MURREE BREWERY COMPANY LIMITED
BALANCE SHEET
AS AT 31 MARCH 2009

	Note	31 March 09 (Un-audited) (Rs '000)	30 June 08 (Audited) (Rs '000)
SHARE CAPITAL AND RESERVES			
Share capital	3	**131,212**	119,284
Reserves:			
Capital reserve		**30,681**	30,681
Contingency reserve		**20,000**	20,000
General reserve		**327,042**	327,042
Revenue reserve		**613,603**	511,525
		991,326	889,248
		1,122,538	1,008,532
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of tax		**2,382,826**	2,391,793
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		**613**	1,612
Deferred liabilities - staff retirement benefits		**15,076**	14,494
Deferred taxation - net		**99,595**	100,020
		115,284	116,126
CURRENT LIABILITIES			
Current portion of liabilities against assets subject of finance lease		**1,423**	1,614
Trade and other payables		**357,370**	368,797
Provision for taxation - net		**-**	20,349
Short term running finance - Secured	4	**56,923**	-
		415,716	390,760
CONTINGENCIES AND COMMITMENTS	5	**-**	-
		4,036,364	3,907,211

	Note	31 March 09 (Un-audited) (Rs '000)	30 June 08 (Audited) (Rs '000)
FIXED ASSETS - Tangible			
Property, plant and equipment	6	**3,063,085**	2,906,058
LONG TERM ADVANCES - Considered good		**352**	3,901
LONG TERM DEPOSITS		**2,256**	2,336
CURRENT ASSETS			
Stores, and spare parts		**74,183**	65,705
Stock in trade		**529,664**	492,664
Trade debts - considered good		**95,257**	77,581
Advances - considered good		**131,750**	39,796
Short term prepayments		**12,615**	4,210
Interest accrued		**24**	22
Investments at fair value through profit and loss		**67,419**	201,249
Advance income tax - net		**6,500**	-
Cash and bank balances		**53,259**	113,689
		970,671	994,916
		4,036,364	3,907,211

The annexed notes form an integral part of these financial statements.

-

Rawalpindi **Chief Executive** **Director**

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MURREE BREWERY COMPANY LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2009

	31 March 09 (Rs. '000)	31 March 08 (Rs. '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**234,652**	210,140
Adjustment for:		
Depreciation	**61,603**	59,683
Provision for staff retirement benefits	**1,847**	3,024
Profit on deposits/dividend income/capital gain	**(7,506)**	(8,153)
Finance cost	**3,631**	407
Unrealised (gain) on re-measurement of available for sale securities	**14,858**	(9,555)
(Profit)/loss on disposal of property, plant and equipment	**1,656**	(1,738)
	76,089	43,668
Operating profit before working capital changes	**310,741**	244,808
Increase in trade debts	**(17,676)**	(17,345)
Increase in advances and other receivables	**(100,361)**	(42,254)
Increase in stores and spare parts	**(8,478)**	(9,827)
Increase in stock in trade	**(37,000)**	(96,518)
- Increase/(decerease) in current liabilities	**(13,000)**	(11,395)
	(176,515)	(177,339)
Cash generated from operations	**134,226**	67,469
Finance cost paid	**(3,631)**	(407)
Staff retirement benefits paid	**(1,265)**	(4,534)
Income tax paid	**(97,246)**	(21,510)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**32,084**	41,018
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(231,471)**	(45,736)
Sales proceeds of property, plant and equipment	**11,185**	3,209
Long term deposits and advances	**3,629**	(494)
Decrease in short term investments	**118,972**	(31,124)
Return on deposits/dividend income	**7,506**	8,152
NET CASH USED IN INVESTING ACTIVITIES	**(90,179)**	(65,993)
CASH FLOW FROM FINANCING ACTIVITIES		
Re-payment of finance leases	**(1,190)**	(1,755)
Dividend paid	**(58,068)**	(30,481)
NET CASH USED IN FINANCING ACTIVITIES	**(59,258)**	(32,236)
Net decrease in cash and cash equivalents	**(117,353)**	(57,211)
Cash and cash equivalents at beginning of the period	**113,689**	147,108
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**(3,664)**	**89,897**
Cash and cash equivalents comprises of the following		
Cash and bank balances		
Short term running finance	**53,259**	89,897
	(56,923)	
	(3,664)	89,897

The annexed notes form an integral part of these financial statements.

DIRECTOR **CHIEF EXECUTIVE**

MURREE BREWERY CO. LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

I have pleasure in presenting the un-audited financial statements duly reviewed by our external auditors for the half year ended December 31, 2008.

A brief review of the Company's performance for the period with the corresponding period of the last year (hereafter referred as previous) is as under:

- Gross sales at Rs.1,315.7m higher by 20.64% vs previous Rs.1,090.7m
- Gross profit at Rs.268.2m higher by 27% vs previous Rs.210.9m
- Operating profit at Rs.148.4m higher by 54.42% vs previous Rs.96.1m
- Profit after taxation at Rs.82.5m higher by 7.14% vs previous Rs.77m
- Earning per share increased to Rs.6.29 vs Rs.5.87 previous.

Your directors decided not to opt for the concession allowed by The Securities & Exchange Commission of Pakistan per S. R. O. 50(1) 2009 dated February 13, 2009 and continued to follow International Accounting Standard 39. We have recognized the impairment loss of Rs.17.5m on account of valuation of listed equity securities in the Profit and Loss account on the same basis as in the annual financial statements for the year ended June 30, 2008. The loss is notional as the investments have not been sold.

Mr. M. M. Shahbaz resigned from the Board of Directors on 1st January, 2009. The Board recorded appreciation of his services. Lt. Gen ® Zarar Azeem was invited on the Board to fill the casual vacancy arising due to Mr. M. M. Shahbaz's resignation for the remainder of his term.

In the present economic conditions, the directors consider the financial and operational performance of the company for the half year under review to be satisfactory.

Rawalpindi
Dated 25th February, 2009

Chairman

MURREE BREWERY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2009

	Share capital	Capital reserve	Contingency reserve	General reserve	Unappropriated profit	Total
			Rupees in '000			
Balance as at 01 July 2007	108,440	30,681	20,000	327,042	368,787	854,950
Final dividend of 2007 (Rs. 5 per share)	-	-	-	-	(54,224)	(54,224)
Bonus shares issued (10%)	10,844	-	-	-	(10,844)	-
						-
Surplus on revaluation of property, plant and equipment realized through depreciation for the six months - net of deferred tax	-	-	-	-	5,736	- - 5,736
Income directly recognised in equity	-	-	-	-	5,736	5,736
Net profit for the period	-	-	-	-	140,798	140,798
					146,534	146,534
Balance as at 31 March 2008	**119,284**	**30,681**	**20,000**	**327,042**	**450,253**	**947,260**
Balance as at 01 July 2008	119,284	30,681	20,000	327,042	511,525	1,008,532
Final dividend of 2008 (Rs. 5 per share)	-	-	-	-	(59,642)	(59,642)
Bonus shares issued (10%)	11,928	-	-	-	(11,928)	-
						-
Surplus on revaluation of property, plant and equipment realized through depreciation for the six months - net of deferred tax	-	-	-	-	8,966	- - 8,966
Income directly recognised in equity	-	-	-	-	8,966	8,966
Net profit for the period	-	-	-	-	164,682	164,682
					173,648	173,648
Balance as at 31 March 2009	**131,212**	**30,681**	**20,000**	**327,042**	**613,603**	**1,122,538**

####

DIRECTOR **CHIEF EXECUTIVE**

#REF!

MURREE BREWERY COMPANY LIMITED.
ESTABLISHED 1860
CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman	Mr. Khurram Muzaffar
Chief Executive	Mr. Isphanyar M. Bhandara
	Lt. Gen ® Zarar Azeem
	Mr. Asadullah Khawaja
	Ch. Mueen Afzal
	Mr. Aamir H. Sherazi
	Mrs. Goshi M. Bhandara

PRINCIPAL OFFICERS

Company Secretary	Mr. M. Zaffar Iqbal
Chief Financial Officer	Kh. Mushtaq Ahmed, FCA
General Manager (Brewery Division)	Mr. Mohammad Javed
Director (Glass Division)	Mr. M. M. Shahbaz
Acting General Manager (Tops)	Major ® Sabih-ur-Rehman

AUDIT COMMITTEE

Mr. Khurram Muzaffar	(Chairman)
Ch. Mueen Afzal	(Member)
Mrs. Goshi M. Bhandara	(Member)

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants.
Rawalpindi/Lahore
6th Floor, State Life Bldg,
Rawalpindi
Jinnah Avenue, Islamabad.
Rawalpindi/Hattar

PRINCIPAL BANKERS

Bank Alfalah Ltd, Rawalpindi
Standard Chartered Bank,

Askari Commercial Bank Ltd,

National Bank of Pakistan,

The Bank of Khyber, Hattar.
Allied Bank Ltd, Lahore / Gujranwala

REGISTERED OFFICE

Murree Brewery Company Limited
National Park Road, Rawalpindi
Tel: 051-5567041-47, UAN 111-324-111
Fax: 051-5584420.
E-mail: **murreebrewery@isb.paknet.com**
murbr@isb.paknet.com.pk
Website: www.murreebrewery.com.pk

LEGAL ADVISORS

(a) Hamid Law Associates,
409-410, Alfalah Building,
Shahrah-e-Quaid-e-Azam,
Lahore. Tel: 042-6301801)

(b) AJURIS, Advocates & Corporate Counsel
51-A, St. 63, F-8/4, Islamabad.
Tel: 2852067-2852087

(c) Tanveer & Associates, 3rd Floor,
Baig Plaza, Canning Road, Saddar,
Rawalpindi.

(d) M/s Azam Chaudhry Law Associates
5-St. No. 9, F-8/3, Islamabad

MURREE BREWERY COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2009

1 STATUS AND NATURE OF OPERATIONS

Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan. The shares of the Company are listed on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated in Rawalpindi. The Company is principally engaged in the manufacturing of alcoholic beer, non alcoholic beer, Pakistan Made Foreign Liquor

2 BASIS OF PREPARATION

2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 "Interim Financial Reporting" as applicable in Pakistan

2.2 This condensed interim financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

2.3 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2008. Comparative balance sheet is extracted from the annual audited financial staements for the year ended 30 June 2008 whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2008

2.4 Accounting policies, related judgments, estimates and assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the preceding year ended 30 June 2008.

3 SHARE CAPITAL

During the period, the Company has issued 1,192,843 ordinary shares (nine months ended 31 March 2008: 1,084,402 ordinary shares) of Rs. 10 each representing 10% bonus shares, 01share for every 10

4 SHORT TERM RUNNING FINANCE

This represents running finance facility amounting to Rs. 200 million from Askari Bank Limited, Rawalpindi. This facility carries mark up at the rate of 03 months KIBOR plus 0.95 % per annum. It is secured against first hypothecation charge on current assets Rs. 20.0 million and Rs. 272.0 million on fixed assets of the Company.

5 CONTINGENCIES AND COMMITMENTS

There is no change in the contingencies and commitments of the Company as disclosed in the financial statements for the year ended 30 June 2008 except for the following:

5.1 The Company is contingently liable in respect of guarantees amounting to Rs 36.354 million (30 June 2008 Rs.35.678 million) issued by the banks on behalf of the Company in normal course of business.

5.2 The Company has opened Letters of Credit for the import of machinery and inventory items valuing Rs 81.519 million (30 June 2008: Rs. 104.593 million).

5.3 The Company's capital commitment outstanding at the period end amounts to Rs. 2.500 million (30 June 2008: Rs 11.89 million)

6 PROPERTY, PLANT AND EQUIPMENT	Note	Nine months ended 31 March 09 (Rs. '000)	31 March 08 (Rs. '000)
Opening balance		**2,906,058**	743,801
Add: Additions during the period	**6.1**	**231,471**	45,736
		3,137,529	789,537
Less: Disposals during the period at book value		**(12,841)**	(1,471)
Depreciation charged during the period		**(61,603)**	(59,683)
		3,063,085	728,383

6.1 Additions during the period:

Buildings	**9,344**	3,021
Plant and machinery	**17,732**	23,743
Furniture and fixtures	**851**	374
Vehicles - owned	**2,066**	5,278
Vehicles - leased	**-**	124
Capital work in progress	**201,478**	13,196
	231,471	45,736

MURREE BREWERY COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2009

7 COST OF SALES	Note	Nine months ended 31 March 2009 Liquor (Rs. '000)	Glass (Rs. '000)	Tops (Rs. '000)	Nine months ended 31 March 09 (Rs. '000)	31 March 08 (Rs. '000)
Raw material consumed	7.1	602,727	74,723	372,964	**1,050,414**	841,830
Stores and spares consumed		3,052	20,261	38	**23,351**	18,378
Fuel and power		49,978	76,624	8,980	**135,582**	97,020
Salaries, wages and other benefits		26,459	19,951	12,495	**58,905**	49,142
Repair and maintenance		11,515	11,027	5,780	**28,322**	27,078
Other manufacturing overhead		1,223	5,334	3,103	**9,660**	9,301
Depreciation		20,881	21,854	11,105	**53,840**	50,902
		715,835	229,774	414,465	**1,360,074**	1,093,651
Work in process						
Opening stock		183,056	585	3,918	**187,559**	142,706
Closing stock		(224,751)	(585)	(6,077)	**(231,413)**	(182,784)
		(41,695)	-	(2,159)	**(43,853)**	(40,078)
Cost of goods manufactured		674,140	229,774	412,306	**1,316,221**	1,053,573
Add: Opening stock of finished goods		6,027	16,349	8,063	**30,439**	19,578
Less: Closing stock of finished goods		(22,216)	(32,382)	(21,950)	**(76,548)**	(52,825)
		(16,189)	(16,033)	(13,887)	**(46,109)**	(33,247)
		657,951	213,742	398,419	**1,270,112**	1,020,326
Less: Interdivisional transfers		(158,032)	-	(109,880)	**(267,912)**	(222,311)
		499,919	213,742	288,539	**1,002,200**	798,015
7.1 Raw material consumed						
Opening stock of raw material		205,274	4,555	65,343	**275,172**	185,356
Purchases		553,188	76,700	367,057	**996,945**	865,024
		758,462	81,255	432,400	**1,272,117**	1,050,380
Less: Closing stock of raw material		(155,735)	(6,532)	(59,436)	**(221,703)**	(208,550)
		602,727	74,723	372,964	**1,050,414**	841,830

8 EARNINGS PER SHARE - BASIC AND DILUTED	Quarter Ended 31 March 09	31 March 08 (Restated)	Nine months ended 31 March 09	31 March 08 (Restated)
There is no dilutive effect on the basic earnings per share of the Company, which is based on :				
Net profit for the period - Rupees in ('000)	**82,109**	63,793	**164,682**	140,798
Weighted average number of shares - Numbers	**13,121,273**	13,121,273	**13,121,273**	13,121,273
Earnings per share - Rupees	**6.26**	4.86	**12.55**	10.73

For the purpose of computing earnings per share, the number of shares for the pervious periods have been restated for the effect of bonus shares issued during the period.

9 ADDITIONAL INFORMATION ON DIVISIONS

The detail of utilization of the Company assets by the divisions as well as related liabilities is as follows:

	Liquor Division (Rs. '000)	Glass Division (Rs. '000)	Tops Division (Rs. '000)	Unallocated (Rs. '000)	Total (Rs. '000)
Assets					
31 March 2009	**3,178,384**	**375,911**	**414,655**	**67,414**	**4,036,364**
30 June 2008	3,095,649	214,330	395,961	201,271	3,907,211
Liabilities					
31 March 2009	**320,349**	**18,248**	**69,746**	**122,658**	**531,000**
30 June 2008	288,152	23,734	39,238	155,762	506,886
Capital expenditure					
31 March 2009	**84,741**	**141,639**	**5,091**	**-**	**231,471**
31 March 2008	39,933	2,801	3,002	-	45,736
Depreciation					
31 March 2009	**25,286**	**21,916**	**14,400**	**-**	**61,603**
31 March 2008	25,321	17,221	17,141	-	59,683

10 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees' fund. Transactions with related parties during the period are as follows:

	Nine months ended	
	31 March 09 (Rs. '000)	31 March 08 (Rs. '000)
Transactions with associated companies under common directorship		
Lease installments paid	**1,413**	879
Commission booked/services provided/expenses incurred	**9,605**	7,607
Payment on account of above	**8,214**	7,368
Purchase of raw and packing materials	**65,140**	39,328
Payment of raw and packing material	**70,119**	33,739
Services acquired	**2,339**	798
Investments in open ended mutual fund	-	35,000
Sale of open end fund	-	45,853
Transactions with other related parties		
Contribution to staff provident fund	**755**	781
Remuneration including perquisites of Chief Executive	**1,110**	938
Remuneration including perquisites of Directors	**916**	1,611

11 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 30 April 2009.

12 General

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

Director **Chief Executive**

MURREE BREWERY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE NINE MONTHS ENDED 31 MARCH 2009

.

		Liquor Division				Glass Division				Tops Division				Total			
		Quarter Ended		Nine Months Ended		Quarter Ended		Nine Months Ended		Quarter Ended		Nine Months Ended		Quarter Ended		Nine Months Ended	
	Note	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08	**31March 09**	31 March 08
		(Rs. '000)	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)	**(Rs. '000)**	(Rs. '000)
SALES																	
Third party sales		**601,652**	475,272	**1,537,639**	1,261,794	**12,846**	10,592	**42,976**	22,640	**192,545**	125,805	**542,168**	417,964	**807,043**	611,669	**2,122,783**	1,702,398
Inter divisional sales		**24,752**	22,956	**84,891**	80,474	**51,071**	57,915	**183,021**	141,837	-	-	-	-	-	-	-	-
		626,404	498,228	**1,622,530**	1,342,268	**63,917**	68,507	**225,997**	164,477	**192,545**	125,805	**542,168**	417,964	**807,043**	611,669	**2,122,783**	1,702,398
Less: Duties and taxes		**(219,972)**	(188,036)	**(586,932)**	(491,366)	**(1,866)**	(1,552)	**(6,244)**	(3,123)	**(37,832)**	(20,229)	**(99,529)**	(66,554)	**(259,670)**	(209,817)	**(692,705)**	(561,043)
		406,432	310,192	**1,035,598**	850,902	**62,051**	66,955	**219,753**	161,354	**154,713**	105,576	**442,639**	351,410	**547,373**	401,852	**1,430,078**	1,141,355
COST OF SALES	8																
Third parties		**(198,699)**	(138,393)	**(499,919)**	(425,958)	**(73,932)**	(68,503)	**(213,742)**	(163,694)	**(115,144)**	(62,561)	**(288,539)**	(208,363)	**(387,775)**	(269,457)	**(1,002,200)**	(798,015)
Inter divisional		**(45,590)**	(52,010)	**(158,032)**	(126,343)	-	-	-	-	**(30,233)**	(28,861)	**(109,880)**	(95,968)	-	-	-	-
		(244,289)	(190,403)	**(657,951)**	(552,301)	**(73,932)**	(68,503)	**(213,742)**	(163,694)	**(145,377)**	(91,422)	**(398,419)**	(304,331)	**(387,775)**	(269,457)	**(1,002,200)**	(798,015)
GROSS PROFIT/(LOSS)		**162,143**	119,789	**377,647**	298,601	**(11,881)**	(1,548)	**6,011**	(2,340)	**9,336**	14,154	**44,220**	47,079	**159,598**	132,395	**427,878**	343,340
Distribution cost		**(21,509)**	(8,349)	**(55,802)**	(47,986)	**(374)**	(189)	**(1,212)**	(867)	**(15,879)**	(9,520)	**(43,554)**	(31,272)	**(37,762)**	(18,058)	**(100,568)**	(80,125)
Administration expenses		**(15,340)**	(13,979)	**(55,170)**	(49,056)	**(4,116)**	(2,779)	**(11,179)**	(9,797)	**(4,338)**	(5,471)	**(14,176)**	(15,817)	**(23,794)**	(22,229)	**(80,525)**	(74,670)
Finance cost		**(3,321)**	(4)	**(3,408)**	(21)	-	-	-	-	**(64)**	(111)	**(223)**	(386)	**(3,385)**	(115)	**(3,631)**	(407)
		(40,170)	(22,332)	**(114,380)**	(97,063)	**(4,490)**	(2,969)	**(12,391)**	(10,664)	**(20,281)**	(15,102)	**(57,953)**	(47,475)	**(64,941)**	(40,402)	**(184,724)**	(155,202)
		121,973	97,457	**263,267**	201,538	**(16,371)**	(4,516)	**(6,380)**	(13,004)	**(10,945)**	(948)	**(13,733)**	(396)	**94,657**	91,993	**243,154**	188,138
Other operating expenses														**2,921**	8,258	**12,256**	16,288
Other operating income														**5,547**	6,206	**3,754**	29,290
NET PROFIT BEFORE TAXATION														**97,283**	89,941	**234,652**	201,140
TAXATION																	
- Current														**(15,174)**	26,148	**(70,395)**	65,848
- Deferred														-	-	**425**	(5,506)
														(15,174)	26,148	**(69,970)**	60,342
NET PROFIT AFTER TAXATION														**82,109**	63,793	**164,682**	140,798
EARNINGS PER SHARE - BASIC AND DIL	9													**6.26**	4.86	**12.55**	10.73

###

DIRECTOR **CHIEF EXECUTIVE**