

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 third quarter ended 30 June, 2007

OPERATING RESULTS:	2007	2006
Cane Crushed-Metric Tons	289,898	310,099
Average Recovery	7%	7.86%
Sugar Produced-Metric Tons	19,959	24,391

Due to severe windstorms, a substantial portion of the sugarcane crop was destroyed and dislodged resulting in lower production and lower recovery of sugar. These factors combined with low sugar sale prices and low prices of molasses has caused substantial loss. The directors are pleased to report cordial relations with the staff and workers and look forward to their continued cooperation and devotion to duty.

Thank you
Karachi 28 July, 2007

(GHULAM AHMED ADAM)
CHIEF EXECUTIVE

COMPANY INFORMATION

BOAR D OF DIRECTORS	MR. GHULAM AHMED ADAM MR. SYED RAFIQUE MOHAMMAD SHAH MR. MIRZA KHURSHID BAIG MR. JAWAID AHMED MR. LT. COL (R) MUHAMMAD MUJTABA MR. JUNAID G. ADAM MR. OMAR G. ADAM
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
AUDITORS	HAROON ZAKARIA & CO. Chartered Accountants
REGISTERED OFFICE	HAJI ADAM CHAMBERS, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI-2.
FACTORY	CHAK NO. 4, FORDWAH, CHISHTIAN DISTRICT BAHAWALNAGAR
WEBSITE ADDRESS	www.adam.com.pk/Adamsugar.htm

Adam Sugar
BALANCE SHEET
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CAPITAL AND LIABILITIES	30 Jun. 2007	30 Sept. 2006
	(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	15,000 (11,418)	15,000 109,123
General Reserve-Revenue Accumulated Profit	3,582	124,123
	61,219	181,760
SURPLUS ON REVALUATION OF FIXED ASSETS	448,688	465,282
SPONSOR'S SUBORDINATED LOAN Unsecured, Interest Free	216,363	202,363
LONG TERM LOAN - SECURED	6,529	17,029
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	21,856	1,382
DEFERRED LIABILITIES	15,753	15,753
CURRENT LIABILITIES	139,568 8,207 1,741 2,556 2,268 281,393	50,321 264 1,509 2,242 2,268 154,944
Creditors, Accrued Expenses and Other Liabilities Advances and Deposits Unclaimed Dividend Workers Profit Participation Fund Workers Welfare Fund Short Term Finances Loan from Director-Unsecured Current Maturity of Long Term Liabilities Provision for Taxation	- 18,117 18,267	35,000 14,476 16,107
	472,117	277,131
CONTINGENCIES & COMMITMENTS	-	-
	1,242,525	1,160,700

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

GHULAM AHMED ADAM
Chief Executive

Mills Limited
AS AT 30 JUNE, 2007
AUDITED)

PROPERTY AND ASSETS	30 Jun. 2007	30 Sept. 2006
	(Rupees in thousands)	
FIXED ASSETS		
Operating Assets Capital work in progress	749,884 1,377	752,137 1,360
	751,261	753,497
LONG TERM DEPOSITS	1,514	264
CURRENT ASSETS	48,406 364,085 408 66,199 10,652	49,560 289,611 2,698 46,386 18,684
Stores and Spare parts Stock-in-Trade Trade Debtors Loans, Advances, Deposits, Prepayments and other Receivables Cash and Bank Balances	489,750	406,939
	1,242,525	1,160,700

JUNAID G. ADAM
Director

Adam Sugar Mills Limited
PROFIT AND LOSS ACCOUNT FOR THE
PERIOD ENDED 30 JUNE, 2007
(UN-AUDITED)

	For the period Oct. 2006 to Jun. 2007	For the period Oct. 2005 to Jun. 2006	3rd Quarter Apr. 2007 to Jun. 2007	3rd Quarter Apr. 2006 to Jun. 2006
	(Rupees in thousands)		(Rupees in thousands)	
Sales	431,949	587,643	21,119	172,141
Cost of Sales	528,767	459,324	81,613	175,731
Gross Profit / (Loss)	(96,818)	128,319	(60,494)	(3,590)
Operating Expenses				
Administrative Expenses	16,091	18,031	4,345	5,256
Selling Expenses	862	1,105	130	210
Financial Charges	15,906	22,361	9,547	11,151
	32,859	41,497	14,022	16,617
Operating Profit / (Loss)	(129,677)	86,822	(74,516)	(20,207)
Other Income	100	67,643	93	1,231
Profit / (Loss) for the period	(129,577)	154,465	(74,423)	(18,976)
Workers Profit Participation Fund	-	7,723	-	(949)
Workers Welfare Fund	-	2,877	-	(354)
	-	10,600	-	(1,303)
Profit / (Loss) before Taxation	(129,577)	143,865	(74,423)	(17,673)
Provision for Taxation	2,160	50,061	106	(5,306)
Profit / (Loss) after Taxation	(131,737)	93,804	(74,529)	(12,367)
Earning per share	(22.86)	16.27	(12.93)	(2.15)

Karachi: 28 July, 2007

GHULAM AHMED ADAM
Chief Executive

JUNAID G. ADAM
Director

