

AISHA STEEL MILLS LIMITED

SHAPING THE ECONOMY

DSU-45, Pakistansteel, Down Stream Industrial Estate,
Bin Qasim, Karachi, Pakistan.

25 June 2012

Attn: Mr. Ghuyran
Fax# 32410825

Managing Director,
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchnage Building,
Stock Exchange Road,
Karachi.

Sub: Material Information on Aisha Steel Mills Ltd.

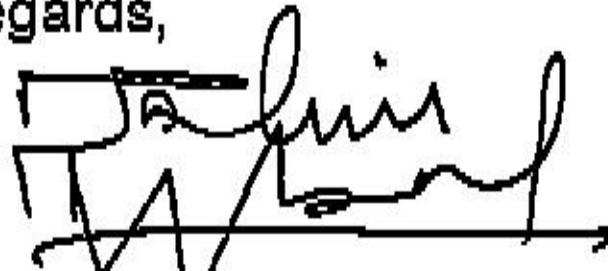
Dear Sir,

This is with reference to Clause 7.12 to the Offer for Sale Document of Aisha Steel Mills Limited.

Subsequent to the approval of Offer for Sale Document by the Karachi Stock Exchange (Guarantee) Limited, the arbitration proceedings have initiated in response to Aisha Steel Mills Ltd's application for settlement of dispute with Etimaad Engineering (Pvt.) Limited in the Sindh High Court u/s 20 of Arbitration Act, 1940. Aisha Steel Mills has claimed recovery of the over payments made to Etimaad Engineering (Pvt.) Ltd along with consequential damages from the same. Aisha Steel Mills Ltd has a claim of PKR 1,108,975,815.00 against Etimaad Engineering (Pvt.) Ltd together with markup at the KIBOR notified by the State Bank of Pakistan from the date the amount became payable till the same is realized. A further sum of PKR 20,000,000.00 has also been claimed in lieu of costs. The above claim is net of PKR 99,371,031.00, which have already been recovered from Etimaad. Etimaad Engineering has made a capricious counterclaim of PKR 819,935,954.00 which is a mere retort to Aisha Steel Mills Ltd's bona fide claim.

The above is for information and record.

Regards,



Tahir Kaba
Chief Financial Officer &
Company Secretary

Cc: Mr. Amir Khan Afridi (Director, C.I. – SECP Islamabad)