



**Crescent
Fibres**



**Quarterly Report
December 31, 2007**



COMPANY INFORMATION

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

Chief Financial Officer Muhammad Iqbal Lalani

Company Secretary Javaid Hussain

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

Auditors Mushtaq & Compnay
Chartered Accountants

Legal Advisor Mohsin Tayebally & Sons

Registered Office 104 Shadman 1,
Lahore-54000
Tel : (042) 757-9641, 757-6482
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MANAGEMENT REVIEW

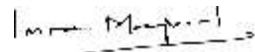
The Company reported a profit of Rs. 5.57 million for the six months ended December 31, 2007 as compared to a profit of Rs. 16.96 million for the six months ended December 31, 2006. The earnings per share for the period under review was Re.0.45 which on an annualized basis translates to Re. 0.90.

The period under review was a difficult one for the company as the management had to contend with lower end product prices owing to stiff regional competition as well as increased input costs. Sales decreased by 4.1% as compared to the six months ended December 31, 2006, and this combined with increased costs of raw materials, labour, energy and financing led to a decline in margins. The gross and net margins for the period under review declined to 7.3% and 1.0% respectively as compared to 9.6% and 2.8% for the six months ended December 31, 2006.

To comply with the requirements of IFRS 5 of the International Accounting Standards Board (IASB), relating to non-current assets held for sale and discontinued operations, the Company has made the necessary changes in the presentation of the financial statements.

The current year is proving to be a very difficult one for the textile industry in Pakistan. Record high petroleum prices have pushed up the price of polyester fiber which is one of the Company's two main raw materials. At the same time, the cotton crop in Pakistan is expected to be well below target and this combined with increased prices of general commodities have pushed up cotton prices to record levels as well. The industry has also had to contend with an unprecedented shortage of energy in the country which has led to 8-10 hours of daily load shedding thus reducing productivity. Other input costs have also shown an increasing trend while recessionary conditions in export markets have ensured that end product prices lag behind. The problems have been further exacerbated by the political uncertainty and deteriorating law and order situation. The Management does not expect any significant improvement in the near-term.

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

February 28, 2008

Quarterly Report

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407-Commerce Centre,
Hasrat Mohani Road,
Karachi-74200,
Pakistan*Branch Office:*
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Gulberg-III,
Lahore.Tel: 2638521-4 Fax: 2639843 Tel: 5884926, 5865618
E.mail: hmi@cyber.net.pk**REVIEW REPORT TO THE MEMBERS****Introduction**

We have reviewed the accompanying condensed balance sheet of Crescent Fibres Limited (the Company) as at December 31, 2007, and the related condensed profit and loss account condensed cash flow statement and condensed statement of changes in equity 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. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed Profit and Loss account for the quarters ended December 31, 2007 and 2006 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2007 and 2006.

Scope of Review

We conducted our review in accordance with international Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of 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 ended December 31, 2007 is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

**MUSHTAQ & COMPANY
CHARTERED ACCOUNTANTS****February 28, 2008.**

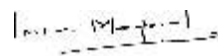
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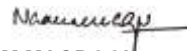
**BALANCE SHEET AS AT DECEMBER 31, 2007
(UN-AUDITED)**

EQUITY AND LIABILITIES	NOTE	December 31,	June 30,
		2007	2007
		RUPEES	RUPEES
SHARE CAPITAL AND RESERVES			
Authorized capital			
15,000,000 Ordinary shares of Rs.10 each		150,000,000	150,000,000
Issued, subscribed and paid up capital		124,178,760	118,265,490
Reserve		151,882,527	154,040,632
		276,061,287	272,306,122
NON-CURRENT LIABILITIES			
LONG TERM FINANCING		82,612,118	103,555,574
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
		3,953,142	4,618,679
DEFERRED LIABILITIES			
		30,239,459	30,314,112
CURRENT LIABILITIES			
Trade and other payables		199,361,839	165,517,209
Interest/ markup on loans		26,724,569	29,462,170
Current portion of:			
Long term financing		41,762,599	41,520,265
Liabilities against assets subject to finance lease		3,007,447	2,379,796
Short term borrowings		163,715,326	118,511,043
Provision for taxation		9,192,793	6,258,577
		443,764,575	363,649,060
Liabilities directly associated with assets classified as held for sale		-	-
CONTINGENCIES AND COMMITMENTS 4			
		836,630,581	774,443,547
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	299,075,298	306,822,743
Capital work in progress		5,165,470	7,371,151
		304,240,768	314,193,894
Long Term Investment		2,861,188	2,705,478
Long term deposits		4,624,758	4,625,059
CURRENT ASSETS			
Stores, spares and loose tools		32,622,280	31,846,175
Stock in trade		173,690,711	109,757,022
Trade debts - considered good		112,149,311	116,676,424
Loans and advances		30,868,576	22,746,558
Trade deposits and short-term prepayments		5,195,950	3,241,585
Other receivables		8,801,419	6,329,889
Other financial assets		154,313,105	156,132,569
Cash and bank balances		3,343,954	2,064,093
		520,985,306	448,794,315
Assets classified as held for sale		3,918,561	4,124,801
Total Current Assets		524,903,867	452,919,116
		836,630,581	774,443,547

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



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS ENDED DECEMBER 31, 2007

	Quarter ended		Six months period ended	
	December 31, 2007	December 31, 2006 Restated	December 31, 2007	December 31, 2006 Restated
	RUPEES			
Turnover	283,161,311	310,145,926	582,297,246	607,387,259
Cost of goods sold	(262,565,765)	(283,397,915)	(539,391,397)	(548,995,660)
Gross profit	20,595,546	26,748,011	42,905,849	58,391,599
Operating expenses				
Selling and distribution cost	(1,848,610)	(2,503,417)	(3,230,601)	(4,168,249)
Administrative expenses	(9,832,404)	(9,635,005)	(19,779,985)	(22,058,145)
Other operating expenses	(47,896)	(305,983)	(285,206)	(716,671)
Other operating income	1,827,909	1,701,151	3,579,606	3,256,149
Finance cost	(8,044,770)	(6,402,795)	(13,614,786)	(15,722,129)
	(17,945,771)	(17,146,049)	(33,330,972)	(39,409,045)
Share of profit of associate	155,710	695,185	155,710	712,410
Profit before tax	2,805,485	10,297,147	9,730,587	19,694,964
Taxation	(1,426,039)	1,391,383	(2,859,386)	(1,125,266)
Profit from continuing operations	1,379,446	11,688,530	6,871,201	18,569,698
Discontinued operations				
Profit/(Loss) from discontinued operations	(313,714)	(1,238,131)	(1,296,572)	(1,612,448)
Profit for the period	1,065,732	10,450,399	5,574,629	16,957,250
Earnings per share - basic and diluted (Rs per share)				
From continuing and discontinued operations	0.09	0.84	0.45	1.37
From continuing operations	0.11	0.94	0.55	1.50

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

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2007

	SHARE CAPITAL	UN-REALIZED GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENT	(ACCUMULATED LOSS) / UNAPPROPRIATED PROFIT	TOTAL
	RUPEES			
Balance as at July 1, 2006 - restated	118,265,490	21,277,261	4,297,413	143,840,164
Net profit for the six months period ended December 31, 2006	-	-	16,957,250	16,957,250
Unrealized appreciation during the period in market value of investments classified as available for sale		26,809,959		26,809,959
Balance as at December 31, 2006	118,265,490	48,087,220	21,254,663	187,607,373
Balance as at July 1, 2007	118,265,490	115,554,147	38,486,485	272,306,122
Bonus shares issued @ 5%	5,913,270	-	(5,913,270)	-
Diminution in investment in market value of investment classified as available for sale	-	(1,819,464)	-	(1,819,464)
Net profit for the six months period ended December 31, 2007			5,574,629	5,574,629
Balance as at December 31, 2007	124,178,760	113,734,683	38,147,844	276,061,287

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


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director

Quarterly Report

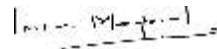


**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2007**

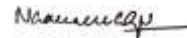
	Six months period ended December 31, 2007	Six months period ended December 31, 2006 Restated RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	8,434,015	17,543,507
Adjustments for:		
Depreciation	15,311,185	15,770,614
Share of associate	(155,710)	(712,410)
Gain on disposal of fixed assets	(38,790)	-
Finance cost	13,614,786	15,722,129
	<u>28,731,471</u>	<u>30,780,333</u>
Operating profit before working capital charges	<u>37,165,486</u>	<u>48,323,840</u>
(Increase)/decrease in current asset		
Store, spares and loose tools	(776,166)	(2,283,331)
Stock in trade	(63,933,689)	(68,393,187)
Trade debts	4,527,113	(20,375,383)
Loans and advances	(4,021,421)	(6,985,914)
Deposits and prepayments	(1,954,365)	(1,126,464)
Other receivables	(2,471,530)	(2,694,229)
Increase/(decrease) in current liabilities		
Trade and other payables	33,844,630	31,541,801
	<u>(34,785,428)</u>	<u>(70,316,707)</u>
Cash generated from operations	<u>2,380,058</u>	<u>(21,992,867)</u>
Financial charges paid	(16,243,792)	(18,782,960)
Taxes paid	(4,187,993)	(3,663,708)
Long term deposits	(43,977)	(919,946)
	<u>(20,475,762)</u>	<u>(23,366,614)</u>
Net cash used in operating activities	<u>(18,095,704)</u>	<u>(45,359,481)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	50,000	-
Fixed capital expenditure	(4,056,409)	(15,378,674)
Net cash used in investing activities	<u>(4,006,409)</u>	<u>(15,378,674)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	(20,701,122)	(19,577,360)
Repayment of lease liability	(1,121,187)	(1,687,912)
Short term borrowings	45,204,283	82,219,527
Net cash generated from financing activities	<u>23,381,975</u>	<u>60,954,255</u>
Net increase/(decrease) in cash and cash equivalent	<u>1,279,861</u>	<u>216,100</u>
Cash and cash equivalent at the beginning of the period	<u>2,064,093</u>	<u>2,582,325</u>
Cash and cash equivalent at the end of the period	<u>3,343,954</u>	<u>2,798,425</u>

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

Quarterly Report



IMRAN MAQBOOL
Chief Executive



NADEEM MAQBOOL
Director

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

1. THE COMPANY AND ITS OPERATION

Crescent Fibres Limited ("the company") was incorporated in Pakistan on August 06, 1977 under Companies Act, 1913 (repealed by Companies Ordinance, 1984) as a public limited company. The Company's shares are listed on the Stock Exchanges in Pakistan. The principal business of the company is manufacturing and sale of yarn. The company's manufacturing facilities are located at Nooriabad Industrial Estate, District Dadu in the province of Sindh, and at Bhikki, District Sheikhpura in the province of Punjab. The company also has facilities to manufacture formaline and urea formaldehyde at Bhikki, District Sheikhpura and laminated particle board at Faisalabad whose operations have been discontinued.

2. BASIS OF PREPARATION

Historical Cost

- 2.1 These financial statements have been prepared under "historical cost convention", except as disclosed in the company's accounting policies.
- 2.2 These financial statements have been prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and in compliance with the requirements of section 245 of the Companies Ordinance, 1984.
- 2.3 These interim financial statements are unaudited. However, a limited scope review of these interim financial statements has been performed by the external auditors of the Company in accordance with the requirements of clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the half year financial statements are the same as those of the published annual financial statements for the year ended June 30, 2007, except IFRS 5 which has been adapted for the first time.

As at December 31, 2007 RUPEES	As at June 30, 2007 RUPEES
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CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

Guarantees issued by banks and outstanding	<u>18,254,000</u>	<u>18,254,000</u>
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COMMITMENTS

Letter of credit		
- For consumption	1,232,984	2,682,113
- For capitalization	-	-

5. ACQUISITIONS AND DISPOSAL OF PROPERTY PLANT AND EQUIPMENT - At Cost

	<u>Six months ended December 31, 2007</u>	
	ACQUISITIONS	DISPOSALS
Building	4,149,147	-
Plant and machinery	2,098,235	-
Vehicles	1,083,300	426,667
	<u>7,330,682</u>	<u>426,667</u>

	<u>Six months ended December 31, 2006</u>	
	ACQUISITIONS	DISPOSALS
Building	1,079,927	-
Plant and machinery	13,806,070	-
Office equipments	450,493	-
Vehicles	2,288,000	-
Electric installations	45,000	-
Furnitures and fixtures	35,435	-
	<u>17,704,925</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2007**

6.	Six months period ended December 31, 2007		
	Continuing Operations	Discontinued Operations	TOTAL
Turnover	582,297,246	-	582,297,246
RESULTS			
Profit / (Loss)	6,871,201	(1,296,572)	5,574,629
OTHER INFORMATION			
Capital expenditure	8,330,682		8,330,682
Depreciation	15,104,945	206,240	15,311,185
ASSETS AND LIABILITIES			
Assets	832,712,020	3,918,561	836,630,581
Liabilities	560,569,294	-	560,569,294

	Six months period ended December 31, 2006 - Restated		
	Continuing Operations	Discontinued Operations	TOTAL
TURNOVER	607,387,259	34,900	607,422,159
RESULT			
Profit / (Loss)	18,569,698	(1,612,448)	16,957,250
OTHER INFORMATION			
Capital expenditure	15,378,674	-	15,378,674
Depreciation	15,541,458	229,156	15,770,614
ASSETS AND LIABILITIES			
Assets	684,539,577	4,353,957	688,893,534
Liabilities	584,914,610	-	584,914,610
	Six months ended December 31, 2007		Six months ended December 31, 2006

7. TRANSACTIONS WITH RELATED PARTIES

Sales	2,999,500	58,964,877
Insurance premium	4,263,607	3,154,684

Transactions with related parties are made on an arm's length basis.

8. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on February 28, 2008 by Board of Directors of the company.

9. GENERAL

Figure have been rounded off to the nearest rupees.

Quarterly Report


IMRAN MAQBOOL
Chief Executive


NADEEM MAQBOOL
Director