



UNAUDITED FINANCIAL RESULTS

CHAIRMAN'S REPORT
FOR THE SIX MONTH PERIOD ENDED ON 30TH JUNE 2011

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2011

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present un-audited results on the performance of the Company for the six month period ended on 30th June 2011.

The Key Performance Indicators are as follows:

	Q1 - 2011	Q1 - 2010	Inc / (Dec)
Revenue (Rials)	25,521,495	21,983,636	16%
Profit after tax (Rials)	2,254,196	913,227	147%

Revenue had increased by 16% during the six month period ended on 30th June 2011 compared to the corresponding period in 2010 as the company's efforts to improve the sales realization are bearing fruits despite the notable decline in sales volume.

Sales volume in terms of physical number of cases registered a decline of 4% from 9.7 million cases to 9.3 million cases during the six month period ended on 30th June 2011 compared to the corresponding period in 2010 mainly on account of the low sales volumes following the price revision of some of the major products in mid January 2011.

Your company has achieved a net profit after tax of Rials 2,254,196 during the six month period ended on 30th June 2011 compared to Rials 913,227 for the corresponding period of last year. The increased profit is mainly due to increased revenue, improved sales realization along with the efficiencies resulting out of various cost control measures.

The Company is aware of the impact of intense competition in a highly price sensitive local market and will remain focused in its efforts to maintain the market share as well as sales forecast for the year.

Your company attaches enormous importance to its 'Human Resources' as a strategic asset with specific attention to employing and nurturing the Omani workforce. Despite the simmering labour unrest in the local business environment, your company was not significantly affected due to the timely, pro-active steps initiated to address the reasonable demands of its workforce and also to comply with the new Government regulations on employment. Although, going forward, these demands would have impact on the profitability, I am hopeful that the other measures initiated to improve productivity and cost savings would help to offset part of this impact. Furthermore, the Company has been regularly monitoring the ever increasing international prices of its key input materials and commodities which are also likely to impact performance of the Company in the near future. The overall outlook continues to be positive and the Company remains optimistic about the prospects for rest of the year 2011.

On behalf of the Board of Directors, I take this opportunity to extend our sincere appreciation to His Majesty Sultan Qaboos Bin Said and his Government for their wise leadership, guidance and direction which continue to motivate and inspire us towards greater participation in the development and service of Oman.

Buti Obaid Al Mulla
Chairman

	2011 Rials	2010 Rials
Non-current assets		
Tangible fixed assets	7,181,243	7,450,378
Deferred tax asset	-	39,698
	7,181,243	7,490,076
Current assets		
Inventories	4,317,915	3,478,398
Trade receivables	3,738,442	3,253,753
Term deposits	2,504,808	3,195,413
Bank and cash	2,233,253	199,401
Prepayments & other receivables	1,153,344	548,305
Total current assets	13,947,762	10,675,270
Total assets	21,129,005	18,165,346
Current liabilities		
Trade creditors	3,088,034	2,735,831
Accruals and other creditors	4,023,098	2,831,134
Payables to related parties	176,776	230,970
Total current liabilities	7,287,908	5,797,935
Non-Current liabilities		
Deferred tax liability	36,652	-
Liability against purchase of plant and equipment	246,592	506,747
Staff terminal benefits	726,706	728,238
Total non-current liabilities	1,009,950	1,234,985
Total liabilities	8,297,858	7,032,920
Net assets	12,831,147	11,132,426
Shareholders' funds		
Share capital	5,000,000	3,000,000
Legal reserve	1,000,000	1,000,000
Retained earnings	6,831,147	7,132,426
Total shareholders' equity	12,831,147	11,132,426

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2011

	2011 Rials	2010 Rials
Revenue	25,521,495	21,983,636
Cost of sales	(16,813,806)	(16,361,681)
Gross profit	8,707,689	5,621,955
Selling and distribution expenses	(5,239,286)	(3,903,864)
General and administrative expenses	(960,343)	(748,907)
Operating profit	2,508,060	969,184
Net finance income	22,887	40,185
Other income	26,549	24,298
Profit before income tax	2,557,496	1,033,667
Income tax	(303,300)	(120,440)
Net profit	2,254,196	913,227