

Karam Ceramics Limited

Manufacturers of Sanitary Ware & Tiles

BC-6, Block-5, Scheme No. 5
Kehkashan, Clifton, Karachi - Pakistan.

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September 10, 2007

The General Manager
The Karachi Stock Exchange (Guarantee) Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

Sub: **BOARD OF DIRECTORS MEETING**

We have to inform you that the Board of Directors of this company at its meeting held on Monday, September 10, 2007 has recommended a Cash Dividend of 12.5% (Rs. 1.25 per share) for the year ended 30th June, 2007. The financial result of the company are as follows.

	30th June 2007	30th June 2006
	<i>Rupees</i>	<i>Rupees</i>
Sales-net	635,183,743	660,328,494
Cost of Sales	<u>(535,895,127)</u>	<u>(524,268,735)</u>
Gross Profit	99,288,616	136,059,759
Distribution and marketing expenses	(37,408,303)	(36,513,830)
General and administrative expenses	(23,005,023)	(20,354,654)
Other operating charges	(4,627,476)	(9,685,863)
Other operating income	656,488	1,381,698
Operating Profit	<u>34,904,302</u>	<u>70,887,110</u>
Finance Cost	<u>(18,245,318)</u>	<u>(13,574,145)</u>
Profit before taxation	16,658,984	57,312,965
Taxation	<u>(3,364,823)</u>	<u>(30,669,095)</u>
profit after taxation	<u>13,294,161</u>	<u>26,643,870</u>
Un-appropriated Profit brought forward	<u>82,103,680</u>	<u>47,070,137</u>
Un-appropriated Profit carried forward (included effect of depreciation on revalued assets)	<u>102,948,557</u>	<u>82,103,680</u>
Earning per share (2006: restated)	<u>1.03</u>	<u>2.20</u>

The Annual General Meeting of the company will be held on Tuesday, October 16, 2007 at 10:00 a.m. at the Company's Registered Office BC-6, Block-5, Kehkashan, Clifton, Karachi.

The Dividend @ 12.5% (i.e. Rs.1.25 per share), if approved by the shareholders will be paid to those shareholders whose names will appear in the Register of the members as on October 9, 2007.

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