

INDUS MOTOR COMPANY LTD.

Ref : IMC/SR/KSE-2006

Date : August 31, 2006

The General Manager,
 Karachi Stock Exchange (Guarantee) Ltd.
 Stock Exchange Building,
 Stock Exchange Road
Karachi.
 Fax No. 021-2415763 - 2437560

**Subject: FINANCIAL RESULTS FOR THE
 YEAR ENDED JUNE 30, 2006.**

Dear Sir,

We have to inform you that the Board of Directors of our company in their Meeting held at 11:00 a.m. on Thursday, August 31st, 2006, recommended the following:

(I) CASH DIVIDEND

A final Cash Dividend for the year ended June 30, 2006 @ **Rs. 7/- per share i.e. 70%**. Interim Cash Dividend has already been paid at **Rs. 5/- per share i.e. 50%**.

(II) BONUS ISSUE

It has also been recommended by the Board of Directors to issue Bonus share in the proportion of NIL shares for every NIL shares held i.e. NIL %. The bonus shares will be entitled / not entitled for the right shares.

(III) RIGHT SHARES

The Board has also recommended to issue NIL % Right Shares at par / at a premium of Rs. NIL per share in proportion of NIL shares for every NIL shares.