



*Shezan International Limited
Condensed Interim Financial Information (Un-Audited)
for the nine months period ended 31 March 2012*



The Complete Fruit
Experience



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

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:

Corplink (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.
 Bank Alfalah Limited.

Directors' Report to the Members

The directors are pleased to present their report together with the un-audited interim financial information for the nine months ended 31 March 2012.

During the nine months period under review, your Company has recorded a turnover of Rs. 3.249 billion as against Rs. 2.712 billion in the corresponding period of 2011. The turnover grew by 19.78%. The cost of sales was Rs. 2.349 billion against Rs. 2.058 billion in the corresponding period of 2011. Therefore, the Company earned gross profit of Rs. 900.059 million against Rs. 654.653 million for the nine months period ended 31 March 2012. Distribution and marketing expenses have increased by 36.57% on an overall basis, compared with last corresponding period of 2011, primarily due to increase in advertisement and promotion expense of Rs. 78.926 million. We had to enhance our advertisement campaign to boost our sales due to stiff competition in the market. Finance cost increased by Rs. 11.124 million (i.e., 32.52%) over last corresponding period attributable to increased working capital requirements financed through short term borrowings. Further, borrowings were made during the period to procure inventories like pulps, glass bottles and tetra packaging materials to fulfill the sales demands in the fourth quarter.

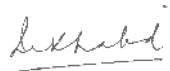
In third quarter ended 31st March, turnover was Rs. 966.808 million as against Rs. 927.731 million of corresponding quarter of 2011. However, long spell of cold weather across the country and law and order situation in southern part of the country affected our turnover during the quarter. Despite of marginal increase in the turnover, gross profit has increased to Rs. 288.365 million. Earnings per share were at Rs. 6.55 and Rs. 19.94 for the quarter and nine months period respectively.

Consumer acceptance of our juice brands in tetra packaging and bottled juices has increased significantly. Numerous new channel partners were enrolled and existing ones were made more efficient to maintain and increase the turnover in the remaining months of the current financial year. The Company is currently working on giving a face-lift and introducing new packaging for its food products and juice brands. The task of adding capacities and upgrading infrastructure continues. This is bound to open up routes for future growth.

Despite continuous pressure, due to depreciation of Pak Rupee, soaring inflation, frequent power break-downs, gas load shedding and significant increase in POL prices, we were able to maintain and increase our gross margins as a percentage of net sales representing efforts made by the management in order to ensure sustainable growth in profits.

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 of Directors



Muhammad Khalid
Chief Executive

Karachi:
26 April 2012.

Condensed Interim Balance Sheet

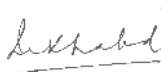
as at 31 March 2012

	Note	(Un-Audited) 31 March 2012	(Audited) 30 June 2011
Rupees in thousand			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	489,258	423,097
Investment in associate	6	7,692	7,690
Investments available for sale	7	759	668
Long term deposits		2,994	2,314
		500,703	433,769
CURRENT ASSETS			
Stores and spares		10,578	6,997
Stock in trade		1,217,219	1,159,551
Trade debts		263,448	165,627
Loans and advances		42,309	24,302
Trade deposits and short-term prepayments		17,600	14,683
Accrued financial income		-	376
Income tax recoverable		38,958	57,656
Cash and bank balances		93,236	82,608
		1,683,348	1,511,800
TOTAL ASSETS		2,184,051	1,945,569
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		60,000	60,000
Reserves		823,384	723,293
Unappropriated profits		144,378	169,718
TOTAL EQUITY		1,027,762	953,011
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		38,723	13,900
Deferred taxation		58,062	57,847
		96,785	71,747
CURRENT LIABILITIES			
Trade and other payables		478,751	600,350
Mark up accrued on short term borrowings		14,305	4,034
Short term borrowings		437,393	207,741
Current portion of liabilities against assets subject to finance lease		39,459	23,433
Provision for taxation		89,596	85,253
		1,059,504	920,811
TOTAL LIABILITIES		1,156,289	992,558
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		2,184,051	1,945,569

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive



Faisal Ahmad Nisar
Chief Financial Officer

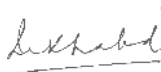
Condensed Interim Profit and Loss Account (Un-audited)
for the nine months period ended 31 March 2012

	Note	Nine Months Ended 31 March		Third Quarter Ended 31 March	
		2012 Rupees in thousand	2011 Rupees in thousand	2012 Rupees in thousand	2011 Rupees in thousand
Sales - net		3,248,856	2,712,460	966,808	927,731
Cost of sales		2,348,797	2,057,807	678,443	689,864
Gross profit		900,059	654,653	288,365	237,867
Distribution cost		523,209	383,082	162,090	145,430
Administrative expenses		95,865	78,600	31,968	24,050
Other operating expenses		81,284	79,801	24,449	26,145
Other operating income		(27,506)	(15,168)	(9,629)	(4,555)
		672,852	526,315	208,878	191,070
Operating profit		227,207	128,338	79,487	46,797
Finance cost		45,334	34,210	17,720	13,376
Share of profit from an associate		181,873	94,128	61,767	33,421
		2	1	-	-
Profit before taxation		181,875	94,129	61,767	33,421
Taxation		62,215	31,002	22,455	13,000
Net profit for the period		119,660	63,127	39,312	20,421
Other comprehensive income					
Unrealized gain / (loss) on remeasurement of investments- available for sale		91	1,586	(13)	83
Total comprehensive income		119,751	64,713	39,299	20,504
Earnings per share - basic and diluted Rupee	11	19.94	10.52	6.55	3.40

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive



Faisal Ahmad Nisar
Chief Financial Officer

Condensed Interim Cash Flow Statement (Un-audited)

for the nine months period ended 31 March 2012

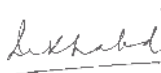
Note	31 March	
	2012	2011
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations:		
Profit before taxation	181,875	94,129
Adjustments for:		
Depreciation	45,921	40,098
Interest/mark-up	43,682	32,119
Profit on bank deposits	(1,949)	(2,277)
Share of profit from an associate	(2)	(1)
Deterioration in value of shells, pallets and barrels	9,946	8,061
Gain on disposal of property, plant and equipment	(4,047)	(5)
	93,551	77,995
Operating profit before working capital changes	275,426	172,124
(Increase)/decrease in current assets:		
Stores and spares	(3,581)	6,164
Stock in trade	(67,614)	33,738
Trade debts	(97,821)	(79,770)
Loans and advances	(18,007)	(28,135)
Trade deposits and short-term prepayments	(2,917)	4,253
	(189,940)	(63,750)
Increase/(decrease) in current liabilities:		
Trade and other payables	(121,668)	(26,022)
Short term borrowings	229,652	102,589
	107,984	76,567
CASH GENERATED FROM OPERATIONS:	193,470	184,941
Interest/mark-up paid	(33,411)	(23,317)
Profit on bank deposits	2,325	2,791
Income tax paid	(38,958)	(36,979)
NET CASH GENERATED FROM OPERATING ACTIVITIES	123,426	127,436
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(49,078)	(30,707)
Sale proceeds from disposal of property, plant and equipment	5,042	5
Investment made	-	(10,000)
Long term deposits	(680)	142
NET CASH USED IN INVESTING ACTIVITIES	(44,716)	(40,560)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of obligations under finance lease	(23,151)	(14,999)
Dividend paid	(44,931)	(35,945)
NET CASH USED IN FINANCING ACTIVITIES	(68,082)	(50,944)
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,628	35,932
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	82,608	99,509
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	A	135,441

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

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive



Faisal Ahmad Nisar
Chief Financial Officer

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

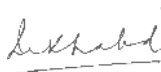
for the nine months period ended 31 March 2012

	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 2010	60,000	5,000	650,000	(1,978)	135,116	848,138
Transfer to General reserve	-	-	70,000	-	(70,000)	-
Dividend @ Rs. 6/- per share for the year ended 30 June 2010	-	-	-	-	(36,000)	(36,000)
Net profit for the period ended 31 March 2011	-	-	-	-	63,127	63,127
Unrealized gain on remeasurement of investments	-	-	-	1,586	-	1,586
Balance as at 31 March 2011	60,000	5,000	720,000	(392)	92,243	876,851
Net profit for the period ended 30 June 2011	-	-	-	-	77,475	77,475
Unrealized (loss) on remeasurement of investments	-	-	-	(1,315)	-	(1,315)
Balance as at 30 June 2011	60,000	5,000	720,000	(1,707)	169,718	953,011
Transfer to General reserve	-	-	100,000	-	(100,000)	-
Dividend @ Rs. 7.50/- per share for the year ended 30 June 2011	-	-	-	-	(45,000)	(45,000)
Net profit for the period ended 31 March 2012	-	-	-	-	119,660	119,660
Unrealized gain on remeasurement of investments	-	-	-	91	-	91
Balance as at 31 March 2012	60,000	5,000	820,000	(1,616)	144,378	1,027,762

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive



Faisal Ahmad Nisar
Chief Financial Officer

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

for the nine months period ended 31 March 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.

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 of the Company for the nine months period ended 31 March 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 2011.

2.3 This condensed interim financial information is un-audited.

3. ACCOUNTING POLICIES

The 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 2011.

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 nine months period ended 31 March 2012 are as follows:

	Additions	Deletions
	Rupees in thousand	
Company owned assets		
Plant and machinery	14,373	-
Furniture and fixtures	18	-
Electric equipment	5,236	(509)
Laboratory equipment	94	-
Computers and accessories	625	(324)
Motor vehicles	10,872	(7,220)
	31,218	(8,053)
Company leased assets		
Plant and machinery	64,000	-
Capital work in progress		
Vehicles - Advance	16,072	(10,086)
Building	11,874	-
Total	27,946	(10,086)

Notes to the Condensed Interim Financial Information (Un-audited) for the nine months period ended 31 March 2012

6. INVESTMENTS IN ASSOCIATE

The investment represents 44.88% (2011:44.88%) of the issued share capital of the Hattar Food Products (Private) Limited (HFPP). The principal business activity of HFPP is to process food products. HFPP has not commenced commercial operation.

The following table illustrates summarized financial information of the Company's investment in HFPP.

	(Un-Audited) 31 March 2012	(Audited) 30 June 2011
	Rupees in thousand	
Hattar Food Products (Private) Limited-unquoted		
Carrying amount as on 01 July	7,690	7,708
85,000 (2011: 85,000 ordinary shares of Rs.100/- each)		
Share of profit / (loss) from associate for the period / year	2	(18)
	7,692	7,690
Share of associate's balance sheet:		
Assets	10,675	10,673
Liabilities	2,983	2,983
Net assets	7,692	7,690
Share of associate's revenue and Loss :		
Revenue	-	-
Profit / (loss)	2	(18)
7. INVESTMENTS AVAILABLE FOR SALE		
Quoted		
Modaraba		
BRR Guardian Modaraba-Credit rating 'A'		
305,000 (2011: 305,000) certificates of Rs. 10/- each- at cost	2,375	2,375
Unrealised (loss) on remeasurement	(1,616)	(1,707)
	759	668

7.1 The above investment represents 0.39% (2011: 0.39%) of the issued certificate capital of the Modaraba.

8. CONTINGENCIES AND COMMITMENTS

- i) Counter guarantees in favour of banks in the ordinary course of business amounted to Rs. (thousand) 25,013 (30 June 2011: Rs. (thousand) 25,481).
- ii) Commitments in respect of letter of credit established for the import of raw and packing materials amounted to Rs. (thousand) 100,707 (30 June 2011: Rs. (thousand) 95,090).
- iii) Commitment for equity investment in an associated undertaking amounted to Rs. (thousand) 1,500 (30 June 2011: Rs. (thousand) 1,500).
- iv) Commitment for purchase of land at Sundar Industrial Estate amounted to Rs. (thousand) 35,500 (30 June 2011: Rs. (thousand) 35,500).

Notes to the Condensed Interim Financial Information (Un-audited) for the nine months period ended 31 March 2012

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:

	31 March	
	2012	2011
	Rupees in thousand	
Purchases of raw materials	397,549	401,561
Sales of finished goods	709	319
Royalty charged	32,489	26,629
Purchases/repairs of electric equipment/vehicles	32	161
Services received	456	-
Contributions to staff provident fund	2,641	2,993

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. Shah Nawaz (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.

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 nine months period ended 31 March 2012:

	Juice Drinks	Others	Total
	Rupees in thousand		
Sales	2,569,288	679,568	3,248,856
Cost of sales	1,846,956	501,841	2,348,797
Profit before taxation	722,332	177,727	900,059
Unallocated expenses			
Corporate expenses			(619,074)
Finance costs			(45,334)
Other operating expenses			(81,284)
Other operating income			27,506
Share of profit from an associate			2
Taxation			(62,215)
Profit after taxation			119,660

Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months period ended 31 March 2012

Segment analysis of assets and liabilities as at 31 March 2012:

	Juice Drinks	Others Rupees in thousand	Total
Segment assets	1,451,871	496,867	1,948,738
Unallocated assets			235,313
Total			2,184,051
Segment liabilities	231,116	119,479	350,595
Unallocated liabilities			805,694
Total			1,156,289

Segment analysis of profit and loss account for the nine months period ended 31 March 2011:

	Juice Drinks	Others Rupees in thousand	Total
Sales	2,123,386	589,074	2,712,460
Cost of sales	1,625,428	432,379	2,057,807
Profit before taxation	497,958	156,695	654,653
Unallocated expenses			
Corporate expenses			(461,682)
Finance costs			(34,210)
Other operating expenses			(79,801)
Other operating income			15,168
Share of profit from an associate			1
Taxation			(31,002)
Profit after taxation			63,127

Segment analysis of assets and liabilities as at 30 June 2011:

	Juice Drinks	Others Rupees in thousand	Total
Segment assets	1,330,605	419,940	1,750,545
Unallocated assets			195,024
Total			1,945,569
Segment liabilities	353,688	35,457	389,145
Unallocated liabilities			603,413
Total			992,558

Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months period ended 31 March 2012

11. EARNINGS PER SHARE - BASIC AND DILUTED

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

12. AUTHORIZATION

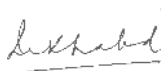
This condensed interim financial information was authorized for issue by the Board of Directors on 26 April 2012.

13. GENERAL

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



Muneer Nawaz
Chairman



Muhammad Khalid
Chief Executive



Faisal Ahmad Nisar
Chief Financial Officer

Shezan

Fruitfully Yours



Pakistan's Favourite
Tomato Ketchup!



ALL PURE

PREMIUM QUALITY



The Complete Fruit Experience



Shezan International Limited

KARACHI

Plot No. L-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.