

Gulistan Textile Mills Limited
Directors Report
For the 3rd quarter and 9months ended
31th March 2007

Dear Shareholders
Assalam o Alaikum

Your Directors are pleased to present financial statements for the 3rd quarter and 9months ended 31st March 2007.

Operating Performance

The Company has earned gross profit of Rs.156.448 million and Rs.431.433 million during the 3rd quarter and first 9 months of current financial year as compared to Rs.165.457 and Rs.387.443 during the corresponding periods last year. The Company achieved net sales of Rs.3.074 billion as compared to Rs.2.537 billion sales of last year for the same period which accounts for 21.16 % increase..The Pre tax profit has declined from Rs.41.387 million to Rs.27.525 million which is mainly due to increase in input cost , power cost and cost of finance

Future Out look

Your company has been confronting continuously with the challenges of upsurge in input costs.The tough competition in the international market and continuous rise of financial cost and cotton rates may have further adverse impact on profitability of the current year.

Under these adverse circumstances your management is still making its best efforts to improve the company's results in line with the history.

We would like to thank our customers, suppliers and bankers for their continued support and would like to place on record appreciation for the valuable services of our employees.

For and On behalf of Board of Directors

(Naseer Ahmed)
Chief Executive

Karachi
30-04-07