

BOLAN CASTINGS LIMITED

DIRECTORS' REVIEW

Dear Shareholders

The Directors of your company are pleased to present the un-audited accounts for and upto the 3rd quarter ended March 31, 2005.

Operating and Financial Results

During the 3rd quarter, the net sales were Rs. 157.01 million as against Rs. 152.64 million of corresponding period last year.

The sales revenue upto the nine months period ended March 31, 2005 increased by 24% to Rs. 474.88 million as compared to Rs. 383.22 million of the same period last year.

The increase in input prices continue to adversely effect the profitability of the company making it imperative to enhance the selling price of our castings.

The gross profit for the 3rd quarter was Rs. 2.36 million as compared to Rs. 33.36 million of corresponding period last year.

The gross profit upto nine months period under review was Rs. 38.31 million as against Rs. 91.49 million of the corresponding period last year, marking a decrease of 58% mainly due to increase in raw material prices which caused increase in cost of sales thus lowering the profit.

The profit before tax for period upto the nine months under review was Rs. 26.16 million as against Rs. 76.70 million, marking a decrease of 66%.

The profit after tax upto the period under review decreased by 64% to Rs. 18.198 million as compared to Rs. 49.855 million of same period last year.

Earnings per share for the nine months ended March 31, 2005 worked out to Rs. 3.29 per share as against Rs. 9.02 per share of corresponding period last year.

Future Prospects

As we look forward to the last quarter of the fiscal year, we see a continued strong demand for our product range. However, the profitability is expected to be effected as result of rapidly increasing raw material prices, which the management is expecting to control by cost saving and increase in the selling price of castings, in addition to better capacity utilization.

Expansion Programme

In order to meet growing market demand, enhancement in production capacity of plant of your company is in process.

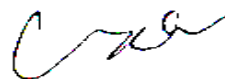
Employees' Relations

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 for their dedication and commitment to the growth of the company.

For and on behalf of the Board



SIKANDAR M. KHAN
Chairman

Karachi:
April 28, 2005