

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-762

NOTICE

February 18, 2010

Reproduced hereunder letter received from ISMAIL INDUSTRIES LIMITED for information of members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).



Confectionery Division

**ISMAIL
INDUSTRIES
LIMITED**

**Purpose of
4th Right Issue of Shares**

Ismail Industries Limited was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the company was converted into a public limited company. The registered office of the company is situated at 17-Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. The shares of the company are listed on the Karachi and Lahore Stock exchanges. Principal activities of the company are manufacturing and trading of sugar confectionary items, biscuits, potato chips and cast polypropylene film under the brands of Candyland, Bisconni, Snackcity and Astro Pack respectively.

The Board of Directors have decided to issue 110% Right Shares that is one hundred and ten (110) Ordinary Right Shares for every one hundred (100) ordinary shares held by the shareholders at Rs. 30/- per share including a premium of Rs. 20/- per share. The requirements of Companies (Issue of Capital) Rules, 1996 "that the company may charge premium on right shares up to the free reserves per shares as certified by the company's auditors". The company has obtained said certificate based on Un-audited Financial Statements for the quarter ended September 30, 2009 and accordingly on this certification, premium amount per share has been decided.

	September 2009 Rupees
Free reserves as at September 30, 2009(Un-appropriated Profit)	516,445,122
Number of ordinary shares issued	24,057,500
Free reserve per share	21.46
Above said certificate is attached herewith as per annexure 'A'	

Purpose of the Right Issue

Keeping pace with the ever growing customers' needs, we are regularly investing in state of the art technology, plant and equipment, and diversification of new products as a part of our strategy to bring organic growth in the business. This has enabled us to remain at the forefront of the confectionary, biscuits, snacks and plastic film business. The directors of the company have inducted funds into the company time to time as per cash flow requirements. Till the date of right shares announcement, the directors of the company have already inducted their funds into the company in shape of directors loan to the tune of Rs. 730.00 million against which the company will issue right shares.