

DIRECTORS' REVIEW

On behalf of the Board of Directors of your Company, I have pleasure to present the financial statement for the third quarter ended March 31, 2009.

Operating and Financial Performance:

Sales performance

During the period under review, sales revenue were recorded at Rs.1,898 million as compared to Rs.1,624 million during the same period last year. That means your Company achieved a growth of 16.88% in sales revenue as compared to same period last year.

Gross profit

Gross profit of the Company was Rs.172 million which was 9.07% of sales revenue as compared to Rs.196 million which was 12.10% in corresponding period last year. Its means that there is 12.39% down fall in gross profit as compared to same period last year.

Net results

Net results are not good due to following factors of local as well as international beyond our control which resulted in net loss of Rs.74.05 million during the period under review as compared to net profit after taxation of Rs.127.15 million in the corresponding period.

- ▶ Uncertainty and panic is still prevailing to threat the economical growth consistently, due to which the quantitative sales remained behind the targets of the Company.
- ▶ Company had purchased material at higher prices in the previous quarter which has lead to higher cost of goods sold in this quarter.
- ▶ While cost of goods of sold was higher, the selling prices of tinplates was low. This factor lead to further down fall in the profitability of the Company.
- ▶ Although the Company has recovered Rs.61 million losses in the quarter from January to March 2009, however there is still Rs.71 million losses on investment in Stock market, which hopefully will be recovered by the end of financial year.

Future Outlooks

We are hopeful that country will be able to successfully meet with the challenges faced due to local and international economic scenario. The Company is determined not only improve the productivity but also minimize other factors due to which we suffered losses during the period under review.

Acknowledgement

The Board of Directors of the Company would like to place on record its gratitude to its shareholders, partners, customers, Government authorities, financial institutions whose co-operation & continued support has always been there. Board also acknowledges untiring efforts of the staff in keeping this Company in good shape despite all the odds.

On behalf of the Board of Directors

ABDULLAH RAFI
Chairman

Karachi: April 27, 2009