



- Ø Increase in financial charges due to your Company’s diversification plans.
- Ø Reduction in value of Short Term Investments.
- Ø Increase in fuel costs (operating plants on generators due to unavailability of electricity from WAPDA ) and increase in freight charges.

**Future Outlook**

**Blades/Disposable Razors:**

Focused sales & marketing strategy worked out well this period to increase the local sales volume considerably. Moreover, export sales also posted volume growth (apart from Rupee devaluation impact). Margins will further be improved due to reduction in international prices of petro-chemical products. However, energy costs (alternate) and freight charges (whose prices are still sticky) are major areas of concerns.

**Soaps:**

Your Company is able to increase the sale volume [and profitability] due to prompt response and stratagem. Margins will be improved further due to decrease in raw material prices. However, domestic input prices did not decline in tandem with the sharp fall in international prices.

**Corrugated Packaging:**

Demand of corrugated packaging material is derived demand stemming from industrial (and to some extent agricultural) growth. Economic and political conditions of the Country are hampering industrial growth; particularly textile sector is in jeopardy.

Strategy is being worked out vis-à-vis rising costs of inputs (raw materials/utilities/wages etc.) that are squeezing the margins by price rationalization, increased productivity and tapping new sources of raw materials. One step towards cost rationalization is backward integration. Your Company has purchased Paper & Board Mill [under First Treet Manufacturing Modaraba] to meet the paper requirements of corrugation.

**General:**

Your Company is also setting up “Trading House” for trading of industrial raw material in “Treet Services (Private) Limited (a wholly owned subsidiary). Your company is also actively engaged in BMR of existing plants to achieve higher production output to meet future requirements.

Your Company is also planning to enter into sales and marketing of “Motor Cycles” and considering setting-up motor cycle assembly plant through its subsidiary.

Moreover, management is confident that impairment in investment value is short term and will be recovered before its financial year closure.

**Acknowledgements**

We place on record our gratitude to our valued customers for their confidence in our products and pledge to provide them the best quality in continually improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

LAHORE  
February 25, 2009

**Syed Shahid Ali**  
Chief Executive Officer

**Muhammad Shafique Anjum**  
Director