

**FRONTIER CERAMICS LIMITED**HR&S/4/044  
Issue-3**Ref: FCL/CA/04/003 Date: 12<sup>th</sup> June 2010.**

→ **The Karachi Stock Exchange (G) Ltd,  
Stock Exchange Building,  
Stock Exchange Road - Karachi.**

**Kind Attn: Mr. Haroon Askari  
General Manager Operations.**

**Subject: Placement of the Company on the Non-Compliant Segment of  
the Exchange on account of Default of the Listing Regulation**

**Dear Sir,**

**Kindly refer to your letter No. KSE/Gen-4042 dated June 4, 2010.**

**It is submitted that as explained in our letter of even number dated 27-5-2009, the company's inability to declare dividend to its shareholders due to several financial problems, which is being faced by the management after it took over in 2006 as a "sick unit".**

**It is highly regretted that the company could not offer any dividend even this year despite its efforts to turn around its viability. As is very well known to all that the company was facing serious defaults and had altogether collapsed. With the grace of Almighty Allah and sincere efforts its viability has been turned around. During the past 2 years the Country and specially the area where the factory is located, faced terrible law and order problems. The construction industry badly suffered and we were also badly hurt. Still the company survived because of aggressive marketing and tight financial controls. The company was able to establish L/Cs for imported raw material and plan a hectic BMR program, which is well in progress. Another plant for the floor tiles is imported, which will almost double the production capacity resulting in economic viability of the plant.**

**Similarly, the industries are facing Gas and Electricity load shedding which was compensated through own generation with Diesel Generator sustaining heavy costs on diesel. The gas shortage was replenished with the induction of an LPG plant, which enabled us to save from a total stoppage during winter season. Hopefully, in the next 2 years the Company will be in a position to produce fruitful results.**

**/It is therefore,**

