

Chairman's REVIEW



Ali S. Habib
Chairman

BISMILLAH HIR REHMAN NIR RAHIM

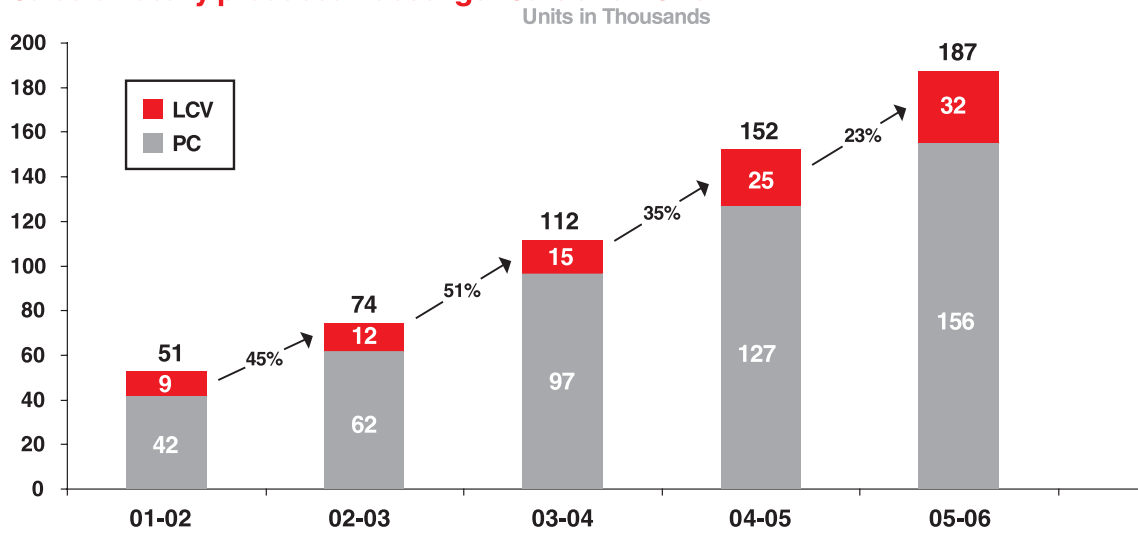
By the Grace of Allah, yet another successful year has passed. It is with great pleasure that I welcome you all to the 17th Annual General Meeting of your company and am delighted to present before you the company's performance for the year ended June 30, 2006.

AUTOMOBILE INDUSTRY

Our economy continued to expand despite the impact of the October 8, 2005 earthquake and rising energy and fuel prices. GDP grew at 6.6 % during the year ending June 2006 compared to 8.4% the previous year due to under performance of the agriculture sector and a slight slow down in manufacturing.

The passenger car and light commercial vehicle market had another good year of robust growth as nationwide sales increased by 23% to an all time high of 187,000 units compared to 152,000 units sold in 2004-05. Continued strong domestic demand due to rising incomes and easy availability of auto finance, stemming from the stable economic and political environment contributed to the strong performance of the automobile sector.

Sales of locally produced Passenger Cars and LCVs



* PAMA

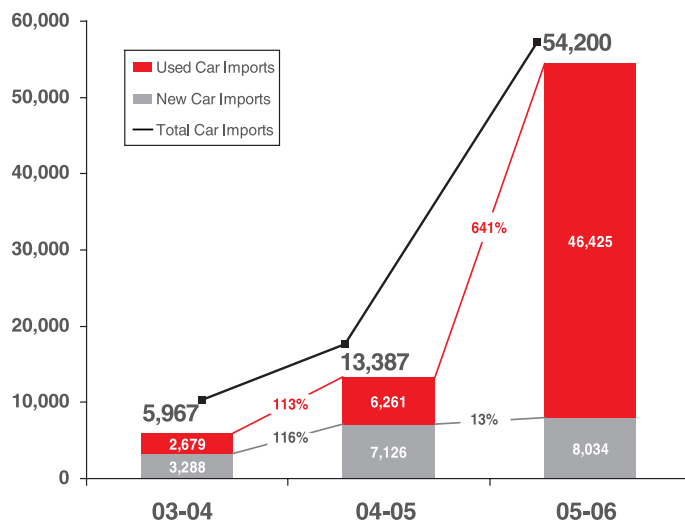
The entire auto industry comprising of both the OEMs and the part suppliers responded effectively to the growing demand by continuous expansion of their production facilities through major investment programs. This has enabled domestic production of passenger cars and light commercial vehicles (LCV) to increase four-fold, from 49,000 units in 2001-02 to 187,000 units in 2005-06, which augers well for development of the engineering industry and increased job employment opportunities.

The past 18 months has seen a dramatic rise in imports of used cars of various categories and makes, some of which are incompatible with Pakistan's market requirements. This large influx of used cars has created volatility in the domestic market in terms of significant accumulation of unsold inventories at year end and with their volume reaching 25% of the domestic passenger car and LCV production.

The exodus of used cars in the market is an outcome of reduction in import duties over last few years, coupled with increase in depreciation rate to 2% per month for 24 month old small cars and general liberalization of personal baggage rules. A new domestically produced model after two years, currently enjoys a tax depreciation benefit of 36% versus 48% for the used imported cars. All these factors have caused the locally assembled new cars to become under valued and uncompetitive.

Though nearly 60% of the imported used cars are Toyota brand, which is helping IMC increase spare parts, service business and in developing future customers. This liberalized import of used cars and frequent changes in policy are a matter of concern for the whole of domestic auto industry. These changes create uncertainties and in absence of clear long term policy, erode auto sector confidence. However, your company is focused at meeting the needs of its customers through local manufacturing and continuing to plan for future capacity expansion.

Import of New and Used Cars



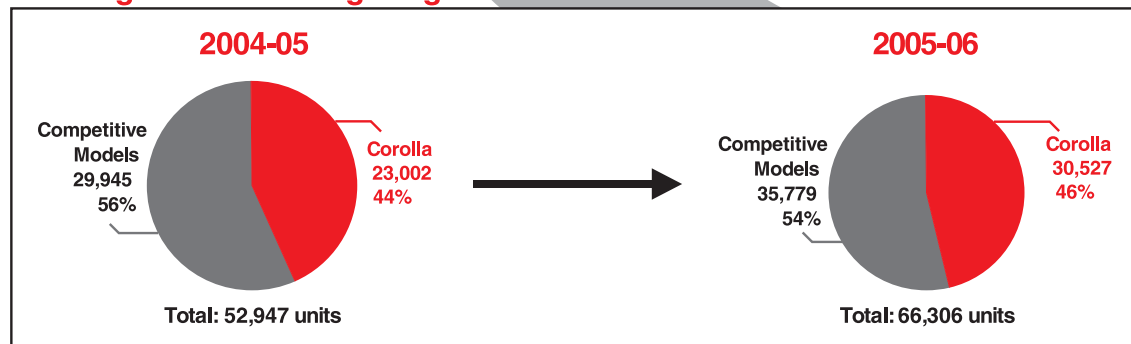
FINANCIAL REVIEW

By the Grace of Allah, since inception, we have demonstrated the strength of our business by creating value for our shareholders. Our financial results reflect the value of past investments, well managed operations, good products, and our strategy of carefully managed, consistent, irreversible growth.

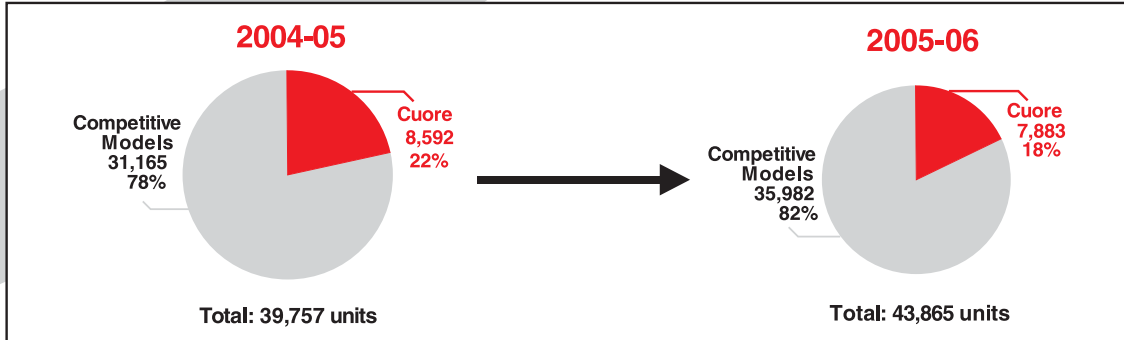
Sales & Profit

Your company's sales for the year ended June 30, 2006, were a record 42,406 units compared to 35,874 units achieved last year.

Passenger Car Small / High Segment

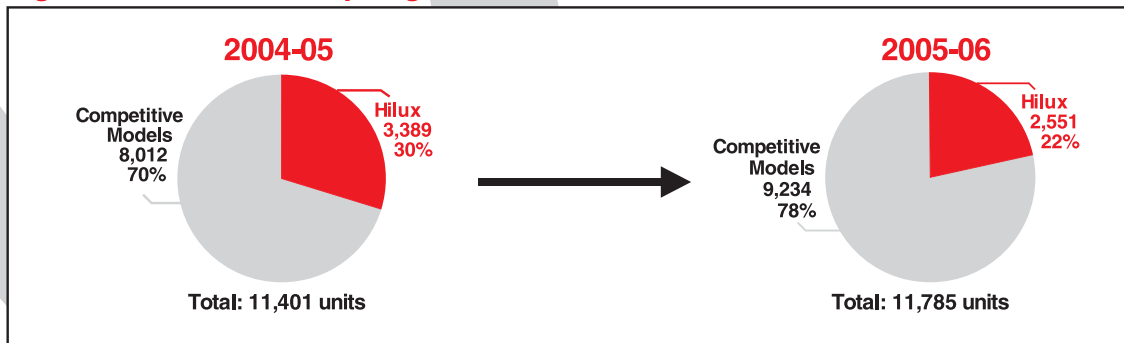


Passenger Car Economy Segment



" Our Cuore model witnessed marginal decline in market share due to production limitation.

Light Commercial / Pickup Segment



During the year, Indus discontinued production of its Hilux vehicle following the model run-out. Preparations are underway to launch an upgraded replacement vehicle.

Overall, our sales revenue for the year 2005-06 increased by 28% to record Rs 35.2 billion compared to Rs 27.6 billion achieved last year. Increased sales volume and effective cost control measures enabled your Company to post Profit Before Tax of Rs. 4.1 billion, up 77% over Rs 2.3 billion achieved last year.

This year too, the economy witnessed an increasing inflationary trend led by significant increases in fuel prices and general price levels. In order to protect customers from these price increases and to provide maximum value to them, your company absorbed most of these burdensome cost increases.

Dividend

The Company's Return on Equity for the year was 42% (2004-05 of 33%), while the Earnings per Share rose 78% to Rs 33.70 and Shareholders Equity was up 40% to Rs 6.26 billion. A final payment of Rs 7 per share has been proposed to shareholders, making a total payment for the year of Rs 12 per share, a 20% increase compared to the dividend payment in 2005. An amount of Rs 1,705.3 million is recommended for appropriation to the General Reserves that will be utilized for our continuing growth and capacity expansion. During last year, our total assets have risen by 21% to Rs 16 billion.

MARKETING

We are essentially a market-driven company. We exist because of our customers. Year after year, our customers repose their trust in our vehicles and service. While the Toyota brand is well established in Pakistan over decades with a vehicle population of over half a million vehicles, our Daihatsu Cuore is also recognized as the high quality, durable small car with an excellent drive.



The strong customer preference for Corolla and Cuore continues. Even though we have increased production from 57 cars/day when we launched the new Corolla in March 2002 to the current 200 cars/day, demand for both product lines is still strong.



Corolla sales saw a 33% increase in volume from 23002 units in 2004-05 to 30,527 units in 2005-06. Another pioneering effort by Indus was the launch of the Corolla Altis, the first locally made sedan car in 1800 cc category. The Altis, with its 1.8 VVTi engine and Electronically Controlled Transmission (ECT), provides customers with a powerful driving experience. It is both fuel efficient as well as environment friendly, equipped with a catalytic converter, another first for a locally produced sedan.

Earlier in the year, in August 2005, the all new 4x4 double cabin Hilux (Innovative Multipurpose Vehicle) was launched in Pakistan. This tough Hilux sets new standards of quality, durability and performance styled in a design that is totally refreshing. Besides media launch, the 4x4 Hilux was displayed at Karachi's popular shopping malls along with its Driving Simulator, which proved to be very popular with visitors.

We are very grateful to our customers who have waited patiently for deliveries. However, with continuous production enhancement, delivery times for most of our products is now less than two months.

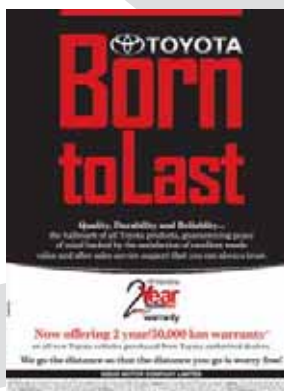
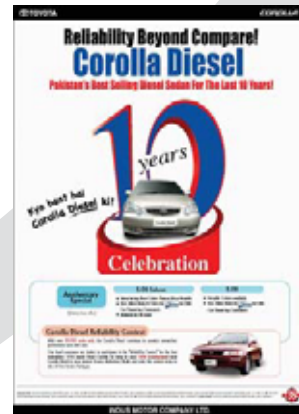


To delight our customers, we continue to introduce new models and variants. The current Hilux will be upgraded in the near future by a much superior vehicle, a new generation engine, higher specifications and improved styling. The new Hilux (Innovative Multipurpose Vehicle) will have even better performance, both in difficult terrains as well as in urban areas.

We have launched the new model Camry, an extremely popular vehicle with a powerful 2.4 liter VVt engine, elegant aerodynamic design, luxurious and spacious interior, and very advanced features. The new Camry was also introduced recently in other countries where it defeated the competition, becoming the leader in its segment. Our launch included test drives for customers that gave them the feel and spirit of this wonderful driving machine.



As motorization increases in Pakistan and demand continues to grow, we will face not only the challenges of imported cars but also new entrants who may target price sensitive, less quality conscious customers. We know that in this competitive market, we have to position our company in the lowest cost quartile and in the highest quality quartile. While we are doing this, we also have to provide our customers the best possible purchase and ownership experience at our dealerships. We are, therefore, embarked on a program to enhance, spatially and qualitatively, our dealership network. As three new dealerships near completion and our network increases to 28 dealerships, an intensive dealership improvement program is concurrently underway. We are also strengthening and restructuring our Marketing Division so that it becomes more proactive in the changing market dynamics.



We celebrated the 10th anniversary of our Corolla Diesel in Pakistan. The Corolla Diesel, since its launch in 1996, has proven to be the best selling Diesel Sedan in Pakistan year after year. Noted for its durability, high resale value, easy maintenance and powerful yet efficient engine, this car continues to be the customers favorite sedan especially in smaller towns for inter city traveling. Despite the popularity of CNG, Diesel Corolla continues to mark its dominance with the ease of refueling and nationwide availability of diesel fuel.

Toyota products are known all over the world for their reliability and durability. Indus Motor now also offers a 2 year warranty on all Toyota products to further boost the claim - Born to Last.

Our Service department has not only expanded its operations in Pakistan but has also won awards in Toyota international competitions. Indus Service won a Prize in Toyota Motor



Corporation's Kaizen Marathon Conference held in Bangkok, in March 2006 in recognition of our efforts in implementing Toyota Service Marketing and promotion of Kaizen activities in Pakistan. Kaizen is a Japanese word meaning 'Continuous Improvement'.

Jishuken is a self learning activity based on the concept of Genchi-Genbutsu, "seeing is believing". A group of staff members from different dealerships, physically verify and evaluate the Kaizen activity on site at a host dealership. Jishuken provides opportunity for the host dealership to make further improvements based on the visitors suggestions and for the guest dealerships to learn new things for implementing the same at their own dealerships.

Our Service department conducted Skill contest for Service Advisors and Technicians in our dealership network. For technicians, the Technician Skill contest was the first ever held in Pakistan. Contestants were selected from all the dealerships in Pakistan after competing in regional level contests in 3 regions. The best 2 service advisors and the best 2 technician from each region were selected to participate in the national skill contest held at Indus on May 10.



Indus has setup a Toyota Technical Education Program called T-TEP with the Government College of Technology (GCT) in Lahore and St Patrick's Technical Institute in Karachi. In T-TEP, automobile diploma students are provided further training in the latest automobile technology. At the end of the program, a Career Day is held in which the T-TEP graduates are interviewed and recruited by our dealerships.

The T-TEP Career Day was held at GCT, Lahore, in which Mr. Khalid Mahmood, Chairman Technical Educational and Vocational Training Authority (TEVTA), graced the occasion as Chief Guest. In this career day, 17 graduates out of a batch of 80 T-TEP graduates were inducted in our dealership network.



Chief Guest, Mr. Khalid Mahmood, with Indus and GCT staff



Interview of T-TEP Graduates by Indus dealerships

Many of our technicians attend international service training programs conducted by Toyota.



Asif Riaz, our Service Manager, attending training at Toyota Bahrain

To celebrate and recognize our nation-wide 3S dealerships' performance, IMC hosted the 14th Annual Dealers Conference at Pearl Continental Hotel, Karachi on Sept 17, 2005. Toyota Southern Motors, Karachi won the coveted award of Overall Best Performing Dealership of the Year. The Dealer Conference was followed by a study tour to Japan and a visit to Aichi Expo to see the Toyota Pavilion, a star attraction at the event.

Our Customer Relations Department has been strengthened to ensure swift, sure and sincere resolution of customer complaints. Our Corporate Planning Department will also employ this customer feedback for orienting the company's strategies and plans.

With new variants and models, effective marketing, a strong dealership network, prompt after sales service, and friendly customer relations, we aim to take customer trust to the highest possible level so that we not only have Lifetime Customers but actually nurture and develop Generation Customers !



Our friendly Customer Relations team can be contacted for any assistance, complaints, suggestions or feedback on our: UAN 111-TOYOTA or 111-869-682, 021-4750243, 021-4720041-48 ext 5500, 5502, 5503, 5504, marianne.haider@toyota-indus.com, saad.husain@toyota-indus.com, asmara.haidery@toyota-indus.com

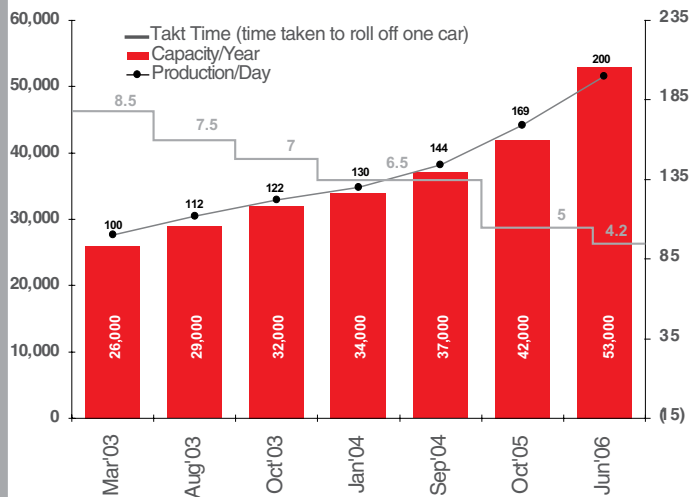
OPERATIONS



In view of the tremendous demand for our cars, we are continuously enhancing our production. In June 2006, our production capacity rose to 200 cars/day, equivalent to 50,000 cars/yr.

As in previous years, this year too we took several steps to enhance capacity. A major initiative was the installation of a new paint booth for bumpers. We were honored when Mr. Fujio Cho, Chairman Toyota Motor Corporation, visited us to do the inauguration. He also inspected our plant and met the Indus Team.

Production Enhancement



Mr Rafiq Habib, Chairman, House of Habib presenting a memento to Mr Fujio Cho, Chairman, Toyota Motor Corporation.



Mr Ali S. Habib, Chairman, Indus Motor Company introducing the IMC manufacturing team to Mr Fujio Cho, Chairman Toyota Motor Corporation.

In order to increase Coure production, we introduced an exclusive production line for Coure and added 14 stations. We expanded our CNG filling station. A new brake bleeding system was installed. Our AC gas filling and coolant filling facilities were upgraded.

Additional engine test benches and welding jigs were installed to cater to the higher production volumes. These steps have further balanced our production line and reduced our Takt Time, the time taken to roll out one car from our production line.



We have more than doubled our production in the last three years.

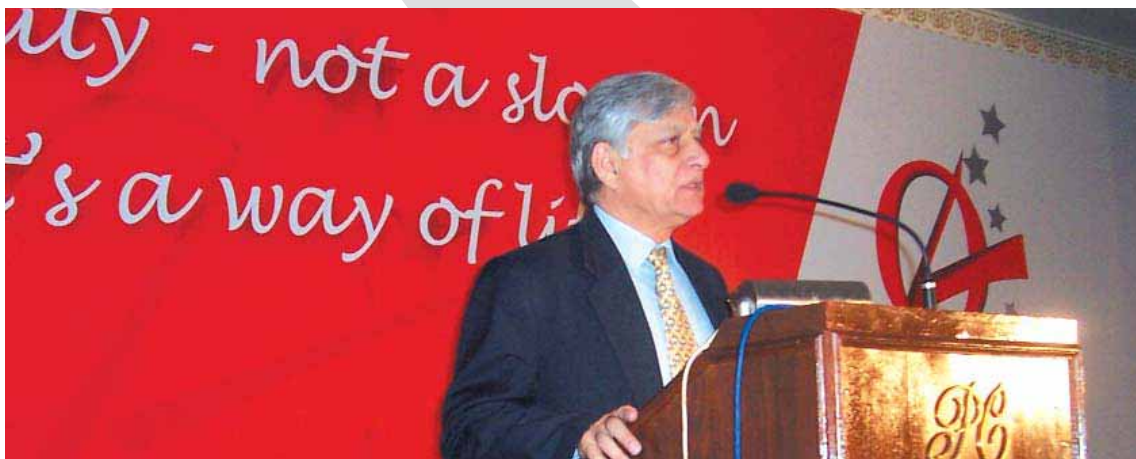
We continue to work closely with our vendors. Last year, we arranged Technical Assistance Agreements (TAA) for our vendors. This year, these TAAs have borne fruit and with the transfer of technology, our vendors are now also manufacturing locally, lamps, steering wheels, mirrors, locks and hinges, and parking brake levers.

In order to give even greater focus on Quality and Safety, our Quality Assurance Department and SHE is reporting directly to the CEO. QA has taken several initiatives. These include:

- audits of vendors' manufacturing processes and joint measures for continuous improvement
- evaluation and approval of local parts under development
- assisting Product Development Department in SPTT (Supplier Parts Tracking Team)
- SQA or Shipping Quality Audit, where finished vehicles are subjected to detailed re-inspection before delivery to dealerships; and implementation of Toyota EDER (Early Detection and Early Resolution System) for promoting quick resolutions of market complaints.



Our Annual Vendor Convention was held on December 3, 2005. Mr Abdullah Yusuf, Chairman CBR, was the Chief Guest. He noted that Indus has contributed Rs 12.2 billion to the exchequer and has made local purchases worth Rs. 8.5 billion. The theme of the convention was "Quality - not a slogan. It's a Way of Life". Presentations focused on the current and future role of vendors, global quality requirements and the new challenges of the automobile industry. Awards were given to vendors in the areas of suppliability, quality and overall performance.



Mr Abdullah Yusuf, Chairman, Central Board of Revenue addressing the Indus Annual Vendor Convention.

While Indus Motor Company's mother plant is the Motamachi plant in Japan, which provides us technical advice and assistance, Thailand has become the regional hub for training with the setting up of Toyota's Asia Pacific Global Production Center in Bangkok. We were honored by the visit of Mr Ryoichi Sasaki, President, Toyota



Mr Ryoichi Sasaki, President, Toyota Motor Thailand, Mr Ali S. Habib, Chairman, Indus Motor Company and Mr Parvez Ghias, Chief Executive Officer, Indus Motor Company, cutting the ribbon to inaugurate the Corolla Door Hemming facility.

Motor Thailand who had come to inaugurate the Door Hemming Facility at Indus. While appreciating our performance, he promised to continue the close collaboration between the two companies.



In Asia, after Thailand, Pakistan is the biggest producer of Corolla. Mr Shinichi Yasui, Toyota Motor Corporation's Chief Engineer for Corolla visited Pakistan this year. He visited our vendors and dealers and travelled to different parts of the country to get direct market feedback, driving our Corolla himself in both urban and rural areas.

We were delighted to receive Mr Shoji Kondo President, Hino Motor Company in January. Hino is a Toyota company producing high quality trucks and buses in Pakistan. It is also one of our vendors.



Every year, Indus holds a Kaizen Conference in which Kaizen presentations are made by the Indus Family, including teams from our plant, our vendors and dealerships. Kaizen is Japanese word meaning 'Continuous Improvement'. The Kaizen teams, in a full day convention, present details of their kaizen activities highlighting the improvements made in their areas that have led to improvements in productivity and cost savings. This year the first prize was won by the "Wind Control Process in Assembly Shop" team from IMC, and the "Corolla Condenser" Team from Thal Engineering, in the Vendor category.

Mr Mian Mohammad Mansha, Chairman, MCB Bank was the Chief Guest at our Kaizen Conference. Mr Mansha mentioned that Indus is an excellent example of how Pakistani companies can implement Kaizen practically to enhance their efficiency, teamwork and employee morale.



Mr Mian Mansha, Chairman, MCB Bank, addressing the 12th Kaizen Conference.



Our Marketing department also held a separate Kaizen Marathon in which the Parts and Service departments of our dealerships presented their Kaizen projects and displayed their results. This was a very successful learning event as the Dealerships and Indus shared successful Kaizen activities of the dealerships.

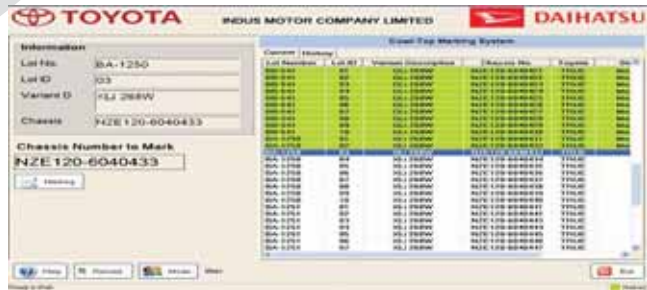
Information Technology

For efficient operations, accurate and fast data processing is essential. Our IT department recently developed several innovative solutions for minimizing human error and enhancing productivity. One such solution is the real time transfer of the vehicle chassis number from Production Planning Department for on-line automatic punching during shop floor production.



Similarly, manual operations in VIN plate marking have been eliminated. The information is transferred automatically by barcode scanning and on-line integration with our SAP system.

Another useful solution developed by our IT is the computerized recording of all material consumed at production line stations by scanning bar-codes. This has improved production management and inventory control tremendously as production status and material consumption can be monitored accurately in real time.



HUMAN RESOURCE DEVELOPMENT

Consistent with its philosophy of The Toyota Way of Human Resource Management and to remain current and aligned to the best in the industry, your company continues to fine tune its HR policies and procedures to best serve the organization's present needs and growth initiatives. Our values of teamwork, transparency, respect and integrity are amply manifested in our work culture, both on the job and in social settings. Employees are truly valued and focused programs are implemented that support employee development and their well being.



To protect Staff Members from Hepatitis B, a comprehensive vaccination program against the dreaded disease was undertaken in three phases during the current year. Around 290 Team Members were inoculated with three doses of the best available vaccine. The program is planned for phased roll out to cover all team members.



To promote physical fitness and team spirit, regular events like Departmental Cricket Tournaments are arranged for employees. Two Cricket Tournaments were arranged on September 25, 2005 and April 1, 2006 by Indus Peoples Workers Union. The event was keenly contested and in good cheer. Senior management were present to back the teams.



To foster teamwork and strengthen employee integration, Indus organizes an annual carnival-like event, the Indus Family Day. It is one of the most popular events and attracts participation from all levels of staff members and their families from all over the country.

This year the Indus Family Day was organized on March 25, 2006, at PAF Museum, Karachi. Over 3300 staff members along with their families attended the event.



Employee training and development is high on the company's agenda. Extensive technical and managerial training programs are organized through a well defined training needs analysis process, to enable employees to develop expertise and expand their knowledge in a wide range of skills

During the period July 05 - June 06, our training man-hours went up by 15% compared to the same period last year. 38 employees were sent for foreign training (4,072 training man-hours), 79 for local training (1,798 man-hours), and 247 employees attended in-house training programs (2,698 man-hours). The company has done a cumulative 886,521 man-hours of training as of June 30, 2005.

In line with IMC's Vision to grow and excel, different workshops are organized by the HR Department to ensure constant human resource skill development.

Toyota Value Workshop was organized in collaboration with Global Knowledge Center, USA in the last week of June 2006 for our Dealership principals and the Indus management team.



The Workshop facilitated a review of Indus operations and identified how to best deliver Toyota's Value to our stakeholders. The sessions focused on emerging market challenges and planned Kaizen activities to pursue our defined goals with key performance indices for measurable results.

Apprenticeship Training Program which was started in November 1992 is now well institutionalized and continues to benefit both the individual and the organization, in terms of development of quality and well trained resources. A total number of 362,320 training man-hours have been imparted under this scheme since its inception.

Safety Training

We want to have the highest Safety standards at our facilities and imbibe a culture that really demonstrates visibly, Safety First. Safety is also responsible for our Team's well being. The entire Indus team at our plant is undergoing a new Safety Training program. Each and every employee will do intensive safety training courses. So far, about 800 team members have done this program and the remaining employees will complete their courses by June 2007.



CORPORATE SOCIAL RESPONSIBILITY - Concern Beyond Cars

We serve both our Customers as well as the Nation. Although we strive continuously for better and better commercial results each year, our soul is with the Nation. And it is this soul, reflected in our patriotic and caring Indus Team, that immediately stepped forward when the northern parts of our country were hit by the devastating Earthquake of Oct 8, 2005.



We responded quickly and by Oct 12, the Indus Earthquake Relief Operation was underway with over 40 volunteers, doctors, paramedics, boy scouts and 11 Hilux vehicles and a continuous supply of relief materials, food and medicines.



When Indus relief teams reached Muzaffarabad and Balakot, there was no electricity, no water, no phones, no drinking water, and no food. We set up base camps in the towns of Muzaffarabad and Mansehra from where our volunteers, using Toyota Hilux vehicles reached the affected areas, provided medical assistance, distributed food, clothes, blankets, and other relief items and provided emergency medical assistance to earthquake victims. They helped recover the injured and the dead bodies from the ruins. Our medical camps treated on an average, 225 patients per day. After initial emergency relief, Indus and the House of Habib provided imported winterized tents, blankets, sleeping bags, jackets and other warm clothing. We started village reconstruction, demonstrating a long-term commitment to help people in the affected region.

While many volunteers from Indus contributed in many ways towards our earthquake relief operation, we are particularly grateful to Shah M Saad Husain, our Director Corporate Planning & Customer Relations, who led the relief operation. He was assisted very ably by Khalid Aslam, our Senior Manager Commercial and Ali Abbas, our Manager Parts, who managed the Mansehra and Muzaffarabad camps. These three devoted volunteers spent months in the earthquake affected areas, working in very difficult conditions, taking relief teams daily over difficult mountain tracks reaching the remotest of villages and settlements.



Apart from the Earthquake Relief Operation, your company, as a good corporate citizen, also continued this year to contribute to the education, health and environment sectors and in community development. In the last four years alone, your company has contributed over Rs 125 million to various social projects.

We contribute to over 15 hospitals and special institutions. We provide medical services to the villages and settlements around our plant in Port Qasim and adjoining areas.



We provide 50 scholarships to children and assist various schools and educational Institutions. One of our important initiatives in education is the TCF School Complex at Deh Mehrani near Hyderabad. This complex comprises of a Primary School and a Secondary School which will start in September this year providing education to 360 students in the vicinity. The land for this complex that includes a play ground has been donated by the House of Habib. This is the second TCF School being set-up by Indus, the first one was constructed at Baseera, Muzaffargarh .

In recognition of our efforts to protect the environment, your company received the Environment Excellence Award for the third consecutive year which was presented by the Minister for Environment and Health, Mr Malik Amin Aslam.

Your company is also a favorite in the eyes of consumers. Our Diesel Corolla received the Consumers Choice Award for the second consecutive year.



The Management Association of Pakistan awarded us the Corporate Excellence Award in the Engineering & Allied Sector for demonstrating excellence in corporate management.



Road traffic injuries are a major public health challenge and account for about 85% of road related deaths and disabilities. We want to do our bit to improve road safety and organized an intensive 5 days Injury Control and Traffic Safety Course with experts from Indian Institute of Technology Delhi, NED University, Jinnah Post Graduate Medical Centre (JPMC) and Aga Khan University (AKU). In collaboration with JPMC, NED and AKU, we are also doing a Road Traffic Injury Research Project that will evaluate in the first phase, the nature, location and magnitude of road traffic injuries in Karachi.



As part of our social contribution we take active part in training the youth of our country. Several managers from Indus teach at management and technical institutions in their spare time. We provide internships to students in different departments of our company. Over the years, we have provided training to internees not only from within Pakistan but from leading universities outside Pakistan. This year our foreign internees included Saqib Sanaullah from Queens University, Canada and Osama Rabbani from University of Nottingham.



We are always pleased to receive visitors to our plant and facilities. Last year, we welcomed over a thousand visitors. These included government organizations, educational institutions, engineering companies, Defence organizations, financial analysts, management consultants, associations and trade bodies, regulatory departments, banks and many companies from the private sector.

As a good corporate citizen, we are committed to report transparently, not only our financial results but also, by next year, our 'triple bottom line' in terms of our company's economic, environmental and social performance.



Syed Mustafa Kamal, Nazim Karachi visiting Indus plant accompanied by Mr Farhad Zulficar, Vice Chairman, House of Habib.



Your company has, therefore, registered with Global Compact. Several hundred companies from all over the world and international labor and civil society organizations are engaged in the Global Compact, supported by The United Nations, working to advance universal principles in the areas of human rights, labor, and the environment.



Mr Niaz Ahmed Siddiki, CCPO and Mr Parvez Ghias, Chief Executive Officer, Indus Motor Company during the visit to Indus.

FUTURE OUTLOOK

The long term success of the auto sector, and indeed our success too, is tied to a great extent on our economy and on the policies governing our sector. While economic growth will, Insha Allah, continue, it is imperative that long term consistent policies are framed that protect, in order of priority, firstly the national interest, secondly the consumer interest, and thirdly, the industry's interest. The industry's interest is that our policies promote long term growth and enhance confidence of domestic manufacturers and vendors.

Although the very liberal policy for used car imports has been corrected somewhat by stopping imports of vehicles that are older than 5 years, more needs to be done by way of non-tariff barriers. We are grateful to the Minister for Industries, Production and Special Initiatives, the Minister for Commerce and the Chairman Central Board of Revenue for their understanding and support.

We are, however, concerned that the Engineering Development Board is not functioning like a true public-private partnership. It would be very useful if decisions are taken in consultation with the industry, as was done in the past. Regular interaction and input of domestic car manufacturers and vendors is critical for the formulation and implementation of the new policy on tariff and non-tariff initiatives. We welcome Mr Wasim Haqqie as Chairman, Engineering Development Board. He visited our plant and we are confident that under his leadership, EDB will play a pivotal role in promoting the domestic auto industry.

The automobile market, worldwide is going through a transition. Major automotive companies have been experiencing declining production and reduced profitability. Nevertheless, Toyota continues to grow, both outside and within Pakistan.



Mr Fujio Cho, Chairman, Toyota Motor Corporation presenting a plaque to Shah M. Saad Husain, Director Corporate Planning and Customer Relations, IMC to recognize IMC Earthquake Relief Team's efforts.

The year ahead is challenging. There is excess inventory of imported used cars. The market is more competitive. Interest rates are on the increase. However, Indus is well positioned to meet these challenges. We know that our success lies by delivering maximum value to our customers and by being competitive in quality, efficiency and profitability. To achieve these objectives we work very closely, in Trust, with our business partners,

our dealerships, our vendors, our entire Team, and of course, our society. And it is this Trust that has brought excellent results for your company.

I wish to thank our Board of Directors and management team for continuing to chart a successful course in this fast expanding market. We are extremely grateful to our customers for their confidence in our vehicles and after sales service. We are also indebted to our customers for their patience.

I must thank the Indus Team - our shareholders, our employees, our business partners, our dealers and our vendors - throughout the length and breadth of our great country, for their commitment. We have always reposed our Trust in this Team and this Team has not let us down.

Finally, I wish to thank the House of Habib, Toyota Motor Corporation, our Indus employees, our dealers and the many donors for contributing to our earthquake relief efforts. We are deeply grateful to the Indus Earthquake Relief Team, including the many Indus volunteers, their spouses, doctors, paramedics, engineers, boy scouts, army jawans, students, and so many other Pakistanis and foreigners who worked with us selflessly for the earthquake victims. We have seen closely, how the families of those who perished have suffered. Our own employees also lost their dear ones in this catastrophic tragedy. While the entire country responded, the rescue, relief, medical and reconstruction work done by our Earthquake Relief Team is a great example of the good that companies can do. Our Team displayed the Trust that we repose in them. Our Team proved that Indus is not just a manufacturer of cars. Indus is truly a Concern Beyond Cars.

We bow to Allah and pray for His blessings and guidance.


Ali S. Habib
Chairman