



Directors' Review

The un-audited interim condensed financial statements of the Company together with the auditors review report thereon for the half year ended December 31, 2010 is presented along-with an update on the Company's performance.

	Rupees in million	
	<u>2010</u>	<u>2009</u>
Turnover	509.544	477.725
Gross Profit	68.244	63.891
Operating Profit/(loss)	3.456	(27.552)
Profit/(loss) before taxation	2.950	(28.009)
Taxation	(3,056)	1.784
Loss after taxation	(106)	(26.225)

Gross sales for the first six months showed an increase of 7% from Rs.477.725 million to Rs.509.544 million. Net sales also increased by 5% from Rs.366.880 million to Rs.383.779 million during the period.

The profit before taxation was Rs.2.950 million as compared to a loss of Rs.28.009 million recorded during the same period last year.

This improvement was mainly due to other income and a reduction in expenses. Marketing expenses were concentrated in the first half of the calendar year due to seasonal shift hence a reduction in expenses in the reported period as compared to the same period last year. Even though the Company will pursue its objectives to enhance working efficiencies and cost controls, the next years performance will largely depend on the prices of sugar and other ingredient inputs.

On behalf of the Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi: January 27, 2011