



ELAHI COTTON MILLS LIMITED

OFFICE :
270, Sector I-9, Industrial Area, Islamabad (Pakistan)
Phone : (051) 4433451-3, Fax : (051) 4431072

ECM/Secy/08/ 1555

February 27, 2008.

The General Manager,
Karachi Stock Exchange
(Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

UAN FAX : 111-573-329

RE: FINANCIAL RESULTS 2ND QUARTER/HALF YEARLY REVIEWED UN-AUDITED ACCOUNTS FOR THE PERIOD ENDED DECEMBER 31, 2007.

Dear Sir,

We have to inform you that Board of Directors of the Company in their meeting held on February 27, 2008, approved as follows :

CASH DIVIDEND - BONUS ISSUE :

An interim cash dividend for the 2nd quarter / half year ended December 31, 2007 at Rs. Nil per share i.e. (Nil %). It has further been decided by the Board of Directors that no bonus shares are to be issued.

The financial results of the Company are as follows:-

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2006</u>
Sales (Net)	68,973,450	53,656,545	33,507,045	26,137,286
Manufacturing cost of goods sold	67,410,380	56,180,272	33,211,632	27,973,151
Gross Profit /(Loss)	1,563,070	(2,523,727)	295,413	(1,835,865)
Operating Expenses				
administrative expenses	532,724	697,647	267,212	311,895
other operating expenses	108,800	71,500	60,550	42,000
Operating Profit /(Loss)	921,546	(3,292,874)	(32,349)	(2,189,760)
Financial Charges	(1,185,056)	(1,171,942)	(600,837)	(587,314)
Other Income	586,059	781,935	586,059	781,935
Workers' profit participation fund	(16,127)	--	--	--
Profit /(Loss) before taxation	306,422	(3,682,881)	(47,127)	(1,995,139)
Taxation				
-current	(347,798)	(272,192)	(160,293)	(134,596)
-deferred	669,632	(172,970)	669,632	(172,970)
Profit /(Loss) after taxation	628,256	(4,128,043)	462,212	(2,302,705)
APPROPRIATED AS UNDER :				
Earning/(loss) per share-basic and diluted	0.48	(3.18)	0.36	(1.77)
Interim Dividend @ Rs. Nil	--	--	--	--
Transferred to General Reserve	--	--	--	--

Yours faithfully,
for Elahi Cotton Mills Limited.


(MASOOD ELAHI)
Chief Executive

Note : The Auditors have raised certain observations on these Accounts.