



C-8/5121

March 14, 2009

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

Dear Sir,

Pakistan Gum & Chemicals Limited
Tel + 92 21 256 1124-26
Fax + 92-21 256 1320
+ 92-21 256 5213
E-mail pakchem@cyber.net.pk
Website www.pakchem.com.pk

FINANCIAL RESULTS FOR THE YEAR ENDED 31st DECEMBER 2008

We have to inform you that the Board of Directors of our company in their Meeting held on Saturday 14th of March 2009 at 10:00 am at Sind Club, Abdullah Haroon Road, Karachi, recommended the following:

(i) **CASH DIVIDEND**

A final Cash Dividend for the year ended December 31, 2008 at Rs.4/- per share i.e. 40%.

(ii) **BONUS SHARES** NIL

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION**

To seek approval from the shareholders in the Annual General Meeting for the following:

To increase the authorized capital of the Company from Rs.50,000,000/- (Rupees fifty million) divided into 5,000,000 ordinary shares of Rs.10/- to Rs.100,000,000/- (Rupees one hundred million) comprising of 10,000,000 ordinary shares of Rs.10/-

Placement of quarterly accounts through website of the Company in accordance with the Securities & Exchange Commission of Pakistan (SECP's) Circular No.19 of 2004.

The financial results of the company are as follows:

	2008 (Rupees '000)	2007 (Rupees '000)
Net Sales	782,752	615,936
Cost of Sales	(683,984)	(551,630)
Gross Profit	98,768	64,306
Distribution and shipping cost	(29,176)	(14,131)
Administrative expenses	(24,679)	(20,845)
Other operating expenses	(2,230)	(1,240)
Other operating income	13,817	3,779
Operating Profit	(42,268)	(32,437)
Financial cost	56,500	31,869
Profit before taxation	(15,999)	(11,174)
Taxation	40,501	20,695
Net profit for the year	(7,971)	(6,072)
	32,530	14,623
Basic earnings per share	8.04	4.13

Page 1/2