

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I have pleasure to present the financial statements of the Company for the first quarter ended September 30, 2009.

Operating and Financial Performance:

Sales performance

During the period under review, sales revenue were recorded at Rs.888 million as compared to Rs.724 million during the same period last year. That means your Company achieved a growth of 22.7% in sales revenue as compared to same period last year.

Gross profit

Gross profit of the Company was Rs.94.7 million which was 10.66% of sales revenue as compared to Rs.158 million which was 21.92% in corresponding period last year. Its means that there is 40% down fall in gross profit as compared to same period last year.

Net results

The tax exemption for your Company has expired on June 30, 2009. Now your Company is categorized in normal tax regime, therefore the Company has taken 12.7 million provision for taxation for the quarter under review.

The stock market has considerably increased during the quarter due to which the Company has also booked 27.3 million profit on account of remeasurement of investment in stock market as compared to losses of Rs. 44.6 million in the corresponding period last year.

The Company has also accounted for Rs. 2.2 million exchange losses as compared to huge exchange losses of Rs. 26.5 million in the same period of previous year.

The bottom line and net results were good which showed net profit after taxation of Rs.52.5 million during the period under review as compared to net profit of Rs.38.3 million in the corresponding period. It means that there is 37% increase in net profit after taxation as compared to the same period last year.

The earnings per share was Rs. 0.67 as compared to Rs. 0.49 in corresponding period last year.

Future Outlooks

Due to law and order situation, uncertainty and panic is still prevailing in the Country to threat the economical growth consistently. However, we are confident that your Company has the potential to remain market leader and would be able to sustain all external and internal pressures by maintaining its history of achieving good results even in the most challenging circumstances.

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: October 24, 2009