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VISION STATEMENT

Our office is in the market

MISSION STATEMENT

We the people of Murree Brewery Co. make personal commitment to first understand our customers' requirement then to meet & exceed their expectations, by performing the correct tasks on time and every time through:

Continuous improvement

Alignment of our missions & goals

Responsibility and respect of our jobs and each other

Educate one another

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman	Mr. Khurram Muzaffar
Chief Executive Officer	Mr. Isphanyar M. Bhandara
Directors	Ch. Mueen Afzal
	Mr. Aamir H. Sherazi
	Mrs. Goshi M. Bhandara
	Lt. Gen (R) Zarrar Azim
	Mr. Osman Khalid Waheed

PRINCIPAL OFFICERS

Company Secretary	Mr. M. Zaffar Iqbal
Chief Financial Officer	Mr. Mazhar Iqbal
Head Internal Audit	Mr. Malik Saqib Gul Nawaz
General Manager (Brewery Division)	Mr. Mohammad Javed
Business Manager (Murree Glass)	Mr. Arshad Zaheer
General Manager (Tops)	Mr. Talat Yaqoob
Factory Manager (Murree Sparkletts)	Mr. Fayyaz Ahmad

AUDIT COMMITTEE

Lt. Gen @ Zarrar Azim	(Chairman)
Ch. Mueen Afzal	(Member)
Mrs. Goshi M. Bhandara	(Member)
Mr. Khurram Muzaffar	(Member)

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

AUDITORS

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

PRINCIPAL BANKERS

Askari Commercial Bank Ltd, Islamabad
Standard Chartered Bank, Islamabad
National Bank of Pakistan, Rawalpindi / Hattar
Bank Alfalah Ltd, Rawalpindi
The Bank of Khyber, Hattar.
Allied Bank Ltd, Rwp / Lhr / Gujranw / FAbad / Multan

Murree Brewery Company Limited

ESTABLISHED 1860

CORPORATE INFORMATION

REGISTERED OFFICE

Murree Brewery Company Limited
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax: 051-5584420.
E-mail: murreebrewery@cyber.net.pk
murbr@cyber.net.pk
Website: www.murreebrewery.com

- (iv) Mohallah Noorpura, Bahawalpur
Bypass Road, **Multan**
Ph: 061-4232964
Mob: 0313-7313234
- (v) 164/B, Near Winter Time,
Small Industries Estate, **Sahiwal**
Mob: 0335-5611125
0321-6954001

FACTORIES

- (1) **Murree Brewery Company Limited**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5584420
- (2) (a) **Tops Food & Beverages.**
National Park Road, Rawalpindi
Tel: 051-5567041-47, Fax 051-5565461
- (b) Plot No. 14/1, Phase III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**
Tel: 0995-617013, 617493, 617494
- (3) **Murree Sparkletts**
Plot, No. 10/2, Phase-III, Industrial Estate,
Hattar, **District Haripur (K.P.K)**
- (4) **Murree Glass**
Plot No. 24, Phase III, Industrial Estate,
Hattar. **District Haripur (K.P.K)**
Tel: 0995-617233, Fax: 0995-617188

LEGAL ADVISORS

- (i) Hamid Law Associates,
409-410, Alfalah Building,
Shahrah-e-Quaid-e-Azam,
Lahore. Tel: 042-6301801)
- (ii) Mr. Umer Abdullah (Advocate)
Chaudhary Law Associates
Advocate High Court
Flats No. 5 & 6, 1st Floor, MICCOP Centre,
1. Mozang Road, Lahore.
Cell # 0300-8430877-0345-8412222

TAX ADVISOR

Naseem Zafar Associates
16-A, First Floor, Sadiq Plaza,
69-Shahrah-e-Quaid-e-Azam, Lahore.
Tel: 042-6360275-6

DISTRIBUTION OFFICES

- (i) Tops Food & Beverages,
121/3, Industrial Estate, Kot Lakhpat,
Lahore. (Tel: 042-5117501)
- (ii) Aziz Chowk Pindi Bypass,
Galla Sonica Industry,
G.T Road, **Gujranwala** (Tele: 055-3891571)
- (iii) Mansoor Abad
Near Sant Sing Railway Gate
Jumra Road, **Faisalabad**
Tele: (041-8522182 & 2420580)

Murree Brewery Company Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2015

The Directors take pleasure in presenting their report alongwith un-audited financial statements for the first quarter ended 30th September, 2015.

A brief review of the Company's performance for the period against the corresponding period of the last year is as follows:-

- Gross sales at Rs.2,299 million increased by 17.61%.
- Gross profit at Rs. 461 million decreased by 7.58%.
- Operating profit Rs. 277 million decreased by 17.01%.
- Profit after taxation Rs. 210 million decreased by 18.95%.
- Earning per share Rs.9.12 against Rs.11.25 decreased of 18.95%.

Decrease in profit is due to Murree Glass division. The company built a new furnace at Murree Glass Hattar at a cost of Rs.470 million which was completed satisfactorily and went into production on 19th August, 2015. The sale of the division was Rs.65 million vs Rs.239 million and charged depreciation Rs.23.3million vs Rs.14.4million in the corresponding period last year.

Attention of Shareholders is also invited to the directors' report for the year ended 30th June, 2015 which provides a detailed review of the Company's operations.

The Board would like to express its appreciation for the commitment, devotion and hard work of employees, support of our customers, stakeholders and Government departments in our operations.

Rawalpindi
Date: October 27, 2015


Chairman

Murree Brewery

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

	Liquor Division		Glass Division	
	1st Quarter Ended 30 Sep 15 (Rs. '000)	30 Sep 14 (Rs. '000)	1st Quarter Ended 30 Sep 15 (Rs. '000)	30 Sep 14 (Rs. '000)
TURNOVER				
Third party sales - net	1,646,235	1,426,831	-	-
Inter divisional sales	137,907	99,110	65,062	238,948
	1,784,142	1,525,940	65,062	238,948
Less: Duties and taxes	(606,731)	(418,557)	-	-
	1,177,410	1,107,383	65,062	238,948
COST OF SALES				
Third party	(757,684)	(543,160)	(45,366)	(147,072)
Inter divisional	(65,317)	(227,184)	-	-
	(823,001)	(770,344)	(45,366)	(147,072)
GROSS PROFIT	354,409	337,039	19,696	91,877
Distribution cost	(67,164)	(66,895)	(944)	(807)
Administrative expenses	(40,861)	(38,215)	(6,491)	(6,346)
Finance cost	(182)	(815)	(5)	(7)
	(108,208)	(105,925)	(7,439)	(7,161)
	246,201	231,114	12,257	84,716

Other expenses

Other operating income

NET PROFIT BEFORE TAXATION

Provision for taxation

NET PROFIT AFTER TAXATION

EARNINGS PER SHARE - BASIC AND DILUTED (Rupees) - Note 7

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE

Company Limited

FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Tops Division		MBC	
	1st Quarter Ended 30 Sep 15 (Rs. '000)	30 Sep 14 (Rs. '000)	1st Quarter Ended 30 Sep 15 (Rs. '000)	30 Sep 14 (Rs. '000)
	652,357	527,574	2,298,592	1,954,405
	6,154	5,805	-	-
	658,511	533,379	2,298,592	1,954,405
	(145,082)	(111,368)	(751,813)	(529,925)
	513,429	422,011	1,546,779	1,424,480
	(282,452)	(235,132)	(1,085,502)	(925,364)
	(143,805)	(116,678)	-	-
	(426,257)	(351,811)	(1,085,502)	(925,364)
	87,172	70,200	461,277	499,115
	(55,038)	(41,134)	(123,146)	(108,836)
	(13,541)	(11,144)	(60,893)	(55,706)
	(131)	(54)	(318)	(876)
	(68,710)	(52,332)	(184,357)	(165,418)
	18,461	17,868	276,920	333,698
	(20,456)	(20,511)	(20,456)	(20,511)
	52,597	64,824	52,597	64,824
	309,061	378,011	309,061	378,011
	(98,900)	(118,708)	(98,900)	(118,708)
	210,162	259,303	210,162	259,303
	9.12	11.25	9.12	11.25


DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Quarter ended 30 Sep. 15 (Rs. '000)	Quarter ended 30 Sep. 14 (Rs. '000)
Profit after tax	210,162	259,303
Other comprehensive income for the period	-	-
Total comprehensive income for the period	210,162	259,303

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

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DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Quarter ended 30 Sep. 15 (Rs. '000)	Quarter ended 30 Sep. 14 (Rs. '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	309,061	378,011
Adjustment for:		
Depreciation	49,518	38,212
Provision for staff retirement benefits	8,343	22,845
Profit on deposits/dividend income	(54,444)	(48,775)
Finance cost	318	876
Unrealised/(Profit)/loss on re-measurement of loss on disposal of property, plant and equipment	(618) 1,847	(743) -
	4,789	12,415
Operating profit before working capital changes (Increase)/decrease :	313,851	390,425
- Stock and stores	801	(20,523)
- Stock in trade	(42,570)	6,495
- Trade debts	(4,511)	(29,424)
- Advances, receivables and prepayments	(23,074)	(21,121)
- Current Liabilities	(60,967)	(78,995)
	(130,322)	(143,568)
Finance cost paid	(318)	(876)
Staff retirement benefits paid	(2,572)	(2,201)
Income tax paid	(149,772)	(124,861)
NET CASH (USED IN) OPERATING ACTIVITIES	30,866	118,919
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(49,176)	(114,130)
Proceeds of property, plant and equipment	268	-
Long term deposits and advances	(1,771)	(2,104)
Increase in short term investments	(31,617)	(8,742)
Profit on deposits/dividend income	39,390	32,059
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(42,905)	(92,917)
CASH FLOW FROM FINANCING ACTIVITIES		
Re-payment of finance leases	(328)	(793)
Dividend paid	-	-
NET CASH USED IN FINANCING ACTIVITIES	(328)	(793)
Net increase in cash and cash equivalents	(12,366)	25,209
Cash and cash equivalents at beginning of the period	3,013,619	2,524,830
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,001,253	2,550,039

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

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DIRECTOR

Murree Brewery Company Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	Share capital (Rs. '000)	Capital reserve (Rs. '000)	Contingency reserve (Rs. '000)	General reserve (Rs. '000)	Unappropriated profit (Rs. '000)	Total equity (Rs. '000)
Balance at 01 July, 2014	230,530	30,681	327,042	20,000	3,290,048	3,898,301
Total comprehensive income for the three months period ended 30 Sep. 2014	-	-	-	-	259,303	259,303
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	10,110	10,110
Balance as at 30 September 2014	<u>230,530</u>	<u>30,681</u>	<u>327,042</u>	<u>20,000</u>	<u>3,559,461</u>	<u>4,167,714</u>
Balance at 01 July, 2014	230,530	30,681	327,042	20,000	4,193,571	4,801,824
Total comprehensive income for the three months period ended 30 Sep. 2015	-	-	-	-	210,162	210,162
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	-	-	-	12,115	12,115
Balance as at 30 September 2015	<u>230,530</u>	<u>30,681</u>	<u>327,042</u>	<u>20,000</u>	<u>4,415,848</u>	<u>5,024,101</u>

The annexed notes form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE

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DIRECTOR

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

STATUS AND NATURE OF

1 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

- 2.1 This condensed interim financial information of the Company for the three months period ended 30 September 2015 has been prepared in accordance with the requirements of the 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 this condensed interim financial information do not include the information that reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2015. Comparative balance sheet is extracted from the annual audited financial statements as of 30 June 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the three months period ended 30 September 2014.
- 2.2 This 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 Limited.
- 2.3 The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2015.

3 SHARE CAPITAL

There is no change in the Share Capital of the Company as disclosed in the financial statements for the year ended 30 June 2015.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

4 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 2015, except the following:

Contingencies:

- 4.1 The Company is contingently liable in respect of guarantees amounting to Rs. 47.09 million (30 June 2015: Rs. 47.05 million) issued by banks on behalf of the Company in normal course of business.
- 4.2 Refer to note # 12.2 of the financial statements for the year ended 30 June, 2015, unpaid GIDC up to 30 September 2015 is of Rs. 80 million (30 June 2015: 76 million).

Commitments:

- 4.3 The Company has opened Letters of Credit for the import of machinery and inventory items valuing approximately Rs. 165.43 million (30 June 2015: Rs. 92.60 million).
- 4.4 The Company's contracted capital commitments outstanding at the balance sheet date amounting to Rs. 36.97 million (30 June 2015: Rs. 7.60 million).

5	PROPERTY, PLANT AND EQUIPMENT	Note	30 Sep 15 (Rs. '000)	30 Jun 15 (Rs. '000)
	Opening balance		3,898,900	3,708,169
	Additions during the period / year		<u>49,176</u>	<u>372,627</u>
			3,948,076	4,080,796
	Disposals during the period / year at book value		<u>2,116</u>	<u>22,409</u>
	Depreciation charged during the period / year		<u>49,518</u>	<u>159,487</u>
			<u>51,634</u>	<u>181,896</u>
			<u>3,896,441</u>	<u>3,898,900</u>
5.1	Additions during the period:			
	Land		-	40,036
	Buildings		4,560	12,702
	Plant and machinery		23,258	97,607
	Furniture and fixtures		451	1,075
	Motor vehicles		1,663	26,209
	Capital work in progress		<u>19,244</u>	<u>194,998</u>
			<u>49,176</u>	<u>372,627</u>

- 5.2 Additions in and depreciation on property, plant and equipment during the quarter ended 30 September 2014 were Rs 114.13 million and Rs 38.212 million respectively.

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

6 COST OF SALES	Note	Quarter ended			Quarter ended	
		Liquor (Rs. '000)	Glass (Rs. '000)	Tops (Rs. '000)	30 Sep. 15 (Rs. '000)	30 Sep. 14 (Rs. '000)
Raw material consumed	6.1	709,633	43,950	392,392	1,145,976	1,034,761
Stores and spares consumed		3,915	6,366	82	10,363	16,033
Fuel and power		33,732	27,728	10,371	71,831	90,902
Salaries, wages and other benefits		42,145	15,099	15,256	72,500	75,224
Repair and maintenance		9,254	6,154	5,348	20,756	14,018
Other manufacturing overhead		3,224	1,947	1,756	6,927	6,357
Depreciation		13,209	23,293	6,819	43,321	33,239
		815,112	124,536	432,023	1,371,673	1,270,534
Work in process						
Opening stock 01 July		337,721	-	4,047	341,768	346,092
Closing stock 30 Sep.		(333,000)	(1,445)	(5,856)	(340,301)	(337,135)
		4,721	(1,445)	(1,809)	1,468	8,957
Cost of goods manufactured		819,834	123,091	430,213	1,373,141	1,279,491
Add: Opening stock of finished goods 01 July		44,059	960	54,827	99,846	97,583
Less: Closing stock of finished goods 30 Sep.		(40,891)	(78,686)	(58,785)	(178,362)	(107,847)
		3,169	(77,726)	(3,958)	(78,515)	(10,264)
		823,003	45,365	426,257	1,294,625	1,269,227
Less: Interdivisional transfers		(65,317)	-	(143,805)	(209,122)	(343,863)
		757,684	45,366	282,452	1,085,503	925,364
6.1 Raw material consumed						
Opening stock of raw material 01 July		291,053	14,824	188,240	494,117	447,332
Purchases		744,538	38,377	387,668	1,170,583	1,026,958
		1,035,590	53,201	575,908	1,664,700	1,474,290
Less: Closing stock of raw material 30 Sep.		(325,957)	(9,251)	(183,516)	(518,724)	(439,529)
		709,633	43,950	392,392	1,145,976	1,034,761

7 EARNINGS PER SHARE - BASIC AND DILUTED	Quarter Ended	
	30 Sep. 15	30 Sep. 14
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)	210,162	259,303
Weighted average number of shares - Numbers	23,053,025	23,053,025
Earnings per share - Rupees	9.12	11.25

8 ADDITIONAL INFORMATION ON DIVISIONS

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

		Liquor	Glass	Tops	Unallocated	Total
		Division (Rs. '000)	Division (Rs. '000)	Division (Rs. '000)	(Rs. '000)	(Rs. '000)
Assets						
	30 September 2015	7,187,841	606,192	736,693	75,490	8,606,216
	30 June 2015	6,928,667	698,561	808,358	43,873	8,479,458
Liabilities						
	30 September 2015	602,523	58,183	129,719	205,371	995,796
	30 June 2015	793,756	39,862	132,011	106,073	1,071,703
Capital expenditure						
	30 September 2015	17,566	11,700	19,910	-	49,176
	30 June 2015	157,960	186,268	28,399	-	372,627
Depreciation						
	30 September 2015	17,859	23,293	8,366	-	49,518
	30 June 2015	67,609	58,127	33,751	-	159,487

Murree Brewery Company Limited

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2015

9 TRANSACTIONS AND BALANCES 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 and balances with the related parties for the period are as follows:

	Quarter ended	
	30 Sep. 15 (Rs. '000)	30 Sep. 14 (Rs. '000)
Transactions with associated companies under common directorship		
Sales commission	15,968	16,933
Services acquired	3,000	3,000
Transactions with other related parties		
Contribution to staff provident fund	542	529
Contribution to staff pension fund	825	703
Remuneration of the Key Management Personal	6,306	5,808

10 DATE OF APPROVAL

This condensed interim unaudited financial information was approved by the Board of Directors of the Company in their meeting held on 27 October, 2015.

11 POST BALANCE SHEET EVENT

The Board of Directors have proposed a final dividend of Rs.6.5/- per share, for the year ended 30 June 2015 (30 June 2014: Rs.6/- per share) at their meeting held on 28 September 2015 for the approval of the members at the Annual General Meeting to be held on 27 October 2015.

12 GENERAL

- Figures have been re-arranged / re-classified, wherever necessary for the purpose of comparison.
- Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.



CHIEF EXECUTIVE

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DIRECTOR