

DIRECTORS' REVIEW

Dear Shareholders,
Assalam-o-Alaikum,

Your directors are pleased to present you un-audited accounts of your company for the nine months ended March 31, 2007. During the period under review the company earned a pretax profit of Rs.140.066 million as compared to Rs.135.448 million earned in the same period last year after charging depreciation of Rs.182.733 million as compared to Rs.175.364 million.

Basic earning per share of the company for the nine months is Rs.5.66 as compared to Rs.5.62 per share in the same period last year.

FUTURE PROSPECTS:

Raw Cotton prices in the domestic market have increased to Rs. 2800. However, cotton requirements for your company for the season have already been covered during the season at lower prices. Higher cost of doing business in Pakistan, when compared to regional players, duties/taxes on export oriented businesses and lack of incentives on exports (incentives which are available in competitor countries), have resulted in a slow down in investment and expansion of Textile Business in Pakistan. In this scenario, your company is concentrating on BMR of existing facilities with an aim to reduce operating cost, add value and diversify its products.

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: April 28, 2007

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