

BOLAN CASTINGS LIMITED

DIRECTORS' REVIEW

Dear Shareholders

Directors of your company are pleased to present the un-audited accounts for the 1st quarter ended September 30, 2004.

Operating and Financial Results

The net sales for the 1st quarter increased by 112% to Rs. 157.81 million as compared to Rs. 74.58 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 18.45 million as against Rs. 10.83 million of the corresponding period last year, marking an increase of Rs. 7.62 million i.e.70%. However, the G.P. ratio dropped to 11.69% as against 14.52% of the same period last year due to increase in material prices.

The profit before tax for the period under review was Rs. 13.97 million as against Rs. 7.36 million of the corresponding period last year, marking an increase of 90%.

The profit after tax for the 1st quarter increased by 90% to Rs. 9.08 million as compared to Rs. 4.79 million of same period last year.

As a result of favourable operating and financial results, the earnings per share for the 1st quarter ended September 30, 2004 improved to Rs. 1.64 per share from Rs. 0.87 per share of corresponding period last year.

Future Prospects

The upward trend in automotive and tractor industry is expected to continue creating more demand for castings.

Employees' Relations

Cordial relations between management and employees, maintaining congenial atmosphere and march towards progress and prosperity continues smoothly.

Acknowledgement

We would like to thank our customers and the shareholders for their trust and confidence in the company. We also would like to convey our appreciation to entire BCL team, whose sincere and dedicated efforts made the consistently better results possible.

For and on behalf of the Board

Karachi:
October 26, 2004

SIKANDAR M. KHAN
Chairman