

DIRECTORS' REVIEW

It is my pleasure to present the un-audited financial statements of the company for the third quarter ended March 31, 2007, together with results for the nine months to that date presented along with an up-date on the company's performance.

OPERATING RESULTS

Sales revenue for the third quarter was Rs.838.0 million as compared to Rs.631.2 million for the third quarter of last year. That means increase of 32.7%. However, cumulative net sales for the nine months registered decrease of 2.4% from Rs.2,355.7 million to Rs.2,299.4 million.

The market, for tin plate is always slow after Eid-ul-Azha which is also reflected from the results of, 3rd quarter. Though, quantitative sales for cumulative period up to March'07 was improved but profitability was declined due to reduction in average selling price by 4.8%.

The gross profit was recorded at Rs.298.3 million against Rs.362.1 million in the same corresponding period. As percentage of sales the gross profit decreased from 15.4 % of the previous quarter to 13.0%.

The profit before tax for the quarter stood at Rs.30.1 million compared to Rs.26.0 million for the corresponding period, last year. After making a provision for taxation of Rs.4.2 million, the net profit after tax of your company is Rs.25.9 million for the quarter under review as against Rs.22.8 million of the corresponding previous quarter.

FUTURE OUTLOOK

Price of steel in the international market is showing upward trend. It means our present stock will be sold at a premium and shareholders could expect better return by the close of current quarter. We are identifying cheaper source of our raw material to offset the effect of forthcoming Sales tax while at the same time pursuing with CBR to allow input adjustments to the ghee / oil industry. In this connection we have signed MOU with Chinese mills while Mr. Tariq Rafi was in China along with Prime Minister. Saving in energy cost due to switching over to KESC from diesel produced energy will also give us some margin. In other words your company is doing all what is possible to give you better return on your investment.

The Board also places on record its gratitude to its shareholders, partners, customers, government authorities and the financial institutions their co-operation & continued support.

On behalf of the Board of Directors

Sd/-

Director

Karachi : April 25, 2007