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Ref: CR/620/11
Date: May 24, 2011

The General Manager
Karachi Stock Exchange (Guarantee) Ltd
Stock Exchange Building
Stock Exchange Road
Karachi.

Sub: FINANCIAL RESULT FOR THE HALF YEAR ENDED 31st MARCH 2011

We have to inform you that the Board of Directors of our Company in their meeting held on 21st May 2011 at the registered office of the Company, 2nd Floor Bank House No. 1, Habib Square, M.A. Jinnah Road, Karachi recommended the following:

- | | | |
|-------|----------------------|-----|
| (i) | <u>Cash Dividend</u> | NIL |
| (ii) | <u>Bonus Issue</u> | NIL |
| (iii) | <u>Right Issue</u> | NIL |

The financial results of the Company are as follows:

	HALF YEAR ENDED		QUARTER ENDED	
	MAR - 2011	MAR - 2010	MAR - 2011	MAR - 2010
	Rupees		Rupees	
Sales - net	1,947,190,465	1,980,519,318	1,038,939,910	1,013,502,865
Cost of sales	(1,755,647,401)	(1,848,658,277)	(952,479,749)	(1,001,693,565)
Gross profit	191,543,064	131,861,041	86,460,161	11,809,300
Operating expenses				
Administrative expenses	(28,345,831)	(23,541,253)	(15,094,241)	(13,179,753)
Distribution cost	(5,836,645)	(3,717,376)	(5,002,791)	(2,397,911)
Other charges	(12,100,496)	(8,280,242)	(4,709,764)	(536,428)
Other income	18,252,245	18,657,278	14,956,782	11,850,287
Operating profit	163,512,337	114,979,448	76,610,147	7,545,495
Share in profit of associate - net	29,367,667	8,510,053	23,554,265	(1,929,833)
	192,880,004	123,489,501	100,164,412	5,615,662
Finance cost	(21,301,805)	(21,812,854)	(20,147,626)	(18,321,607)
Profit before tax	171,578,199	101,676,647	80,016,786	(12,705,945)
Taxation	(22,652,121)	(32,570,508)	2,027,525	(5,953,685)
Profit after tax	148,926,078	69,106,139	82,044,311	(18,659,630)
Earnings per share - basic and diluted	6.88	3.19	3.79	(0.86)

We will send you 300 copies of printed accounts for distribution among the members of the Exchange in due course of time.

Yours sincerely,

For Faran Sugar Mills Limited

Muhammad Ayub
CFO & Company Secretary

FARAN SUGAR MILLS LTD.

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