

SALMAN NOMAN ENTERPRISES LIMITED

DIRECTOR'S REVIEW FOR THE HALF YEAR DECEMBER 31, 2011

The Directors have the pleasure to submit un-audited accounts for the half year ended on 31st December, 2011.

During the period under review the company produced 3,138,322 Kgs. of blended yarn as compared to 3,485,961 Kgs. in the corresponding period of the last year.

The financial results are as under:-

PARTICULARS	HALF YEAR ENDING 31-12-2011 RUPEES IN MILLION	HALF YEAR ENDING 31-12-2010 RUPEES IN MILLION
Sales	750.600	839.139
Cost of Sales	(774.663)	(766.052)
Gross Profit/(Loss)	(24.062)	73.087
Other operating income	1.099	1.138
Distribution cost	(0.714)	(4.048)
Administrative expenses	(7.636)	(7.090)
Other operating expenses	(0.124)	(1.492)
Finance cost	(33.618)	(34.036)
Profit /(Loss) Before Taxation	(65.055)	27.559

During the period under review we are facing huge inventory losses carrying high price cotton lint due to crash of cotton prices in international as well as in local market. Due to energy constraints, our mills is already running 20% below capacity, ultimately affecting our production followed by minimum wages and worst political situation.

Unexpected slowdown in volumetric as well as sales rate in local market has also badly affected the profitability of the Company.

The future outlook appears to be uncertain due to high fluctuation in raw material rates, inventory losses and continued energy crises.

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:
February 28, 2012.

(NAUMAN ALMAS)
Chief Executive