

## DIRECTORS' REVIEW

The Directors are pleased to share the results of the 3rd quarter of the 2008 financial year with the company-shareholders. The company's net sales have increased by nearly 21.45%, in comparison to the same period last year, and profits before tax have risen by 10.23 %, despite operating in a tough environment. Inflationary trends, as evidenced from the higher expenses incurred this year under the various variable and fixed heads reflected in the Profit and Loss, and the tense political situation have both contributed in making this a challenging year which is why profits, although higher, have not kept pace with sales.

In particular, the spike in oil-prices has caused a snowball-effect on costs of raw and packing-materials, which continue to escalate, while market-forces compel us to maintain prices at a certain level and to pass on only a limited portion of that increase to the consumer. At the same time, we have to ensure that no compromises are made on quality.

These combined factors place enormous strains on the company but we are glad to report that we are equal to this daunting task and continue to strive to upgrade our process-efficiencies by enhancing automation and rationalizing production-methods which should have a positive impact on the company's long term financial-health.

We are also pleased to inform you that our new launches in the mass-market category, like Ready-to-Drink Fruit Juices and Red Syrup, have been well-received by the consumer. Other products, catering to the same clientele, that are in the pipeline, are also expected to do well. Additionally, our niche products, like Squashes, Preserves, Sauces, Canned Food and Chocolate Confectionery are expected to acquire a good market-share in the remaining part of the year especially with the advent of Ramadan in September.

Therefore, we hope to end our 75th year of incorporation on a high note befitting this memorable occasion and as it is a major milestone in the company's road to progress an ambitious advertising campaign has been crafted to commemorate this special event over the span of the entire year.

In the end, the Board of Directors would like to express their gratitude to all employees who have worked hard to achieve our common objectives.

For and on behalf of  
the Board of Directors

**Mehdi Mohsin**  
Chief Executive Officer

Lahore: July 29, 2008