



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

December 23, 2010

**RE: BOARD MEETING HELD ON DECEMBER 22, 2010**

Dear Sirs,

This refers to our letters dated December 15, 2010 and December 22, 2010.

**MATERIAL INFORMATION**

The Board of Directors of International Industries Limited ("IIL") has decided to sell and dispose of up to 45% of the issued shares of its wholly owned subsidiary International Steels Limited ("ISL").

It has been resolved by the Board of Directors that the sale aforesaid shall be effected partly through a sale to certain strategic investors, including International Finance Corporation ("IFC") and Sumitomo Corporation ("Sumitomo"), and partly by sale to the local and foreign institutional investors and high net worth individuals through a book building process and the remainder through a public offer for sale of shares.

As mentioned above, IFC and Sumitomo are two strategic investors who will purchase shares of ISL from IIL. In both cases, the number of shares to be sold will depend on the price of the public offer for sale which will be determined after the book building process is completed and will take into account an agreed 20% discount on the premium comprised in the price at which the offer for sale will be made, and will depend in the case of IFC on the outstanding amount of the C loan of Rs. 53.59 million advanced by IFC to IIL, which loan will be settled through the sale of shares, and in the case of Sumitomo on the advance of Yen 500 million to be provided by Sumitomo to IIL.

The divestment of up to 45% of the issued shares of ISL is subject to:

- IIL Shareholders approving the divestment as and by way of Special Resolution under and pursuant to section 208 of the Companies Ordinance 1984;
- Securities and Exchange Commission of Pakistan approving the offer for sale of shares under and pursuant to section 62(1) and section 57 of the Companies Ordinance 1984;
- Karachi Stock Exchange (Guarantee) Limited approving the listing of shares of ISL under and pursuant to the Listing Regulations; and
- Competition Commission of Pakistan granting clearance under and pursuant to the provisions of the Competition Act 2010 read with the Competition (Merger Control) Regulations 2007.

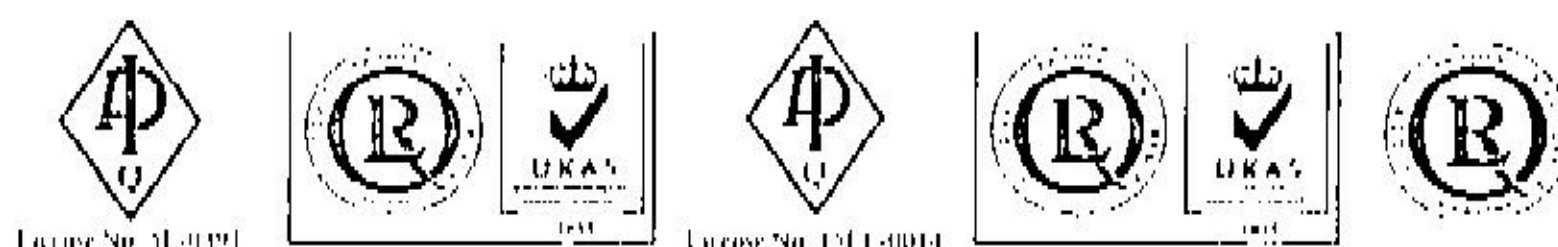
Further details with regard to the aforesaid divestment shall be provided to you in due course.

Thanking you,

Yours faithfully,  
For INTERNATIONAL INDUSTRIES LTD.,

  
NEELOFAR HAMEED  
Company Secretary

cc. Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Islamabad



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