

## DIRECTORS' REPORT

On behalf of the Board of Directors of your Company, I have pleasure to present the financial statement for the half year ended December 31, 2008 duly reviewed by the auditors.

### Operating and Financial Performance:

#### Sales performance

During the period under review, sales revenue were recorded at Rs.1,062 million as compared to Rs.972 million during the same period last year. That means your Company achieved a growth of 9.31% in sales revenue as compared to same period last year.

#### Gross profit

Gross profit of the Company was Rs.184 million which was 17.33% of sales revenue as compared to Rs.133 million which was 13.68% in corresponding period last year. Its means that the Company achieved 38.49% growth in gross profit as compared to same period last year.

#### Net results

However due to following factors of local and international level the Company suffered net loss of Rs.78.83 million during the period under review as compared to net profit after taxation of Rs.80.24 million in the corresponding period.

The Company's performance badly suffered due to appalling local as well as international economic conditions.

Stock market slashed by 53% during the period under review therefore Company suffered capital loss on investment of Rs.134 million due to re-measurement of shares as on December 31, 2008 in compliance of IAS-39.

Monetary policy tightening by the government and depleting currency reserves have led to devaluation of Pak. Rupee significantly. Therefore Company suffered Exchange losses of Rs.39 million.

Had the above unrealized losses on investment not occurred then our profits would have been around Rs.100 million.

#### Future Outlooks

We are hopeful that country will be able to successfully meet with the challenges faced due to local and international economic scenario. The Company is determined not only improve the productivity but also minimize other factors due to which we suffered losses during the period under review.

#### Acknowledgement

The Board of Directors of the Company would like to place on record its gratitude to its shareholders, partners, customers, Government authorities, financial institutions whose co-operation & continued support has always been there. Board also acknowledges untiring efforts of the staff in keeping this Company in good shape despite all the odds.

On behalf of the Board of Directors

**ABDULLAH RAFI**  
Chairman

Karachi: February 21, 2009