

## DIRECTORS' REVIEW

The Directors take pleasure in presenting the unaudited financial statements for the first quarter ended September 30, 2007.

The current financial year of the Company has started with good results. Following are the financial highlights for the quarter under review:

### FINANCIAL RESULTS

	1st Quarter 2007-08	1st Quarter 2006-07	Increase
	Rupees in million	Rupees in million	%
Turnover	2,114	1,785	18.43
Gross Profit	499	453	10.15
Profit from Operations	254	240	5.83
Net Profit After Tax	163	156	4.49
EPS – Rs. (Prior period restated)	8.55	8.17	4.65

The Company has showed improved sales performance by achieving Rs. 2.11 billion during the quarter and recorded growth across all product categories. Gross sales and gross profit increased by 18.43% and 10.15% as compared to the corresponding quarter of last financial year. Continued escalation in raw materials costs especially oil based ones, packaging materials, utilities, freight expenses and absorption of the impact of special excise duty has reduced the Company's margins to some extent. However, enhanced focus on improved productivity, product innovation and cost containment measures have resulted in increased profit from operations of the Company amounting to Rs. 254 million as against Rs. 240 million of corresponding quarter of last year, showing an increase of 5.83%.

Strong competitive environment kept selling prices of the Company under pressure and the management could only revise the prices of selective products. Selling and distribution costs showed an increase of 11.06% as compared to the corresponding quarter of last year. Net profit after tax for this quarter increased by 4.49% to Rs. 163.30 million from Rs. 156.09 million of the corresponding period of last year.

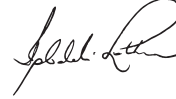
## **FUTURE PROSPECTS**

The business environment will continue to be challenging as oil based raw materials and other input costs are expected to rise further. However, Colgate will use its best efforts to maintain current trends in the future as well by employing strong marketing programs, cost reduction initiatives and product renovations.

## **ACKNOWLEDGMENTS**

The Company wishes to acknowledge and thank its customers, distributors, employees, share-holders, banks and all other stake-holders for their continued support and co-operation. We look forward to our strong relationship and collaboration with them.

On behalf of Board of Directors



**IQBAL ALI LAKHANI**

Chairman

Karachi : October 24, 2007