

**PACKAGING INDUSTRIES (MALAWI) LIMITED**

(Registration number 1314)

INTERIM RESULTS FOR THE HALF YEAR ENDED 31 MARCH 2010

The unaudited results for the half year ended 31 March 2010, compared with the same period for the previous year and the results for the year ended 30 September 2009 are as follows:

FINANCIAL HIGHLIGHTS

	Half year ended 31-Mar-10 (Unaudited) K'000	Half year ended 31-Mar-09 (Unaudited) K'000	Full year ended 30-Sep-09 (Audited) K'000

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

Revenue	1,161,808	1,236,935	2,597,354
Profit before interest	69,683	43,075	160,600
Net interest	18,211	16,853	40,720
Profit before tax	51,472	26,222	119,880
Income tax	14,185	7,880	52,277
Total comprehensive income for the period	37,287	18,342	67,603
Dividend paid	10,088	3,363	3,363
Earnings per share	55t	27t	101t
Dividend per share	15t	5t	5t
Number of ordinary shares in issue ('000)	67,250	67,250	67,250

SUMMARISED STATEMENT OF CASH FLOWS

Cash generated from operating activities	66,021	159,121	201,945
Interest & tax paid	(45,243)	(16,853)	(55,865)
Net cash generated from operating activities	20,778	142,268	146,080
Net cash used in investing activities	(16,995)	(18,118)	(21,574)
Net cash (used in)/from financing activities	(37,033)	(7,710)	(75,495)
Net increase/(decrease) in liquid assets	(33,250)	116,440	49,011
Liquid assets at the beginning of the period	(118,154)	(167,165)	(167,165)
Liquid assets at the end of the period	(151,404)	(50,725)	(118,154)

SUMMARISED STATEMENT OF FINANCIAL POSITION

ASSETS			
<i>Non-current assets</i>			
Property, plant and equipment	535,429	564,684	545,907
<i>Current assets</i>			
Inventories	606,045	514,881	652,240
Receivables	354,716	365,245	419,179
Bank balances and cash	92	1,702	2,468
Taxation recoverable	0	3,505	0
TOTAL ASSETS	1,496,282	1,450,017	1,619,794
EQUITY AND LIABILITIES			
Share capital	13,450	13,450	13,450
Reserves	779,041	704,432	751,802
Total equity	792,491	717,882	765,252
Non-current liabilities	181,002	220,667	174,799
<i>Current liabilities</i>			
Bank overdraft	151,496	52,427	120,622
Trade and other liabilities	358,238	459,041	533,219
Taxation payable	13,055	0	25,902
Total liabilities	703,791	732,135	854,542
TOTAL EQUITY & LIABILITIES	1,496,282	1,450,017	1,619,794

RESULTS REVIEW

Growth in pre-tax profit over prior year is mainly on account of productivity improvements and cost saving initiatives which led to margin improvements. Good growth was experienced in paper sack sales while depressed volumes in sales of liquid packaging cartons affected overall revenue which is 6.1% below 2009 results.

Cash flow at half year was negatively affected by requirements by some foreign suppliers for prepayments due to the country's forex constraints.

DIVIDEND

Directors have declared an interim dividend of K6.725 million or 10 tambala per share payable to shareholders registered in the books of the company at the close of business on Friday, 18 June 2010. The register shall be closed from Monday, 21 June 2010 to Wednesday, 23 June 2010.

Dividend cheques shall be posted to shareholders by 30 June 2010.

PROSPECTS

With the opening of tobacco auction floors in March and full commencement of tobacco cartons deliveries, improvements in sales in product lines that did not perform satisfactorily during the half year are now evident. Prospects for the rest of the year will, however, be affected by a number of factors including the volatility of the Kwacha, competition and the size of maize and tobacco crops that the country will attain.

With our continued focus on productivity improvements and our strategies to grow local and export markets, we are confident that we will attain earnings growth in the year.

On behalf of the Board:

Rob Morris Chairman

Simon Itaye Managing Director