

**Crescent
Sugar Mills And
Distillery Limited**



**CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
DECEMBER 31, 2010**

COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Mazhar Karim (Chairman)
Mr. Muhammad Arshad (Chief Executive Officer)

DIRECTORS

(in alphabetical order)

Mr. Abid Mehmood
Mr. Jamal Nasim (Nominee NIT)
Mr. Khalid Bashir
Mr. Muhammad Anwar
Mr. Salman Rafi

AUDIT COMMITTEE

Mr. Muhammad Anwar (Chairman)
Mr. Jamal Nasim
Mr. Khalid Bashir

COMPANY SECRETARY

Mr. Sami Ullah Chaudhry

BANKERS

National Bank of Pakistan
Habib Metropolitan Bank Limited

AUDITORS

Riaz Ahmad & Company
Chartered Accountants

URL

www.crescentsugar.com

DIRECTORS' REVIEW TO THE SHAREHOLDERS

Dear Members,

Your Directors present to you the un-audited financial statement for the first quarter ended December 31, 2010. During the period under review, your company has earned a pre-tax profit of Rs. 58.682 Million. In comparison, during the same quarter last year, the company reported earnings of Rs. 11.125 Million.

Turnover for the first quarter of the current year stood at Rs. 1,117.979 Million, whereas, the turnover figures during the same period in year 2009 was Rs. 678.930 Million. Cost of sales in the period under review stood at 90.89% whereas, up to December 31, 2009, it was around 91.30%.

For the past many years, the company is experiencing massive crises in the operation of its Sugar Division. The magnitude of the losses sustained reached to such an extent that it was becoming increasingly difficult to continue operation of this division. The Board of Directors has therefore, decided to cease the operation of sugar mills with immediate effect and have instructed the Management to make necessary arrangement for disposing of the machinery of the Sugar Mills.

Under the instructions of the Board of Directors, the sugar factory was not operated for the current crushing season of 2010-2011 and therefore, we do not report any production activity in either its Sugar or its Distillery Unit.

As far as our Spinning operation is concerned, we have witnessed a massive escalation in the prices of cotton and polyester during the first quarter of the accounting year. The main reason for this sudden upsurge in the raw material prices was the affect of heavy floods which hit the country during the monsoon season. There was a major fear in the market about the shortage of cotton crop in Pakistan and therefore, the cotton prices kept on rising in the local as well as in the international market. This increase in the prices of cotton also had a positive impact on the cotton and polyester yarn prices which also rose in the review period.

The energy crisis prevailing in the country was even further intensified during the first quarter of this financial year and we once again had to operate with massive load shedding of Gas for our Spinning Units. Especially the unit situated in the Punjab Area faced severe Gas curtailment throughout the review period. The inflationary trend increased the labor, power and store items and thus the overall cost of production increased by around 20%.

Despite operating in such trying circumstances, we are happy to report that the company was able to increase its production without adding any new capacity as was able to produce 4,891,063 Kgs when converted into 20/s as against 4,588,976 Kgs produced during the same period of last year.

The company during this quarter exported goods worth Rs. 719 Million (Last year 330 Million) which is a record in the company's history. We hope that inshallah in the next quarter; we will export goods worth Rs. 800 Million. The textile units of the company have posted net profit of Rs. 56.618 Million as against Rs. 26.662 Million earned during the same period of last year.

**For and on behalf of
the Board of Directors**



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER

FAISALABAD
January 27, 2011


CRESCENT SUGAR MILLS CONDENSED INTERIM BALANCE SHEET

AND DISTILLERY LIMITED AS AT 31 DECEMBER 2010

NOTE	UN-AUDITED		AUDITED	
	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2010	30 September 2010	31 December 2010	30 September 2010
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorized share capital 30 000 000 (30 September 2010: 30 000 000) ordinary shares of Rupees 10 each				
	300,000	300,000	300,000	300,000
Issued, subscribed and paid up share capital				
	213,775	213,775	213,775	213,775
Reserves				
	(138,588)	(187,491)	(65,635)	(79,479)
Total equity				
	75,187	26,284	148,140	134,296
Surplus on revaluation of operating fixed assets				
	2,513,042	2,513,042	2,547,331	2,547,331
NON-CURRENT LIABILITIES				
Long term financing				
5	29,972	29,972	34,972	34,972
Employee's retirement benefits				
	11,035	9,421	11,035	9,421
	41,007	39,393	46,007	44,393
CURRENT LIABILITIES				
Trade and other payables				
	298,651	282,659	304,262	288,649
Accrued markup				
	17,162	22,012	25,964	30,814
Short term borrowings				
	700,483	571,200	700,483	571,200
Current portion of non-current liabilities				
	14,986	22,749	14,986	22,749
Provision for taxation				
	29,650	24,060	34,294	28,702
	1,060,932	922,410	1,079,989	941,844
TOTAL LIABILITIES				
	1,101,939	961,803	1,125,996	986,237
CONTINGENCIES AND COMMITMENTS				
6				
TOTAL EQUITY AND LIABILITIES				
	3,690,168	3,501,129	3,821,467	3,667,864

The annexed notes form an integral part of this condensed interim financial information.

NOTE	UN-AUDITED		AUDITED	
	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2010	30 September 2010	31 December 2010	30 September 2010
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment				
7	2,867,780	2,876,735	2,903,054	2,913,723
Long term investments				
8	35,701	37,027	201,418	241,971
Long term deposits				
	3,769	3,164	4,291	3,686
	2,907,250	2,916,926	3,108,763	3,159,380
CURRENT ASSETS				
Stores, spare parts and loose tools				
	60,304	61,054	64,873	65,628
Stock-in-trade				
	437,655	164,332	437,655	164,332
Trade debts				
	52,749	58,024	52,749	58,024
Loans and advances				
	29,954	94,512	29,954	94,512
Prepayments and balances with statutory authorities				
	71,187	55,270	71,268	55,280
Other receivables				
	29,479	29,619	31,360	31,499
Short term investments				
9	89,572	94,264	9,748	9,002
Cash and bank balances				
	12,018	27,128	15,097	30,207
	782,918	584,203	712,704	508,484
TOTAL ASSETS				
	3,690,168	3,501,129	3,821,467	3,667,864


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (UN-AUDITED)

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (UN-AUDITED)

	NOTE		(RUPEES IN THOUSAND)	
	THE COMPANY		CONSOLIDATED	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
SALES	1,117,979	678,930	1,117,979	687,987
COST OF SALES	10 1,016,184	619,859	1,016,184	619,859
GROSS PROFIT	101,795	59,071	101,795	68,128
DISTRIBUTION COST	24,663	14,799	24,663	14,895
ADMINISTRATIVE EXPENSES	19,535	19,807	20,803	23,123
OTHER OPERATING EXPENSES	3,089	186	3,089	558
	47,287	34,792	48,555	38,576
	54,508	24,279	53,240	29,552
OTHER OPERATING INCOME	11 22,888	4,027	18,865	4,027
PROFIT FROM OPERATIONS	77,396	28,306	72,105	33,579
FINANCE COST	18,714	17,181	18,714	18,026
	58,682	11,125	53,391	15,553
SHARE OF PROFIT/(LOSS) FROM ASSOCIATED COMPANIES	-	-	(32,585)	5,933
PROFIT BEFORE TAXATION	58,682	11,125	20,806	21,486
PROVISION FOR TAXATION	5,590	3,395	5,590	4,902
PROFIT AFTER TAXATION	53,092	7,730	15,216	16,584
EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED (RUPEES)	2.48	0.36	0.71	0.78


The annexed noted form an integral part of this condensed interim financial information.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

	THE COMPANY		CONSOLIDATED	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	PROFIT/(LOSS) AFTER TAXATION	53,092	7,730	15,216
OTHER COMPREHENSIVE INCOME				
(Deficit)/surplus on remeasurement of available for sale investments	(4,189)	10,429	(1,372)	(65)
TOTAL COMPREHENSIVE INCOM/ (LOSS) FOR THE PERIOD	48,903	18,159	13,844	16,519

The annexed noted form an integral part of this condensed interim financial information.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

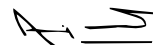
CONDENSED INTERIM CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (UN-AUDITED)

	NOTE	(RUPEES IN THOUSAND)			
		THE COMPANY		CONSOLIDATED	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
CASH UTILIZED IN OPERATIONS	12	(122,514)	(73,318)	(122,443)	(67,715)
Finance cost paid		(23,564)	(20,769)	(23,564)	(20,768)
Gratuity paid		(947)	-	(947)	-
Income tax paid		(9,213)	(4,386)	(9,284)	(6,590)
Dividend paid		-	-	-	-
		(33,724)	(25,155)	(33,795)	(27,358)
NET CASH USED IN OPERATING ACTIVITIES		(156,238)	(98,473)	(156,238)	(95,073)
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditure on Property, Plant and Equipment		(67)	(2,374)	(67)	(2,374)
Proceeds from sale of operating fixed assets		10	2,236	10	2,236
Proceeds from sale of investments		20,000	-	20,000	-
Long term deposits		(605)	-	(605)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		19,338	(138)	19,338	(138)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of long term financing		(7,493)	-	(7,493)	(2,250)
Repayment of finance lease liabilities		-	-	-	-
Short term borrowings - net		129,283	116,576	129,283	116,576
NET CASH FLOWS FROM FINANCING ACTIVITIES		121,790	116,576	121,790	114,326
NET INCREASE IN CASH AND CASH EQUIVALENTS		(15,110)	17,965	(15,110)	19,115
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		27,128	3,110	30,207	6,623
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		12,018	21,075	15,097	25,738

The annexed noted form an integral part of this condensed interim financial information.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER




ABID MEHMOOD
DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (UN-AUDITED)

(RUPEES IN THOUSAND)

	SHARE CAPITAL	CAPITAL RESERVES				REVENUE RESERVES				TOTAL EQUITY
		Premium on issue of shares	Plant Modernisation	Fair value	Sub Total	General	Dividend equalization	(Accumulated loss)	Sub Total	
The Company										
Balance as at 01 October 2009	213,775	5,496	12,000	88,551	106,047	96,988	4,000	(309,420)	(208,432)	111,390
Total comprehensive income for the first quarter ended 31 December 2009	-	-	-	10,429	10,429	-	-	7,730	7,730	18,159
Balance as at 31 December 2009	213,775	5,496	12,000	98,980	116,476	96,988	4,000	(301,690)	(200,702)	129,549
Total comprehensive income/(loss) for the next three quarters ended 30 September 2010	-	-	-	(39,545)	(39,545)	-	-	(63,720)	(63,720)	(103,265)
Balance as at 30 September 2010	213,775	5,496	12,000	59,435	76,931	96,988	4,000	(365,410)	(264,422)	26,284
Total comprehensive (loss)/income for the first quarter ended 31 December 2010	-	-	-	(4,189)	(4,189)	-	-	53,092	53,092	48,903
Balance as at 31 December 2010	213,775	5,496	12,000	55,246	72,742	96,988	4,000	(312,318)	(211,330)	75,187
Consolidated										
Balance as at 01 October 2009	213,775	5,496	12,000	3,835	21,331	44,975	4,000	(191,241)	(142,266)	92,840
Total comprehensive income/loss for the first quarter ended 31 December 2009	-	-	-	(65)	(65)	-	-	16,584	16,584	16,519
Balance as at 31 December 2009	213,775	5,496	12,000	3,770	21,266	44,975	4,000	(174,657)	(125,682)	109,359
Total comprehensive income/(loss) for the next three quarters ended 30 September 2010	-	-	-	(1,309)	(1,309)	-	-	26,246	26,246	24,937
Balance as at 30 September 2010	213,775	5,496	12,000	(2,461)	19,957	44,975	4,000	(148,411)	(99,436)	134,296
Total comprehensive (loss)/income for the first quarter ended 31 December 2010	-	-	-	(1,372)	(1,372)	-	-	15,216	15,216	13,844
Balance as at 31 December 2010	213,775	5,496	12,000	1,089	18,585	44,975	4,000	(133,195)	(84,220)	148,140

The annexed noted form an integral part of this condensed interim financial information.


MUHAMMAD ARSHAD
 CHIEF EXECUTIVE OFFICER


ABID MEHMOOD
 DIRECTOR

CRESCENT SUGAR MILLS AND DISTILLERY LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED 31 DECEMBER 2010 (UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

Crescent Sugar Mills and Distillery Limited (the Company) is a public limited company incorporated in March 1959 in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984). The shares of the Company are quoted on all Stock Exchanges of Pakistan. The Company is engaged in manufacturing and sale of sugar, distillate and yarn. The Company also operates an embroidery unit. However, due to the continuous difficulties in the procurement of sugarcane, the Board of Directors has decided to dispose off the assets of sugar unit. Registered office of the Company is situated at New Lahore Road, Nishatabad, Faisalabad.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information should be read in conjunction with the annual published financial statements for the year ended 30 September 2010.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

Accounting policies and methods of computation for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 September 2010.

(a) Critical accounting estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 September, 2010.

(b) Condensed interim consolidated financial information

Condensed interim consolidated financial information includes financial results of Crescot Mills Limited, 66.15 percent owned subsidiary company.

4. SEASONALITY OF OPERATIONS

The Company is, interalia, engaged in manufacturing of sugar for which the season begins in November and ends in February / March. Therefore, majority of expenses are incurred and production activities are undertaken in first half of the Company's financial year thus increasing volume of inventories and financing at the end of the first half.

(RUPEES IN THOUSAND)			
THE COMPANY		CONSOLIDATED	
31 December 2010	30 September 2010	31 December 2010	30 September 2010
5. LONG TERM FINANCING			
SECURED			
Opening balance	52,451	68,699	57,451
Less: Paid during the period/year	7,493	16,248	7,493
	<u>44,958</u>	<u>52,451</u>	<u>49,958</u>
UN-SECURED			
Director's loan	-	-	-
	<u>44,958</u>	<u>52,451</u>	<u>49,958</u>
Less: Current portion shown under current liabilities	<u>14,986</u>	<u>22,479</u>	<u>14,986</u>
	<u>29,972</u>	<u>29,972</u>	<u>34,972</u>

6. CONTINGENCIES AND COMMITMENTS

Contingencies:

- Certain additions have been made by the assessing officer in different assessment years on various grounds and has created demand of Rupees 10.787 million (30 September 2010: Rupees 10.787 million). The Company, being aggrieved, has filed appeals with the Honorable High Court which are still pending. No provision has been made in the books of account against the aforesaid demand as the management is hopeful for positive outcome of the appeals filed by the Company.
- Aggregate amount of guarantees issued by the banks on behalf of the Company in favour of Sui Northern Gas Pipelines Limited is Rupees 25.059 million (30 September 2010: Rupees 30.559 million).

Commitments:

- Contracts for capital expenditure are Nil (30 September 2010: Nil).
- Contracts for other than capital expenditure are Nil (30 September 2010: Rupees 2.293 million)

(RUPEES IN THOUSAND)

THE COMPANY		CONSOLIDATED	
31 December 2010	30 September 2010	31 December 2010	30 September 2010

7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	2,867,780	2,876,735	2,903,054	2,913,723
Assets subject to finance lease (Note 7.2)	-	-	-	-
	<u>2,867,780</u>	<u>2,876,735</u>	<u>2,903,054</u>	<u>2,913,723</u>

7.1 OPERATING FIXED ASSETS

Opening book value	2,876,735	370,529	2,913,723	378,282
Add:				
Surplus on revaluation	-	2,513,042	-	2,547,331
Additions/transfer during the period/year (Note 7.1.1)	67	35,248	67	35,248
	<u>2,876,802</u>	<u>2,918,819</u>	<u>2,913,790</u>	<u>2,960,861</u>
Less:				
Book value of deletions during the period/year (Note 7.1.2)	10	1,688	10	4,703
Depreciation charged during the period/year	9,012	40,396	10,726	42,435
	<u>9,022</u>	<u>42,084</u>	<u>10,736</u>	<u>47,138</u>
Book value at the end of the period/year	<u>2,867,780</u>	<u>2,876,735</u>	<u>2,903,054</u>	<u>2,913,723</u>

7.1.1 Additions/transfer during the period/year

Plant and machinery	-	32,484	-	32,484
Tools and equipment	-	1,851	-	1,851
Furniture and fixture	-	219	-	219
vehicles	-	475	-	475
office equipment	67	219	67	219
	<u>67</u>	<u>35,248</u>	<u>67</u>	<u>35,248</u>

7.1.2 Deletions during the period/year

Freehold land	-	3	-	3
Leasehold land	-	-	-	1,968
Building & roads on leasehold land	-	-	-	242
Plant and machinery	-	1,666	-	2,097
Electric installations	-	-	-	33
Furniture and fixtures	-	-	-	33
Vehicles	10	19	10	13
Office equipment	-	-	-	314
	<u>10</u>	<u>1,688</u>	<u>10</u>	<u>4,703</u>

7.2 ASSETS SUBJECT TO FINANCE LEASE

Opening book value	-	27,394	-	27,549
Less:				
Deletions/transfers during the period/year	-	27,394	-	27,549
Depreciation charged during the period/year	-	-	-	-
	<u>-</u>	<u>27,394</u>	<u>-</u>	<u>27,549</u>
Book value at the end of the period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(RUPEES IN THOUSAND)

THE COMPANY		CONSOLIDATED	
31 December 2010	30 September 2010	31 December 2010	30 September 2010

8. LONG TERM INVESTMENTS

In associates:				
Cost	-	-	47,434	49,247
Share of post acquisition profit:				
At the beginning of the period/year	-	-	187,463	164,424
Share of profit/(loss) during the period/year	-	-	(36,608)	23,039
	<u>-</u>	<u>-</u>	<u>150,855</u>	<u>187,463</u>
	-	-	198,289	236,710

Available for sale:				
Unquoted - Subsidiary Companies	14,746	22,182	-	-
Quoted - Associated Companies	1,411	1,607	-	-
Quoted - Others	1,486	1,500	1,486	1,500
Unquoted - Associated Companies	2,500	2,500	-	-
Unquoted - Others	11,104	11,635	1,300	1,831
	<u>31,247</u>	<u>39,424</u>	<u>2,786</u>	<u>3,331</u>
Less: Impairment charged during the period/year	-	(8,162)	-	(531)
Add: Fair value adjustment	4,454	5,765	343	2,461
	<u>35,701</u>	<u>37,027</u>	<u>3,129</u>	<u>5,261</u>
	<u>35,701</u>	<u>37,027</u>	<u>201,418</u>	<u>241,971</u>

9. SHORT TERM INVESTMENTS - Available for sale

Quoted - Associated Companies	29,778	43,026	-	-
Quoted - Others	9,002	18,403	9,002	18,402
	<u>38,780</u>	<u>61,429</u>	<u>9,002</u>	<u>18,402</u>
Less: Impairment charged during the period/year	-	(20,835)	-	(9,400)
Add: Fair value adjustment	50,792	53,670	746	-
	<u>89,572</u>	<u>94,264</u>	<u>9,748</u>	<u>9,002</u>

(RUPEES IN THOUSAND)

	THE COMPANY		CONSOLIDATED	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
10. COST OF SALES				
Raw material consumed	843,887	578,481	843,887	578,481
Salaries, wages and other benefits	48,267	44,348	48,267	44,348
Stores, spare part and loose tools	20,111	22,538	20,111	22,538
Fuel and power	79,831	59,697	79,831	59,697
Other manufacturing overheads	1,060	1,308	1,060	1,308
Insurance	1,250	1,180	1,250	1,180
Repair and maintenance	2,893	2,894	2,893	2,894
Depreciation and amortization	8,478	9,285	8,478	9,285
	<u>1,005,777</u>	<u>719,731</u>	<u>1,005,777</u>	<u>719,731</u>
Work-in-process:				
Opening Stock	41,525	25,688	41,525	25,688
Closing stock	(47,888)	(68,829)	(47,888)	(68,829)
	<u>(6,363)</u>	<u>(43,141)</u>	<u>(6,363)</u>	<u>(43,141)</u>
Cost of goods manufactured	999,414	676,590	999,414	676,590
Cost of goods purchased	29,042	8,657	29,042	8,657
	<u>1,028,456</u>	<u>685,247</u>	<u>1,028,456</u>	<u>685,247</u>
Finished goods:				
Opening stock	73,032	69,195	73,032	69,195
Closing stock	(85,304)	(134,583)	(85,304)	(134,583)
	<u>(12,272)</u>	<u>(65,388)</u>	<u>(12,272)</u>	<u>(65,388)</u>
	<u>1,016,184</u>	<u>619,859</u>	<u>1,016,184</u>	<u>619,859</u>
11. OTHER OPERATING INCOME				
Gain on sale of investments	18,171	2,036	18,171	2,036
Dividend income	4,095	-	72	-
Stores, scrap and mud sales	500	222	500	222
Credit balances added back	59	1,765	59	1,765
Others	63	4	63	4
	<u>22,888</u>	<u>4,027</u>	<u>18,865</u>	<u>4,027</u>

	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
12. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	58,682	11,125	20,806	21,486
Adjustments for non-cash charges and other items:				
Depreciation	9,012	9,922	10,726	10,157
Provision for gratuity	2,561	1,385	2,561	1,451
Gain on sale of investments	(18,171)	(2,036)	(18,171)	(2,036)
Credit balances added back	59	1,765	59	1,765
Impairment loss on investments	-	-	-	-
Share of (profit)/loss from associated companies	-	-	36,608	(5,933)
Finance cost	18,714	17,181	18,714	18,026
Working Capital Changes (Note 12.1)	(193,371)	(112,660)	(193,746)	(112,631)
CASH UTILIZED IN OPERATIONS	<u>(122,514)</u>	<u>(73,318)</u>	<u>(122,443)</u>	<u>(67,715)</u>
12.1 CASH FLOWS FROM WORKING CAPITAL CHANGES				
(Increase)/decrease in current assets				
Stores, spare parts and loose tools	750	8,211	755	8,242
Stock in trade	(273,323)	(295,420)	(273,323)	(295,420)
Trade debts	5,275	(607)	5,275	(1,643)
Loans and advances	64,558	(8,526)	64,558	(8,067)
Prepayments and balances with statutory authorities	(6,704)	(4,017)	(6,704)	(3,183)
Other receivables	140	1,720	139	(1,631)
Increase in current liabilities				
Trade and other payables	15,933	185,979	15,554	189,071
	<u>(193,371)</u>	<u>(112,660)</u>	<u>(193,746)</u>	<u>(112,631)</u>

13. SEGMENT INFORMATION - THE COMPANY (UN-AUDITED)

13.1 The Company has three reportable operating segments. The following summary describes the operation in each of the Company's reportable segments:

Sugar: Manufacturing and sale of sugar and allied products.

Distillery: Manufacturing and sale of distillate products.

Textile: Production of different quality of yarn using natural and artificial fibers. This segment also includes production of different embroidery products.

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

	(RUPEES IN THOUSAND)									
	Sugar Unit		Distillery Unit		Textile Units		Elimination of Inter-segment transactions		TOTAL	
	First quarter ended		First quarter ended		First quarter ended		First quarter ended		First quarter ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Sales	24,138	82,623	2,734	8,689	1,091,107	587,618	-	-	1,117,979	678,930
Cost of Sales	35,385	86,622	2,898	10,705	977,901	522,532	-	-	1,016,184	619,859
Gross (loss)/profit	(11,247)	(3,999)	(164)	(2,016)	113,206	65,086	-	-	101,795	59,071
Distribution cost	14	60	148	200	24,501	14,539	-	-	24,663	14,799
Administrative expenses	7,123	9,818	14	54	12,398	9,935	-	-	19,535	19,807
Other operating expenses	1	186	-	-	3,088	-	-	-	3,089	186
	7,138	10,064	162	254	39,987	24,474	-	-	47,287	34,792
	(18,385)	(14,063)	(326)	(2,270)	73,219	40,612	-	-	54,508	24,279
Other operating income	22,388	3,859	-	-	500	168	-	-	22,888	4,027
(Loss)/profit from operations	4,003	(10,204)	(326)	(2,270)	73,719	40,780	-	-	77,396	28,306
Finance cost	3,613	3,063	-	-	15,101	14,118	-	-	18,714	17,181
(Loss) / profit before taxation	390	(13,267)	(326)	(2,270)	58,618	26,662	-	-	58,682	11,125
Provision for taxation									5,590	3,395
Profit / (loss) after taxation									<u>53,092</u>	<u>7,730</u>

14. SEGMENT INFORMATION - CONSOLIDATED (UN-AUDITED)

14.1 The Company has four reportable operating segments. The following summary describes the operation in each of the Company's reportable segments:

Sugar: Manufacturing and sale of sugar and allied products.

Distillery: Manufacturing and sale of distillate products.

Textile: Production of different quality of yarn using natural and artificial fibers. This segment also includes production of different embroidery products.

Transactions among the operating segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

(RUPEES IN THOUSAND)

	Sugar Unit		Distillery Unit		Textile Units		Bulk Storage		Elimination of Inter-segment transactions		TOTAL	
	First quarter ended		First quarter ended		First quarter ended		First quarter ended		First quarter ended		First quarter ended	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Sales	24,138	82,623	2,734	8,689	1,091,107	587,618	-	9,057	-	-	1,117,979	687,987
Cost of Sales	35,385	86,622	2,898	10,705	977,901	522,532	-	-	-	-	1,016,184	619,859
Gross (loss)/profit	(11,247)	(3,999)	(164)	(2,016)	113,206	65,086	-	9,057	-	-	101,795	68,128
Distribution cost	14	60	148	200	24,501	14,539	-	96	-	-	24,663	14,895
Administrative expenses	7,123	9,818	14	54	13,666	9,813	-	3,438	-	-	20,803	23,123
Other operating expenses	1	186	-	-	3,088	-	-	372	-	-	3,089	558
	7,138	10,064	162	254	41,255	24,352	-	3,906	-	-	48,555	38,576
Other operating income	(18,385)	(14,063)	(326)	(2,270)	71,951	40,734	-	5,151	-	-	53,240	29,552
(Loss)/profit from operations	18,365	3,859	-	-	500	168	-	-	-	-	18,865	4,027
Finance cost	(20)	(10,204)	(326)	(2,270)	72,451	40,902	-	5,151	-	-	72,105	33,579
(Loss) / profit before taxation	3,613	3,063	-	-	15,101	14,118	-	845	-	-	18,714	18,026
un-allocatable income/expenses	(3,633)	(13,267)	(326)	(2,270)	57,350	26,784	-	4,306	-	-	53,391	15,553
un-allocated income/expenses:												
Share of profit/(loss) from associated company											(32,585)	5,933
Provision for taxation											(5,590)	(4,902)
Profit / (loss) after taxation											<u>15,216</u>	<u>16,584</u>

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, subsidiary company, companies in which directors are interested, staff retirement funds, directors and key management personnel. Significant transactions with related parties and associated companies are as under

DESCRIPTION	(RUPEES IN THOUSAND)			
	THE COMPANY		CONSOLIDATED	
	31December 2010	31December 2009	31December 2010	31December 2009
Subsidiary Company				
Rental expense	240	240	-	-
Associated Companies				
Sales	5,254	-	5,254	-
Insurance charges	4,360	4,498	4,360	4,498

16. DATE OF AUTHORIZATION

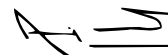
This condensed interim financial information was approved by Board of Directors and authorized for issue on 27 January 2011.

17. CORRESPONDING FIGURES

- Comparative figures have been re-arranged/reclassified, wherever necessary for the purpose of comparison.
- Figures have been rounded off to the nearest thousand rupees.



MUHAMMAD ARSHAD
CHIEF EXECUTIVE OFFICER



ABID MEHMOOD
DIRECTOR

BOOK POST
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