



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, 2009 is presented along-with an update on the Company's performance.

	Rupees in million	
	2009	2008
Turnover	477.725	321.771
Gross profit	63.891	46.723
Operating loss	(27.552)	(48.802)
Loss before taxation	(28.009)	(50.416)
Taxation	1.784	0.254
Loss after tax	(26.225)	(50.162)

Gross sales for the first six months showed an increase of 48% from Rs.321.771 million to Rs.477.725 million. Net sales also increased by 48% from Rs.248.146 million to Rs.366.880 million during the period.

The loss before taxation was Rs.28.009 million as compared to a loss of Rs.50.416 million recorded during the same period last year.

A number of factors continue to effect the profitability of Tang :

- 1 Unprecedented increase in the price of raw materials specially sugar.
- 1 Devaluation of the Pakistani rupee versus the US \$.
- 1 General inflation in the economy which has effected consumer spending.
- 1 The inability of the Company to increase the price of its products in proportion to the rise in input costs.

Even though your Company will pursue its objectives to enhance working efficiencies and cost controls, the next year could be another difficult one for the Company as sugar prices continue to rise due to shortages in the world markets.

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 28, 2010