

DIRECTORS' REVIEW

The directors are pleased to submit the un-audited financial statements of the company for the third quarter ended June 30, 2009.

The company's net sales recorded a growth of 28.42 % rising from Rs. 716.82 million to Rs. 920.55 million. This rise was supported by groceries and confectionery sales showing an upward trend of 27.28 % and 29.49 %, respectively. Exports increased by 101.13 % which is a positive development.

Operating-profit increased by 65.52 % from Rs. 33.37 million to Rs. 55.24 million. However, financial charges of Rs.40.61 million, as compared to Rs. 19.60 million during corresponding period last year, resulted a small increase of 6.18 % in profit before tax, from Rs. 13.778 million to Rs. 14.620 million during the period under review.

The management of your company is conscious of inflationary pressures especially in the case of sugar which raised costs of raw-material that had in turn a direct impact on cost of sales of Rs 762.855 million as compared to Rs 593.056 million for corresponding period last year. We are trying to confront these challenges by undertaking better planning and adopting cost optimisation measures.

These combined factors place considerable financial strain on the company but we are glad to report that we are equal to the task and continue to strive to upgrade our process-efficiencies by enhancing automation and rationalising production-methods and products which should have a positive impact on the company's long-term financial-health.

We hope that the economic & political conditions will stabilise during the remaining part of the year which are imperative for progress. Provided there are no sudden adverse developments we hope to end the year with a reasonable profit.

In the end, the Board of Directors would like to express their gratitude to all employees who have worked hard to achieve our common objectives.

For and on behalf of
the Board of Directors

Mehdi Mohsin
Chief Executive Officer

Lahore: July 27, 2009

BALANCE SHEET

As at June 30, 2009 (Un-audited)

	June 30 2009 Rupees	September 30 2008 Rupees
NON-CURRENT ASSETS		
Property, Plant & Equipment	319,298,091	304,357,015
Intangible Assets	1,325,724	1,657,156
Capital Work in Progress	4,566,312	17,925,373
Long term loans and deposits	1,457,360	716,334
Biological Assets	5,833,366	5,132,000
	332,480,853	329,787,878
CURRENT ASSETS		
Stores and spares	13,740,413	13,305,761
Stock in trade	279,336,318	288,698,972
Trade debts	54,716,903	39,067,739
Advances, deposits, prepayments and other receivables	71,722,873	39,601,514
Cash and bank balances	17,005,344	10,909,851
	436,521,851	391,583,837
CURRENT LIABILITIES		
Current portion of long term loan	-	14,736,842
Short term running finances	348,166,450	288,711,025
Creditors, accrued and other liabilities	84,623,105	89,805,848
Mark up accrued on short term running finances	11,739,026	10,311,523
	444,528,581	403,565,238
	(8,006,730)	(11,981,401)
TOTAL FUNDS EMPLOYED	324,474,123	317,806,477
NON-CURRENT LIABILITIES		
Long-term Loan Secured	-	7,368,418
Deferred Liabilities	54,554,303	49,607,813
	54,554,303	56,976,231
NET FUNDS EMPLOYED	269,919,820	260,830,246
REPRESENTED BY		
Issued subscribed and paid up capital	50,400,000	50,400,000
Reserves	9,635,878	9,635,878
Unappropriated profit	209,883,942	200,794,368
	269,919,820	260,830,246

Chairman

Chief Executive Officer

PROFIT AND LOSS ACCOUNT
For the Third Quarter Ended June 30, 2009 (Un-audited)

	April to June		October to June	
	2009	2008	2009	2008
	Rupees	Rupees	Rupees	Rupees
Sales	330,354,307	288,111,545	920,552,512	716,816,833
Cost of Sales	269,184,181	243,689,694	762,854,815	593,055,792
Gross Profit	61,170,126	44,421,851	157,697,697	123,761,041
Administration expenses	(11,565,815)	(8,416,550)	(32,357,108)	(26,474,031)
Distribution and marketing expenses	(27,663,773)	(26,820,104)	(78,183,358)	(66,039,547)
Other operating expenses	(141,570)	(49,015)	(868,710)	(1,037,067)
Other operating income	982,728	447,718	8,952,900	3,163,881
Profit from operations	22,781,696	9,583,900	55,241,421	33,374,277
Finance cost	(14,036,961)	(6,430,973)	(40,611,847)	(19,596,104)
Profit before taxation	8,744,735	3,152,927	14,629,574	13,778,173
Taxation	-	-	(500,000)	(3,671,248)
Profit after taxation	8,744,735	3,152,927	14,129,574	10,106,925
Earnings per share	1.74	0.63	2.80	2.01

Chairman

Chief Executive Officer

CASH FLOW STATEMENT
For the Nine Months Ended June 30, 2009 (Un-audited)

	Note	2009 Rupees	2008 Rupees
Cash flow from operating activities			
Profit before taxation		14,629,574	13,778,173
Add/(less): Adjustment for non cash charges and other items			
Depreciation		20,825,976	17,700,611
Amortization		331,432	310,718
Profit on sale of fixed assets		(583,678)	(29,027)
Provision for gratuity and leave salary		4,727,102	4,627,515
Provision for Doubtful Debts		-	99,088
Exchange Gain		(1,919,249)	(54,550)
Profit on revaluation of livestock		(1,340,266)	(225,000)
Financial charges		40,611,847	19,596,104
Profit before working capital changes		77,282,738	55,803,632
Effect on cash flow due to working capital changes			
(Increase) / decrease in stores and spares		(434,652)	891,347
(Increase) / decrease in stock in trade		9,362,654	(99,961,346)
(Increase) / decrease in trade debts		(15,649,164)	17,603,746
(Increase) / decrease in advances, deposits excluding income tax		(12,146,744)	(13,553,307)
Increase / (decrease) in creditors, accrued and other liabilities		(5,182,743)	(20,740,985)
		(24,050,649)	(115,760,544)
Cash generated from operations		53,232,089	(59,956,912)
Financial charges paid		(39,184,344)	(18,109,852)
Payment of Gratuity and leave salary		(2,485,322)	(1,785,605)
Taxes paid		(16,313,495)	(191,339)
Net cash inflow from operating activities		(4,751,072)	(80,043,708)
Cash flow from investing activities			
Fixed capital expenditure		(23,463,474)	(43,183,178)
Proceeds from sale of fixed assets		2,102,000	722,914
Proceeds from sale of livestock		638,900	554,100
(Increase) / decrease in long-term deposits		(741,026)	230,000
Net cash outflow from investing activities		(21,463,600)	(41,676,164)
Cash flow from financing activities			
Dividend paid		(5,040,000)	(10,080,000)
Repayment of long term loan		(22,105,260)	(11,052,631)
Net cash out flow from financing activities		(27,145,260)	(21,132,631)
Net increase / (decrease) in cash and cash equivalents		(53,359,932)	(142,852,503)
Cash and cash equivalents at the beginning of the period		(277,801,174)	(119,195,134)
Cash and cash equivalents at the end of the period	9	(331,161,106)	(262,047,637)

Chairman

Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY
For the Nine Months Ended June 30, 2009 (Un-audited)

	Share capital	Share premium	General reserve	Accumulated profit	Rupees Total
Balance as at September 30, 2007	50,400,000	9,335,878	300,000	202,536,828	262,572,706
Net profit for nine months	-	-	-	10,106,925	10,106,925
Final dividend for the year ended September 30, 2007 Rs. 2 per share				(10,080,000)	(10,080,000)
Balance as at June 30, 2008	50,400,000	9,335,878	300,000	202,563,753	262,599,631
Net Profit for three months	-	-	-	(1,769,385)	(1,769,385)
Balance as at September 30, 2008	50,400,000	9,335,878	300,000	200,794,368	260,830,246
Net Profit for nine months	-	-	-	14,129,574	14,129,574
Final dividend for the year ended September 30, 2008 Re. 1 per share	-	-	-	(5,040,000)	(5,040,000)
Balance as at June 30, 2009	50,400,000	9,335,878	300,000	209,883,942	269,919,820

Chairman

Chief Executive Officer

SELECTED NOTES TO THE ACCOUNTS
For the Nine Months Ended June 30, 2009 (Un-audited)

1. Mitchell's Fruit Farms Limited is a public company incorporated in Pakistan and listed on Lahore, Karachi and Islamabad Stock Exchanges. Its primary objective is to manufacture and sell various Farm and Confectionary products.
2. During the quarter, the impact of seasonal factors on sales remained minimal.
3. These accounts are unaudited and are being submitted to the shareholders in accordance with the requirements of the Companies Ordinance, 1984.
4. The accounting policies adopted for the preparation of quarterly accounts for the period ended June 30, 2009 are the same which were applied in the preparation of preceding annual published accounts of the company.
5. The interim financial report has been prepared in compliance with International Accounting Standard No. 34, as applicable in Pakistan, in all material respects.
6. Provision in respect of taxation is based on estimated average annual effective income tax rate consistent with the annual assessment of taxes.
7. Provision in respect of Workers' Welfar Fund and Workers' Profit Participation Fund are estimated and these are subject to final adjustment in the annual audited financial statements.
8. Previous period's figures have been restated, wherever necessary, for the purpose of comparison.

	June 30 2009 Rupees	June 30 2008 Rupees
9. Cash and cash equivalents		
Cash and bank balances	17,005,344	7,750,589
Short term running finances	(348,166,450)	(269,798,226)
	(331,161,106)	(262,047,637)
	(331,161,106)	(262,047,637)

10. Contingencies and commitments

10.1 Contingencies

There has been no significant change in contingencies since September 30, 2008.

10.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2008: Rs. 108 million).

11. The company purchased from associated undertakings, goods and services amounting to Rs. 11.057 million (2008: Rs. 41.93 million).

COMPANY INFORMATION

Board of Directors	S. M. Mohsin Mehdi Mohsin Sitwat Mohsin Moaz Mohiuddin Syed Faisal Imam Umme Kulsum Imam Jamal Nasim – NIT Nominee	- Chairman - Chief Executive Officer
Audit Committee	S. M. Mohsin Sitwat Mohsin Syed Faisal Imam	- Chairman - Member - Member
Company Secretary/CFO	Atif Fayyaz	
Auditors	A.F. Ferguson & Co. Chartered Accountants	
Legal Advisors	Minto & Mirza 78-Mozang Road, Lahore Phone: (042) 6315469-70 Fax: (042) 6361531	
Bankers	Habib Bank Limited Allied Bank Limited Askari Commercial Bank Limited MCB Bank Limited Citibank N.A. The Royal Bank of Scotland National Bank of Pakistan	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K (Commercial) Model Town, Lahore Phone: (042) 5839182, 5887262, Fax:(044) 5869037	
Factory, Regional Sales Office (Central) & Farms	Renala Khurd, District Okara, Pakistan Phones: (044) 2635907-8, 2622908 Fax: (044) 2621416 E-Mail: rnk@mitchells.com.pk, rsoc@mitchells.com.pk	
Corporate Office	39-A, D-1, Gulberg III Lahore Phones: (042) 5872392-96, Fax: (042) 5872398 E-Mail: ho@mitchells.com.pk Website: www.mitchells.com.pk	
Regional Sales Office (North)	House No.22 ST. No.4, Main Park Road Gulshan e Al-Huda, Chattha Bakhtawar, Islamabad. Phones: (051) 2240020-21 Fax: (051) 2240023 E-Mail: rson@mitchells.com.pk	
Regional Sales Office (South)	Mehran VIP II, Ground Floor, Plot 18/3 Dr. Dawood Pota Road, Karachi Phones: (021) 5212112, 5212712 & 5219675 Fax: (021) 5673588 E-Mail: rsos@mitchells.com.pk	