

SHADMAN COTTON MILLS LIMITED

801-804, 8th Floor, Lakson Square Building No. 3, Block-A, Sarwar Shaheed Road, Karachi.
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Ref: S-1107/2008
 28th February, 2008

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

Fax No. 111-573-329

Sub: **FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31ST DEC., 2007**

Dear Sir

We have to inform you that the Board Meeting of Directors of our Company in their Meeting held on 28th February, 2008 at 4 : 45 p.m. at 801-804, 8th Floor, Lakson Square Building No.3. Block-A, Sarwar Shaheed Road, Karachi recommended the following :

- | | | |
|---|--------|-------------------|
| i) <u>CASH DIVIDEND</u> | | <u>NIL</u> |
| | AND/OR | |
| ii) <u>BONUS ISSUE</u> | | <u>NIL</u> |
| | AND/OR | |
| iii) <u>RIGHT SHARES</u> | | <u>NIL</u> |
| | AND/OR | |
| (iv) <u>ANY OTHER ENTITLEMENT/CORPORATE ACTION</u> | | <u>NIL</u> |
| | AND/OR | |
| (v) <u>ANY OTHER PRICE-SENSITIVE INFORMATION</u> | | <u>NIL</u> |

The financial results of the Company are as follows :

	SIX MONTHS PERIOD ENDED		QUARTER ENDED	
	2007	2006	2007	2006
	Rupees	Rupees	Rupees	Rupees
Turnover	1,303,924,318	1,157,374,630	658,022,516	560,918,991
Cost of sales	1,240,701,771	1,073,230,598	636,562,217	529,707,914
Gross profit	63,222,547	84,144,032	21,460,299	31,211,077
Operating expense:				
Distribution cost	15,926,995	16,661,094	8,735,146	6,840,592
Administrative	17,907,446	16,849,536	9,089,110	7,841,533
	33,834,441	33,510,630	17,824,256	14,682,125
Operating profit	29,388,106	50,633,402	3,636,043	16,528,952
Other operating income	752,099	1,653,669	190,192	491,150
Other operating expenses	0	0		191,815
	30,140,205	52,287,071	3,826,235	17,211,917
Finance cost	63,889,351	68,073,562	33,466,156	36,642,900
Loss before Tax	(33,749,146)	(15,786,491)	(29,639,921)	(19,430,983)
Taxation - Current	(6,628,338)	(6,656,570)	(3,346,241)	(2,511,255)
Prior	91,616	391,414	91,616	391,414
Deferred	11,824,301	195,092	11,082,984	(3,141,508)
	5,287,579	(6,070,064)	7,828,359	(5,261,349)
Loss after tax	(28,461,567)	(21,856,555)	(21,811,562)	(24,692,332)
Loss per share	(1.61)	(1.24)	(1.24)	(1.40)

