

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

Subject: Financial Results for the year ended June 30, 2007.

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on August 31, 2007 at 3:30 PM at registered office located at 3rd Floor IEP Building, 97 S.D-1, Gulberg III, Lahore, recommended the following:

i. CASH DIVIDEND

An Interim Cash Dividend for the year ended June 30, 2007 at Rs. Nil per share i.e. Nil%. This is in addition to Interim Dividend already paid at Rs. Nil per share i.e. Nil%.

And / Or

ii. BONUS SHARES

It has been recommended by the Board of Directors to issue Interim Bonus shares in proportion of Nil share for every Nil share held i.e. Nil%. This is in addition to the Interim Bonus Shares already issued @ Nil%.

And / Or

iii. RIGHT SHARES

The Board has recommended to issue Nil% Right Shares at par/at a discount/premium of Rs. Nil per share in proportion of Nil share for every Nil share. The entitlement of right shares being declared simultaneously will be/will not be applicable on Bonus Shares as declared above.

And / Or

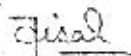
iv. ANY OTHER ENTITLEMENT

Nil

The financial results of the Company are as follows:

	June 30, 2007 Rupees	June 30, 2006 Rupees
Sales	2,689,532,420	1,556,122,736
Cost of Sales	2,412,473,760	1,340,201,025
Gross Profit	277,058,660	215,921,711
Operating Expenses (Admin. & Selling etc.)	82,708,966	50,464,124
Other operating Income	20,614,635	2,258,328
Other operating expenses	88,325	575,210
Operating Profit	214,083,051	167,132,725
Financial & Other charges	197,879,578	111,765,579
Profit before tax	16,203,373	55,367,146
Provision for tax	13,563,296	9,333,272
Profit after tax	2,640,077	46,033,874
Un-appropriated profit brought forward	56,350,484	10,316,610
Appropriation		
Un-appropriated profit carried forward	58,990,561	56,350,484
Earning per share	0.04	0.78

Yours faithfully,
For Zephyr Textiles Limited



FAYYAZ SHAHZAD
Company Secretary

Lahore
August 31, 2007