



Directors' Review

The un-audited interim condensed financial statements of your Company together with the auditors review report thereon for the half year ended December 31, 2008 is presented along-with an update on the Company's performance.

	Rupees in million	
	<u>2008</u>	<u>2007</u>
Turnover	321.771	346.596
Gross Profit	46.723	84.646
Operating Profit / (loss)	(48.802)	38.599
Profit / (loss) before taxation	(50.416)	38.071
Taxation	0.254	(14.543)
Profit / (loss) after tax	(50.162)	23.528

Gross sales for the first six months showed a decline of 7% from Rs. 346.596 million to Rs.321.771 million. Net sales declined by 10% from Rs. 274.895 million to Rs. 248.146 million during the period.

Profit before taxation of Rs.38.071 million recorded during the same period last year was turned into a loss of Rs.50.416 million. This loss can be attributed to a number of reasons :

- Unprecedented increase in the price of raw materials.
- Impact of increase in world fuel prices.
- Devaluation of the Pakistani rupee versus the US \$.
- General inflation brought about by the above two factors and rise in the price of essential food items.
- World wide economic slow down and its effect on our economy.
- Finally milder weather conditions dominated the entire period under report. This factor played a major role in the demand and sale of beverages in the country.

Due to the current economic conditions the Company was not able to revise its selling prices. This has effected our margins and profitability.

The next half year will be critical for the Company. Every effort will be made to cover the losses. These are difficult times as the economy is slow in recovering from this crises.

The Company is grateful to all its customers, shareholders, bankers, distributors, suppliers and insurance companies for their continuing support.

On behalf of the Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi: January 29, 2009