

DIRECTORS' REVIEW

Dear Shareholders,
Assalam-o-Alaikum,

Your directors are pleased to present you un-audited accounts of your company for the quarter ended September 30, 2006. During the period under review the company earned a pretax profit of Rs.65.675 million as compared to Rs.61.662 million earned in the same period last year. Depreciation is Rs.57.013 million as compared to Rs.51.482 million and workers' profit participation fund is Rs.3.462 million as compared to Rs.3.158 million in the same period last year.

Earning per share of the company for this quarter is Rs.3.32 as compared to Rs.3.63 per share in the same period last year.

FUTURE PROSPECTS:

Raw cotton prices have declined to Rs.2, 400/= per maund. Although cost of production has registered a sharp increase due to 33% increase in minimum wage by the Government of Pakistan, 10% increase in natural gas prices and 10% increase in interest rates, your Directors remain fairly confident of maintaining profitability if raw cotton prices remain at this level.

The relations between management and workers remained cordial during the period under review and the management and board of directors wish to place on record the continuous hard work and efforts put up by all the workers for the business of the company.

For & on behalf of the Board

Multan
Dated: October 27, 2006

Sd/-
(Sh. Naseem Ahmad)
Chairman & Chief Executive