

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I have pleasure to present the half yearly financial statement of your company duly reviewed by the auditors of the Company for period ended December 31, 2007:

OPERATING AND FINANCIAL RESULTS:

During the period under review, sales revenue was recorded at Rs.972 million as compared to Rs.1461 millions during the same period last year. That means decrease of 33.47% which is mainly due to the reasons that:

1. Withdrawal of Sales Tax Incentive on our sales w.e.f July 2007 which has also taken this quarter to settle down affecting our budgeted sales target.
2. Wild fluctuation and uncertainty in international prices.
3. Delayed arrival of the required material and not fulfilling the contract by some suppliers coupled with heavy influx of imported material available in local market through under invoicing and misdeclaration. Therefore the management made efforts to bring the matter before the concerned authorities for stopping of under invoicing and misdeclaration. Resultantly, the Government has now revaluated ITP from \$574 to 700 in Feb 08 after an effort of about six months.
4. Black plate prices continued to increase which is the main cause of concern for the management. In addition to raw material prices remaining volatile, non availability of required gauges, thickness, grades etc., made the situation more complex. However the management succeeded on procuring and booking its requirement at a price where we are sure for the improvement of volume at a better price in local market and we are now able to compete and gain more market share in coming months.

FUTURE OUTLOOK:

The future strategy of your Company will be to consolidate its position through close monitoring of its procurement and marketing strategy and by improving its performance. In the mean time I am pleased to inform you that as the international prices have been going up which means our stocks will fetch better prices during the subsequent quarter. Customs Department revaluation of ITP of Secondary ETP from US\$574/- to US\$700/- will obviously dent the imports of underinvoiced material which will help our sales. We hope all these efforts will result in better returns for the investors and partners in coming month.

ACKNOWLEDGEMENT:

The Board of Directors take this opportunity to thank to all of our partners, customers, suppliers, distributors, shareholders, bankers, leasing and insurance companies and the staff for their efforts and continued support

On behalf of the Board of Directors

Karachi: February 25, 2008

Abdullah Rafi
CHAIRMAN