

COMPANY INFORMATION

Board of Directors	Maqbul Ahmad	(Chairman)
	Imran Maqbool	(Chief Executive)
	Iqbal Ismail	(Representative NIT)
	Humayun Maqbool	
	Khawar Maqbool	
	Nadeem Maqbool	
	Riaz Masood	
Shahid Riaz		

Chief Financial Officer Muhammad Iqbal Lalani

Company Secretary Javaid Hussain

Audit Committee	Maqbul Ahmad	(Chairman)
	Iqbal Ismail	(Member)
	Nadeem Maqbool	(Member)
	Amir Khan	(Secretary)

Auditors A.R. Khan & Co.,
Chartered Accountants

Legal Advisor Mohsin Tayebali & Sons

Registered Office 104 Shadman 1,
Lahore-54000
Tel : (042) 757-9641, 757-6482
Fax : (042) 756-0963

E-mail: lo@crescentboards.com

Website: www.crescentboards.com

Divisions Textile Division : Nooriabad and Sheikhpura
Chemical Division : Sheikhpura

MANAGEMENT REVIEW

The Company reported a profit (before extraordinary item) of Rs. 13.51 million for the quarter ended September 30, 2005 as compared to a loss of Rs. 0.69 million for the quarter ended September 30, 2004. The earnings per share for the period under review was Rs.1.33 which on an annualized basis translates to Rs. 5.32.

Sales increased by 4.8% and this combined with lower raw cotton prices resulted in higher gross and operating margins. The gross margin and operating margins for the period under review were 10.9% and 7.2% respectively.

Textile Division

The cotton season 2004-2005 saw a bumper cotton crop leading to lower raw cotton prices, while at the same time, petroleum prices reached unprecedented levels and caused significant increases in the polyester fiber prices. Overall, the company was able to improve gross and operating margins owing to strong demand for its niche blended yarns, timely coverage of raw materials and prudent management of financial costs.


The current cotton season is now underway and expectations are that the crop size will be significantly lower than last year thus leading to higher raw cotton prices. Polyester fiber prices too are expected to remain on the higher side. The increased cost of raw materials combined with higher prevailing interest rates will exert pressure on margins in the current year.

Chemical Division

Based on unfavorable market conditions and unavailability of required capital, the Company did not operate the chemical plant in the period under review.

Appreciation

The Management wishes to place on record its appreciation for the hard work and devotion of its workers and the invaluable advice and support of the Company's Directors, shareholders and bankers.

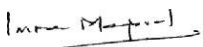



IMRAN MAQBOOL
Chief Executive Officer

October 28, 2005



**BALANCE SHEET AS ON SEPTEMBER 30, 2005
(UN-AUDITED)**

	SEPTEMBER 2005	JUNE 2005
SHARE CAPITAL AND RESERVES		
Authorised Capital 15,000,000 Ordinary shares of Rs. 10/- each	150,000,000	150,000,000
Issued, Subscribed and Paid up capital	118,265,490	118,265,490
Capital Reserves	53,695,671	70,677,473
Accumulated loss	(36,817,415)	(53,614,285)
	135,143,746	135,328,678
Surplus on revaluation of fixed assets	314,733,831	315,819,179
Long term financing	190,535,100	169,622,282
Deferred liabilities	74,858,268	74,642,264
Liabilities against assets subject to finance lease	2,355,352	3,300,708
Current Liabilities		
Trade and other payables	167,449,674	147,674,025
Interest/ markup on loans	18,279,230	22,738,392
Short term borrowings	56,491,337	131,035,333
Current portion of :		
- Long term financing	29,680,632	62,851,618
- Liabilities against assets subject to finance lease	2,818,768	2,317,294
Provision for taxation	10,969,354	9,585,358
	285,688,995	376,202,020
	<u>1,003,315,292</u>	<u>1,074,915,131</u>
TANGIBLE FIXED ASSETS		
Operating assets	652,794,456	647,501,424
Capital work in progress	18,809,489	29,488,047
	671,603,945	676,989,471
Long term investment	250,000	250,000
Long term deposits	3,656,442	3,746,142
Current Assets		
Stores, spares and loose tools	24,059,336	26,057,112
Stock in trade	93,727,618	126,189,534
Trade debts - considered good	76,782,673	96,215,744
Loans and advances	32,300,695	31,682,296
Trade deposits and short term prepayments	1,944,673	1,834,905
Other receivables	5,225,113	1,564,044
Other financial assets	90,128,728	107,110,530
Cash and bank balance	3,636,069	3,275,353
	327,804,905	393,929,518
	<u>1,003,315,292</u>	<u>1,074,915,131</u>
		
IMRAN MAQBOOL Chief Executive		
	NADEEM MAQBOOL Director	

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2005**

	<u>JUL. TO SEP.</u> <u>2005</u>	<u>JUL. TO SEP.</u> <u>2004</u>
Sales	274,256,772	261,598,121
Cost of goods sold	244,377,627	245,608,781
Gross profit	<u>29,879,145</u>	<u>15,989,340</u>
Operating expenses		
Distribution costs	(1,591,591)	(446,910)
Administrative expenses	(9,233,244)	(6,978,653)
Other operating expenses	(795,209)	-
Other operating income	1,368,254	2,258,210
	<u>(10,251,790)</u>	<u>(5,167,353)</u>
Operating profit	19,627,355	10,821,987
Finance cost	4,518,394	10,796,659
Profit before taxation	<u>15,108,961</u>	<u>25,328</u>
Taxation		
- Current	(1,383,996)	(1,329,437)
- Deferred	(216,004)	615,166
- Prior years	-	-
	<u>(1,600,000)</u>	<u>(714,271)</u>
Profit / (Loss) after taxation	13,508,961	(688,943)
Extra ordinary item	2,202,562	94,541,739
	<u>15,711,523</u>	<u>93,852,796</u>
Accumulated Profit / (Loss) b/f as restated	(53,614,286)	(221,211,335)
Profit /(Loss) Available for appropriations	(37,902,763)	(127,358,539)
Adjustment of depreciation on revalued amounts	1,085,348	1,142,453
Accumulated Profit / (Loss) c/f	<u>(36,817,415)</u>	<u>(126,216,086)</u>
Earning per share - basic	1.33	7.94

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool

NADEEM MAQBOOL
Director



Crescent Boards Limited

CASH FLOW STATEMENT

FOR THE PERIOD ENDED SEPTEMBER 30, 2005

	JUL. TO SEP. <u>2005</u>	JUL. TO SEP. <u>2004</u>
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,108,961	25,327
Adjustments for:		
Depreciation and amortization	8,818,988	10,309,345
Amortisation of Deferred Cost	-	739,158
Gain on sale of Investment	-	-
Gain on disposal of fixed assets	-	(1,371,310)
Provision for diminution in value of investment	-	-
Financial charges	4,518,394	10,796,659
	13,337,382	20,473,852
Operating profit before working capital changes	28,446,343	20,499,180
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,997,776	2,645,599
Stock in trade	32,461,916	14,626,924
Trade debts	19,433,071	(12,084,034)
Loans and advances	699,165	539,949
Deposits and prepayments	(109,768)	185,822
Other receivables	(3,661,069)	500,003
Interdivision	-	-
Increase / (decrease) in current liabilities		
Trade and other payables	19,775,654	15,152,901
	70,596,745	21,567,164
Cash generated from operations	99,043,088	42,066,344
Financial charges paid	(7,474,994)	(8,856,809)
Taxes paid	(1,317,564)	(761,487)
Long term deposits	89,700	583,600
	(8,702,858)	(9,034,696)
Net cash flow from operating activities	90,340,230	33,031,648
B CASH USED IN INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	-	1,857,000
Fixed capital expenditure	(3,433,467)	(18,951,537)
Long term advances	-	-
Proceeds from Sale of Investment	-	-
Net cash used in investing activities	(3,433,467)	(17,094,537)
C CASH USED IN FINANCING ACTIVITIES		
Repayment of long term loans	(12,258,168)	(18,381,000)
Repayment of lease liability	(443,883)	(350,475)
Short term borrowings	(73,843,996)	1,125,163
Net cash used in financing activities	(86,546,047)	(17,606,312)
Net (decrease) / increase in cash and bank balances (A+B+C)	360,716	(1,669,201)
Cash and bank balances at the beginning of the period	3,275,353	6,260,545
Cash and bank balances at the end of the period	3,636,069	4,591,344

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Naadeem Maqbool

NADEEM MAQBOOL
Director

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2005**

	SHARE CAPITAL	CAPITAL RESERVE	UN-APPROPRIATED PROFIT/ (LOSS)	TOTAL EQUITY SEPTEMBER 2005
RUPEES				
Balance as at October 01, 2003 as previously reported	118,265,490	5,855,526	(185,951,234)	(61,830,218)
Adjustment resulting from change in classification of investment in respect of fair value adjustment	-	25,742,228	(25,742,228)	-
Adjustment in respect of WPPF fund charges arising due to restatement	-	-	196,200	196,200
	-	25,742,228	(25,546,028)	196,200
Balance as at October 01, 2003 as restated	118,265,490	31,597,754	(211,497,262)	(61,634,018)
Net profit for the year	-	-	98,994,310	98,994,310
Adjustment resulting from change in classification of investment in respect of fair value adjustment	-	18,698,244	(18,698,244)	-
Adjustment in respect of WPPF fund charges arising due to restatement	-	-	415,302	415,302
	-	18,698,244	(18,282,942)	415,302
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation charged during the period			4,569,807	4,569,807
Balance as at September 30, 2004 as restated	118,265,490	50,295,998	(126,216,087)	42,345,401
Net profit for the period ended June 30, 2005 (audited)			69,345,755	69,345,755
Unrealized appreciation during the period in market value of investment classified as available for sale	-	26,237,001	-	26,237,001
Share premium adjusted with the amortization of deferred discount on right shares	-	(5,855,526)	-	(5,855,526)
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation charged during the period			3,256,047	3,256,047
Balance as at June 30, 2005 (Audited)	118,265,490	70,677,473	(53,614,285)	135,328,678
Net profit for the period ended September 30, 2005			15,711,522	15,711,522
Unrealized diminution during the period in market value of investment classified as available for sale		(16,981,802)		(16,981,802)
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation charged during the period			1,085,348	1,085,348
Balance as at September 30, 2005 (Unaudited)	118,265,490	53,695,671	(36,817,415)	135,143,746

Imran Maqbool

IMRAN MAQBOOL
Chief Executive

Nadeem Maqbool

NADEEM MAQBOOL
Director



Crescent Boards Limited

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2005

1. THE COMPANY AND ITS OPERATION

The Company is a public limited company incorporated in Pakistan on August 06, 1977 under Companies Act, 1913 (repealed by Companies Ordinance, 1984). The Company's shares are listed on the stock exchanges in Pakistan. The Principal business of the company is manufacture and sale of yarn at Nooriabad Industrial Area, District Dadu in the province of Sindh and at Bhikki District Sheikhpura in the province of Punjab. The company also has facilities to manufacture formalin and urea formaldehyde at Bhikki District Sheikhpura and laminated particle board at Faisalabad.

2. BASIS OF PREPARATION

The financial statements have been prepared in compliance with International Accounting Standard 34 "Interim Financial Reporting" and the section 245 of the Companies Ordinance 1984.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of interim financial statements are the same as those of the published annual financial statements for the period ended June 30, 2005.

4. CONTINGENCIES AND COMMITMENTS

	SEPTEMBER 2005	JUNE 2005
4.1 Guarantees issued by banks and outstanding	<u>6,600,000</u>	<u>6,600,000</u>
4.2 COMMITMENTS		
Letter of Credit		
- For Consumption	1,452,790	1,548,918
- For Capitalization	2,555,092	25,793,008

5. ACQUISITIONS AND DISPOSAL OF FIXED ASSETS

	ADDITIONS	DISPOSALS
Plant and machinery	14,024,225	-
Vehicles	71,000	-
Furniture & fixture	16,800	-
	<u>14,112,025</u>	<u>-</u>

6. OTHER INFORMATION ABOUT BUSINESS SEGMENTS

	QUARTER ENDED SEPTEMBER 30, 2005		
	BOARD	TEXTILE	TOTAL
REVENUE	19,117	274,237,655	274,256,772
RESULT			
Segment result	(2,143,497)	15,922,786	13,779,289
Unallocated corporate expenses			<u>(270,328)</u>
			<u>13,508,961</u>
OTHER INFORMATION			
Capital expenditure	-	14,112,025	14,112,025
Depreciation	985,779	7,833,209	8,818,988
ASSETS AND LIABILITIES			
Segment assets	411,082,086	592,233,206	1,003,315,292
Segment liabilities	64,980,564	488,457,151	553,437,715

	QUARTER ENDED SEPTEMBER 30, 2004		
	BOARD	TEXTILE	TOTAL
REVENUE	2,123,519	259,474,602	261,598,121
RESULT			
Segment result	(4,130,191)	3,687,184	(443,007)
Unallocated corporate expenses			<u>(245,936)</u>
			<u>(688,943)</u>
OTHER INFORMATION			
Capital expenditure	-	17,796,781	17,796,781
Depreciation	1,318,563	8,990,782	10,309,345
ASSETS AND LIABILITIES			
Segment assets	434,022,057	543,623,078	977,645,135
Unallocated corporate assets			<u>(8,869,911)</u>
			<u>968,775,224</u>
Segment liabilities	97,135,603	510,830,496	607,966,099

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2005**

	<u>JUL. TO SEP.</u> <u>2005</u>	<u>JUL. TO SEP.</u> <u>2004</u>
7. TRANSACTIONS WITH RELATED PARTIES		
Sales	2,940,000	25,205,126
Insurance premium	302,035	668,781

8. DATE OF AUTHORIZATION FOR ISSUE

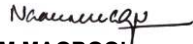
These financial statements have been authorized for issue on October 28, 2005 by board of directors of the company.

9. GENERAL

Figures have been rounded off to the nearest rupees.



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director



Crescent Boards Limited