

The Secretary
Karachi Stock Exchange (Guarantee) Limited
Off: I. I. Chundrigar Road
KARACHI.

**RE: ANNOUNCEMENT OF DIVIDEND AND
HIVE DOWN OF THE STEEL PROJECT**

URGENT

Dear Sirs,

We are pleased to inform you that the Board of Directors of International Industries Limited at their meeting held today, July 23, 2009 have decided as follows:

Financial Results:

The financial results for the year ended 30 June 2009 are as follows:

	2009	2008
		(Rs.000,s)
Sales (Net)	12,319,422	12,067,796
Cost of Goods Sold	(11,152,273)	(10,280,363)
Gross Profit	1,167,149	1,787,433
Operating Expenses (Admin. & Marketing)	(426,867)	(409,114)
Other Operating Charges	(56,427)	(210,610)
Financial Charges	(535,081)	(450,227)
Other Operating Income	320,035	186,821
Profit before Taxation	468,809	904,303
Provision for Taxation	(94,000)	(199,000)
Profit after Taxation	374,809	705,303
Earnings per Share - basic and diluted	3.75	7.06

Dividend:

The Board of Directors have decided to recommend the payment of a final cash dividend for the year ended June 30, 2009 at Rs.2.25 per share, that is, 22.5%.

Hive Down:

We refer to our letter dated 28 July 2008, in which we had informed you that the management of the Company had been asked to prepare a scheme of arrangement to effect a hive down of the Company's downstream project comprising of a 250,000 tpa cold rolling mill and a 150,000 tpa metal coating steel plant to be located at Plot bearing Survey No. 399-405, Deh Sharabi, Landhi Town, Karachi and the 18MW gas fired power plant already constructed and operational at that plot and in principle agreed that this project ("the Steel Project") should be hived down to International Steels Limited, which was intended initially to be a substantially owned subsidiary of the Company and eventually at least a 55% owned subsidiary of the Company.

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