



Rating Action

Lahore: (30-Dec-2010)

Analyst

Shujaat Malik Awan
(+92-42-3586 9504)
shujaat.awan@pacra.com
www.pacra.com

PACRA MAINTAINS ENTITY RATINGS OF TRI-PACK FILMS LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of Tri-Pack Films Limited at “A+” (single A plus) and “A1” (single A one), respectively. These ratings indicate a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings of Tri-Pack reflect its leading market position in the flexible packaging industry. This is underpinned by its ability to have sound technological infrastructure, better product quality, and established relationship with key buyers. The company enjoys stable profitability, strong coverages, and adequate liquidity profile. The company is planning to undertake a major capital expansion almost doubling the capacity. This, though helping Tri-pack to benefit from expanding domestic demand, would require establishing markets outside Pakistan to fully utilize expanded capacity.

The company: Tri-Pack Films Limited, a joint venture between Packages Limited (33%) and Mitsubishi Corporation of Japan (25%), was incorporated in 1993. Tri-Pack Films currently has annual installed capacity of 34,800 tonnes (BOPP: 29,000, CPP: 7,000). The company with its head office in Karachi, is listed on all stock exchanges in Pakistan.

The seven-member Board of Directors (BoD) comprises two representatives of Mitsubishi, while Packages has five nominees, including the Chairman, Mr. Syed Babar Ali. All board members are non-executive, except for the Chief Executive Officer (CEO), Mr. Shahid Hussain. The CEO, has been associated with the company since 1994 and has played a key role in well conceived expansion of the company’s operations.

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

PACRA’s comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

PACRA’s opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security’s market price or suitability for a particular investor.