

## **AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

### **1. Introduction**

We have reviewed the interim financial information of Colgate Palmolive (Pakistan) Limited (the company) comprising annexed condensed balance sheet as at December 31, 2007 and the related condensed profit and loss account, condensed statement of changes in equity and condensed cash flow statement together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the 'interim condensed financial statements'). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved financial reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the quarters ended December 31, 2006 and 2007 have not been reviewed as we are required to review only the cumulative figures for the six months period ended December 31, 2007.

### **2. Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **3. Basis for qualified conclusion**

As stated in note 4.4 to the annexed interim condensed financial statements, the management of the company is in the process of quantifying the financial impact of impairment in certain items of plant and machinery caused as a result of fire and in the absence of a reliable estimate of the amount of loss incurred, the impairment in property, plant and equipment has not been recognised as required by the International Accounting Standard (IAS) 36 'Impairment of Assets'. Accordingly, at this stage we are unable to determine, with any degree of certainty, whether the carrying value of property, plant and equipment as at December 31, 2007 are stated at their fair values in the annexed interim condensed financial statements.



#### 4. Qualified conclusion

Except for the adjustments to the interim financial information that we might have become aware of had it not been the situation described in paragraph 3 above, based on our review, nothing has come to our attention that causes us to believe that the annexed interim condensed financial statements as of and for the six months period ended December 31, 2007 are not prepared, in all material respects, in accordance with approved financial reporting standards as applicable in Pakistan.

A handwritten signature in black ink, appearing to read 'A.F. Ferguson &amp; Co.'.

**A.F FERGUSON & CO.**  
Chartered Accountants

Karachi : February 20, 2008