



Condensed Interim Financial Information (Un-audited)
for the three months period ended **30 September 2012**



NURTURE
from
NATURE



Shezan International Limited



Shezan

Tastefully Your's

Company Information

Board of Directors:

Mr. Muneer Nawaz	Chairman
Mr. Muhammad Khalid	Chief Executive
Mr. Mahmood Nawaz	
Mr. C. M. Khalid	
Mrs. Amtul Hai Khalid	
Mr. M. Naeem	
Mr. Syed Munawar Hussain Rizvi	(N.I.T. Nominee)
Mr. Saleem Zamindar	(N.I.T. Nominee)

Chief Financial Officer & Company Secretary:

Mr. Faisal Ahmad Nisar, FCA

Audit Committee:

Mr. Muneer Nawaz	Chairman
Mr. C. M. Khalid	Member
Mr. M. Naeem	Member

Human Resources and Remuneration Committee:

Mr. Muneer Nawaz	Chairman
Mr. M. Naeem	Member
Mr. Saleem Zamindar	Member

Registered Office / Head Office:

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

Factories:

- 56 - Bund Road, Lahore - 54500.
 Phones: (042) 37466900-04.
 Faxes: (042) 37466899 & 37466895.
 E-mail: shezan@brain.net.pk
- Plot No. L-9, Block No. 22,
 Federal "B", Industrial Area, Karachi-75950.
 Phones: (021) 36344722-23.
 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, T-K, Commercial,
 Model Town, Lahore.

Legal Advisors:

Cornelius, Lane & Mufi,
 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.
 Bank Alfalah Limited.

Directors' Report to the Members

The Directors are pleased to present your Company's Condensed Interim Financial Information for the three months period ended 30 September 2012.

The economy continued to be affected by structural problems, including a domestic energy crisis, a precipitous decline in investment, persistently high inflation and security issues. Budget deficits remain high, driven by substantial subsidies and losses at state-owned enterprises and tax revenue below target. Power is the main constraint for economic growth. The results for the quarter showed consistent sales and growth in net profit. For the quarter under review, the Company achieved sales turnover of Rs. 1.444 billion as compared to Rs. 1.368 billion achieved over previous accounting period of quarter ended 30 September 2011. Gross profit percentage for the quarter was 30.08% as compared to 27.72% of the corresponding quarter of last year. Distribution cost, for the quarter, showed an increase by 14.09% to Rs. 242 million. This was largely due to soaring POL and freight costs and expenses incurred on advertisement and promotional activities. Administrative expenses increased by 16%. Similarly, for the quarter under review, profit before tax was registered at Rs. 115.725 million as against Rs. 93.455 million of the previous accounting period. Earnings per share were Rs. 12.62 for the quarter as against Rs. 9.91 in the comparable quarter last year. These are impressive results in the face of increased costs of POL and energy costs.

The demand of our products have increased, therefore, production requirement has also significantly increased which lead to maintain higher inventory levels of raw and packaging materials. Resultantly, the purchase of raw and packaging materials, glass empties, pulps and concentrates were substantially higher than the corresponding period of last year. Therefore, to fulfill the production requirements, the overall requirements of working capital have increased. In order to meet its working capital needs, the Company availed short term financing facilities from commercial banks at competitive rates. The finance cost for the quarter was Rs. 12.280 million.

Exports during the quarter were higher by 13.83% as compared to the corresponding quarter of last year. Our production facility at Karachi continued to meet the export requirements in Middle East, Africa and Europe and performed well during the period under review.

The next quarter falls in our leanest season. Therefore, we will try to increase sales of non-seasonal products through effective marketing and advertisement strategy. We are confident that we will achieve better results in the half year ending 31 December 2012 as compared with the same period in 2011.

It is with the deepest regret that we learned about the sad demise on 01 October 2012 of Mr. C. M. Khalid after a brief illness. Mr. C. M. Khalid, Director, joined the Board in 1989. The Company enjoyed enormous success during his long association. His patronage is the one that certainly will always be remembered.

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

For and on Behalf of the Board of Directors

**Karachi:
24 October 2012.**

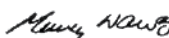

Muhammad Khalid
Chief Executive

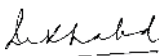
Condensed Interim Balance Sheet

as at 30 September 2012

	Note	(Un-audited) 30 September 2012	(Audited) 30 June 2012
Rupees in thousand			
ASSETS			
Non-current assets			
Property, plant and equipment	5	477,952	434,590
Investment in associate	6	–	7,672
Investment available for sale	7	909	747
Long term deposits and prepayments		3,164	5,339
		482,025	448,348
Current assets			
Stores and spares		21,828	15,408
Stock in trade		1,268,333	1,245,699
Trade debts		291,744	243,299
Loans and advances		26,546	25,486
Trade deposits and short term prepayments		39,769	37,956
Accrued financial income		13	437
Income tax recoverable		20,588	69,640
Cash and bank balances		86,100	109,169
		1,754,921	1,747,094
TOTAL ASSETS		2,236,946	2,195,442
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		60,000	60,000
Reserves		823,534	823,372
Unappropriated profit		307,813	232,088
TOTAL EQUITY		1,191,347	1,115,460
Non-current liabilities			
Deferred taxation		56,682	56,682
		56,682	56,682
Current liabilities			
Trade and other payables		446,902	564,119
Mark up accrued on short term borrowings		10,812	9,220
Short term borrowings- Secured		414,008	296,656
Current portion of liabilities against assets subject to finance lease		7,374	13,844
Provision for taxation		109,821	139,461
		988,917	1,023,300
TOTAL LIABILITIES		1,045,599	1,079,982
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		2,236,946	2,195,442

The annexed notes from 1 to 14 form an integral part of this interim financial information.


Muneer Nawaz
 Chairman



Muhammad Khalid
 Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)

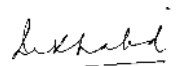
for the three months period ended 30 September 2012

	30 September	
	2012	2011
	Rupees in thousand	
Sales - net	1,444,026	1,368,836
Cost of sales	1,009,521	989,327
Gross profit	434,505	379,509
Distribution cost	242,691	212,701
Administrative expenses	38,882	33,513
Other operating expenses	34,450	35,044
Other operating income	(9,523)	(8,557)
	306,500	272,701
Operating profit	128,005	106,808
Finance costs	12,280	13,353
Profit before taxation	115,725	93,455
Taxation	40,000	34,000
Net profit for the period	75,725	59,455
Other comprehensive income		
Unrealized gain on remeasurement of investments - available for sale	162	125
	162	125
Total comprehensive income	75,887	59,580
Earnings per share - basic and diluted Rupee	12.62	9.91

The annexed notes from 1 to 14 form an integral part of this interim financial information.



Muneer Nawaz
Chairman



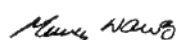
Muhammad Khalid
Chief Executive

Condensed Interim Cash Flow Statement (Un-audited)

for the three months period ended 30 September 2012

	30 September	
	2012	2011
	Rupees in thousand	
Cash flow from operating activities		
Cash generated from operations		
Profit before taxation	115,725	93,455
Adjustments for:		
Depreciation	13,850	13,303
Interest/mark-up	11,780	12,816
Profit on bank deposits	(540)	(446)
Deterioration in value of shells, pallets and barrels	4,110	3,076
Loss/impairment on investment in associate	172	-
Gain on disposal of property, plant and equipment	(49)	(1,972)
	29,323	26,777
Operating profit before working capital changes	145,048	120,232
(Increase)/decrease in current assets		
Stores and spares	(6,420)	(2,863)
Stock in trade	(26,744)	40,323
Trade debts	(48,445)	(114,894)
Loans and advances	(1,060)	(4,790)
Trade deposits and short-term prepayments	(1,813)	1,225
	(84,482)	(80,999)
Increase/(decrease) in current liabilities		
Trade and other payables	(117,217)	(71,553)
Short term borrowings- Secured	117,352	113,571
	135	42,018
Cash generated from operations	60,701	81,251
Interest/mark-up paid	(10,188)	(5,498)
Profit on bank deposits-Received	964	822
Income tax paid	(20,588)	(20,256)
Net cash generated from operating activities	30,889	56,319
Cash flow from investing activities		
Purchase of property, plant and equipment	(50,041)	(17,871)
Sale proceeds from disposal of property, plant and equipment	378	2,517
Long term deposits paid / received	2,175	(100)
Net cash used in investing activities	(47,488)	(15,454)
Cash flow from financing activities		
Repayment of liabilities against assets subject to finance lease	(6,470)	(5,502)
Net cash used in financing activities	(6,470)	(5,502)
Net (decrease)/increase in cash and cash equivalents	(23,069)	35,363
Cash and cash equivalents at the beginning of the period	109,169	82,608
Cash and cash equivalents at the end of the period	86,100	117,971

The annexed notes from 1 to 14 form an integral part of this interim financial information.



Muneer Nawaz
Chairman



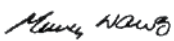
Muhammad Khalid
Chief Executive

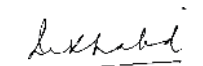
Condensed Interim Statement of Changes in Equity (Un-audited)

for the three months period ended 30 September 2012

	Capital Reserve		Revenue Reserve			Total
	Share Capital	Merger Reserve	General Reserve	Unrealized (loss) on remeasurement of investments – available for sale	Unappropriated Profits	
	Rupees in thousand					
Balance as at 01 July 2011	60,000	5,000	720,000	(1,707)	169,718	953,011
Transfer to general reserve	-	-	100,000	-	(100,000)	-
Dividend @ Rs. 7.5/- per share for the year ended 30 June 2011	-	-	-	-	(45,000)	(45,000)
Net profit for the period ended 30 September 2011	-	-	-	-	59,455	59,455
Other comprehensive income	-	-	-	125	-	125
Total comprehensive income	-	-	-	125	59,455	59,580
Balance as at 30 September 2011	60,000	5,000	820,000	(1,582)	84,173	967,591
Net profit for the nine months period ended 30 June 2012	-	-	-	-	147,915	147,915
Other comprehensive income	-	-	-	(46)	-	(46)
Total comprehensive income	-	-	-	(46)	147,915	147,869
Balance as at 30 June 2012	60,000	5,000	820,000	(1,628)	232,088	1,115,460
Net profit for the period ended 30 September 2012	-	-	-	-	75,725	75,725
Other comprehensive income	-	-	-	162	-	162
Total comprehensive income	-	-	-	162	75,725	75,887
Balance as at 30 September 2012	60,000	5,000	820,000	(1,466)	307,813	1,191,347

The annexed notes from 1 to 14 form an integral part of this interim financial information.


Muneer Nawaz
 Chairman


Muhammad Khalid
 Chief Executive

Notes to the Condensed Interim Financial Information (Un-audited)

for the three months period ended 30 September 2012

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.

2. Statement of compliance and basis of preparation

2.1 This condensed interim financial information of the Company for the three months period ended 30 September 2012 has been prepared in accordance with the requirements of the International Accounting Standard 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 statements and should be read in conjunction with annual audited financial statements of the Company for the year ended 30 June 2012.

2.3 This condensed interim financial information is un-audited.

3. Significant accounting judgments, estimates, assumptions and policies

The significant accounting judgments, estimates, assumptions and accounting policies adopted and applied by the Company for the preparation of this interim condensed financial information are the same as were adopted and applied in the preparation of the preceding annual audited financial statements for the year ended 30 June 2012.

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.

5. Additions and deletions of property, plant and equipment

The additions / (deletions) made during the period ended 30 September 2012 are as follows:

	Note	Additions/ Adjustments Rupees in thousand	Deletions/ Adjustments
Owned assets			
Plant and machinery		12,339	–
Electric equipment		7,069	–
Computers and accessories		193	–
Motor vehicles		3,716	(1,623)
		23,317	(1,623)
Capital work in progress			
Motor vehicles (Advance)		2,748	(3,716)
Land (Advance)		35,500	–
Plant and machinery	5.1	7,770	(10,188)
Furniture and fixtures		93	–
Buildings		2,017	–
Total		48,128	(13,904)

5.1 This includes Rs. (thousand) 7,500 relating to plant and machinery acquired in settlement on winding up from HFPPL as explained in note 6.1.

Notes to the Condensed Interim Financial Information (Un-audited)

for the three months period ended 30 September 2012

6. Investment in associate

	(Un-audited) 30 September 2012	(Audited) 30 June 2012
Rupees in thousand		
Hattar Food Products (Private) Limited - unquoted		
Carrying amount	7,672	7,690
85,000 (2012: 85,000) ordinary shares of Rs.100/- each		
Less: Assets acquired in settlement on winding up	(7,500)	-
Loss/impairment	(172)	(18)
	-	7,672

6.1 The investment represented 44.88% (2012: 44.88%) of the issued share capital of the Hattar Food Products (Private) Limited (HFPP). The principal business activity of HFPP was to process food products. During the period, HFPP has applied for winding up under "Company Easy Exit Scheme" (CEES). HFPP has transferred the plant and machinery to the Company, based on the independent valuation report, in settlement of its investment.

7. Investment available for sale

	(Un-audited) 30 September 2012	(Audited) 30 June 2012
Rupees in thousand		
Quoted		
Modaraba		
BRR Guardian Modaraba - Credit rating 'A'		
305,000 (2012: 305,000) certificates of Rs. 10/- each	2,375	2,375
Less: Loss on remeasurement	(1,466)	(1,628)
	909	747

7.1 The above investment represents 0.39% (2012: 0.39%) of the issued certificate capital of the Modaraba.

8. 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 2012 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 letter of credit established for the import of raw and packing materials amounted to Rs. (thousand) 14,493 (30 June 2012: Rs. (thousand) 11,208).

ii) Counter guarantees in favour of banks in the ordinary course of business amounted to Rs. (thousand) 24,151 (30 June 2012: Rs. (thousand) 27,275).

iii) The Company has entered into ijarah arrangements for plant and machinery with various Modaraba companies. These arrangements have remaining terms of less than three years. Such arrangements also include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions.

Notes to the Condensed Interim Financial Information (Un-audited)

for the three months period ended 30 September 2012

The total of future ujarah payments under ijarah, for each of the following periods:

	(Un-audited) 30 September 2012	(Audited) 30 June 2012
	Rupees in thousand	
Not later than one year	56,383	56,383
Later than one year but not later than five years	81,671	95,767
	138,054	152,150

9. Transactions with related parties

The related parties and associated undertakings comprise related group companies, associates, staff provident fund, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

	30 September 2012	2011
	Rupees in thousand	
Purchases of raw materials	153,908	155,004
Sales of finished goods	345	362
Plant and machinery acquired in settlement of investment on winding up	7,500	–
Royalty charged	14,457	13,688
Purchases/repairs of electric equipment/vehicles	2	13
Services received	171	114
Contributions to staff provident fund	847	765

10. 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 30 September 2012:

	Juice Drinks	Others	Total
	Rupees in thousand		
Sales	1,195,735	248,291	1,444,026
Cost of sales	819,997	189,524	1,009,521
Profit before taxation	375,738	58,767	434,505
Unallocated expenses			
Corporate expenses			(281,573)
Finance costs			(12,280)
Other operating expenses			(34,450)
Other operating income			9,523
Taxation			(40,000)
Net profit for the period			75,725

Notes to the Condensed Interim Financial Information (Un-audited)

for the three months period ended 30 September 2012

Segment analysis of assets and liabilities as at 30 September 2012:

	Juice Drinks	Others	Total
	Rupees in thousand		
Segment assets	1,399,596	645,265	2,044,861
Unallocated assets			192,085
Total			2,236,946
Segment liabilities	164,182	61,898	226,080
Unallocated liabilities			819,519
Total			1,045,599

Segment analysis of profit and loss account for the period ended 30 September 2011:

	Juice Drinks	Others	Total
	Rupees in thousand		
Sales	1,079,166	289,670	1,368,836
Cost of sales	780,280	209,047	989,327
Profit before taxation	298,886	80,623	379,509
Unallocated expenses			
Corporate expenses			(246,214)
Finance costs			(13,353)
Other operating expenses			(35,044)
Other operating income			8,557
Taxation			(34,000)
Net profit for the period			59,455

Segment analysis of assets and liabilities as at 30 June 2012:

	Juice Drinks	Others	Total
	Rupees in thousand		
Segment assets	1,329,947	573,988	1,903,935
Unallocated assets			291,507
Total			2,195,442
Segment liabilities	238,503	49,636	288,139
Unallocated liabilities			791,843
Total			1,079,982

Notes to the Condensed Interim Financial Information (Un-audited)

for the three months period ended 30 September 2012

11. Earnings per share - basic and diluted

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

12. Date of authorization for issue

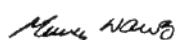
This condensed interim financial information was authorized for issue by the Board of Directors on 24 October 2012.

13. Appropriations

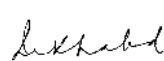
The Board of Directors have proposed a final dividend of Rs. 9/- per share, amounting to Rs. (thousand) 54,000 (2011: Rs. (thousand) 45,000) and 10% bonus shares amounting to Rs. (thousand) 6,000 (2011: Rs. (thousand) Nil) for the year ended 30 June 2012 along with transfer to general reserve amounting to Rs. (thousand) 130,000 (2011: Rs. (thousand) 100,000) at their meeting held on 27 September 2012 for approval of the members at the Annual General Meeting to be held on 30 October 2012.

14. General

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



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive

Shezan

Fruitfully Yours



The Complete Fruit
Experience





Shezan International Limited

KARACHI

Plot No. 1-9, Block No. 22, Federal 'B'
Industrial Area, Karachi 75950, Pakistan.

LAHORE

56 Bund Road, Lahore 54500, Pakistan.

HATTAR

Plot No. 33/34, Phase III, Hattar Industrial Estate,
Hattar, Khyber Pakhtunkhwa, Pakistan.