

MURREE BREWERY COMPANY LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors take pleasure in presenting their report alongwith un- audited financial statements for the period ended September 30, 2007.

Turnover for the QR 1 at Rs.592 M indicates an increase of 22.5 % over previous corresponding quarter at Rs.483M. Profit after taxation Rs.59.8M is 66% higher than the previous corresponding quarter. The increase in sales is mainly attributed to non- alcoholic products of our Liquor Division.

The performance of Glass Division remained below a satisfactory level due to continued problems in the container making machines. However, this Division performed better as compared to corresponding quarter last year. Remedial measures have been taken to resolve the technical defects. Consequently, Glass Division is not expected to meet its budgeted goals in the current year.

Tops Division has also shown satisfactory results. Profit before tax Rs.4M vs Rs.2.5M quarter last year.

Earning per share for the quarter is Rs 5.52 vs. Rs 3.33 of the previous corresponding quarter.

The directors consider the financial and operational performance of the Company for the quarter under review to be satisfactory.

Attention of the shareholders is also invited to the Directors' Report for the financial year ended June 30, 2007 which was despatched on 8th October, 2007, and provides a detailed review of the Company's operations.

Rawalpindi

Chairman

Date: 30th October 2007