

BLESSED TEXTILES LIMITED.

DIRECTORS REVIEW

The directors have pleasure in submitting un-audited quarterly financial statements for the second quarter ended on December 31, 2006 in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

FINANCIAL RESULTS

Allahumdulillah, your company has earned a net after tax profit of Rs. 75.770 million (December 2005: Rs. 82.711 million). The net sales of the company has reduced by Rs. 329.601 million which is due to the reason that the company was accepting orders in excess of the production capacity and exporting the commercially viable order through local procurement. The net sales have been decreased whereas the gross profit margin has increased by 5.46. The distribution cost has been decreased due to decrease in net sales whereas the administrative expenses and other operating expenses shows normal increasing trend. The financial cost has exorbitantly increased from Rs. 55.371 million to Rs. 91.300 million due to financing in unit No. 3 of the company. The increase in mark up rates / KIBOR especially on long term loans are causing increase in finance cost. The Earning Per Share (EPS) for the first half of the year is Rs. 11.78 (December 2005: Rs. 12.86).

YEAR UNDER REVIEW

The prices of raw cotton are on higher side and the yarn prices have still not reflected any signs of recovery. The financial cost on long term loans are high and the Government should allow LTF-EOP facility on machinery of spinning sector as well, otherwise the spinning unit will face great difficulty in following period. The management is delicately focusing the situation but there is a bleak situation for the remaining period of the financial year.

THANKS AND GRATITUDE.

Your director would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff members and workers of the company in the performance of their duties. The directors do hope that it will continue in future.

On behalf of the Board



MOHAMMAD SHAHEEN
CHIEF EXECUTIVE / DIRECTOR

Karachi: February 26, 2007