreciation charge for the period / year	**(25,830)**	(53,131)
Closing book value	**470,902**	469,909

	Note	Un-audited 31 March 2007	Audited 30 September 2006
		(Rupees in thousand)	
10.2 Capital work-in-progress - at cost			
Factory buildings			
– cost of materials		**73,128**	64,158
– advance payments / progress payments to contractors		**19,564**	13,574
		92,692	77,732
Plant and machinery			
Local:			
– costs		**556,981**	292,801
– advance payments / progress payments to contractors		**1,980**	300,951
Imported (letters of credit)		**239,223**	77,948
	10.3	**798,184**	671,700
Scales and weigh-bridges – advance payments		**–**	308
Electric installations and fittings		**32,271**	24,345
Vehicles – advance payments		**–**	2,036
Others – advance payments		**30**	30
		923,177	776,151

10.3 **(a)** Additions to plant & machinery include borrowing cost aggregating Rs. 28.434 million (30 September 2006: Rs. 23.687 million).

(b) The newly installed Sugar Mills of 8000 TCD tandem and BMR equipment for the Process House remained on test runs during the current season of 2006-07 and were not fully operational due to delays in supply of some equipment and various operational problems experienced during the test runs. Accordingly, these costs have not been transferred to operating fixed assets during the current period.

	Un-audited 31 March 2007	Audited 30 September 2006
	(Rupees in thousand)	

11. INVESTMENTS (in related parties) - Quoted

Held-to-maturity		
Noon Pakistan Ltd. 2,000,000 – 12% redeemable cumulative preference shares of Rs. 10 each	**20,000**	20,000
Equity instruments of an Associated Company – equity method		
Pioneer Cement Ltd. 3,256,299 (30 September 2006: 3,115,726) fully paid ordinary shares of Rs. 10 each Equity held 1.92% (30 September 2006: 1.92%)		
Opening balance	**68,112**	58,273
Share of (loss)/income for the period / year – net of tax	**(2,512)**	9,370
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	**270**	469
Cash dividend received during the current period	**(3,116)**	–
	62,754	68,112
	82,754	88,112

12. OTHER RECEIVABLES

The period-end balance includes preference dividend receivable from Noon Pakistan Ltd. aggregating Rs. 4.200 million (30 September 2006: Rs. 3.000 million).

13. TAXATION

In view of available tax losses, the current tax expense represents the minimum tax on turnover for the period due under section 113 of the Income Tax Ordinance, 2001.

14. SEGMENT – WISE OPERATING RESULTS

	Quarter ended 31 March 2007			Half-year ended 31 March 2007		
	Sugar	Distillery	Total	Sugar	Distillery	Total
	(Rupees in thousand)					
Sales – net						
Local and export	**211,148**	**29,182**	**240,330**	**402,468**	**156,802**	**559,270**
Inter–segment	**56,136**	**–**	**–**	**72,327**	**–**	**–**
	267,284	**29,182**	**240,330**	**474,795**	**156,802**	**559,270**
Cost of sales	**237,573**	**24,844**	**206,281**	**447,715**	**130,097**	**505,485**
Gross profit	**29,711**	**4,338**	**34,049**	**27,080**	**26,705**	**53,785**
Administrative expenses	**11,783**	**4,141**	**15,924**	**21,191**	**8,435**	**29,626**
Distribution cost	**268**	**2,267**	**2,535**	**569**	**9,011**	**9,580**
	12,051	**6,408**	**18,459**	**21,760**	**17,446**	**39,206**
Operating profit/(loss)	**17,660**	**(2,070)**	**15,590**	**5,320**	**9,259**	**14,579**

	Quarter ended 31 March 2006			Half-year ended 31 March 2006		
	Sugar	Distillery	Total	Sugar	Distillery	Total
	(Rupees in thousand)					
Sales – net						
Local and export	183,209	62,890	246,099	263,680	108,410	372,090
Inter–segment	56,316	–	–	65,595	–	–
	239,525	62,890	246,099	329,275	108,410	372,090
Cost of sales	218,654	55,337	217,675	309,099	78,471	321,975
Gross profit	20,871	7,553	28,424	20,176	29,939	50,115
Administrative expenses	10,728	4,158	14,886	19,077	7,564	26,641
Distribution cost	304	5,130	5,434	606	5,823	6,429
	11,032	9,288	20,320	19,683	13,387	33,070
Operating profit/(loss)	9,839	(1,735)	8,104	493	16,552	17,045

14.1 Inter-segment sales and purchases have been eliminated from the total figures.

15. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationship with its Associates, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. No transactions, except for the following, were executed with related parties during the period:

- remuneration and benefits to key management personnel under the terms of their employment;
- no preference dividend was received during the current period (30 September 2006: preference dividend amounting Rs. 2.400 million was received from Noon Pakistan Ltd.); and
- the Company, during the current period, received cash dividend amounting R. 3.116 million (30 September 2006: Rs. Nil) and 140,573 bonus shares (30 September 2006: 148,367 bonus shares) from Pioneer Cement Ltd.

16. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on 26 May 2007.

17. GENERAL

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been rearranged nor reclassified.

K. IQBAL TALIB
Managing Director

MANZOOR HAYAT NOON
Chairman & Chief Executive