

DIRECTORS' REVIEW REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to submit the third quarter report along with the condensed interim financial information of the company for the nine months period ended September 30, 2018.

The Company has recorded an increase in revenue of 1.8% for the period despite increasingly difficult economic conditions and competitive pressures. However, the operating profit has been impacted by higher input and energy costs resulting from forex devaluation and global increase in the prices of commodities.

The financial performance for the nine months period is summarized below:

	Jan – Sep 2018 PKR Million	Jan – Sep 2017 PKR Million	Change
Sales	94,086	92,395	+1.8%
Gross Profit	31,903	34,131	-6.5%
% of sales	33.9%	36.9%	
Operating Profit	15,023	18,128	-17.1%
% of sales	16.0%	19.6%	
Net Profit after tax	8,629	11,332	-23.9%
% of sales	9.2%	12.3%	
Earnings per share	190.27	249.88	-23.9%

Sales:

The sales revenue grew by PKR 1.7 billion, yielded a growth of + 1.8% driven by pricing.

Gross Profit:

Gross Margin reported for nine months was 33.9% (-300 bps vs. same period of last year). The major factors behind the decline were higher input cost and energy prices, which could not be fully compensated by pricing.

Operating Profit:

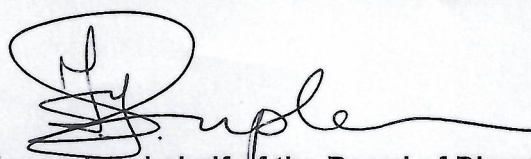
Operating Profit reported for nine month was 16% (-360 bps). The drop is mainly resulting from reduction in gross profit.

Net Profit after tax:

Net Profit after Tax stood at PKR 8.6 billion.

Future Outlook:

Despite the uncertainties in the economy, the Company remains focused on meeting customer needs, through portfolio innovation and renovation and optimization of value chain to ensure sustainable profitable growth.



For and on behalf of the Board of Directors
Freda Duplan
Chief Executive Officer

Lahore: October 23, 2018