

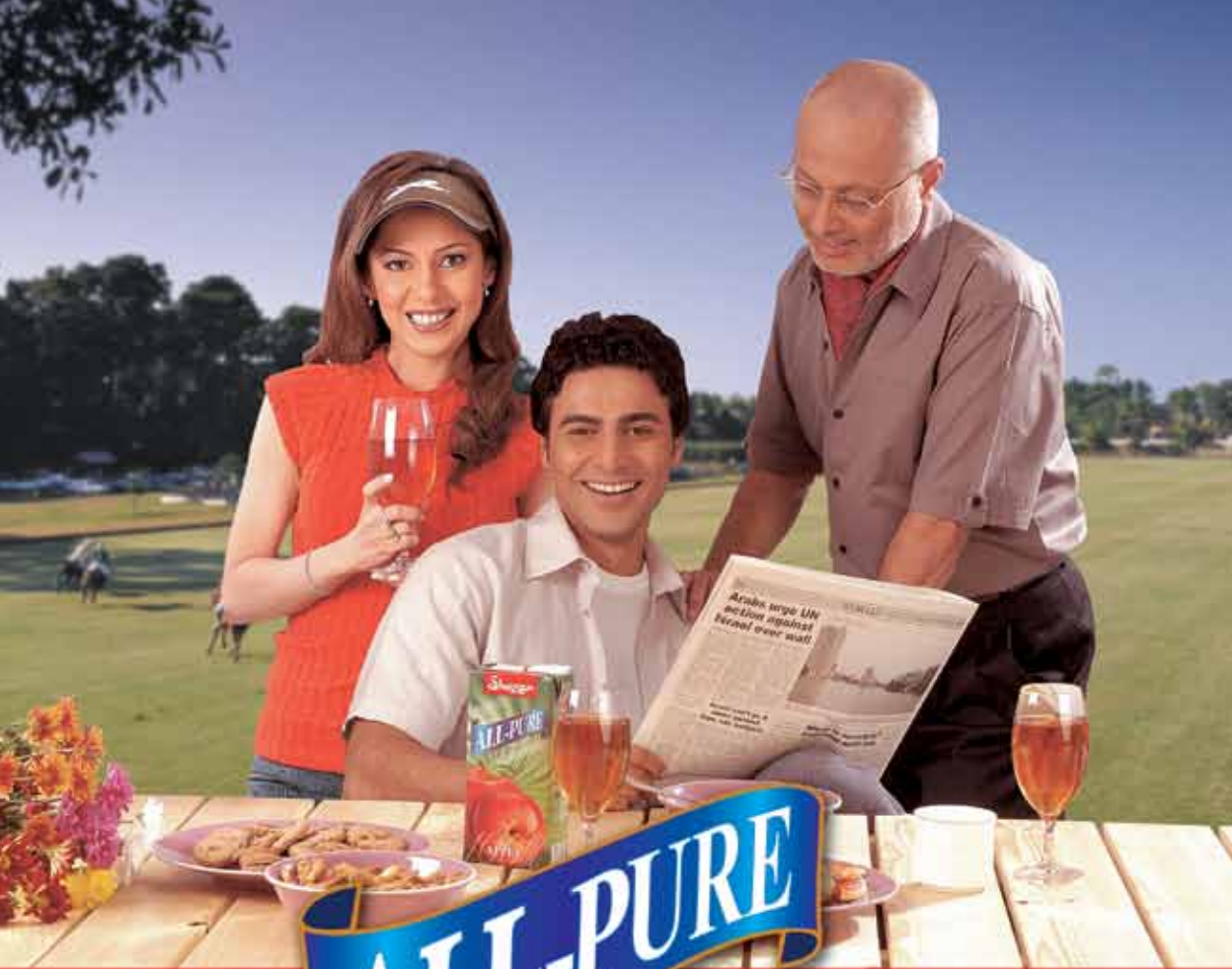
Shezan



Pure fresh and natural!



Condensed Interim Financial Information (Un Audited)
for the period ended 31 March 2010



ALL-PURE

The Complete
Fruit
Experience



Board of Directors:

Mr. Muneer Nawaz
Chairman

Mr. Saifi Chaudhry
Chief Executive

Mr. Mahmood Nawaz

Mr. C. M. Khalid

Mrs. Amtul Hai Khalid

Mr. M. Naeem

Mr. Muhammad Khalid

Mr. Shamshad Ahmad
(N.I.T. Nominee)

Mr. Muhammad Asif
(N.I.T. Nominee)

Director & Company Secretary:

Mr. Muhammad Khalid

Chief Financial Officer:

Mr. Faisal Ahmad Nisar, FCA

Audit Committee:

Mr. Muneer Nawaz
Chairman

Mr. Muhammad Khalid
Member

Mr. Muhammad Asif
Member

Registered Office / Head Office:

56 - Bund Road,
Lahore-54500.
Phones: (042) 37466900-04.
Faxes: (042) 37466899 & 37466895.
E-mail: shezan@brain.net.pk

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Fax: (021) 36313790.
E-mail: shezan@cyber.net.pk
- Plot No. 33-34, Phase III,
Hattar Industrial Estate,
Hattar.
Phones: (0995) 617158 & 617343.
Fax: (0995) 617342.
E-mail: sil-htr@shezan.com

Auditors:

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants,
Mall View Building,
4 - Bank Square, Lahore.

Share Registrar:

Corp Link (Private) Limited,
Wings Arcade, 1-K, Commercial,
Model Town, Lahore.

Legal Advisors:

Cornelius, Lane & Mufti,
Nawa-e-Waqt Building,
Shahrah-e-Fatima Jinnah, Lahore.

Bankers:

United Bank Limited.
MCB Bank Limited.
National Bank of Pakistan.
The Bank of Khyber.
Bank Al-Habib.
Habib Bank Limited.

Directors Report to the Members

The directors are pleased to present their report together with the un-audited condensed interim financial information for the third quarter ended 31 March 2010.

Financial results show satisfactory performance for the quarter and nine months ended 31 March 2010. Turnover for the quarter was considerably up and for the nine months rose 31.2% to Rs. 2.292 billion. The cost of goods sold increased substantially due to upsurge in the prices of key raw and packaging materials like sugar and Tetra pack packaging and utilities. However, very moderate increase was passed on to the consumers so that the level of sales may not drop. Gross profit percentage for the nine months was 24.89% as compared to 26.91% of the previous period but for the quarter, gross profit percentage showed a slight improvement. Distribution cost, for the nine months, showed an increase by 37.14% to Rs. 345 million. This was largely due to soaring oil and freight costs and expenses incurred in advertising support on products. Administrative expenses marginally increased while finance cost was increased significantly from Rs. 5.3 million to Rs. 13.2 million during the nine months. Earnings per share were at Rs. 1.69 and Rs. 10.28 for the quarter and nine months, respectively.

We are hopeful that by the Grace of Allah, the results for the next quarter would be better than the prevailing quarter as our prime season is in the summer months and the takeoff starts in end March with a peak from April to June.


We continue to strengthen our brands through advertisement, particularly of juice products, highlighting choice, variety and value while reducing reasons for consumers to choose otherwise. Our endeavours are on target brands like All Pure and Twist to win loyalty of the consumers. These products are a real treat for all occasions. Further development is in progress and in order to diversify our product range, we are ready to launch our Cola Carbonated Drinks under the brand name of Shezan Cola with different flavours. This move will attract wider consumer base. We are hopeful that these new products will contribute in volume as well as in profits of the Company.

The task of adding capacities and upgrading infrastructure continued. This is bound to secure full potential of the business, open up routes to future growth and deliver benefits to consumers, employees and shareholders.

In closing, we would like to place on record our appreciation for the commitment, devotion to duty and hard work of all employees of the Company.

For and on Behalf of the Board

**Lahore:
27 April 2010.**



**Saifi Chaudhry
Chief Executive**

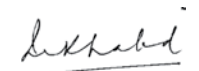
Condensed Interim Balance Sheet (Un Audited)


as at 31 March 2010

	Note	(Un Audited) 31 March 2010	(Audited) 30 June 2009
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	400,097	299,770
Investment in associate	6	7,726	7,724
Investments available for sale	6	681	824
Long term deposits and prepayments		3,032	2,661
		411,536	310,979
CURRENT ASSETS			
Stores and spares		24,148	18,796
Stock in trade		699,640	755,711
Trade debts		142,371	86,291
Advances, deposits, prepayments and other receivables		38,377	37,113
Income tax recoverable		42,347	74,651
Cash and bank balances		84,791	70,844
		1,031,674	1,043,406
TOTAL ASSETS		1,443,210	1,354,385
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		60,000	60,000
Reserves		653,306	583,449
Unappropriated profits		90,033	134,371
		803,339	777,820
TOTAL EQUITY		803,339	777,820
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		42,592	543
Deferred taxation		44,919	45,419
		87,511	45,962
CURRENT LIABILITIES			
Trade and other payables		360,615	392,371
Mark up accrued on short term borrowings		3,403	393
Short term borrowings secured		99,039	30,228
Current portion of liabilities against assets subject to finance lease		19,711	3,869
Provision for taxation		69,592	103,742
		552,360	530,603
TOTAL LIABILITIES		639,871	576,565
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		1,443,210	1,354,385

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Saifi Chaudhry
 Chief Executive


Muhammad Khalid
 Director


Faisal Ahmad Nisar
 Chief Financial Officer

Condensed Interim Profit and Loss Account (Un Audited)

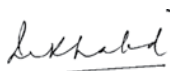
for the period ended 31 March 2010

	Note	Nine Months Ended 31 March		Third Quarter Ended 31 March	
		2010	2009	2010	2009
		(Rupees in thousand)		(Rupees in thousand)	
Sales net		2,292,218	1,746,806	807,477	590,212
Cost of sales		1,721,714	1,276,782	613,211	450,634
Gross profit		570,504	470,024	194,266	139,578
Distribution cost		345,760	252,117	125,890	88,160
Administrative expenses		68,334	61,364	21,245	19,860
Other operating expenses		54,700	48,134	18,264	13,799
Other operating income		(13,149)	(15,629)	(3,260)	(5,100)
		455,645	345,986	162,139	116,719
Operating profit		114,859	124,038	32,127	22,859
Finance cost		13,199	5,286	6,497	2,697
		101,660	118,752	25,630	20,162
Share of profit from an associate		2	6		
Profit before taxation		101,662	118,758	25,630	20,162
Taxation		40,000	52,500	15,500	8,500
Net profit for the period		61,662	66,258	10,130	11,662
Earnings per share basic and diluted (Rupees)	10	10.28	11.04	1.69	1.94

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Saifi Chaudhry
Chief Executive



Muhammad Khalid
Director



Faisal Ahmad Nisar
Chief Financial Officer


Condensed Interim Cash Flow Statement (Un Audited)

for the period ended 31 March 2010


	Note	31 March	
		2010	2009
(Rupees in thousand)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations:			
Profit before taxation		101,662	118,758
Adjustments for:			
Depreciation		30,748	28,788
Interest/mark up		11,366	3,949
Profit on bank deposits		(1,617)	(2,744)
Dividend income		-	(274)
Share of profit from an associate		(2)	(6)
Deterioration in value of shells, pallets and barrels		5,682	6,491
Gain on disposal of property, plant and equipment		(952)	(1,705)
		45,225	34,499
Operating profit before working capital changes		146,887	153,257
(Increase)/decrease in current assets:			
Stores and spares		(5,352)	(8,904)
Stock in trade		50,389	108,324
Trade debts		(56,080)	(26,979)
Advances, deposits, prepayments and other receivables		(1,345)	1,423
		(12,388)	73,864
Increase/(decrease) in current liabilities:			
Trade and other payables		(31,828)	(86,424)
Short term borrowings secured		68,811	10,571
		36,983	(75,853)
Cash generated from operations:		171,482	151,268
Interest/mark up paid		(8,356)	(2,113)
Profit on bank deposits		1,698	3,147
Income tax paid		(42,347)	(63,024)
Net cash generated from operating activities		122,477	89,278
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(65,774)	(40,241)
Sale proceeds from disposal of property, plant and equipment		2,030	2,510
Dividend received		-	274
Long term deposits		(371)	(306)
Net cash used in investing activities		(64,115)	(37,763)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of obligations under finance lease		(8,487)	(19,882)
Dividend paid		(35,928)	(59,907)
Net cash used in financing activities		(44,415)	(79,789)
Net increase/(decrease) in cash and cash equivalents		13,947	(28,274)
Cash and cash equivalents at the beginning of the period		70,844	84,042
Cash and cash equivalents at the end of the period	A	84,791	55,768

A Cash and cash equivalents includes cash and bank balances as stated in balance sheet.

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


Saifi Chaudhry
 Chief Executive


Muhammad Khalid
 Director


Faisal Ahmad Nisar
 Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un Audited)

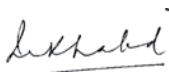
for the period ended 31 March 2010

	Share Capital	Capital Reserve	Revenue Reserve		Unrealized (loss)/gain on remeasurement of investments available for sale	Total
		Merger Reserve	General Reserve	Unappropriated Profits		
(Rupees in thousand)						
Balance as at 01 July 2008	60,000	5,000	495,000	176,900	(200)	736,700
Transfer to General reserve			85,000	(85,000)		
Dividend @ Rs. 10/- per share for the year ended 30 June 2008				(60,000)		(60,000)
Net profit for the period ended 31 March 2009				66,258		66,258
Unrealized (loss) on remeasurement of investments					(1,321)	(1,321)
Balance as at 31 March 2009	60,000	5,000	580,000	98,158	(1,521)	741,637
Net profit for the period ended 30 June 2009				36,213		36,213
Unrealized (loss) on remeasurement of investments					(30)	(30)
Balance as at 30 June 2009	60,000	5,000	580,000	134,371	(1,551)	777,820
Transfer to General reserve			70,000	(70,000)		
Dividend @ Rs. 6/- per share for the year ended 30 June 2009				(36,000)		(36,000)
Net profit for the period ended 31 March 2010				61,662		61,662
Unrealized (loss) on remeasurement of investments					(143)	(143)
Balance as at 31 March 2010	60,000	5,000	650,000	90,033	(1,694)	803,339

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.



Saifi Chaudhry
Chief Executive



Muhammad Khalid
Director



Faisal Ahmad Nisar
Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un Audited)

for the period ended 31 March 2010

1. THE COMPANY AND ITS OPERATIONS

The Company is a Public Limited Company incorporated in Pakistan and is listed on Lahore and Karachi Stock Exchanges. The registered office of the Company is situated at 56 Bund Road, Lahore, Pakistan. It is engaged in the manufacturing, trading and sale of juices, pickles, jams, ketchups etc., based upon or derived from fresh fruits and vegetables.

Shezan International Limited owned 44.88% ordinary shares in a Private Limited company namely Hattar Food Products (Private) Limited, which has not commenced its commercial operations so far. The principal business activities of the associated undertaking will be to process food products.

2. BASIS OF PRESENTATION AND MEASUREMENT

2.1 This condensed interim financial information has been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting as applicable in Pakistan.

2.2 This condensed interim financial information does not include all the information and the disclosures required in the annual financial information and should be read with in conjunction with financial statements of the Company for the year ended 30 June 2009.

2.3 This condensed interim financial information is un audited.

2.4 International Accounting Standard (IAS 1) (Revised), Presentation of Financial Statements (effective from 01 January 2009), was issued in September 2007. According to revised standard, those items of income and expenses that are not recognised in the profit or loss, and non-owner changes in equity should be recognised through Statement of comprehensive income. The revised standard requires an entity to opt for presenting such items of income and expenses in (a) single statement of comprehensive income or (b) two statements, a separate income statement and a statement of comprehensive income. The Company has adopted the single statement approach. It has no further effect on presentation.

2.5 International Financial Reporting Standard (IFRS 8), Operating Segment (effective from 01 January 2009) requires disclosure of information about the companies operating segment and replaces the requirement to determine primary(business) and secondary (geographical) reporting segments of the Company. Adoption of this standard did not have any material effect on the financial position or performance of the Company except for the additional disclosure.

3. ACCOUNTING POLICIES

The accounting policies adopted and applied by the Company for the preparation of this condensed interim financial information is the same as was adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2009, except stated in note 2.4 and 2.5 above.

4. TAXATION, WORKERS' WELFARE FUND AND WORKERS' PROFIT PARTICIPATION FUND

Provisions in respect of Workers Welfare Fund, Workers Profit Participation Fund and Taxation are estimated and these are subject to final adjustments in the annual audited financial statements.

Notes to the Condensed Interim Financial Information (Un Audited)

for the period ended 31 March 2010

5. ADDITIONS AND DELETIONS OF PROPERTY, PLANT, EQUIPMENT AND CAPITAL WORK IN PROGRESS

The additions / (deletions) during the nine months ended 31 March 2010 are as follows:

	Additions	Deletions
	(Rupees in thousand)	
Company owned assets		
Buildings on freehold land	10,064	
Plant and machinery	24,725	(2,449)
Furniture and fixtures	1,184	
Electric equipment	7,235	
Electric fittings and tools	982	
Computers and accessories	392	
Fork lift	40	
Motor vehicles	1,255	(2,286)
	45,877	(4,735)
Assets subject to finance lease		
Plant and machinery	66,379	
	66,379	
Total	112,256	(4,735)
Capital work in progress		
Motor vehicles	14,437	
Buildings on freehold land	5,460	
Total	19,897	
	(Un Audited)	(Audited)
	31 March	30 June
	2010	2009
	(Rupees in thousand)	

6. INVESTMENTS

Associated undertaking

Private Limited

Hattar Food Products (Private) Limited
85,000 (30 June 2009: 85,000) ordinary shares
of Rs. 100/ each at cost (Note: 6.1)
Share of profit/(loss) from an associate

7,724	7,740
2	(16)
7,726	7,724

Available for sale:

Quoted

BRR Guardian Modaraba
305,000 (30 June 2009: 305,000) certificates
of Rs. 10/ each (Note: 6.2)
Loss on remeasurement

824	2,175
(143)	(1,351)
681	824

Notes to the Condensed Interim Financial Information (Un Audited)

for the period ended 31 March 2010

6.1 The above investment represents 44.88% (30 June 2009:44.88%) of the issued share capital of the associated company. The breakup value of the Company's share of the associated company (based on management accounts of 31 March 2010) is Rs. 90.89 (30 June 2009: Rs. 90.87). Aggregate amount of assets, liabilities and profit of the associate are as follows; Rs. (thousand) 23,861, Rs. (thousand) 6,646 and Rs. (thousand) 2.

6.2 The above investment represents 0.39% (30 June 2009: 0.39%) of the issued certificate capital of the Modaraba.

7. CONTINGENCIES AND COMMITMENTS

a) CONTINGENCIES

i) There has been no change in the status of the contingencies reported in the annual audited financial statements for the year ended 30 June 2009 in respect of Punjab Employees Social Security Institution (P.E.S.S.I.), additional payment of sales tax, excise duty, leasehold land and income tax.

b) COMMITMENTS

i) Commitments in respect of letters of credit established for the import of raw and packing materials amounted to Rs. (thousand) 27,349 (30 June 2009: Rs. (thousand) 19,944).

ii) Counter guarantees in favour of banks in the ordinary course of business amounted to Rs. (thousand) 23,234 (30 June 2009: Rs. (thousand) 19,500).

iii) Commitments for equity investment in an associated undertaking were Rs. (thousand) 1,500 (30 June 2009: Rs. (thousand) 1,500).

8. TRANSACTIONS WITH RELATED PARTIES

	31 March	
	2010	2009
	(Rupees in thousand)	
Purchases of raw materials	351,579	153,357
Sales of finished goods	694	340
Royalty charged	22,922	17,466
Purchases/repairs of electric equipment/vehicles	76	264
Services rendered	135	135
Contributions to staff provident fund	2,137	1,937

All transactions with related parties and associated undertakings are entered into arm's length determined in accordance with comparable uncontrolled price method except for transactions with M/s. Shahnawaz (Private) Limited, where an additional discount of 40% is given by them on service charges and 7.5% on spare parts in connection with the repairs of motor vehicles, due to group policy. The effect of this policy on the balance sheet and profit and loss account is considered to be immaterial.

Notes to the Condensed Interim Financial Information (Un Audited)

for the period ended 31 March 2010

9 SEGMENTAL ANALYSIS

The Company's activities are broadly categorized into two primary business segments namely Juice Drinks activities and Other operating activities.

Juice drinks activities

Juice drinks activities include bottled as well as juices in tetra pak packings.

Other operating activities

Other operating activities include pickles, ketchup, sauces, jams etc.

Segment analysis of profit and loss account for the period ended 31 March 2010:

	Juice Drinks	Others	Total
	(Rupees in thousand)		
Sales	1,796,035	496,183	2,292,218
Profit before taxation and unallocated expenses	437,993	132,511	570,504
Unallocated expenses			
Corporate expenses			(414,094)
Finance costs			(13,199)
Other operating expenses			(54,700)
Other operating income			13,149
Share of profit from an associate			2
Taxation			(40,000)
Profit after taxation			61,662

Segment analysis of assets and liabilities as at 31 March 2010:

	Juice Drinks	Others	Total
	(Rupees in thousand)		
Segment assets	921,266	370,132	1,291,398
Unallocated assets			151,812
Total			1,443,210
Segment liabilities	174,049	248,869	422,918
Unallocated liabilities			216,953
Total			639,871

Notes to the Condensed Interim Financial Information (Un Audited)

for the period ended 31 March 2010

Segment analysis of profit and loss account for the period ended 31 March 2009:

	Juice Drinks	Others	Total
	(Rupees in thousand)		
Sales	1,349,439	397,367	1,746,806
Profit before taxation and unallocated expenses	356,165	113,859	470,024
Unallocated expenses			
Corporate expenses			(313,481)
Finance costs			(5,286)
Other operating expenses			(48,134)
Other operating income			15,629
Share of profit from an associate			6
Taxation			(52,500)
Profit after taxation			66,258

Segment analysis of assets and liabilities as at 30 June 2009:

	Juice Drinks	Others	Total
	(Rupees in thousand)		
Segment assets	863,575	296,714	1,160,289
Unallocated assets			194,096
Total			1,354,385
Segment liabilities	64,032	332,751	396,783
Unallocated liabilities			179,782
Total			576,565

10. EARNINGS PER SHARE BASIC AND DILUTED


There is no dilutive effect on the basic earnings per share.

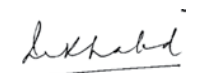
11. AUTHORIZATION


This condensed interim financial information was authorized for issue by the Board of Directors on 27 April 2010.

12. GENERAL

12.1 Figures in this condensed interim financial information has been rounded off to the nearest thousand of rupees.


Saifi Chaudhry
Chief Executive


Muhammad Khalid
Director


Faisal Ahmad Nisar
Chief Financial Officer

Shezan

Fruitfully Yours



The Complete Fruit
Experience





KARACHI

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Industrial Area, Karachi 75950, Pakistan.

LAHORE

56 Bund Road, Lahore 54500, Pakistan.

HATTAR

Plot No. 33/34, Phase III, Hattar Industrial Estate,
Hattar, N.W.F.P. Pakistan.

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