

DIRECTORS' REVIEW

The directors are pleased to submit the un-audited financial statements of the company for nine months ended June 30, 2010.

Overall business operations were in line with expectations during the period under review. Unforeseen changes in weather patterns this year had a negative impact on the availability and prices of some of our agricultural inputs. Market conditions remained extremely competitive in the wake of frequent price adjustments that had to be implemented during this period on account of the ongoing sugar crisis. Thus, business volume growth was reasonable as compared to the corresponding period.

Despite steep cost increases in our most important inputs e.g., Sugar, Milk Powder, Cocoa products and Packaging Materials the Total cost of sales increase was limited to only 7.25 % from Rs. 762.85 million to Rs. 818.18 million, thanks to company wide mitigating efforts by our staff to improve productivity, save energy and rationalize the use of packaging materials.

The company's net sales recorded a growth of 20.40% rising from Rs. 920.55 million to Rs. 1041.29 million. This rise was supported by groceries and confectionery sales showing an upward trend of 20.40 % and 6.43 %, respectively. Exports increased by 43.85 % which is a positive development.

Operating-profit increased by 38.41 % from Rs. 55.24 million to Rs. 76.46 million. As a result of sound working capital management financial charges decreased by 27.83% to Rs. 29.31 million, as compared to Rs. 40.61 million during corresponding period. Thus Profit before tax increased from Rs. 14.63 million to Rs. 47.15 million during the period under review.

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

Lahore: July 29, 2010

Mujeeb Rashid
Chief Executive Officer

CONDENSED INTERIM BALANCE SHEET

As at June 30, 2010 (Un-audited)

	June 30 2010 Rupees	September 30 2009 Rupees
NON CURRENT ASSETS		
Property, Plant & Equipment	306,269,526	316,490,986
Intangibles Assets	1,126,866	1,325,725
Capital work in progress	920,869	5,196,841
Long term loans and deposits	1,151,758	1,110,482
Biological Assets	5,321,000	5,397,600
	314,790,019	329,521,634
CURRENT ASSETS		
Stores and spares	13,309,283	12,781,281
Stock in trade	232,645,465	260,382,527
Trade debts	56,633,253	58,674,183
Advances, deposits, prepayments and other receivables	29,457,378	53,330,558
Cash and bank balances	12,910,513	13,217,682
	344,955,892	398,386,231
CURRENT LIABILITIES		
Short term running finances	234,774,153	307,671,564
Creditors, accrued and other liabilities	74,858,999	87,816,200
Mark up accrued on short term running finances	3,345,794	12,099,523
	312,978,946	407,587,287
	31,976,946	(9,201,056)
TOTAL FUNDS EMPLOYED	346,766,965	320,320,578
NON-CURRENT LIABILITIES		
Deferred Liabilities	55,885,558	50,478,690
NET FUNDS EMPLOYED	290,881,407	269,841,888
REPRESENTED BY		
Issued subscribed and paid up capital	50,400,000	50,400,000
Reserves	9,635,878	9,635,878
Unappropriated profit	230,845,529	209,806,010
	290,881,407	269,841,888

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

For the Quarter and Nine Months Ended June 30, 2010 (Un-audited)

	April to June		October to June	
	2010 Rupees	2009 Rupees	2010 Rupees	2009 Rupees
Sales	376,045,003	330,354,307	1,041,293,335	920,552,512
Cost of Sales	293,559,343	269,184,181	818,178,642	762,854,815
Gross Profit	82,485,660	61,170,126	223,114,693	157,697,697
Administration expenses	(15,146,533)	(11,565,815)	(43,383,013)	(32,357,108)
Distribution and marketing expenses	(46,503,483)	(27,663,773)	(104,165,917)	(78,183,358)
Other operating expenses	(1,030,991)	(141,570)	(4,056,850)	(868,710)
Other operating income	1,742,607	982,728	4,952,036	8,952,900
Profit from operations	21,547,261	22,781,696	76,460,950	55,241,421
Finance cost	(8,545,856)	(14,036,961)	(29,310,162)	(40,611,847)
Profit before taxation	13,001,404	8,744,735	47,150,787	14,629,574
Taxation	(4,465,981)	-	(16,031,268)	(500,000)
Profit after taxation	8,535,423	8,744,735	31,119,519	14,129,574
Earnings per share	1.69	1.74	6.17	2.80

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Quarter and Nine Months Ended June 30, 2010 (Un-audited)

	April to June		October to June	
	2010 Rupees	2009 Rupees	2010 Rupees	2009 Rupees
Profit for the nine months ended June 30, 2010	8,535,423	8,744,735	31,119,519	14,129,574
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	8,535,423	8,744,735	31,119,519	14,129,574

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

CONDENSED INTERIM CASH FLOW STATEMENT

For the Nine Months Ended June 30, 2010 (Un-audited)

	Note	October to June	
		2010 Rupees	2009 Rupees
Cash flow from operating activities			
Profit before taxation		47,150,787	14,629,574
Add/(less) : Adjustment for non cash charges and other items			
Depreciation		21,685,800	20,825,976
Amortization		198,859	331,432
Loss on sale of fixed assets		108,734	(583,678)
Provision for gratuity and leave salary		10,589,121	4,727,102
Exchange loss		86,156	(1,919,249)
Profit on revaluation of livestock		(535,450)	(1,340,266)
Financial charges		29,310,162	40,611,847
Profit before working capital changes		108,594,169	77,282,738
Effect on cash flow due to working capital changes			
(Increase) / decrease in stores and spares		(528,003)	(434,652)
(Increase) / decrease in stock in trade		27,737,062	9,362,654
(Increase) / decrease in trade debts		2,040,930	(15,649,164)
(Increase) / decrease in advances, deposits excluding income tax		2,371,685	(12,146,744)
Increase / (decrease) in creditors, accrued and other liabilities		12,957,201	(5,182,743)
		44,578,875	(24,050,649)
Cash generated from operations		153,173,045	53,232,089
Financial charges paid		(38,063,891)	(39,184,344)
Payment of Gratuity and leave salary		(5,194,590)	(2,485,322)
Taxes paid		(21,501,495)	(16,313,495)
Net cash inflow from operating activities		88,413,069	(4,751,072)
Cash flow from investing activities			
Fixed capital expenditure		(8,634,957)	(23,463,474)
Proceeds from sale of fixed assets		1,974,274	2,102,000
Proceeds from sale of livestock		959,133	638,900
(Increase)/ decrease in long-term deposits		(41,276)	(741,026)
Net cash outflow from investing activities		(5,742,826)	(21,463,600)
Cash flow from financing activities			
Dividend paid		(10,080,000)	(5,040,000)
Repayment of long term loan		-	(22,105,260)
Net cash out flow from financing activities		(10,080,000)	(27,145,260)
Net increase / (decrease) in cash and cash equivalents		72,590,242	(53,359,932)
Cash and cash equivalents at the beginning of the period		(294,453,882)	(277,801,174)
Cash and cash equivalents at the end of the period	9	(221,863,640)	(331,161,106)

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY**
For the Nine Months Ended June 30, 2010 (Un-audited)

	Share capital	Share premium	General reserve	Accumulated profit	Rupees Total
Balance as at September 30, 2008	50,400,000	9,335,878	300,000	200,794,368	260,830,246
Final dividend for the year ended September 30, 2008 Re. 1 per share				(5,040,000)	(5,040,000)
Total Comprehensive Income for nine months	-	-	-	14,129,574	14,129,574
Balance as at June 30, 2009	50,400,000	9,335,878	300,000	209,883,942	269,919,820
Total Comprehensive Income for three months	-	-	-	(77,932)	(77,932)
Balance as at September 30, 2009	50,400,000	9,335,878	300,000	209,806,010	269,841,888
Final dividend for the year ended September 30, 2009 Rs. 2 per share				(10,080,000)	(10,080,000)
Total Comprehensive Income for nine months	-	-	-	31,119,519	31,119,519
Balance as at June 30, 2010	50,400,000	9,335,878	300,000	230,845,529	290,881,407

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the Quarter and Nine Months Ended June 30, 2010 (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, 2010 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' Welfare Fund and Workers' Profit Participation Fund are estimated and these are subject to adjustment in the annual audited financial statements.
8. Previous period's figures have been restated, wherever necessary, for the purpose of comparison.

	June 30 2010 Rupees	June 30 2009 Rupees
9. Cash and cash equivalents		
Cash and bank balances	12,910,513	17,005,344
Short term running finances	(234,774,153)	(348,166,450)
	(221,868,640)	(331,161,106)

10. Contingencies and commitments

10.1 Contingencies

There has been no significant change in contingencies since September 30, 2009

10.2 Commitments

Commitment in respect of capital expenditure is Rs. Nil (2009: Rs.Nil)

11. The company purchased from associated undertaking goods and services amounting to Rs. 96.034 million.

Mehdi Mohsin
Chairman

Mujeeb Rashid
Managing Director & Chief Executive Officer

COMPANY INFORMATION

Board of Directors	Mehdi Mohsin Mujeeb Rashid	- Chairman - Chief Executive & Managing Director
	S.M.Mohsin Moaz Mohiuddin Syed Faisal Imam Umme Kulsum Imam Jamal Nasim – NIT Nominee	- Advisor
Audit Committee	S. M. Mohsin Syed Faisal Imam Moaz Mohiuddin	- 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) 36315469-70 Fax: (042) 36361531	
Bankers	Habib Bank Limited Allied Bank Limited Askari Bank Limited MCB Bank Limited National Bank of Pakistan Barclays Bank plc, Pakistan The Royal Bank of Scotland	
Share Registrar	Corplink (Private) Limited Wings Arcade, 1-K (Commercial) Model Town, Lahore. Phone : (042) 35839182, 35887262, Fax:(042) 35869037	
Corporate Office	39-A, D-1, Gulberg III, Lahore. Phones: (042) 35872392-96, Fax: (042) 35872398 E-Mail: ho@mitchells.com.pk Web Site:www.mitchells.com.pk	
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	
Regional Sales Office (North)	Plot No. 276, Street No.1, I - 9/3, Industrial Area, Islamabad. Phones: (051) 4443824-26, Fax: (051) 4443827 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) 35212112, 35212712 & 35219675 Fax: (021) 35673588 E-Mail: rsos@mitchells.com.pk	