

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**KSE/N-152****N O T I C E****January 09, 2009**

*Reproduced hereunder letter received from SALLY TEXTILE MILLS LIMITED,
for information of members of the Exchange*



**SALLY TEXTILE MILLS LIMITED
LAHORE**

Ref: STM/01/09/6699

January 06, 2009

General Manager Operations

The Karachi
Stock Exchange
(Guarantee) Limited

SUBJECT: REPLY OF NOTICE REGARDING PAYMENT OF DIVIDEND.

Dear Sir

This has reference to notice vide KSE/Gen-11507 dated 17 December 2008 on "Failure to declare dividend and/or bonus certificates for five years"

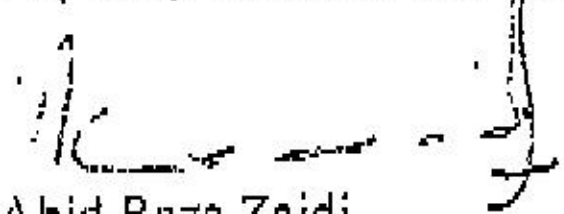
In this context, we respectfully submit as follows:

1. The textile industry in particular for the last many years is suffering from adverse market conditions with further deterioration due to worldwide recession. Further due to political and economic instability in the country, including the impact of electricity shortages, companies similar to Sally Textile Mills Limited continue to suffer losses.
2. As at 30 June 2008, the Company had accumulated losses of Rs. 198.4 million and to facilitate the continuing operations, the Directors have so far injected Rs. 120 million from their personal sources.
3. Due to circumstances mentioned in 1 and 2 above it is not justified to pay dividend in violation of Section 249 of the Companies Ordinance, 1984.
4. Subject to improvement in factors governing the textile sector, the Company is anticipating the payment of dividends after meeting the requirements of Section 249 of the Companies Ordinance 1984.

Accordingly, it is requested that no action be taken in terms of Listing Regulation 32(1)(b).

Thanking you

Yours Faithfully
For Sally Textile Mills Ltd.


Abid Raza Zaidi
(Company Secretary)