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Ref: CR/641/11
Date: July 26, 2011

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

Sub: FINANCIAL RESULT FOR THE THIRD QUARTER ENDED JUNE 30, 2011

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on 26th July, 2011 at 3:30 P.M. at our 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:

	NINE MONTHS ENDED		QUARTER ENDED	
	JUNE 30 - 2011	JUNE 30 - 2010	JUNE 30 - 2011	JUNE 30 - 2010
	Rupees		Rupees	
Sales - net	2,885,484,923	3,292,629,431	938,294,458	1,312,310,113
Cost of sales	<u>(2,611,395,487)</u>	<u>(3,089,902,289)</u>	<u>(855,748,086)</u>	<u>(1,241,244,012)</u>
Gross profit	274,089,436	202,927,142	82,546,372	71,066,101
Operating expenses				
Administrative expenses	(43,093,196)	(35,479,181)	(14,747,365)	(11,937,928)
Distribution cost	(7,297,636)	(3,891,984)	(1,460,991)	(174,608)
Other charges	(13,498,893)	(11,320,388)	(1,398,397)	(3,040,146)
Other income	<u>25,308,072</u>	<u>19,731,624</u>	<u>7,055,827</u>	<u>1,074,346</u>
Operating profit	235,507,784	171,967,213	71,995,447	56,987,765
Share in profit of associate - net	<u>41,045,039</u>	<u>16,679,945</u>	<u>11,677,372</u>	<u>8,169,892</u>
	276,552,823	188,647,158	83,672,819	65,157,657
Finance cost	<u>(81,531,868)</u>	<u>(46,213,917)</u>	<u>(60,230,063)</u>	<u>(24,401,063)</u>
Profit before taxation	195,020,955	142,433,241	23,442,756	40,756,594
Taxation	<u>(30,469,496)</u>	<u>(42,030,472)</u>	<u>(7,817,375)</u>	<u>(9,459,964)</u>
Profit after taxation	<u>164,551,459</u>	<u>100,402,769</u>	<u>15,625,381</u>	<u>31,296,630</u>
Earnings per share - basic and diluted	7.60	4.64	0.72	1.45

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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