

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

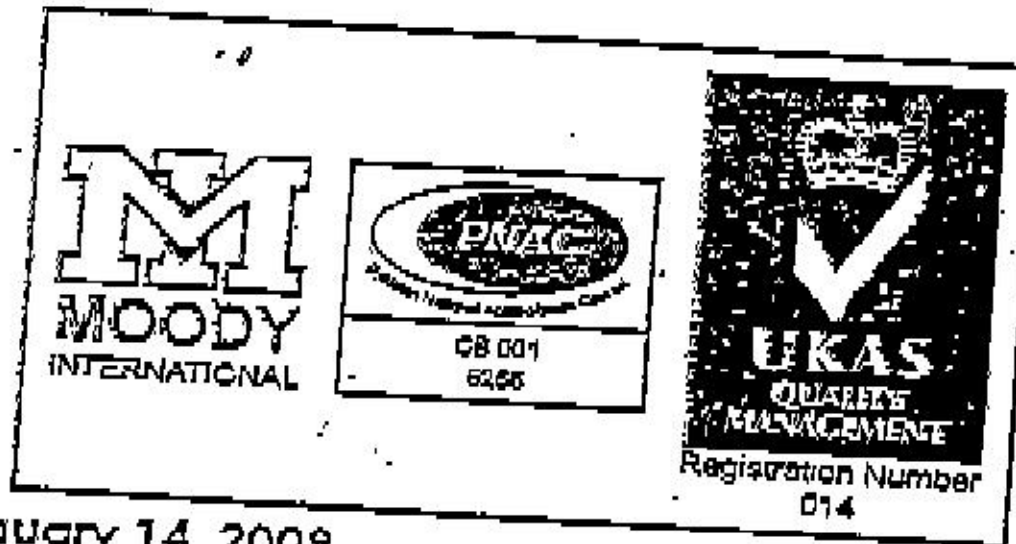
KSE/N-254

N O T I C E

January 16, 2009

Reproduced hereunder letter received from **OLYMPIA TEXTILE MILLS LIMITED** for information of members of the Exchange.

OLYMPIA TEXTILE MILLS LIMITED



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January 14, 2009

Mr. Haroon Askari
General Manager Operations
Karachi Stock Exchange (Guarantee) Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **SHOW CAUSE NOTICE NO. KSE/ GEN-11507 DATED December 17, 2008**

Dear Sir,

In response to your above show cause notice, we append below our explanation:-

1. The operational results comparative for last five years are as under:

YEAR	2008	2007	2006	2005	2004
Sales	638.027 (M)	667.595 (M)	646.114 (M)	481.389 (M)	664.534 (M)
Gross Profit/ (Loss)	(14.061) (M)	9.023 (M)	19.912 (M)	31.006 (M)	46.758 (M)
G.P./ (G.L) Ratio	(2.20) %	1.35%	3.08%	6.44%	7.04%
Profit/Loss Before Tax	(34.115) (M)	(21.165) (M)	(9.189) (M)	8.977 (M)	27.116 (M)
Profit/(Loss) Per Share	(3.72)	(1.37)	(1.68)	0.39	2.82
Director's Loan	172.058 (M)	171.868 (M)	118.237 (M)	104.118 (M)	90.698 (M)

- By reviewing the audited financial statements of the company, you will observe that we have suffered huge losses as mentioned above.
- To keep the company as "going concern" we contributed substantially in shape of "Director's Loan".
- Section 249 of the Companies Ordinance 1984 require that "No dividend shall be paid by a company other wise than out of profit of the company".
- Our Textile Mills is closed since November 1st, 2008.

We hope with the above explanation it is clear that we have not committed any violation is not declaring dividend and hence there is no cause for any action.

You are therefore kindly requested to with draw your Show Cause Notice dated December 17, 2008.

Thanks and regard

Yours truly,