

DIRECTORS' REVIEW

The Directors are pleased to present the financial statements of the Company together with auditor's review report thereon for the half year ended December 31, 2007.

Company's financial performance for the half year is as under:

FINANCIAL RESULTS

	Half Year 2007-08	Half Year 2006-07	Increase
	Rupees in million	Rupees in million	%
Gross sales	4.245	3.576	18.71
Gross Profit	1.029	906	13.58
Profit from Operations	515	468	10.04
Net Profit After Tax	329	309	6.47
EPS– Rs.	17.23	16.17	6.56

Your Company continued to achieve growth in sales of all categories alongwith net profit after tax (NPAT) during this half year. Compared to corresponding period ended December 31, 2006, Sales and NPAT increased by 18.71% and 6.47% respectively despite the highly competitive market environment. Input costs' intensified due to pressure by oil based & other raw materials, packaging materials, utilities and overheads. We have however managed to achieve an increase of 13.58% in Gross profits as compared to the previous corresponding period.

Prices for some of the Company's products were increased while utilizing all of our valuable resources to improve the quality of our brands. Selling & distribution and administrative expenses increased also by 14.44% and 21.80% respectively.

Share-holders' earning has increased to Rs. 17.23 per share as compared to adjusted value of Rs.16.17 per share in the corresponding period.

The large scale country-wide rioting just after the assassination of the leader of a major political party resulted in serious damage to industrial property and production losses. As explained in note 2 to these half yearly accounts, part of the insured assets (factory building, plant & machineries and stock) were torched by rioters. The Insurance Claims in respect of stock-in-trade has been finalized, where as, claims for other damages mentioned above are under assessment and verification. We are confident that the remaining Insurance Claims would be settled soon.

FUTURE PROSPECTS

Rapidly escalating costs of inputs especially oil based materials, exchange rate volatility, strong competition, ever rising inflation has resulted in diminished consumer purchasing power. Even though we will use full endeavours to recover from the riot damage it is expected that it will take upto four months to fully restore the normal production.

ACKNOWLEDGMENTS

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

On behalf of Board of Directors



IQBAL ALI LAKHANI

Chairman

Karachi : February 20, 2008