

**GULSHAN SPINNING MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT (UN AUDITED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	NOTE	QUARTER ENDED		HALF YEAR ENDED	
		OCTOBER TO DECEMBER		JULY TO DECEMBER	
		2005	2004	2005	2004
RUPEES					
<b>SALES</b>	<b>9</b>	<b>499,397,521</b>	462,968,171	<b>1,001,076,540</b>	1,005,091,564
<b>COST OF SALES</b>	<b>10</b>	<b>428,114,354</b>	406,344,143	<b>860,587,386</b>	927,490,431
<b>GROSS PROFIT</b>		<b>71,283,167</b>	56,624,028	<b>140,489,154</b>	77,601,133
<b>OPERATING EXPENSES</b>					
Distribution Cost		<b>9,797,391</b>	11,260,953	<b>20,755,384</b>	15,862,908
Administrative Expenses		<b>10,388,269</b>	9,227,417	<b>19,313,915</b>	13,982,103
		<b>20,185,660</b>	20,488,370	<b>40,069,299</b>	29,845,011
<b>OPERATING PROFIT</b>		<b>51,097,507</b>	36,135,658	<b>100,419,855</b>	47,756,122
<b>OTHER CHARGES</b>	<b>11</b>	<b>714,895</b>	835,107	<b>1,010,347</b>	1,728,116
		<b>50,382,612</b>	35,300,551	<b>99,409,508</b>	46,028,006
<b>OTHER OPERATING INCOME</b>		<b>1,184,711</b>	37,902	<b>1,793,524</b>	429,101
		<b>51,567,323</b>	35,338,453	<b>101,203,032</b>	46,457,107
<b>FINANCE COST</b>		<b>38,776,469</b>	29,074,489	<b>82,014,315</b>	54,006,532
		<b>12,790,854</b>	6,263,964	<b>19,188,717</b>	(7,549,425)
<b>SHARE OF PROFIT/(LOSS) FROM ASSOCIATE</b>		<b>941,505</b>	959,422	<b>1,295,749</b>	(723,361)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>13,732,359</b>	7,223,386	<b>20,484,466</b>	(8,272,786)
<b>TAXATION</b>					
Current year		<b>2,875,080</b>	2,974,556	<b>6,469,252</b>	5,705,164
Deferred Taxation		<b>15,000,000</b>	-	<b>15,000,000</b>	(7,917,786)
Share of taxation from Associate		<b>120,055</b>	127,982	<b>350,789</b>	407,324
		<b>17,995,135</b>	3,102,538	<b>21,820,041</b>	(1,805,298)
<b>NET PROFIT/(LOSS) AFTER TAXATION</b>		<b>(4,262,776)</b>	4,120,848	<b>(1,335,575)</b>	(6,467,488)
<b>BASIC/DILUTED EARNING PER SHARE</b>		<b>(0.34)</b>	0.33	<b>(0.11)</b>	(0.51)

The annexed notes form an integral part of these financial statements .

CHIEF EXECUTIVE

DIRECTOR