

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, 2006.

Operating and Financial Results

The net sales for the 1st quarter increased by 10.7 % to Rs. 196.28 million as compared to Rs. 177.37 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 28.07 million as against Rs. 9.32 million of the corresponding period last year. The increase in profitability was due to higher sales volume coupled with better selling prices of our main products.

The profit before tax for the period under review was Rs. 17.30 million as against Rs. 4.80 million of the corresponding period last year.

The profit after tax for the 1st quarter was Rs. 11.25 million as compared to Rs. 2.87 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, 2006 improved to Rs. 2.04 per share from Rs. 0.52 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.

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



SIKANDAR M. KHAN
Chairman

Karachi:
October 30, 2006