

DIRECTORS' REVIEW

The Directors are pleased to present the financial statements of the Company together with auditors' review report thereon for the half year ended December 31, 2006.

Encouraging results represent the Company's performance for the half year. Overview of financial performance for the half year is as under:

FINANCIAL RESULTS

	Half Year 2006-07	Half Year 2005-06	Increase
	(Rupees in million)	(Rupees in million)	%
Gross Sales	3,576	2,965	20.61
Gross Profit	906	741	22.27
Profit from Operations	468	359	30.36
Net Profit After Tax	309	228	35.53
EPS – Rs.	20.22	14.93	35.43

Within the market environment of fast growing competition and expanding business scenarios your Company has been able to achieve an overall sales and net profit after tax growth of 20.61% and 35.53% respectively, compared to the corresponding period ended December 31, 2005. We have achieved an increase of 22.27% in Gross profit as compared to the corresponding period despite of continuously up surging costs of raw and packaging materials, utilities and other overheads. Rise in profits has also been contributed by Company's efforts for further cost reductions, better supply chain management and key operational efficiencies.

The management was able to achieve a marginal increase in selling prices for some of our products' variants. Selling & distribution and administrative expenses increased by 18.81% and 13.37% respectively whereas other income rose by 119.94% due to optimum utilization of funds.

Share holders' earnings per share has risen to Rs. 20.22 per share as compared to adjusted Rs. 14.93 per share in the corresponding period.



FUTURE PROSPECTS

In spite of our ever challenging environment, rapidly escalating costs of inputs and highly competitive trends, your Company has been enjoying continued growth and increased profitability. This is the result of your Company's continuous efforts for market development, better operational methodologies and new product launches. We hope to carry on with our current business trends in future as well, provided there are no major changes in the fiscal and monetary policies of the Government.

ACKNOWLEDGMENTS

The management takes this opportunity to express appreciation and thank all employees for their commitment, loyalty and hard work. We also acknowledge the un-reserved support and valuable cooperation received from our esteemed customers, suppliers, bankers and all stakeholders.

On behalf of Board of Directors



IQBAL ALI LAKHANI

Chairman

Karachi : January 26, 2007