

IN THE NAME OF ALLAH
THE BENEFICENT, THE MERCIFUL

CHIEF EXECUTIVE'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you the unaudited accounts of the Company for the first quarter ended 31 December, 2007

OPERATING RESULTS:	31-12-2007	31-12-2006
Cane Crushed-Metric Tons	76,391	74,360
Average Recovery	8.06%	7.01%
Sugar Produced-Metric Tons	5,762	4,277
Commenced Crushing on	26/11/2007	30/11/2006
Number of season days	36	32

The financial results are not satisfactory, however, they are comparatively better than last year. We are pleased to report significant improvement in sugar recovery and abundance of sugarcane. Until 26 February, 2008 we had already crushed 226,109 tons of sugarcane at an average recovery of 8.94% and have produced 20,008 tons of sugar.

Thank you **(GHULAM AHMED ADAM)**
CHIEF EXECUTIVE

Karachi 28 February, 2008

COMPANY INFORMATION

BOARD OF DIRECTORS	MR. GHULAM AHMED ADAM MR. SYED RAFIQUE MOHAMMAD SHAH MR. ABDUL KARIM MR. JAWAID AHMED MR. LT. COL (R) MUHAMMAD MUJTABA MR. JUNAID G. ADAM MR. OMAR G. ADAM
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AUDIT COMMITTEE (all non-executive directors)

CHAIRMAN	MR. JUNAID G. ADAM
MEMBER	MR. JAWAID AHMED
MEMBER	MR. OMAR G. ADAM

DIRECTOR FINANCE/ CORPORATE SECRETARY	MR. QAMAR RAFI KHAN, ACA
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AUDITORS	HAROON ZAKARIA & CO. Chartered Accountants
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REGISTERED OFFICE	HAJI ADAM CHAMBERS, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI-2.
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FACTORY	CHAK NO. 4, FORDWAH, CHISHTIAN DISTRICT BAHAWALNAGAR
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WEBSITE ADDRESS	www.adam.com.pk/Adamsugar.htm
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Adam Sugar

BALANCE SHEET (UN-

CAPITAL AND LIABILITIES	31 Dec. 2007	30 Sept. 2007
	(Rupees in thousands)	
SHARE CAPITAL AND RESERVES		
Share Capital Authorised 10,000,000 Ordinary Shares of Rs. 10/- each	100,000	100,000
Issued, Subscribed and Paid-up	57,637	57,637
RESERVES AND SURPLUS		
General Reserve-Revenue Accumulated Profit	15,000 8,817	15,000 33,908
	23,817	48,908
	81,454	106,545
SURPLUS ON REVALUATION OF FIXED ASSETS	295,962	299,369
SPONSOR'S SUBORDINATED LOAN	242,624	236,024
LONG TERM LOAN - SECURED	3,029	3,029
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	19,624	20,729
DEFERRED LIABILITIES	78,637	78,637
CURRENT LIABILITIES		
Short Term Finances - Secured	140,517	218,151
Current Maturity of Long Term Liabilities	18,350	18,260
Creditors, Accrued Expenses and other Liabilities	152,974	126,074
Advances and Deposits	15,620	10,168
Workers Profit Participation Fund	2,662	2,662
Workers Welfare Fund	2,268	2,268
Loan from Director-Unsecured	97,000	-
Provision for Taxation	15,603	16,501
Dividend Payable	1,562	1,562
Unclaimed Dividend	176	176
	446,732	395,822
	1,168,062	1,140,155

The annexed notes form an integral part of these financial statements.

Karachi: 28 February, 2008

GHULAM AHMED ADAM
Chief Executive

Mills Limited

AS AT 31 DECEMBER, 2007 AUDITED)

PROPERTY AND ASSETS	31 Dec. 2007	30 Sept. 2007
	(Rupees in thousands)	
FIXED ASSETS		
Operating Assets	733,465	742,762
Capital work in progress	4,681	-
	738,146	742,762
LONG TERM DEPOSITS	1,514	1,514
CURRENT ASSETS		
Stores and Spare parts	45,394	47,250
Stock-in-Trade	219,891	267,296
Trade Debtors	814	-
Loans, Advances, Deposits, Prepayments and other Receivables	74,459	59,998
Cash and Bank Balances	87,844	21,335
	428,402	395,879
	1,168,062	1,140,155

JUNAID G. ADAM
Director

Adam Sugar Mills Limited

PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED 31 DECEMBER, 2007 (UN-AUDITED)

	31 Dec. 2007	30 Sept. 2007
	(Rupees in thousands)	
Sales	183,651	349,205
Cost of Sales	200,369	381,264
Gross Loss	(16,718)	(32,059)
Operating Expenses		
Administrative Expenses	5,894	5,084
Selling Expenses	96	282
Financial Charges	4,875	1,147
	10,865	6,513
Operating Loss	(27,583)	(38,572)
Other Income	3	-
(Loss) before Taxation	(27,580)	(38,572)
Taxation	918	1,746
(Loss) after Taxation	(28,498)	(40,318)
(Loss) per share	(4.94)	(7.00)

Adam Sugar Mills Limited

CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER, 2007 (UN-AUDITED)

	31 Dec. 2007	31 Dec. 2006
(Rupees in thousands)		
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash generated from operations A	50,946	197,329
Financial charges paid	(2,517)	(206)
Taxes paid	(2,080)	(11)
Net cash inflow from operating activities	46,349	197,112
CASH (OUTFLOW) FROM INVESTING ACTIVITIES:		
Fixed Capital Expenditure	(110)	(3,576)
Additions in Capital Work in Progress	(4,681)	-
	(4,791)	(3,576)
CASH FLOW FROM FINANCING ACTIVITIES:		
Sponsors Subordinated Loan	3,300	-
Loan from Director - Unsecured	100,300	-
Repayment of long term loan	-	(3,500)
Repayment of lease liability	(1,015)	(114)
Net cash inflow/(outflow) from financing activities	102,585	(3,614)
Net Increase in cash and cash equivalents	144,143	189,922
Cash and cash equivalents at the beginning of the period B	(196,816)	(136,260)
Cash and cash equivalents at the close of the period B	(52,673)	53,662
A. Cash generated from (used in) operations		
(Loss) before taxation	(27,581)	(38,572)
Adjustment for non-cash charges and other items		
Depreciation	9,406	9,393
Financial charges	4,875	1,147
	14,281	10,540
Cash (used) before working capital changes	(13,300)	(28,032)
Changes in Operating assets and liabilities		
(Increase)/decrease in Operating Assets		
Stores and Spares Parts	1,857	(6,471)
Stock-in-trade	47,405	221,359
Trade debtors	(814)	(9,136)
Loans, Advances, Prepayments & Other Receivables	(14,197)	(13,646)
	34,251	192,106
Increase/(decrease) in Operating Liabilities		
Creditors, accrued and other liabilities	24,543	29,941
Advances and Deposits	5,452	3,230
Worker's Profit Participation Fund	-	84
	29,995	33,255
Cash generated from operations	50,946	197,329
B. CASH AND CASH EQUIVALENTS		
Cash and Bank Balances	87,844	53,662
Short Term Finances	(140,517)	-
	(52,673)	53,662

Adam Sugar Mills Limited

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER, 2007 (UN-AUDITED)

	Share Capital	General Reserve	Accumulated (Loss)/Profit	T O T A L	
				2007	2006
(Rupees in thousands)					
Balance as at 30-September	57,637	15,000	33,908	106,545	181,760
(Loss) / Profit for the quarter	-	-	(28,498)	(28,498)	(40,318)
Final dividend of 25% for the year ended 30 September, 2006	-	-	-	-	(14,409)
Incremental depreciation transferred from surplus on Revaluation of Fixed Assets	-	-	3,407	3,407	5,532
Balance as at 31 December	57,637	15,000	8,817	81,454	132,565

NOTES TO THE ACCOUNTS FOR THE QUARTER ENDED 31 DECEMBER, 2007

1. STATUS AND ACTIVITIES

Adam Sugar Mills Limited is a Public Limited Company incorporated in Pakistan and is quoted on Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacture and sale of sugar.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

2.1 All accounting policies adopted for the preparation of these quarterly accounts are the same as applied in the preparation of the preceding annual published accounts of the company for the year ended 30 September, 2007.

2.2 These financial statements have been prepared in compliance with the requirements of IAS-34 (Interim Financial Reporting) and are being circulated to the members as per the requirements of section 245 of the Companies Ordinance, 1984.

3. CONTINGENCIES AND COMMITMENTS

The status of Contingencies is same as disclosed in the latest annual published accounts.

4. GENERAL

4.1 Corresponding figures have been rearranged wherever necessary to facilitate comparison and have been rounded off to the nearest thousand rupees.

4.2 These interim financial statements were authorised for issue on 28 February, 2008 by the Board of Directors of the Company.

GHULAM AHMED ADAM
Chief Executive

Adam Sugar Mills Limited



QUARTERLY REPORT

FOR THE QUARTER ENDED
31 DECEMBER, 2007
(UN-AUDITED)

If undelivered please return to :

Adam Sugar Mills Limited
Haji Adam Chambers, Altaf Hussain Road,
P. O. Box No. 4274, Karachi-2.

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