

TQ/2007

October 08, 2007

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

Subject: FINANCIAL RESULTS FOR THE YEAR ENDED 30-06-2007

Dear Sir,

We have to inform you that the Board of Directors of our company in their Meeting held at 03:00 p.m on Monday the 08th day of October 2007, recommended the following:

CASH DIVIDEND

A final Cash Dividend for the year ended 30th June, 2007 @ Rs.2.50 per share i.e. 25%.

The financial results of the Company are as follows:

	Year Ended June 30, 2007	Year Ended June 30, 2006
SALES -Net	5,417,865,132	4,598,687,947
COST OF SALES	4,688,949,626	4,009,662,515
GROSS PROFIT	728,915,506	589,025,432
SELLING AND DISTRIBUTION COST	19,699,412	14,250,706
ADMINISTRATIVE EXPENSES	72,054,775	65,536,393
OTHER OPERATING EXPENSES	24,400,488	16,891,263
OTHER OPERATING INCOME	(122,002,163)	(62,737,935)
OPERATING PROFIT	734,762,994	555,085,005
FINANCE COST	300,807,242	264,508,851
SHARE OF PROFIT OF ASSOCIATES -Net	433,955,752	290,576,154
PROFIT BEFORE TAXATION	115,535,979	26,748,064
TAXATION	549,491,731	317,324,218
Current year/period	75,782,954	49,943,450
Prior years'	(1,913,478)	(7,027,111)
Deferred	23,818,760	21,992,287
PROFIT AFTER TAXATION	97,688,236	64,908,626
	451,803,495	252,415,592
Basic earning per share	25.82	14.42

The Annual General Meeting of the Company will be held at 2:30 p.m. on 31st October, 2007 at 212, Cotton Exchange Building, I.I.Chundrigar Road, Karachi.

The above entitlement will be paid to the shareholders whose names appear in the Register of the Members on 25th October, 2007.

The Share Transfer Books of the Company will be closed from 25th October, 2007 to 31st October, 2007 (both days inclusive). Transfers received at THK Associates (Private) Limited, Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on 24th October, 2007 will be treated in time for the purpose of payment of Dividend to the transferees.

Yours faithfully,
for SAPPHIRE FIBRES LIMITED

Secretary.