

25<sup>th</sup> February 2008

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

Subject: Announcement of Financial Results  
for the Half Yearly Accounts ended 31<sup>st</sup> December 2007

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on 25<sup>th</sup> February 2008 at 5-Y Block-6, P.E.C.H.S, Karachi recommended the following:

- (i) CASH DIVIDEND NIL  
(ii) BONUS SHARES NIL  
(iii) RIGHT SHARES NIL

The financial results of the Company are as follows:

	Note	Half Year Ended		Quarter Ended	
		December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
		Rupees	Rupees	Rupees	Rupees
Revenue	7	24,245,296	24,935,868	10,388,596	10,195,861
Cost of sales and services (excluding depreciation)	8	21,183,649	23,598,214	8,658,670	10,497,092
Gross profit/(loss) before depreciation		3,061,647	1,337,654	1,729,926	(301,231)
Depreciation (relating to cost of sales and services)		12,795,802	14,980,321	6,397,875	7,493,266
Gross profit/(loss)		(9,734,155)	(13,642,667)	(4,667,949)	(7,794,497)
Other operating income	9	776,363	3,191,046	400,734	2,716,133
		(8,957,792)	(10,451,621)	(4,267,215)	(5,078,364)
Administrative expenses	10	6,901,526	43,341,742	3,287,959	39,043,733
Selling expenses	11	13,097,337	18,051,115	8,862,054	13,978,613
Operating profit/(loss)		19,998,863	61,329,857	12,150,013	53,022,346
		(28,956,655)	(71,844,478)	(16,417,228)	(58,100,710)
Financial charges	12	31,309,450	58,903,593	30,452,748	57,520,934
Profit/(loss) before tax		(60,266,105)	(130,748,071)	(46,869,976)	(115,621,644)
Tax expense		125,082	147,179	53,938	58,229
Profit/(loss) for the year after tax		(60,391,187)	(130,895,250)	(46,923,914)	(115,679,873)
Unappropriate Profit/(Loss) brought forward		(510,973,276)	(343,462,111)	(524,440,549)	(358,677,488)
		(571,364,463)	(474,357,361)	(571,364,463)	(474,357,361)
Appropriation:					
Unappropriate Profit/(Loss) carried forward		(571,364,463)	(474,357,361)	(571,364,463)	(474,357,361)
Earning per share - basic	13	(1.21)	(2.62)	(0.94)	(2.31)

We will be sending you 300 copies of printed accounts for distribution amongst the members of the exchange.

Thanking you,

Yours truly  
For Southern Networks Limited

Asif A. Maffi  
CEO/Company Secretary



<b>KARACHI STOCK EXCHANGE</b>	
CORPORATE ANNOUNCEMENT	
Date:	26/2/2008
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