

**DYNEA PAKISTAN LIMITED**  
**Directors' Review**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2009**

The Directors are pleased to present the un-audited accounts for the quarter ended September 30, 2009.

During this period your Company made a pretax profit of Rs 19.6 million and after tax profit Rs.11.19 million as against pretax profit of Rs.7.34 and after tax profit of Rs.5.14 million respectively during the corresponding period last year. This improvement in profitability is attributed mainly to prudent procurement of raw material, efficient plant running and better marketing strategies.

**Resin Division**

Resin Division generated sales revenue amounting to Rs.196 million as against Rs.194 million registered during same period last year showing a marginal growth of 1%. Improvement in revenue was mainly attributed to improvement in sales volumes to the extent of 20.75%.

**Aminoplast Division**

Aminoplast Division generated sales revenue amounting to Rs.99.79 million as against Rs.127.4 million achieved during same period last year showing a decline of 21.67%.

Moulding Compound division has incurred a gross loss of Rs.11.85 Million because of intense cut throat competition both in the matter of sales as well in price by our competitors who have flooded the market with supplies more than the demand.

**Future Outlook**

Resin division is showing reasonable growth in sales, while sales of moulding compound operation is under pressure due to higher level of supplies available in the market owing to over capacities. The management is however fully aware of the situation is taking necessary steps to safeguard the Company business interest.

**Vend Fee and Permit Fee Case**

After two favourable decisions of the Sindh High Court, the case is now pending for hearing and final decision with the honourable Supreme Court of Pakistan. In view of the merits of the case, the management is also expecting a favourable decision from the apex court.

**Acknowledgement**

The Management of the Company would like to convey its appreciation to all of its Customers, financial institutions and other stakeholders for their continued support and confidence that they have shown in the Company.

Karachi:  
Dated: October 27, 2009

On behalf of the Board  
Shabbir Abbas  
Chief Executive Officer