



DIRECTORS' REVIEW

The Directors are pleased to present the financial statements of the Company for the quarter and nine months period ended March 31, 2006.

FINANCIAL RESULTS

The Company has performed well for the nine months ended March 31, 2006. Summary of financial results is as under:

	Rupees in million	
	2006	2005
Turnover	4,565	3,553
Gross Profit	1,164	786
Profit from Operations	570	384
Taxation	196	136
Profit After Tax	363	237

Turnover increased by 28.5% during the period under review. The selling prices of Company's products remained under competitive pressure whereas the cost of raw materials increased during the same time. However, Gross Profit increased by 48.1% and Gross Profit margin increased to 31.9% compared to 27.6% in 2005. The Company was able to offset its higher input costs by planned forward purchasing, rationalization of packaging specifications and achieving favourable sales mix by increasing sales of higher margin products.

Management continued to keep stringent controls over operational costs. Profit from operations increased by 48.3% compared to last year. Better utilization of funds lead to decrease in financial costs and profit after taxation increased by 53.2% over the corresponding period last year.

EARNINGS PER SHARE

Earnings per share increased by 53.2% to Rs. 29.69 from Rs. 19.38 in the corresponding nine months of the last year.

OUTLOOK

The cost of petroleum based products are still rising and consequently impacting the material costs of the Company. The upward trend in fuel and utility costs is also expected to continue.



In order to maintain growth in sale and profitability the management has launched strong marketing programs, and tighter cost control initiatives. We hope to carry our current business trend for the remaining period of financial year as well. However, the sustaining of progress will much depend on Government Policies and Economic Environment.

ACKNOWLEDGMENTS

The Management takes this opportunity to thank customers, shareholders, suppliers, bankers, insurance companies and all other stakeholders for their cooperation and contribution towards the progress of the Company. We also appreciate the commitment and hard work of all our employees and look forward to their long-lasting support.

On behalf of Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi : April 24, 2006