

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 September 30, 2010.

During the period under review the company produced 1,726,039 Kgs. of blended yarn as compared to 1,500,210 Kgs. in the corresponding period of the last year.

The financial results are as under:-

PARTICULARS	QUARTER ENDING 30-09-2010 RUPEES	QUARTER ENDING 30-09-2009 RUPEES
Sales	402,502,842	234,751,836
Cost of Sales	(378,813,148)	(223,095,548)
Gross Profit	23,689,694	11,656,288
Other operating income	569,414	---
Distribution cost	(335,818)	(66,071)
Administrative expenses	(3,568,978)	(2,477,024)
Other operating expenses	(27,410)	(61,540)
Finance cost	(15,961,528)	(6,883,850)
Profit Before Taxation	4,365,374	2,167,803

Increase in raw material prices coupled with depressed yarn price which did not commensurate with increase in price of raw material. This situation badly affected the profitability of the company.

The future outlook appears to be uncertain due to high rates of raw material, continued energy crises, high rates of mark-up and depressed yarn market.

The management enjoys very cordial and good relations with the employees and also wishes to place on record its deep appreciation for the hard work and positive efforts made by the executives and employees.

FOR AND ON BEHALF OF THE BOARD

Lahore.
October 30, 2010.

(NAUMAN ALMAS)
Chief Executive

