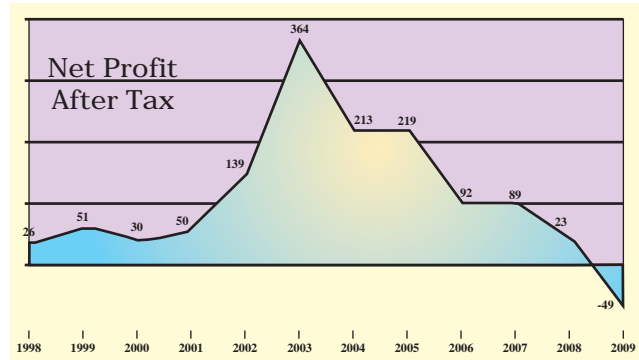
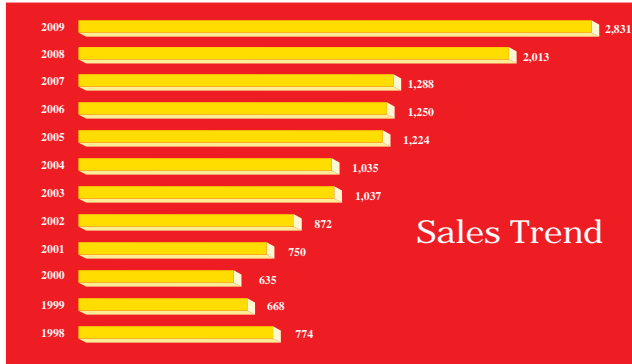


Your Company has taken conservative view and adopted IAS-39 for recognizing impairment of value of investments in associated company [IGI Investment Bank Limited] and other long term investment [TRG Pakistan Limited] and recognized that impairment [of Rs. 94.90 million] in Income Statement, despite that we have overall positive fair value reserves of **Rs. 109.88 million** [that pertained to Packages Limited & ZIL Limited] in the balance sheet. We did not set them off with each others. If we exclude that impairment, our net profitability before taxation is **Rs. 84.5 million** [Consolidated: **Rs. 84.4 million**] which is considerably high as compared to last year. Moreover, operational profitability is also improved significantly across the board.



It is evident that the degree of risks and extent of vulnerabilities faced by the economy have increased considerably. The challenges to mitigate such risks and vulnerabilities have become more pronounced and require increased vigilance and proactive response to ensure Company’s stability in FY-10 and beyond. But the factors like the precarious political/ law & order situation, deteriorating macroeconomic outlook that are beyond Company’s control are the most imminent threats.

*But the management of your Company is well aware of the posed challenges and is deploying most feasible marketing mix at trade and retail levels and is taking all possible measures to meet these challenges. Your Company is continually reviewing its business strategy to cope with the threats and has been incessantly endeavoring not only to tap alternative inexpensive sources of raw material/inputs but also trying to optimize the throughput.*

**Sales** performance [both local and export] showed excellent growth across the board over the corresponding period of last year that reflects company’s successful market development strategy

| % Change     | Blade  | Soap    | Corrugation | Total  |
|--------------|--------|---------|-------------|--------|
| Local Sales  | 21.28% | 82.24%  | 36.30%      | 35.83% |
| Export Sales | 53.07% | -22.24% | -0.00%      | 52.30% |
| Total Sales  | 32.39% | 80.39%  | 36.30%      | 39.50% |

Factors having +ve Impact on **Operating Profit**:

Operational profitability from blade/razor and soaps operations increased *considerably* [whereas, it is improved in the corrugation] over the corresponding last year.

| Rs. in 000'        | 2008-2009 | 2007-2008 | % Change |
|--------------------|-----------|-----------|----------|
| Gross Profit       | 520,888   | 290,816   | 079.11   |
| Operational Profit | 226,754   | 77,778    | 191.54   |

