



**Rating Action**

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**PACRA MAINTAINS RATINGS OF TRI-PACK FILMS LIMITED**

PACRA has maintained the long-term and short term entity ratings of Tri-Pack Films Limited (TPFL) at "A+" (Single A plus) and "A1" (A one), respectively. The ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

TPFL's ratings reflect its low business risk emanating from the company's established position in the flexible packaging industry, an outcome of its superior production facility supported by sound technological infrastructure, product innovation, and optimization of resources in locally supply constrained market. At the same time, the company continues to generate robust cash flows on the back of rising profitability, which in turn, has improved its coverages. The company has recently embarked upon a major capital expansion, which will allow it to capitalize on consistent growth expected in domestic demand. Meanwhile, penetration into targeted export markets would remain critical in utilizing the expanded capacity at an optimal level.

**About the Company**

Tri-Pack Films Limited, a joint venture between Packages Limited (33%) and Mitsubishi Corporation of Japan (25%), was incorporated in 1993. With production facilities based in both the northern and southern regions of Pakistan, TPFL currently has annual installed capacity of 36,000 tons (BOPP: 29,000, CPP: 7,000). The company is listed on all the stock exchanges in Pakistan.

The Board of Directors (BoD) comprises three nominees of Packages, including the Chairman, Syed Babar Ali, two representatives of Mitsubishi Corporation and one independent director. 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 driving the growth in Tri Pack's operations.

**Expansion Project**

To capitalize on the growing demand for BOPP films, TPFL has initiated work on 40,000 tons expansion project in Karachi. The project is expected to come online by end-CY12. It would be financed through a combination of debt and equity. In this regard, the company has arranged PKR 4bln of project related debt through a consortium of banks.

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