CERTIFIED ISO 9002 COMPANY

MEHRAN SUGAR MILLS LIMITED

MSM/34(5)/2015-16

July 30, 2016

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

Subject: **Financial Results for the nine months ended June 30, 2016**

Dear Sir,

The Board of Directors of our Company met today at 11:30 a.m. at the registered office of the Company and approved the financial statements for the nine months ended June 30, 2016 and recommended the following:

CASH DIVIDEND

An interim Cash Dividend for the year ending Sept 30, 2016 at **Rs. 1.5** per share i.e.**15%.** This is in addition to Interim Dividends already paid at Rs. 2.75 per share i.e. 27.5%.

BONUS SHARES : NIL
RIGHT SHARES : NIL

The Financial Results of the Company is as follows:

	For the Nine Months		For the Quarter	
	Jun 2016	Jun 2015	Jun 2016	Jun 2015
	Rupees		Rupees	
Turnover	6,106,666,864	3,118,021,418	3,186,615,850	1,647,009,033
Less: Sales tax / F.E.D	(430,840,844)	(165,459,653)	(232,722,884)	(89,930,238)
Turnover – net	**5,675,826,020**	**2,952,561,765**	**2,953,892,966**	**1,557,078,795**
Cost of sales	(4,935,707,380)	(2,376,391,293)	(2,826,352,239)	(1,376,278,593)
Gross profit	**740,118,640**	**576,170,472**	**127,540,727**	**180,800,202**
Distribution costs	(32,200,776)	(32,448,943)	(7,851,525)	(9,076,914)
Administrative expenses	(146,836,886)	(134,825,882)	(46,801,887)	(48,341,935)
Other operating expense	(52,329,396)	(32,151,249)	-	(2,577,336)
Other operating income	96,197,957	101,588,780	51,028,876	47,875,675
	(135,169,101)	(97,837,294)	(3,624,536)	(12,120,510)
Operating profit	**604,949,539**	**478,333,178**	**123,916,191**	**168,679,692**
Finance costs	(84,765,694)	(125,745,244)	(33,389,650)	(61,504,708)
Share of profit from an associate	103,911,433	60,057,790	27,342,265	-
Profit before taxation	**624,095,278**	**412,645,724**	**117,868,806**	**107,174,984**
Taxation	(134,243,572)	(83,565,335)	(3,242,892)	(4,823,767)
Profit after taxation	**489,851,706**	**329,080,389**	**114,625,914**	**102,351,217**
Earnings per share	**15.29**	**10.27**	**3.58**	**3.20**

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Share transfer books shall remain closed from Aug 15, 2016 to Aug 21, 2016 (both days inclusive).

We will be sending you 200 copies of printed Financial Statement for distribution amongst the members of the Exchange.

MATERIAL INFORMATION

The Board of Directors in its meeting also recommended the following:

a) In view of the rising demand for electricity in the country and Governments' favorable policy for promoting Baggasse based power projects, Mehran Sugar Mills Limited has decided to set up a 26.5 MW Baggasse based power project. The project shall be 100 percent owned by Mehran Sugar and the company has in principle decided to invest equity up to Rs. 750 million in the Power Project. The plant shall be operational latest by December, 2018.

a) As a part of its diversification plan, It has also been decided to invest Rs. 125 million in a company (to be incorporated). The proposed Company will be involved in the manufacturing and branding of confectionery/baking products. Mehran Sugar plans to acquire 24% equity of the new company.

Formal approval from shareholders will be sought in due course of time for both investments.

Yours Sincerely

Muhammad Hanif Aziz
Company Secretary

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