

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

35 SEGMENT INFORMATION

35.1 Operating segments

The Company has three reportable segments, as described below, which are the Company's strategic business units. These strategic business units offer different products and are managed separately because of the requirement of different technologies and marketing strategies. For each of the business units, the audit committee of the Board of Directors and the Company's Chief Executive Officer (CEO) along with the Chief Financial Officer (CFO) reviews internal management reports on at least quarterly basis. These segments have been identified on the basis of business namely Liquor Division, Glass Division and Tops Division. Main products of each segment are as follows:

Liquor Division: PMFL, Alcoholic Beer, NAB, Big Apple, Lemonade, Cindy and Malt - 79.
Tops Division: Food products, juices and mineral water.
Glass Division: Glass bottles and jars.

There are varying levels of integration between the three segments. This integration includes transfers of raw material and finished goods respectively. The accounting policies of the reportable segments are the same as described in note 3.23.

Information regarding the results of each reportable segment is given in the profit and loss account and related notes. Performance is measured on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's CEO along with the CFO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

35.2 Information about reportable segments

(a) The detail of utilization of the Company's assets by the reportable segments as well as related liabilities is as follows:

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
Assets	2011	4,385,938	163,974	298,196	109,133	4,957,241
	2010	3,596,061	315,322	474,529	77,412	4,463,324
Liabilities	2011	29,787	162,317	292,451	239,401	723,956
	2010	219,304	26,987	74,456	357,099	677,846

(b) Other details of reportable segments are as follows:

(i) Non current assets - additions

Property, plant and equipment	2011	103,801	39,146	85,032	-	227,979
	2010	65,383	39,424	73,860	-	178,667
Investment property	2011	96,405	-	-	-	96,405
	2010	78,207	-	-	-	78,207
Long term advances - considered good	2011	4,250	-	2,412	-	6,662
	2010	776	-	823	-	1,599
Long term deposits	2011	100	10,446	1,060	-	11,606
	2010	1,084	2	210	-	1,296

(ii) Other material items

External revenue	2011	3,569,733	124,882	1,101,089	-	4,795,704
	2010	2,765,254	52,344	897,298	-	3,714,896
Inter-segment revenue	2011	128,533	388,751	-	-	517,284
	2010	124,589	361,319	-	-	485,908
Interest income	2011	46,423	-	-	-	46,423
	2010	21,716	-	-	-	21,716
Interest expense	2011	-	-	398	-	398
	2010	14	-	279	-	293

MURREE BREWERY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

		Liquor Division	Glass Division	Tops Division	Unallocated	Total
		(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
(ii) Other material items (continued)						
Depreciation	2011	43,052	61,610	20,548	-	125,210
	2010	34,763	31,570	19,385	-	85,718
Reportable segment profit/ before income tax	2011	705,561	27,024	17,346	-	749,931
	2010	477,520	7,016	15,867	-	500,403

(c) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items are as under:

	2011 (Rs.'000)	2010 (Rs.'000)
(i) Revenues		
Total revenue for reportable segments	5,312,988	4,200,804
Elimination of inter-segment revenue	(517,284)	(485,908)
Consolidated revenue	4,795,704	3,714,896
(ii) Profit or loss		
Total profit or loss for reportable segments	749,931	500,403
Unallocated amounts - Other expenses	(56,026)	(37,661)
Unallocated amounts - Other operating income	90,781	61,839
Net profit before taxation	784,686	524,581
(iii) Assets		
Total assets for reportable segments	4,848,108	4,385,912
Other unallocated amounts	109,133	77,412
Consolidated total assets	4,957,241	4,463,324
(iv) Liabilities		
Total liabilities for reportable segments	484,555	320,747
Other unallocated amounts	239,401	357,099
Consolidated total liabilities	723,956	677,846
(v) Other material items		
Interest income	46,423	21,716
Interest expense	398	293
Property, plant and equipment - additions	227,979	178,667
Depreciation	142,775	125,210

(c) **Geographical segments**

All the assets of the Company are held in Pakistan.

(d) **Geographical information**

Substantially all the revenues of the Company are generated in Pakistan.