



DIRECTORS' REVIEW

The Directors are pleased to present the performance of the Company for quarter and nine months period ended March 31, 2010. Financial results of the Company are as under:

FINANCIAL RESULTS

	Nine months ended 2009-10	Nine months ended 2008-09	Increase
	Rupees in million	Rupees in million	%
Turnover	10,848	10,366	4.7%
Gross Profit	2,972	1,877	58.3%
Gross Profit % - Net turnover	34.6%	22.5%	
Profit from Operations	1,470	795	84.8%
NPAT	959	494	94.2%
NPAT % - Net turnover	11.2%	5.9%	
Earning per share (restated) Rs.	34.92	17.98	94.2%

The Company continued its growth as the sales turnover increased by 4.7% during the nine months under review versus same period last year, though mainly on the back of strong first six months, where increase in sales turnover was 8.0% over corresponding period.

Company's strong performance is also reflected by improvement in gross profit, as in terms of absolute rupee, gross profit increased by 58.3% and in terms of percentage to net sale, gross profit increased from 22.5% to 34.6% during nine months. This increase is mainly attributable to reduction and stabilization in raw material prices. During last year's corresponding period, prices of all basic raw materials had registered unprecedented increase, resulting in higher cost and lower gross profit margin.

The Company has delivered strong performance, despite difficult operating environment, as evident by persistent inflationary pressures, deteriorating situation of power and energy in the country and volatile security environment. In addition, Company's administrative cost has also increased due to inevitable increase in amortization / depreciation of SAP and related equipments.

Despite all above factors, the Company has been able to control its overall cost base and as a result, profit from operations increased by 84.8% during nine months.

Net profit after tax (NPAT) has increased to 11.2% of net sale as compared to 5.9% of corresponding period, while Share-holders' earning increased to Rs. 34.92 per share as compared to Rs. 17.98 per share in the corresponding period.



FUTURE PROSPECTS

The Company is committed to maintaining brand margins as well as overall growth- trend, though it will be a challenging task in the current business environment, keeping in view continuing depreciation in local currency. Additionally the cost of basic raw materials in the global market has again started showing an upward trend which is likely to bring pressures on our margins in the coming quarters. Price increases will be virtually impossible to take on the face of intense competition focused mainly on wresting market shares. Our objective will remain on growing our volume, while improving shareholders value through resource optimization and maintaining high standards in all areas of business.

ACKNOWLEDGMENTS

On behalf of board of directors, I would like to thank our business partners including our customers, shareholders, suppliers, bankers and all other stakeholders. I also appreciate and acknowledge the continued support, commitment, loyalty and hard work of our employees.

On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi : April 23, 2010