

## DIRECTORS' REVIEW

The Directors are pleased to present the financial statements of the Company for the quarter ended September 30, 2010.

Financial results of the Company are as under:

	<b>July- September 2010</b>	July- September 2009	Increase/ Decrease
	Rupees in million	Rupees in million	%
Turnover	3,899	3,541	+10.1
Gross Profit (restated)	863	1,047	-17.6
Selling and distribution costs	490	440	+11.3
Administrative expenses	36	33	+8.0
Profit from Operations	324	551	-41.2
NPAT	210	364	-42.1
Earning per share (restated) Rs.	6.66	11.51	-42.1

During the quarter ended September 30, 2010, the Company registered a turnover growth of 10.1% compared to corresponding period ended September 30, 2009. This growth has been achieved in spite of a challenging operating environment on account of slow economic growth and deteriorating law and order situation. On the other hand, during the quarter under review, the country also witnessed most devastating floods in its history, which severely impacted the basic infrastructure and created logistic problems.

Gross profit & profit from operations remained under pressure. Decrease in gross profit is mainly due to cost push inflation, higher material and energy cost and rupee devaluation. On the other hand, intense market competition did not allow us to offset increase in cost by taking price increases. Furthermore, high margins during corresponding quarter were due to reduced cost of key raw materials owing to low prices of crude oil in the international market as well as a comparatively stable dollar to rupee exchange rate.

During the period under review, selling & distribution costs and administrative expenses increased by 11.3% and 8.0% respectively compared to same period last year. Keeping in view the persisting inflationary pressures in the country, this modest increase in expenses depicts management's tight control over expenses. Share-holders' earning decreased to Rs. 6.66 per share as compared to Rs. 11.51 per share in the corresponding period.

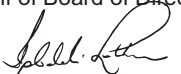
## **FUTURE PROSPECTS**

In uncertain economic conditions and rapidly increasing pressure on disposable income, we will continue to focus on enhancing consumer value and controlling our cost base, and are determined to overcome challenges through increased synergies.

## **ACKNOWLEDGMENTS**

The management takes this opportunity to thank its customers, shareholders, suppliers, bankers and all other stakeholders. We also appreciate and acknowledge the continued support, commitment, loyalty and hard work of our employees.

On behalf of Board of Directors

  
**IQBAL ALI LAKHANI**  
Chairman

Karachi : October 25, 2010