

April 21, 2014

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



**Subject: Financial Results for the Quarter Ended March 31, 2014**

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on Monday, April 21, 2014 at 02:30 pm at Descon Headquarters, 18-km, Ferozpur Road, Lahore have recommended the following financial results of the Company:

	Quarter ended March 31,		Nine Months ended March 31,	
	2014	2013	2014	2013
	Rupees '000		Rupees '000	
Sales - net	534,489	583,232	1,659,982	1,787,297
Cost of sales	(491,482)	(542,101)	(1,505,891)	(1,637,857)
<b>Gross Profit</b>	43,007	41,131	154,091	149,440
Operating expenses:				
- Distribution costs	(20,119)	(20,758)	(54,256)	(52,251)
- Administrative expenses	(7,348)	(7,774)	(34,088)	(27,625)
- Research and development expenses	(44)	(461)	(2,867)	(1,387)
	(27,510)	(28,993)	(91,210)	(81,263)
<b>Operating Profit</b>	15,497	12,138	62,881	68,177
Other operating expenses	(1,797)	(8,507)	(5,788)	(25,627)
Finance cost	(29,888)	(26,230)	(82,852)	(85,466)
Other operating income	1,311	3,366	10,615	9,308
<b>(Loss) / profit before taxation</b>	(14,878)	(19,233)	(15,145)	(33,608)
Share of net (loss) / profit of associated undertakings	(98)	(5,291)	(6,511)	(9,104)
<b>(Loss) / profit before taxation</b>	(14,976)	(24,524)	(21,656)	(42,712)
Taxation	(5,078)	(8,660)	(15,759)	(8,936)
<b>Loss after taxation for the period</b>	<b>(20,054)</b>	<b>(33,184)</b>	<b>(37,415)</b>	<b>(51,648)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.10)</b>	<b>(0.17)</b>	<b>(0.19)</b>	<b>(0.26)</b>

We will be sending you 300 copies of printed accounts for distribution amongst the members of the Exchange in due

Thanking you for your as usual cooperation.

Yours faithfully,  
For Descon Chemicals Limited

ABDUL SOHAIL  
COMPANY SECRETARY