



Habib Sugar Mills Limited

3rd/4th FLOOR, IMPERIAL COURT, DR. ZIAUDDIN AHMED ROAD, KARACHI-75530 (PAKISTAN)

Ref: HSM/SD/6546 /2008

January 29, 2008

Fax No: 2415763/2437560

The Managing Director
Karachi Stock Exchange
(Guarantee) Limited
Karachi.

Dear Sir,

FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2007

We have to inform you that the Board of Directors of our Company in their meeting held at 12.00 noon on Tuesday, January 29, 2008, approved the following :

- | | | |
|-------|---|-------|
| (i) | <u>CASH DIVIDEND</u> | - Nil |
| | AND/OR | |
| (ii) | <u>BONUS ISSUE</u> | - Nil |
| | AND/OR | |
| (iii) | <u>RIGHT SHARES</u> | - Nil |
| | AND/OR | |
| (iv) | <u>ANY OTHER ENTITLEMENT/CORPORATE ACTION</u> | - N/A |
| | AND/OR | |
| (v) | <u>ANY OTHER PRICE-SENSITIVE INFORMATION</u> | - N/A |

The financial results of the Company are as follows :

| | Dec. 31, 2007 | Dec. 31, 2006 |
|--|-----------------------|----------------------------|
| | (Rupees in thousands) | |
| Net sales and services | 640,792 | 458,556 |
| Cost of sales | <u>(560,938)</u> | <u>(412,823)</u> |
| Gross profit | 79,854 | 45,733 |
| Distribution and marketing expenses | <u>(26,244)</u> | <u>(11,096)</u> |
| Administrative expenses | <u>(18,774)</u> | <u>(18,446)</u> |
| Other operating expenses | <u>(2,864)</u> | <u>(3,053)</u> |
| Other operating income | <u>2,694</u> | <u>26,279</u> |
| | <u>(45,188)</u> | <u>(6,316)</u> |
| Operating Profit | <u>34,666</u> | <u>39,417</u> |
| Finance (cost) / income - net | 3,387 | 1,151 |
| Profit before taxation | <u>38,053</u> | <u>40,568</u> |
| Taxation | <u>(12,000)</u> | <u>(7,500)</u> |
| Profit after taxation | <u>26,053</u> | <u>33,068</u> |
| Earnings per share - Basic and diluted (Rupees) | <u>0.45</u> | <u>(Restated) 0.57</u> |

Yours faithfully


CAWAS R. SETHNA
Company Secretary