

Thal Limited

Registered Office : 4th Floor, House of Habib
3-Jinnah C. H. Society, Block-7/8, Sharea Faisal, Karachi-75350
Tel : (92-21) 3431-2030 Fax : (92-21) 3431-2318
E-mail : tl@hoh.net Website : www.thallimited.com

TL/2016/271

April 27, 2016

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, Karachi – 74000
Fax # 32410825

FINANCIAL RESULTS FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2016
STANDALONE AND CONSOLIDATED

Dear Sir,

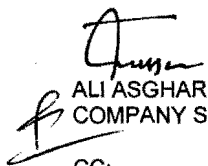
We are pleased to inform you that the Board of Directors of the Company in their meeting held on April 27, 2016 at 12:30 PM have approved the un-audited accounts for the period ended March 31, 2016 for submission to the Shareholders and the Stock Exchanges as required under section 245 of the Companies Ordinance 1984.

The un-audited standalone and consolidated results of the Company for the period ended March 31, 2016 are attached as Annexure "A" & "B" respectively.

CASH DIVIDEND: -
-Nil -

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange in due course of time.

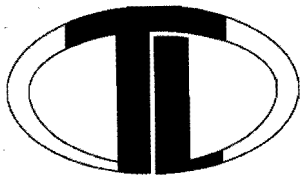
Yours faithfully,
For Thal Limited


ALI ASGHAR MOTEN
COMPANY SECRETARY



CC:

CEO, Central Depository Company of Pakistan
CDC House # 99-B, Block-B,
SMCHS, Shahrah-e-Faisal,
Karachi.



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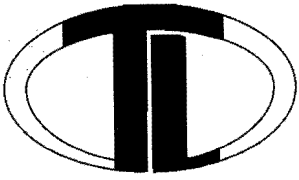
ANNEXURE - A

CONDENSED INTERIM STANDALONE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)

| | Nine Months Period ended | | (Rupees in '000') | |
|--------------------------------------|--------------------------|-----------------|----------------------------------|-----------------|
| | Mar 31, 2016 | Mar 31, 2015 | Quarter ended Mar 31, 2016 | Mar 31, 2015 |
| Revenue - net | 10,895,609 | 10,945,360 | 3,917,256 | 4,260,314 |
| Cost of sales | 8,449,672 | 8,953,475 | 2,978,543 | 3,333,399 |
| Gross Profit | 2,445,937 | 1,991,885 | 938,713 | 926,915 |
| Distribution costs | (169,110) | (153,367) | (67,140) | (59,384) |
| Administrative expenses | (407,317) | (331,209) | (137,096) | (109,984) |
| | (576,427) | (484,576) | (204,236) | (169,368) |
| Other income | 844,650 | 631,086 | 254,773 | 233,099 |
| Operating Profit | 2,714,160 | 2,138,395 | 989,250 | 990,646 |
| Finance costs | (3,394) | (3,605) | (1,959) | (1,281) |
| Other charges | (735,146) | (146,682) | (18,586) | (68,056) |
| | (738,540) | (150,287) | (20,545) | (69,337) |
| Profit before taxation | 1,975,620 | 1,988,108 | 968,705 | 921,309 |
| Taxation | (458,266) | (500,354) | (263,843) | (243,363) |
| Profit after taxation | 1,517,354 | 1,487,754 | 704,862 | 677,946 |
| | Rupees | | Rupees | |
| Basic and diluted earnings per share | 18.73 | 18.36 | 8.70 | 8.37 |

[Signature]

 Thal Limited
 Karachi



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ANNEXURE - B

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2016 (UN-AUDITED)

| | Nine Months Period ended | | Quarter ended | |
|---|--------------------------|------------------|------------------|------------------|
| | Mar 31, 2016 | Mar 31, 2015 | Mar 31, 2016 | Mar 31, 2015 |
| | (Rupees in '000') | | | |
| Revenue - net | 12,195,006 | 13,416,970 | 4,172,712 | 5,099,702 |
| Cost of sales | 9,529,599 | 11,081,384 | 3,158,539 | 4,041,463 |
| Gross Profit | 2,665,407 | 2,335,586 | 1,014,173 | 1,058,239 |
| Distribution costs | (177,526) | (183,464) | (69,046) | (69,953) |
| Administrative expenses | (924,289) | (908,189) | (296,749) | (290,328) |
| | (1,101,815) | (1,091,653) | (365,795) | (360,281) |
| Other income | 1,449,382 | 1,365,507 | 489,785 | 450,619 |
| Operating Profit | 3,012,974 | 2,609,440 | 1,138,163 | 1,148,577 |
| Finance costs | (5,701) | (14,329) | (2,167) | (4,284) |
| Other charges | (1,285,439) | (167,206) | (36,817) | (75,824) |
| | (1,291,140) | (181,535) | (38,984) | (80,108) |
| | 1,721,834 | 2,427,905 | 1,099,179 | 1,068,469 |
| Share of net profit of associates - after tax | 571,676 | 268,642 | 199,618 | 136,466 |
| Profit before taxation | 2,293,510 | 2,696,547 | 1,298,797 | 1,204,935 |
| Taxation | (495,455) | (767,171) | (177,336) | (333,752) |
| Profit after taxation | 1,798,055 | 1,929,376 | 1,121,461 | 871,183 |
| Attributable to: | | | | |
| - Equity holders of the Holding Company | 1,539,434 | 1,689,195 | 1,001,163 | 781,784 |
| - Non-controlling interest | 258,621 | 240,181 | 120,298 | 89,399 |
| | 1,798,055 | 1,929,376 | 1,121,461 | 871,183 |
| | Rupees | Rupees | Rupees | Rupees |
| Basic and diluted (loss) / earnings per share attributable to the equity holders of the Holding Company | 19.00 | 20.85 | 12.36 | 9.65 |

Thal Limited

Directors' Review

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to share Directors' Review for the quarter ended March 31, 2016, along with the unaudited condensed financial statements.

Financial Highlights

| | Rupees in Millions | |
|--------------------------|-------------------------------------|-------------------------------------|
| | For the period ended March 31, 2016 | For the period ended March 31, 2015 |
| Sales | 10,896 | 10,945 |
| Profit Before Taxes | 1,976 | 1,988 |
| Profit After Taxes | 1,517 | 1,488 |
| Earnings Per Share (Rs.) | 18.73 | 18.36 |

Performance Overview

Profit Before Tax of the Company was almost flat at Rs. 1.976 billion compared to the corresponding period last year despite the impairment of loan to Makro Habib Pakistan Limited (MHPL) of Rs. 588 million to discharge its liability to Metro Habib Cash & Carry Pakistan (Pvt) Limited (MHCCP). The impairment charge was largely offset by higher sales to automobile manufacturers and higher dividend income received from subsidiaries and associates.

The basic and diluted Earnings per Share (EPS) for the period under review was Rs. compared to Rs. 18.36 in the corresponding period last year.

Business Brief – Engineering Segment

The Engineering Segment of the Company achieved a turnover of Rs 8.5 billion as compared with Rs 7.4 billion in the corresponding period last year, an increase of 14%.

The auto assembling industry in Pakistan exhibited a minor decline of 1.0% in volumes during the third quarter of 2015-16 compared to the same quarter last year. This was mainly on account of the discontinuation of Punjab Government's Taxi Scheme. However, with improving economic conditions and enhanced auto financing, the demand for cars has continued to improve, leading to a growth of 11% over the corresponding quarter last year, excluding the taxi scheme. Used car imports continue to adversely impact the auto industry registering an increase of around 70% to 32,452 units during first 9 months of the current year compared to the same period last year.

The new Automotive Development Policy 2016-21 has been announced by the Government, which provides lucrative incentives for new automotive entrants in the country, including reduced duty rates for import of CKD kits for 5 years and a one-off duty-free import of plant & machinery for setting up manufacturing facilities in Pakistan. However the same incentives have not been provided to the existing automotive assemblers for introducing new models, which will put the existing assemblers at a disadvantage. Additionally, no change has been made to the used car import policy which would continue to be damaging for the automotive industry. An increase in custom duty on the import of sub components used by the automotive vendor industry from 5% to 10% and the imposition of an additional 15% Regulatory Duty on the import of some raw materials and components will also have an adverse impact and will be detrimental for the automotive vendor industry.



The Engineering Segment continued to perform better than expected and contributed 17% growth in profit after tax for the Company compared to the corresponding period of last year. It is worth mentioning that the segment effectively managed the challenge to enhance production to cater for the higher demands of the assemblers.

Outlook

In line with the 3rd Quarter performance, the next Quarter is expected to improve further owing to continued demand for cars. The Engineering Segment has been successful in coping up with the increased demands of its customers and is now working at enhanced capacity utilization levels and is confident that it will continue to demonstrate a healthy performance. However, discussions on FTA & PTA continue with various countries and may have an adverse impact on the auto business on a medium to long term basis. The Company is making all efforts to work with the Government to involve all stakeholders before finalizing FTA & PTA.

Business Brief – Building Material & Allied Products Segment

The Building Material & Allied Products Segment of the Company achieved a turnover of Rs. 3 billion as compared to Rs. 4 billion, a decline of 25% over the corresponding period of last year.

Jute Operations

The period remained a challenge for the domestic jute industry. After a ban of five months, the Government of Bangladesh removed the ban on export of raw jute on April 3, 2016. However, the price of raw jute continues to increase and may pose a renewed challenge in the later part of the year.

The Company is confident in overcoming the challenge and to provide sustainable growth to the business. As part of its strategy, the Company is optimizing its production to effectively utilize raw jute as per availability and is continuously improving cost efficiency at every level of its operation.

The business expects sales growth in the forthcoming wheat season for local sales and improvement in the export markets.

Papersack Operations

The Papersack Business continues to have positive momentum going into the final quarter, with the cement industry witnessing a growth of 9.9% on a YoY basis in total dispatches, with expectations of sustained demand for the rest of the year.

Keeping in mind the changing requirement of our customers, the Company is planning to upgrade its printing capability and improve bag quality. To achieve better quality & printing, the Company is making a capital expenditure .

To create more value for the business, the management is making efforts to expand its customer base and has made considerable inroads in the packaging of industrial products like gum, petro carbon, flour, etc. Furthermore, continuous improvements in the quality standards have resulted in attracting global fast food franchises operating in Pakistan in choosing the Company as their preferred supplier of paper bags, that are both environmentally friendly and bio-degradable.

We anticipate that the demand for papersacks to be sustained across our customer portfolio. On the other hand, the benefit of lower oil prices will benefit the competing woven polypropylene industry considerably, and may lead to price cutting for a larger share of the market.

Laminates Operations

Although the market remained volatile, there have been some improvements in the overall sentiments, and therefore, the business has witnessed a positive trend in the quarter. Going forward, the Company expects to gain further momentum in the business.

Due to the instability in neighboring countries/region, the export markets have not performed as expected. The Business is making efforts to find new markets for its products.



In the local market, FORMITE continues to face intense competition from the undocumented segment and the management is countering this aspect by focusing on premium and quality conscious customers, who continue to patronize the FORMITE products due to its range, quality, diversity and after sales service.

The business outlook is positive and the growth momentum of the previous quarter will continue for the remainder of the year.

Subsidiaries:

Thal Boshoku Pakistan (Pvt.) Ltd.

The Company has achieved increased sales and its profit before tax was higher than the corresponding period of last year by Rs. 38.5 million. This was mainly due to increased customer demand together with the strict control on operating costs.

During the third quarter, the Company was awarded three Certifications from URS. These are (1) Quality Management System (ISO 9001); (2) Environment Management System (ISO 14001); and (3) Occupational Health & Safety Assessment (OHSAS 18001).

The Company's focus remained on productivity improvement and control on wastages. All customer supplies requirement were met in time with zero defect and the business was rated well by the customer throughout the quarter.

Projections for 2016 looks very promising and the business envisages to carry on the upward trend of performance.

Makro-Habib Pakistan Limited

The Honorable Supreme Court of Pakistan dismissed the Review Petition and as a consequence the Saddar store of Makro-Habib Pakistan Limited (MHPL) was closed down on September 11, 2015 and the Operation Agreement between MHPL and Metro Habib Cash & Carry Pakistan (Private) Limited (MHCCP) stands terminated. Consequently, MHPL paid Rs. 792 million to discharge its obligation to MHCCP under the operation agreement with MHCCP.

The Honorable Supreme Court of Pakistan on December 9, 2015 accepted the Army Welfare Trust (AWT) request for restoration of its Review Petition which was earlier dismissed for non-prosecution. In the last hearing held on February 2, 2016, the Honorable Chief Justice commented that while reviewing AWT's review petition, both MHPL and Ministry of Defense will also get a chance to argue their points on merit as they are respondent in AWT's petition.

Habib METRO Pakistan (Private) Limited

The main business of Habib METRO Pakistan (Private) Limited (HMPL) is to manage properties; and over 90% of the revenue is generated from rental income. The Company's holding is 60%. During the quarter under review, HMPL's revenue was Rs.375 million and profit after tax was 193 million.

During the quarter, HMPL paid Interim dividend amounting to a total of Rs. 113 million for the second quarter. The Board of Directors in their meeting for the third quarter held on April 11, 2016 declared interim cash dividend of Rs.0.341 per share, which is Rs. 116 million.

The company is exploring various business opportunities to complement the cash & carry business.

Investment in Sindh Engro Coal Mining Company Limited (SECMC)

The Financial Close of SECMC was achieved on April 5, 2016. Thal Ltd. further injected Rs. 502 million in cash taking its total investment in SECMC to Rs. 862 million for 12.8% ordinary shareholding. Besides equity injection, it also issued an equity SBLC for Rs. 2.083 billion.

Preliminary work at the site has started for setting up the temporary facility for accommodation at both mining and power site.

Joint Venture Agreement

The Board of Directors approved that the Company execute a Joint Venture Agreement with M/s Novatex Limited for collaboration to develop a 330 MW Coal-fired Power Generation Plant at Thar, Sindh.

Baluchistan Laminates Division

The management of the Company had received an unsolicited indicative offer from Dynea Pakistan Limited to acquire the assets of the Company's laminates manufacturing business commonly known as Baluchistan Laminates Division. Later, a revised offer was received from Dynea which the Company's Board decided to decline, as it was not acceptable.

Resignation of Director & Induction of a new Director

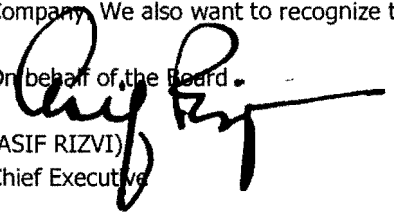
Mr. Mazhar Valjee has resigned from the Board with effect from February 25, 2016. The Board appreciated the valuable contribution made by Mr. Valjee over a span of 22 years. The Chairman wished him well in his future endeavors.

Mr. M. Salman Burney has been appointed as Director in place of Mr. Mazhar Valjee with effect from February 25, 2016. The Chairman congratulated Mr. Burney on his appointment.

Acknowledgement

We would like to thank the Almighty for all His blessings in these challenging times and to convey our appreciation to all our customers, dealers, bankers and joint venture and technical partners for their continued support and confidence in the Company. We also want to recognize the efforts of all our team members who have worked diligently to achieve the results.

On behalf of the Board


(ASIF RIZVI)
Chief Executive

Karachi: April 27, 2016.