

DIRECTORS' REVIEW

The Directors are pleased to present the unaudited financial statements of the Company for the first quarter ended September 30, 2005.

The Company has performed well during the period under review compared with the corresponding period last year. Highlights of performance of the Company are summarized below:

- Gross Sales grew by 26.0 % from Rs. 1.147 billion to Rs. 1.445 billion.
- Gross Profit increased by 46.6% % from Rs. 238.332 to Rs. 349.336 million.
- Increase of 60.2% in Profit from Operations from Rs. 111.815 million to Rs. 179.161 million.
- Increase of 43.4% in Earnings per Share from Rs. 6.56 to Rs. 9.41

Sales growth of 26.0% compared to corresponding period last year was achieved by higher sales across all major product categories.

The selling prices of the Company remained under competitive pressure. In the Federal Budget for fiscal year 2005-06 the Government has withdrawn Central Excise Duty on Soaps and Detergents and revised Sales Tax on the basis of retail price. This helped in improving Gross Profit Margin enabling the Company not to increase its selling prices in the period under review despite upward pressure on materials and operating costs.

We have been able to implement strong marketing programs which proved to be both timely and effective. The increase in administrative and selling expenses is mainly attributable to higher spend in advertising and higher freight costs due to frequent increases in oil prices.

Net Profit for the first quarter compared to corresponding period of last year increased by 43.4% to Rs. 115.111 million from Rs. 80.257 million. It also represents Net Profit Margin improvement to 10.03 % from 8.7% last year.

OUTLOOK

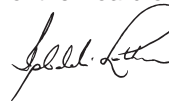
First quarter of 2005-06 has seen a trend of rising material costs. This is mainly due to increased cost of petroleum based products. The upward trend in material and utility costs is expected to continue in the rest of the financial year.

We are hopeful that with strong marketing programs and cost control initiatives, we will be able to carry our current business trend to the end of the current financial year.

ACKNOWLEDGMENTS

We are thankful to all our customers, shareholders, bankers, insurance companies and all other stakeholders for their continued support. We also express our gratitude to all our staff for their dedicated hard work and look forward to their long-lasting support.

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman

Karachi : October 22, 2005