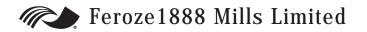




Financial Statements
For The Nine Months Ended
March 31, 2015



Company Information

Board of Directors : Anas Rahman - Chief Executive

Jawed Yunus Tabba

Jonathan R.Simon

Khaleequr Rahman - Chairman

Pervez Saeed
Perwez Ahmed
Shabbir Ahmed
Sheikh Zafar Ahmed

Audit Committee : Jawed Yunus Tabba - Member

: Anas Rahman

Pervez Saeed - Chairman
Perwez Ahmed - Member

Human Resourece & Remuneration Committee

Jawed Yunus Tabba Khaleequr Rahman

Shabbir Ahmed

Company Secretary : Abdul Aleem, FCA

Bankers : Bank Al Habib Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Meezan Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Auditors : Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants 180-A, S.M.C.H.S.

Karachi

Legal Advisor : M. Adam Patel & Co.

Share Registrar : FAMCO Associates (Pvt.) Ltd.

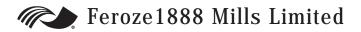
8-F, Next to Hotel Faran, Nursery, Block 6, PECHS, Shahra-e-Faisal,

Karachi

Registered Office : H-23/4-A, Scheme # 3, Landhi Industrial Area,

Karachi.

Website : www.feroze1888.com



Directors' Report

Your directors are pleased to present the un-audited financial statements for the Quar ter ended on March 31, 2015.

Operational and Financial Performance

With the blessings of Almighty Allah, the most beneficent the most merciful, the operational and financial performance of your Company both during the quarter under review (January to March 2015) and during the nine months period (July 2014 to March 2015) were better when compared with corresponding period of last year. The balancing and modernization of spinning operations and enhancement in weaving capacities helped to achieve the same. The management efforts to attain optimum capacity utilization and effective alignment of process further helped in achieving better operational performance.

Cotton prices procured during the current financial year were though lower than last year but the benefit thereof was successfully pocketed by our customers while negotiating the prices. However, the Company had been fortunate to be benefited from organized buying pattern and due to time lag between raw materials price changes and finished products price revision. The challenges faced by the Industry and by your Company were tried to be dealt with by possible measures to mitigate the impacts thereof but not entirely. The scarcity of water and general price increase also had negative impact on the profitability.

However, the financial results mainly due to operational efficiencies and for one of the reason mentioned above are quite impressive both during the quarter as well as for nine months period of the current financial year. The net turnover during the quarter was 1.82% low whereas for the nine months period is lower by 4.02% when compared with prior period due to price adjustment caused by low raw material prices. In spite of lower sales value the gross profit as well as profit after tax were higher by Rs. 49.490 million and Rs. 356.153 million respectively for the quarter under review. The gross profit percentage to sales as well as profit af ter tax percentage to sales is also higher by 1.53% and 8.29% respectively during the quar ter under your review. Similarly gross profit to sales and net profit af ter sales also improve by 0.66% and 2.28% respectively during the nine months period of the current financial year when compared with the corresponding period of last year. The higher improvement in profit after tax than gross profit has been caused by reduction in operating expenses and mainly financial cost. The higher profit after tax had also resulted in higher earnings per share which has improved from Rs. 0.70 to Rs. 1.64 per share for the quarter January to March 2015 and from Rs. 3.33 to Rs. 3.97 per share for the period from July 2014 to March 2015.

Future Outlook

We are not foreseeing any new or further challenge or threat during the remaining three months of the current financial year except the uncertainty posed by rupee dollar parity, water scarcity and increased frequency of gas outage. However, current trend of increase in fuel cost may have negative impact on the manufacturing cost besides, recently notified wage increase for workers and ever increasing cost of inputs. For the incentives announced in budget in June the method for claim submission has been announced but it's hard, rather impossible, to forecast when the amount would be actually realized and as such it has not been preferred to account for the same unless at least approved by the relevant agencies. The State Bank in the last announced Monetary Policy has further reduced the Policy rate but we are not expecting a change in financing rate and consequently no reduction in financial cost. Considering all such facts and with our continued endeavor to maximize efficiencies, be more acceptable to our customers, control cost, we are confident that the results for the remaining part of the year would not be different from the previous nine months.

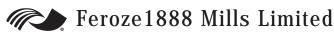
Acknowledgement

Like always, the Board is pleased to place on record its appreciation for the contributions made by the employees of the Company and look forward for same cordial relationship in coming years. In addition, Board also acknowledges the role of all banks, customers, suppliers and other stakeholders for their continued support.

For and on Behalf of the Board

Khaleequr Rahman Chairman

Karachi: April 29, 2015



Condensed Interim Balance Sheet As at March 31, 2015

	Unaudited	Audited
	March 31, 2015	June 30, 2014
	·····Rupees in	tnousand
ASSETS		
Non-Current Assets		
Property, plant and equipment	5,493,621	5,210,869
Intangible assets	6,426	10,283
Long term investment	10	10
Long term deposit	5,348	5,348
	5,505,405	5,226,510
Current Assets		
Stores and spares	489,960	599,509
Stock-in-trade	2,858,439	3,133,460
Trade debts - considered good	3,252,391	2,630,993
Advances, prepayments and other receivables	939,461	787,999
Taxation – net	19,094	28,175
Cash and bank balances	178,482	233,902
	7,737,827	7,414,038
	13,243,232	12,640,548
SHARE CAPITAL AND RESERVES		
Authorized Capital		
400,000,000 Ordinary shares of Rs.10/- each	4,000,000	4,000,000
400,000,000 Ordinary Shares of his. 10/- cach	4,000,000	4,000,000
Issued, subscribed and paid-up capital	3,768,009	3,768,009
Reserves	758,663	758,663
Accumulated profit	3,839,967	2,533,361
	8,366,639	7,060,033
Surplus on revaluation of property, plant and equipment	1,080,662	1,080,662
LIABILITIES		
Non-Current Liabilities		
Long term finance - secured	318,831	472,093
Current Liabilities	,	,
Trade & other payables	2,514,097	2,682,767
Accrued markup	23,979	31,121
Short term borrowings - secured	844,998	1,177,725
Current portion of long term finance	94,026	136,147
Sarrant portion or long term illiance	3,477,100	4,027,760
	13,243,232	12,640,548
	10,240,202	12,040,340

The annexed notes 1 to 5 form an integral part of these condensed interim financial information.

Anas Rahman Chief Executive



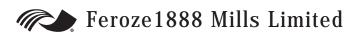
Feroze1888 Mills Limited

Condensed Interim Profit and Loss Account (Unaudited) For the Nine Months Ended March 31, 2015

	Nine Months		Three months	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	Rupees in thousand			
Sales	12,863,758	13,402,443	4,352,003	4,432,707
Cost of sales	(10,212,501)	(10,728,197)	(3,353,626)	(3,483,819)
Gross profit	2,651,257	2,674,246	998,377	948,888
Administrative cost	(449,195)	(406,835)	(159,863)	(147,184)
Distribution cost	(377,165)	(324,393)	(145,093)	(109,285)
Other cost - net	(11,827)	(9,016)	(331)	(1,280)
Workers' funds	(96,613)	(85,249)	(38,652)	(20,248)
	(934,800)	(825,493)	(343,939)	(277,997)
Operating profit	1,716,457	1,848,753	654,438	670,891
	, ,	, ,	,	,
Finance cost	(86,629)	(449,458)	10,320	(357,108)
Profit before taxation				
Profit before taxation	1,629,828	1,399,295	664,758	313,783
Provision for taxation	(134,429)	(146,030)	(46,236)	(51,414)
Profit after taxation	1,495,399	1,253,265	618,522	262,369
Earning per share basic and diluted	3.97	3.33	1.64	0.70

The annexed notes 1 to 5 form an integral part of these condensed interim financial information.

Anas Rahman Chief Executive



Condensed Interim Statement of Other Comprehensive Income (Unaudited) For the Nine Months Ended March 31, 2015

Nine Months		Three Months	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Rupees in thousand			
1,495,399	1,253,265	618,522	262,369
-	-	-	-
1,495,399	1,253,265	618,522	262,369
	March 31, 2015 	March 31, 2015 March 31, 2014	March 31, 2015 March 31, 2014 March 31, 2015

The annexed notes 1 to 5 form an integral part of these condensed interim financial information.

Anas Rahman Chief Executive



Condensed Interim Cash Flow Statement (Unaudited) For the Nine Months Ended March 31, 2015

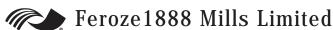
July 01, 2014 to March 31, 2015 July 01, 2013 to March 31, 2014 ·····Rupees in thousand······ Cash flow from operating activities Profit before tax for the period 1,629,828 1,399,295 Adjustment for non cash charges and other items: 315.583 273.688 Depreciation & amortization 86,629 449,457 Finance cost Gain on disposal of property, plant and equipment (3,366)(749)398,846 722,396 Operating profit before working capital changes 2 028 674 2 121 691 Working capital changes (Increase) / decrease in current assets Stores and spares 109,549 (165,079)275.022 Stock-in-trade (956, 146)(621,398)(445,763)Trade debtors Advances, prepayments and other receivables (151,461)53,169 (Decrease) / increase in current liabilities Trade and other payables (168,727)1,334,086 (557,015)(179,733)1,471,659 1,941,958 Cash generated from operating activities Finance cost paid (93,772)(452,418) (156,806)Income tax deducted (125.348)(219, 120)(609, 224)Net cash generated from operating activities 1,252,539 1,332,734 Cash flow from investing activities Acquisition of property plant, and equipment (598,411)(653, 149)Sale proceeds on disposal of property, plant and equipment 7,300 23.647 Long term deposits (49)Net cash used in investing activities (591,111)(629,551)Cash flow from financing activities Dividend paid (188,737)(227,101)Repayment of long term finance (195,383)(152,496)Net cash used in financing activities (384.120) (379,597)277.308 323.586 Net increase in cash and cash equivalent Cash and cash equivalent at the beginning (2,027,919)(943,823)Cash and cash equivalent at the end (666,515)(1,704,333)Cash and cash equivalents Cash and bank balances 178.482 266.403 (1,970,736)Short term borrowings - secured (844,997)

The annexed notes 1 to 5 form an integral part of these condensed interim financial information.

Anas Rahman Chief Executive Sheikh Zafar Ahmed Director

(1,704,333)

(666,515)



Condensed Interim Changes

Condensed Interim Changes in Equity (Unaudited) For the Nine Months Ended March 31, 2015

	Share Capital	Reserves	Accumulated Profit	Total
		Rupees in thousand		
Balance as at June 30, 2013 (Audited)	3,768,009	758,663	1,138,038	5,664,710
Total comprehensive income for the				
nine months ended March 31, 2014	-	-	1,253,265	1,253,265
Transactions with owners:				
- Final cash dividend for the				
year ended June 30, 2013				
- @ Rs. 1.50 per share for all shareholders				
except directors, their relative and associates	-	-	(393)	(393)
- @ Rs. 0.30 per share to directors,				
their relative and associates	-	-	(112,963)	(112,963)
- Interim cash dividend				
- @ Rs. 2.00 per share for all shareholders				
except directors, their relative and associates	-	-	(524)	(524)
- @ Rs. 0.50 per share to directors,				
their relative and associates	-	-	(188,269)	(188,269)
	-	-	(302,149)	(302,149)
Balance as at March 31, 2014 (Unaudited)	3,768,009	758,663	2,089,154	6,615,826
Total comprehensive income for the				
quarter ended June 30, 2014	-	-	444,207	444,207
Balance as at June 30, 2014 (Audited)	3,768,009	758,663	2,533,361	7,060,033
Total comprehensive income for				
the nine months ended March 31, 2015	-	-	1,495,399	1,495,399
Transactions with owners:				
- Final cash dividend for the				
year ended June 30, 2014				
- @ Rs. 2.00 per share for all shareholders				
except directors, their relative and associates	-	-	(524)	(524)
- @ Rs. 0.50 per share to directors,				
their relative and associates	_	_	(188,269)	(188,269)
			(188,793)	(188,793)
Balance as at March 31, 2015 (Unaudited)	3,768,009	758,663	3,839,967	8,366,639

The annexed notes 1 to 5 form an integral part of these condensed interim financial information.

Anas Rahman Chief Executive



Feroze 1888 Mills Limited

Selected Notes To The Condensed Interim Financial Information (Unaudited) For The Nine Months Ended March 31, 2015

- 1 The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2014.
- 2 The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended June 30, 2014.
- 3 Transactions with related parties

Related parties comprise associated companies, directors and key management personnel. The transactions with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

Nature of Transaction	Relationship	July 01, 2014 to March 31, 2015 Rupees in	July 01, 2013 to March 31, 2014 thousand ······
Sales	Associate	1,060,719	860,880
Purchases	Associate	42,567	320,128
Marketing fee, rent etc.	Associate	694,201	703,743
Balances with related parties at the end of the period are as follows:		March 31, 2015 Rupees in t	June 30, 2014 housand ······
Balance receivable / (payable)		101,672	(25,515)

4 Date of Authorization for Issue

The condensed interim financial infor mation have been authorized for issue on April 29, 2015 by the Board of Directors of the Company.

5 General

Figures have been rounded to the nearest thousand rupees.

Anas Rahman Chief Executive

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If undelivered please return to:

H-23/4 A, Scheme #3, Landhi Industrial Area, Karachi FEROZE1888 MILLS LIMITED