

MURREE BREWERY COMPANY LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION(UNAUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2012

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Murree Brewery Company Limited ("the Company") was incorporated under the repealed Indian Companies Act (now the Companies Ordinance, 1984) in February 1861 as a public limited Company in Pakistan.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 (P.M.F.L), juices in Tetra packs in Rawalpindi and food products, juices, mineral water, glass bottles and jars in Hattar. The Company is presently operating three divisions namely Liquor Division, Tops Division and Glass Division to carry out its principal activities.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for the nine months period ended 31 March 2012 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in the condensed interim financial information does not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2011. Comparative balance sheet is extracted from annual financial statements as of 30 June 2011 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information for the nine months period ended 31 March 2011.

The condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange (Guarantee) Limited.

3 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in preparation of financial statements for the year ended 30 June 2011. The following standards, amendments and interpretations of approved accounting standards become effective during the period are either not relevant to the Company's current operations or are not expected to have significant impact on the Company's condensed interim financial information other than certain additional disclosures:

- Amendments to IFRS 7 - Financial Instruments: Disclosures which is effective from 01 July 2011.

4 SHARE CAPITAL

During the period, the Company has issued 1,732,008 ordinary shares of Rs. 10 each representing 10% bonus shares, 01 share for every 10 shares held (Nine months ended 31 March 2011: 2,886,680 ordinary shares of Rs. 10 each representing 20% bonus shares, 01 share for every 05 shares held).

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 2011 except for the following:

5.1 Contingencies

- (a) The Company is contingently liable in respect of guarantees amounting to Rs. 90.00 million (30 June 2011: Rs. 54.50 million) issued by the banks on behalf of the Company in normal course of business.

5.2 Commitments

- (a) The Company has opened Letters of Credit for the import of machinery and inventory items valuing Rs. 91.20 million (30 June 2011: Rs. 192.96 million).

- (b) The Company's capital commitment outstanding at the period end amounts to Rs. 33.6 million (30 June 2011: Rs. 33.6 million).