REVIEW OF FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2012



International Knitwear Limited



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Naeem Shafi

CHIEF EXECUTIVE

Mr. Waseem Shafi

Mr. Javed Khan

Mr. Zahid Ali

Mr. Sajid Hussain

Mr. Arshad Ahmed

CHIEF FINANCIAL OFFICER/ COMPANY SECRETARY

Mr. Javed Khan

AUDIT COMMITTEE

Mr. Waseem Shafi Chairman
Mr. Arshad Ahmed Member
Mr. Zahid Ali Member

AUDITORS

M/s Baker Tilly Mehmood Idrees Qamar Chartered Accountants

LEGALADVISOR

S. Akhtar & Company

BANKERS

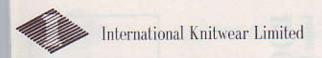
Bank AL-Habib Limited Habib Bank Limited

REGISTERED OFFICE & FACTORY

F-2A/(L), S.I.T.E., Karachi-75730.

REGISTRAR

Central Depository Company of Pakistan Limited CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra -e- Faisal, Karachi-74400



DIRECTORS' REVIEW

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

The Board of Directors of International Knitwear Limited (IKL) is pleased to present the un-audited financial statements of the Company for the half year ended December 31, 2012.

FINANCIAL PERFORMANCE

	31-Dec-2012 Rupees	31-Dec-2011 Rupees
Sales	58,511,831	76,560,098
Cost of goods Sold	(69,299,934)	(64,280,363)
Gross (Loss) / Profit Taxation	(10,788,103) (282,179)	12,279,735 (764,824)
(Loss) /Profit after taxation	(20,059,597)	5,630,289
(Loss) Earning per share-basic and diluted	(6.22)	1.75

During the period under review Net sales for the six months was recorded at 58.51 Million dropping by 23.57 % over the previous half year. There has been gross loss of Rs. 10.78 Million against gross profit of Rs. 12.27 million as compared to the corresponding period last year.

After incorporating administration & selling expenses, financial and other charges there is loss after taxation for the half year ended of Rs. 20.05 Million against Rs. 5.63 million profits in the corresponding period.

Economic managers are facing challenging circumstance such as shortage of energy, ongoing security concerns, increasing inflationary pressures due to rising international commodity process including utility and cotton.

Dyeing Business: In these difficult circumstance, large scale manufacturing cost, rising inflation, energy deficit and law and order condition the management of the company has decided to suspend dyeing business for the time being.

Export / Local Sales
Globally raw material prices have been shooting up. We saw some dampening of the buying power of our major export destinations across the globe and there was tremendous resistance from our customers to absorb price increase.

The prices of cotton, energy resource and their availability are closely linked with the performance of the textile industry. The heated topic in the industry during the year were increase in prices of cotton yarn and cost of utilities (Electricity, Gas and fuel). Due to these reasons viability of business is at stake unless our government take some major decisions to save this sector from total collapse.

Future Prospects:

The Company has had to relook at its strategy of doing business and has made some bold decisions in order to recover the losses of the previous period. A significant reduction in expenses the cost of goods sold is expected to reduce and a focus on improving margins and profitability.

Acknowledgement:The management of your company remains committed to further investments in up-gradation of existing manufacturing facilities to cope with growing demand of the products.

On behalf of the Board

NAEEM SHAFI Chief Executive

Karachi: February 26, 2013



AUDITORS' REVIEW REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

FOT THE HALF YEAR ENDED DECEMBER, 31, 2012

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of International Knitwear Limited as at December 31, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity for the half year then ended together with the notes forming part there of (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 interim profit and loss account for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

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 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.

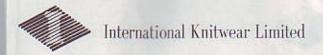
CONCLUSION

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 half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Engagement Partner: Mehmood A. Razzak

Karachi.

Dated: February 20, 2013

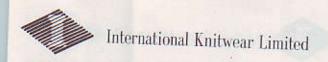


CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2012

		(Un-audited)	(Audited)
		December	June
		2012	2012
ASSETS	Note	Rupees	Rupees
Non-Current Assets			
Property, plant and equipment	3	49,105,537	51,714,460
Long term deposits		1,607,669	1,607,669
Investments		431,949	397,617
		51,145,155	53,719,746
Current Assets			
Stock in trade		10,355,475	12,059,801
Trade debts - considered good	4	42,319,927	46,237,457
Loans and advances	5	1,674,941	892,924
Other receivables	6	3,377,318	7,113,443
Cash and bank balances		436,206	635,511
		58,163,867	66,939,136
TOTAL ASSETS		109,309,022	120,658,882
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES			
	RVES		
SHARE CAPITAL AND RESI	ERVES	32,250,000	32,250,000
SHARE CAPITAL AND RESE	RVES		200700000000000000000000000000000000000
SHARE CAPITAL AND RESE	RVES 7	32,250,000 (4,916,829) 27,333,171	16,755.268
SHARE CAPITAL AND RESI Share capital Reserves	7	(4,916,829)	16,755.268
SHARE CAPITAL AND RESI Share capital Reserves Unrealized gain/(loss) on revalu	7	(4,916,829)	16,755,268 49,005,268
SHARE CAPITAL AND RESI Share capital Reserves Unrealized gain/(loss) on revalu	7	(4,916,829) 27,333,171	32,250,000 16,755,268 49,005,268 (1,089) 49,004,179
SHARE CAPITAL AND RESI Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal	7	27,333,171 33,243	16,755,268 49,005,268 (1,089)
SHARE CAPITAL AND RESI Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities	7	27,333,171 33,243	16,755,268 49,005,268 (1,089) 49,004,179
SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance	7	27,333,171 33,243 27,366,413	16,755,268 49,005,268 (1,089) 49,004,179
SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance Current Liabilities	7 ation e	27,333,171 33,243 27,366,413	16,755,268 49,005,268 (1,089) 49,004,179 833,334
SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance Current Liabilities Short term finance under mark-up arm	7 ation e	27,333,171 27,333,171 33,243 27,366,413 833,334	16,755,268 49,005,268 (1,089) 49,004,179 833,334
SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance Current Liabilities Short term finance under mark-up arm Creditors, accrued and other pay	7 ation e	(4,916,829) 27,333,171 33,243 27,366,413 833,334	16,755,268 49,005,268 (1,089) 49,004,179 833,334 11,045,091 57,849,546
EQUITY AND LIABILITIES SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance Current Liabilities Short term finance under mark-up arn Creditors, accrued and other pay Taxation-net	7 ation e	(4,916,829) 27,333,171 33,243 27,366,413 833,334 11,622,922 68,258,613	16,755,268 49,005,268 (1,089)
SHARE CAPITAL AND RESE Share capital Reserves Unrealized gain/(loss) on revalu of investments- available for sal Non-Current Liabilities Medium term finance Current Liabilities Short term finance under mark-up arm Creditors, accrued and other pay	ation e angment rables	(4,916,829) 27,333,171 33,243 27,366,413 833,334 11,622,922 68,258,613 1,227,739 81,109,274	16,755,268 49,005,268 (1,089) 49,004,179 833,334 11,045,091 57,849,546 1,926,732

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

NAEEM SHAFT Chief Executive



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2012 UN-AUDITED

Indian. In	HALF YE	AR ENDED	QUARTER ENDED	
	December 2012 Rupees	December 2011 Rupees	December 2012 Rupees	December 2011 Rupees
Sales - net	58,511,831	76,560,098	29,622,658	44,804,934
Cost of goods sold	(69,299,934)	(64,280,363)	(37,062,417)	(35,400,563)
Gross (loss)/ profit	(10,788,103)	12,279,735	(7,439,759)	9,404,371
Administrative and selling expenses	(7,517,895)	(4,437,155)	(5,200,213)	(2,443,693)
	(18,305,998)	7,842,580	(12,639,972)	6,960,678
Financial charges Other income Workers profit participation for Workers welfare fund	(1,634,015) 209,405 id - (46,809)	(1,464,009) 490,509 (343,454) (130,513)	(808,907) 131,416 (23,698)	(666,989) 14,265 (343,454) (105,109)
(Loss) / profit before taxation	(19,777,418)	6,395,113	(13,341,162)	5,859,391
Taxation	(282,179)	(764,824)	6,589	(447,456)
(Loss) / profit after taxation	(20,059,597)	5,630,289	(13,334,573)	5,411,935
(Loss) / earning per share	(6.22)	1.75	(4.13)	1.68

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED DECEMBER 31, 2012 UN-AUDITED

mber 11 1ees 30,289	December 2012 Rupees (13,334,573)	December 2011 Rupees 5,411,935
3,667)	38,814	
6,622	(13,295,760)	5,411,935
	06,622	

NAEEM SHAFI Chief Executive



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2012 UN-AUDITED

	Issued, Subscribed and Paid-up Share Capital	Unrealized gain/ (loss) on revaluation of investment	Unappropriated Profit	Total
		Rupe	es -	
Balance as at June 30, 2011	32,250,000	5,461	9,929,379	42,184,840
Total comprehensive income for the period				
Profit for the half year ended December 31, 2011	7		5,630,289	5,630,289
(Los) in resolution of eventness		(33,667)	-	(33,667)
		(33,667)	5,630,289	5,596,622
Cash dividend declared			75	
Balance as at December 31, 2011	32,250,000	(28,206)	15,559,668	47,781,463
Balance as at June 30, 2012	32,250,000	(1,089)	16,755,268	49,004,179
Total comprehensive lucione for the period				
Profit for the half year ended December 31, 2012		-	(20,059,597)	(20.059,597)
(Loss) or evolution of investmen	-	34,332	Garage Marie	34,332
	4	34,332	(20,059,597) (20,025,266)
Cash dividend declared			(1,612,500)	(1,612,500)
Balance as at December 31, 2012	32,250,000	33,243	(4,916,829)	27,366,413

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

NAEEM SHAFI Chief Executive

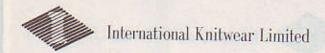


CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2012 UN-AUDITED

	December	December 2011
	2012	Rupees
Note		Kupter
CASH FLOW FROM OPERATING ACTI	(10.777.41W)	6,395,113
(Loss)/Profit before taxation	(19,777,418)	Married 1
Adjustment for non cash items:	2,322,732	2,026,543
Depreciation		(255,625)
Gain on sale of property, plant and equipment	(80,061)	1,464,009
Financial charges	1,634,015	3,234,927
	3,876,686	9,630,040
Profit before changes in working capital	(15,900,732)	3,030,040
(Increase) / decrease in current assets		
Stock in trade	1,704,326	(3,915,354)
Trade debts	3,917,530	(1,877,714)
Loans and advances	(782,017)	(945,002)
Other receivables	3,736,125	(158,524)
A TOTAL CONTRACTOR OF THE PROPERTY OF THE PROP	8,575,964	(6,896,594)
Increase / (decrease) in current liabilities		The second second
Short term financing under markup arrangements	1,177,778	2,404,000
Creditors, accrued and other payables	8,804,990	(2,556,993)
	9,982,768	(152,993)
Financial charges paid	(1,634,015)	(1,464,009)
Taxes paid	(981,171)	(669,173)
Dividend paid	(8,422)	(183,952)
Net cash (used in) /inflow from operating activities	15,935,123	(9,366,721)
CASH FLOW FROM FINANCING ACT	TIVITIES	
Medium term finance		(347,221)
Net cash (used in) financing activities	-	(347,221)
CASH FLOW FROM INVESTING ACT	TIVITIES	
Capital expenditure	(53,748)	(5,898,268)
Proceeds from sale of property, plant and equipment	420,000	345,000
Investments		(49,367)
Net cash (used in) / inflow from investing activitie	es 366,252	(5,602,635)
Net (decrease) / increase in cash and cash equival	lents 400,643	(5,686,537)
Cash and cash equivalent at the beginning of the per	riod (4,351,246)	2,169,650
Cash and cash equivalent at the end of the period	8 (3,950,604)	(3,516,887)

NAEEM SHAFI

Chief Executive



SEGMENT INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31,2012

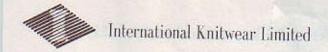
	EXPORT	ARMENTS	DYEING	DYEING & LOCAL		TAL .
	Dec-12	Dec-11	Dec-12	Dec-11	Dec-12	Dec-11
OPERATING RES Sales and service			Rug	oees ——		
Export sales	6,343,764	15,539,935			6,343,764	15,539,93
Local sales	25,357,189	7,038,492	27,346,433	50,075,027	52,703,622	57.113.51
Sales discount	(56,856)	(7,125)	(1,897,495)	(223,019)	(1,954,351)	(230,14
Commission			(211,115)	(82,972)	(211,115)	(82,972
Export rebates	31,719	77,700		11-13	31,719	77,70
Other sales (Fabric Garments & et.c)	883,455	550,565	714,737	3,591,495	1,598,192	4,142,06
(1-en-sanotina metri)	32,559,271	23,199,567	25,952,560	53,360,531	58,511,831	76,560,09
Inter-segment transfer	(1,947,599)	(1,405,989)	1,947,599	1,405,589	-	le trans
	30,611,672	21,793,578	27,900,159	54,766,520	58,511,831	75,560,091
Cost of good sold	(29,180,001)	(18,534,883)	(40,119,933)	(45,745,480)	(69,299,934)	[64,280,363
Gross (loss)/ profit	1,431,671	3,258,695	(12,219,774)	9,021,040	(10,788,103)	12.279.735
Administrative and selling expenses	(1,505,369)	(1,394,051)	(6,012,527)	(3,043,104)	(7,517,895)	(4,437,155
Operating (loss) / profit	(73,697)	1,854,644	[18,232,301]	5,977,936	(18,305,998)	7,842,580
Segment assets						
Fixed Assets	7,614,046	3,730,780	41,491,491	31.079.038	49,105,537	34,809,818
Current Assets	14,877,084	11,785,409	42.877.094	51,487,908	57,754,178	63,273,317
Others unallocated			The State of the S	CONTRACT	2,449,307	18.363.379
						116,446,515
egment Liabilities	31,872,308	20,423,500	33,828,544	34,681,191	65,700,852	55,104,691
inallocated .					16,241,757	12,240,916
				-	81,942,608	67,345,608

2,610,130

26,874

NAEEM SHAFI Chief Executive

Capital Expenditure



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2012 UN-AUDITED

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on May 21, 1990 as an unlisted public limited company and was listed on the Karachi Stock Exchange on February 08, 1994. Its principal activities are knitting, stitching, dyeing, marketing of garments and providing dyeing facilities. The registered office of the company is situated at F-2A/L, S.I/T.E. Karachi.

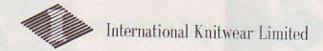
2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange. This condensed interim financial information comprise of the balance sheet as at December 31, 2012 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the half year ended December 31, 2012.
- 2.2 The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial information of the Company for the year ended June 30, 2012.

There are no IFRSs or IFRIC interpretations becoming effective during the period that would be expected to have a material impact on the company's condensed interim financial information.

3. PROPERTY, PLANT AND EQUIPMENT

	Additions (A	At cost)	Deletion	s (At cost)
	(Un-Audited) December 31, 2012	(Audited) June 30, 2012	(Un-Audited December 31 2012	(Audited)
		Rup	ces —	
Leasehold Land	-	12,000,000		
Factory Building	-	360,000		
Plant and machinery	3,925,963	4,885,008	(990,000)	(16,906,055)
Computers	-	9,060	-	
Furniture and fixture		132,000		
Motor vehicles		1,955,000	2	
	3,925,963	19,341,068	(990,000)	(16,906,055)
		(Un-Auc December Rupe	r 2012 J	Audited) ine 2012 Rupees
4. TRADE DEBTS - C	ONSIDERED GO	DOD		(M. 2001)
Export - secured, cons	idered good	3,371,69	99	2,421,682
		3,371,6	99	2,421,682
Local (dyeing) - unse				
Local (dyeing) - unse- - Considered good		38,948,2	28	43,815,775
Export - secured, cons Local (dyeing) - unsec - Considered good - Considered doubtful			228	43,815,775 1,423,270
Local (dyeing) - unse- - Considered good	cured	38,948,2 4,378,89	28 90 118	43,815,775



5. LOANS	S AND ADVANCES	(Un-Audited)	
-		December 31,	
Loans -	unsecured, considered good to employees	2012	2012
Louis	to employees	299,567	440,577
Advanc	es - unsecured, considered good		
- Adva	nce to contractors, employees and suppl	iers 1,375,374	452,347
		1,674,941	892,924
6. OTHER	RECEIVABLES		
2020			
	refundable	1,717,791	5,319,097
	chate receivables	174,214	309,033
Nescalei	and development receivable	1,485,313	1,485,313
		3,377,318	7,113,443
7. SHARE	CAPITAL	-	111111111
Nun December 2012	June 2012		
6,000,000	6,000,000 Ordinary Shares of Rs. 10'- each	60,000,000	60,000,000
Issued, subse Number o	ribed and paid-up share capital	1	
December	June		
2012	2012		
24202000	Ordinary shares of Rs. 10	1-	
3,225,000	3,225,000 each fully paid in cash.	32,250,000	32,250,000
m O m Court			
8. CASH A	ND CASH EQUIVALENT		
Cash and	bank balances	436,206	625 512
Less:Sho	rt term running finance	(4,386,811)	635,512 (4,986,758)
			10
		(3,950,605)	(4,351,246)
. CORRES	SPONDING FIGURES		
	O O TOTAL PIGURES		

Corresponding figures' have been reclassified / rearranged, wherever necessary,

10. DATE OF AUTHORIZATION FOR ISSUE

This financial information was authorized for issue on February 26, 2013 by the Board of Directors of the Company.

11. GENERAL

Figures have been rounded off to nearest rupces,

NAEEM SHAFI Chief Executive