



AMRELI STEELS
Building for Life

Amreli Steels Limited Analysts' Briefing

Financial results of third quarter and
nine months ended March 31st 2016

Profit & Loss Account

	For the Nine months ended		For the Quarter-ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	----- (Rupees) -----		----- (Rupees) -----	
Sales	8,374,200,197	10,584,568,001	2,921,156,060	3,525,708,412
Cost of sales	(6,441,429,448)	(8,890,732,348)	(2,266,556,077)	(2,736,079,098)
Gross profit	1,932,770,749	1,693,835,653	654,599,983	789,629,314
Distribution costs	(254,113,218)	(220,693,794)	(98,838,336)	(50,272,936)
Administrative expenses	(201,032,598)	(145,382,696)	(53,126,399)	(45,866,992)
Other expenses	(119,768,627)	(60,808,877)	(54,711,917)	(40,904,979)
Other income	10,138,000	21,390,361	6,376,591	20,219,959
Trading income	41,770,698	-	41,770,698	-
Operating profit	1,409,765,004	1,288,340,647	496,070,620	672,804,366
Finance costs	(272,692,256)	(537,309,212)	(52,066,071)	(163,299,019)
Profit before taxation	1,137,072,748	751,031,435	444,004,549	509,505,347
Taxation	(215,043,312)	(170,826,471)	(71,638,491)	(100,225,512)
Net profit for the period	922,029,436	580,204,964	372,366,058	409,279,835
Earnings per share – basic and diluted	Rs. 3.61	Rs.2.60	Rs. 1.25	Rs.1.84



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Pakistan's Largest-Selling Brand of Steel bars

Third quarter (Jan – March)

Impact of price and quantity on sales

	2015 - 2016	2014 - 2015	Variance	%
QTY	38,394	41,837	(3,443)	-8.2%
Sales price	76,084	84,272	(8,189)	-9.7%
COS	59,034	65,399	6,364	9.7%
GP%	22.4%	22.4%		0.0%
QTY Variance			(290,150,203)	48%
Price variance			(314,402,149)	52%
Total varince			(604,552,352)	100%
SALES	2,921,156,060	3,525,708,412	(604,552,352)	-17.15%

Nine months (July – March)

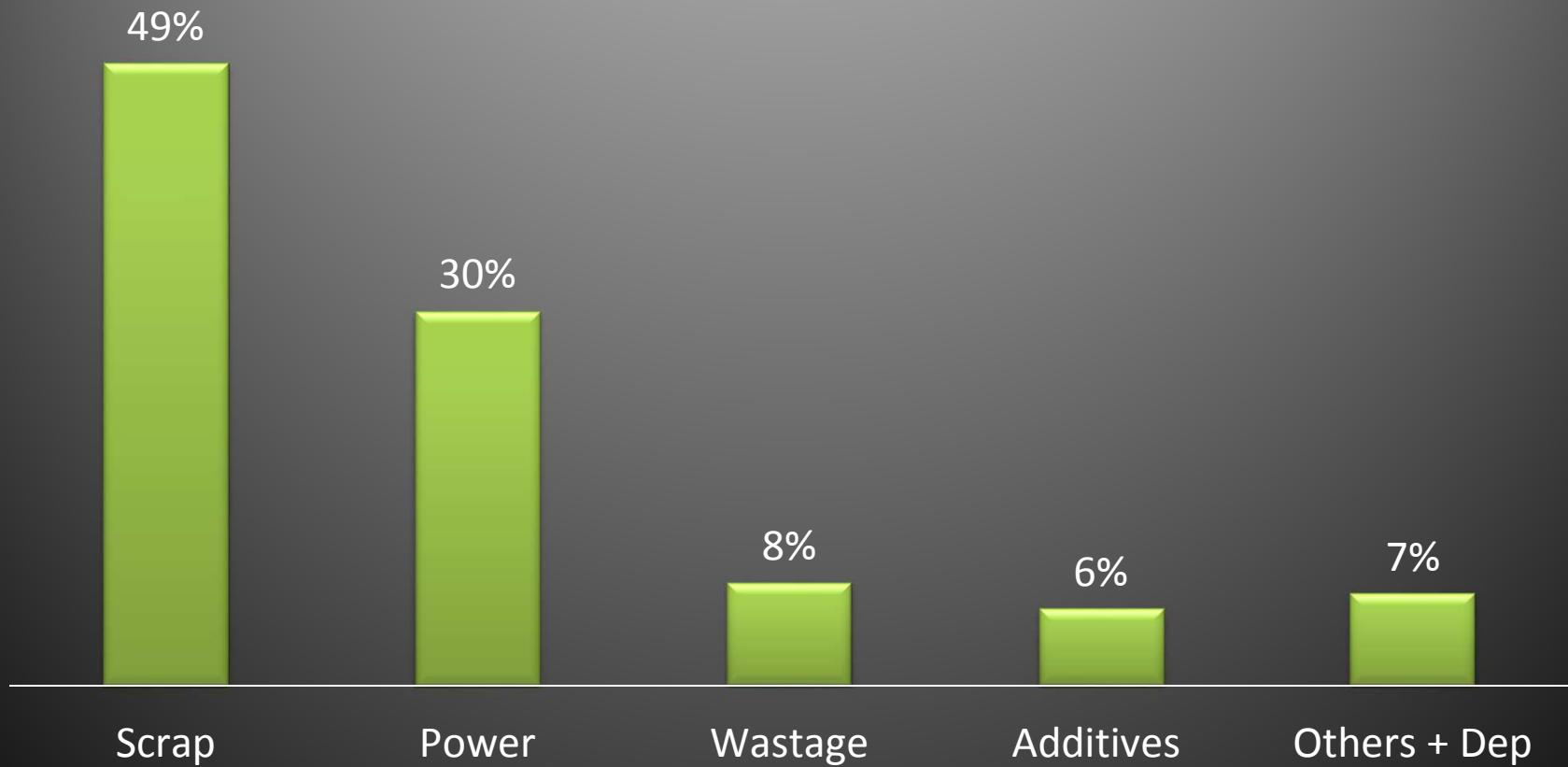
Impact of price and quantity on sales

	2015 - 2016	2014 - 2015	Variance	%
QTY	103,664	122,197	(18,533)	-15.2%
Sales price	80,782	86,619	(5,837)	-6.7%
COS	62,138	72,757	10,620	14.6%
GP%	23.1%	16.0%		7.1%
QTY Variance			(1,605,307,812)	73%
Price variance			(605,059,992)	27%
Total varince			(2,210,367,804)	100%
SALES	8,374,200,197	10,584,568,001	(2,210,367,804)	-21%



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Major components of cost of goods manufactured

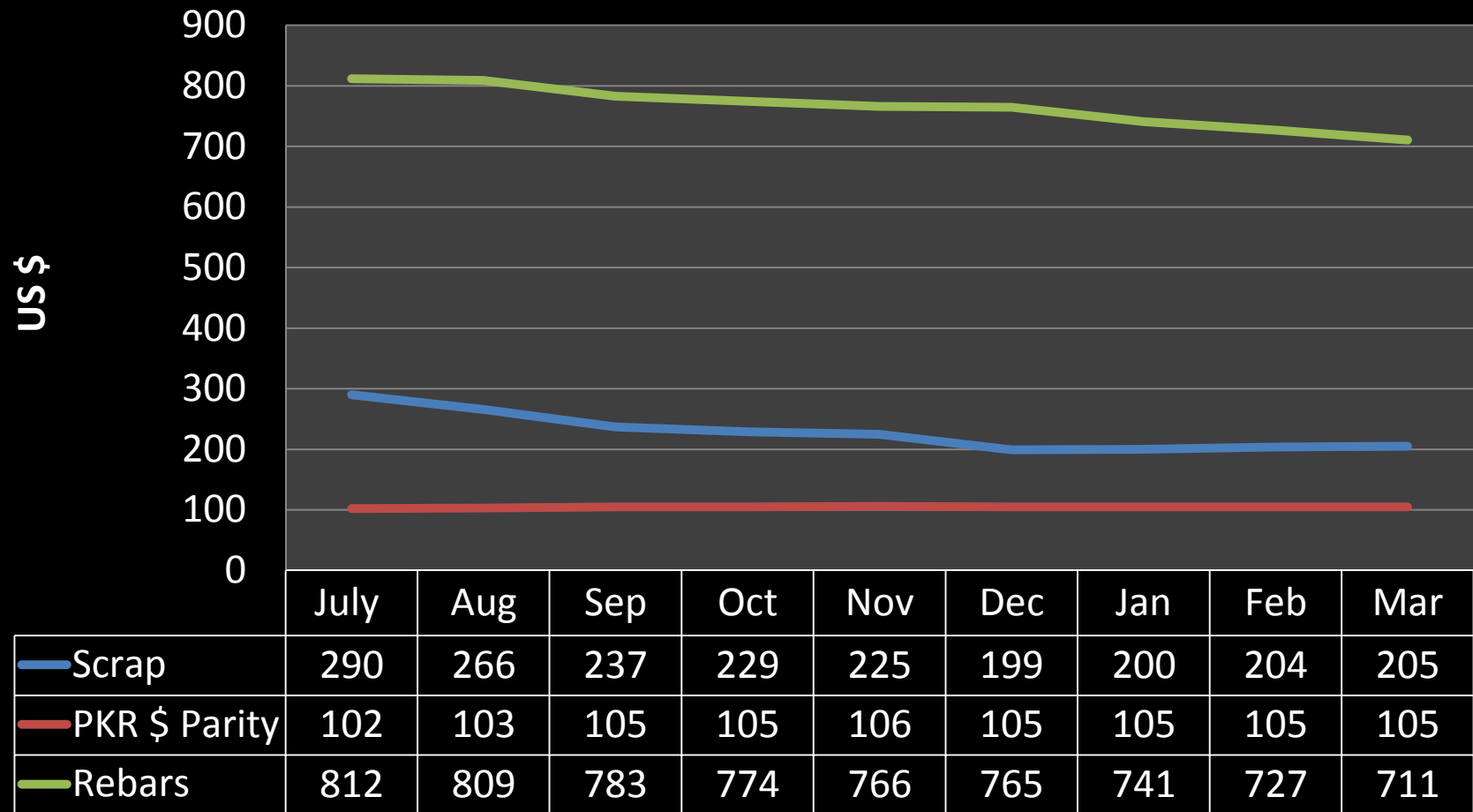




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Scrap & Rebar correlation

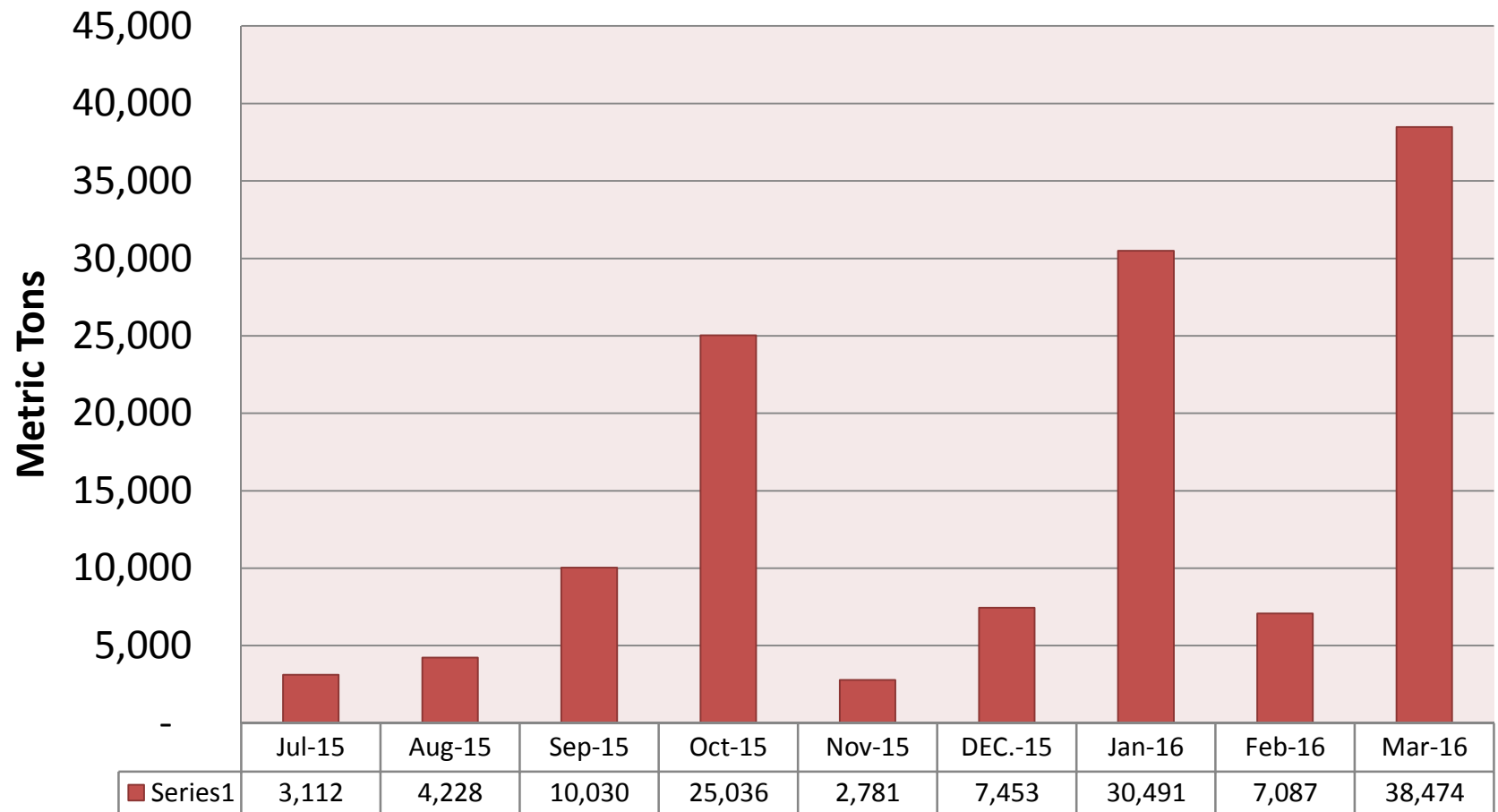




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Imported Chinese Rebars





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Fourth quarter outlook

We expect to meet our sales quantity targets for the last quarter

We foresee slow down in the import of rebars

We see stable prices of locally manufactured rebars

We expect margins to remain in tact

We do not see slide on the demand side

Scrap prices to remain volatile



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Thank you