

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, 2008. During the period under review the company earned a pretax profit of Rs.245,068 million as compared to Rs.140,066 million earned in the same period last year after charging depreciation of Rs.185,347 million as compared to Rs.182,733 million. Dividend of Rs. 128,953,050, received from Pak Arab Fertilizers Limited is included in the profit earned.

Basic earning per share of the company for the nine months is Rs.11.68 as compared to Rs.5.66 per share in the same period last year.

FUTURE PROSPECTS:

Raw Cotton prices in the domestic market have increased to Rs. 3,500. Yarn prices have also increased, though not proportionate to cotton prices. Fortunately, cotton requirements for the year have been covered by your Company at cheaper prices. This will have a favorable impact on the financial performance of the Company for the remaining period of this financial year.

Cost of doing business in Pakistan continues to increase at an alarming rate. Government of Pakistan has announced its intentions to increase minimum wage from Rs. 4600 to Rs. 6000. Electricity Tariff has increased by approximately 25% since January 2008. Shortage of Electricity and Gas is resulting in load shedding by the utilities for industry which is adding to cost of production. Due to these reasons, your Directors expect margins to remain squeezed during the medium term.

The relations between the workers and management remained cordial throughout the period. 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 and on behalf of the Board



(Mr. Amir Naseem Sheikh)

Director



(Mr. Fazal Ahmed Sheikh)

Director

Dated: April 26, 2008.