

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors have the pleasure to submit un-audited accounts for the Quarter ended on 31st March, 2012.

During the period under review the company produced 1,615,633 Kgs. of blended yarn as compared to 1,739,375 Kgs. in the corresponding period of the last year.

The financial results are as under:-

PARTICULARS	QUARTER ENDING 31-03-2012 RUPEES IN MILLION	QUARTER ENDING 31-03-2011 RUPEES IN MILLION
Sales	376.302	529.138
Cost of Sales	(389.166)	(504.702)
Gross (Loss) / Profit	(12.864)	24.436
Other operating income	0.848	0.758
Distribution cost	(1.017)	(0.657)
Administrative expenses	(3.561)	(3.115)
Other operating expenses	(0.015)	(0.190)
Finance cost	(17.158)	(18.179)
(Loss) / Profit Before Taxation	(33.767)	3.053

Heavy energy crises again badly damaged our production process. Yarn production decreased by 7.11% as compared to corresponding period of last year. Heavy increase in Electricity, Gas, Petroleum products coupled with depressed yarn market and inventory loss badly affected profitability of the Company.

Increasing trend of prices in all walks of life, especially in fuel and energy sector coupled with heavy energy crises will badly affect our production and cost of production in the ensuing period.

Directors of the company would like to place on record their appreciation of the hard work and dedications shown by executive, staff members and workers of the company in the performance of their duties.

FOR AND ON BEHALF OF THE BOARD

Lahore:
April 30, 2012

(NAUMAN ALMAS)
Chief Executive