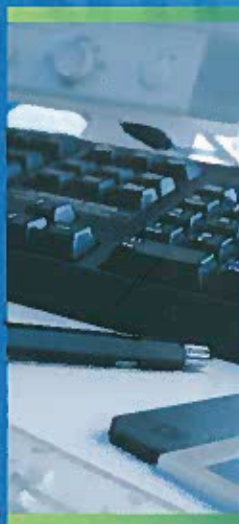
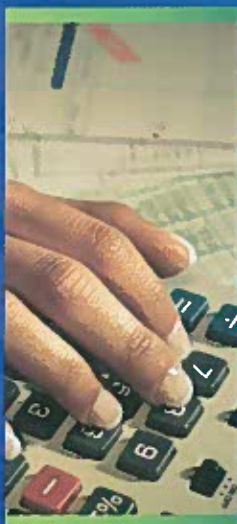


December 31
Half Yearly
ACCOUNTS **2012**



**Gillette
Pakistan
Limited**



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BOARD OF DIRECTORS

CHAIRMAN

Al Abdulmalek Rajwani

CHIEF EXECUTIVE OFFICER

Saad Amanullah Khan

CHIEF FINANCIAL OFFICER

Muhammad Noor-e-Arshi Khan

Kashif Maqsood Abbasi

Bahroz Hussain Abbas

Amjad Ali Qureshi

Salim Adaya

AUDIT COMMITTEE

CHAIRMAN

Kashif Maqsood Abbasi

MEMBERS

Bahroz Hussain Abbas

Salim Adaya

HUMAN RESOURCE & REMUNERATION COMMITTEE

CHAIRMAN

Al Abdulmalek Rajwani

MEMBERS

Bahroz Hussain Abbas

Salim Adaya



DIRECTORS REPORT

For the half year ended December 31, 2012

On behalf of the Board of Directors of Gillette Pakistan Limited ('the Company'), I am pleased to present the un-audited financial statements of the Company for the half year ended December 31, 2012.

The Company continues the momentum of top line and bottom line growth as evidenced in the fiscal year ended June 30, 2012 and following are the abridged financial results for the half year ended December 31, 2012:

	YTD DEC 2012	OND 2012	JAS 2012
	Rupees in '000		
Sales - net	917,151	482,155	434,996
Cost of goods sold	(572,049)	(305,581)	(266,468)
Gross profit	345,102	176,574	168,528
GP Ratio	37.6%	36.6%	38.7%
Other operating income	19,015	7,695	11,320
Selling, marketing and distribution expenses	(124,450)	(50,981)	(73,469)
Administrative expenses	(17,924)	(6,015)	(11,909)
Other operating expenses	(27,594)	(25,332)	(2,262)
Bank charges	(26)	(10)	(16)
Profit / (loss) before taxation	194,123	101,931	92,192
PBT Ratio	21.2%	21.1%	21.2%
Income tax expense	(48,889)	(29,692)	(19,197)
Profit / (loss) for the period	145,234	72,239	72,995
PAT Ratio	15.8%	15.0%	16.8%
EPS (Rs.)	7.56	3.76	3.80

The top line sales grew by 54% as compared to corresponding period and this was primarily driven by Blades and razors which is the major business segment of the company and is a big contributor to profitability as well. This sales growth is based on a volume growth of 26% as compared to corresponding period which is in itself a remarkable achievement in face of very tough competition from local and foreign suppliers. The gross margin of the Company also increased significantly to 37.6% as compared to 17.7% in corresponding half year. This is due to a multiple of lower supply prices and increased sales price along with mix management during the current period. The Company also faced a net foreign exchange revaluation hurt of Rs. 23.6 million (2.5% of net sales) which is included in the financial results in other operating expenses in current period.

The Company continues to face certain challenges like increasing cost pressures and adversely fluctuating foreign exchange rates as the company imports all of its products in Euro denominated billing. This will likely result in lower gross margins during the back half of the year as compared to front half as the Company plans to manage these pressures by pricing its products appropriately and competitively. The Company also plans to further invest into its marketing activities in balance of the fiscal so that foundation of the business strengthens further.

The Board would like to take this opportunity to express its appreciation to all the stake holders of the Company including shareholders and employees.

On behalf of the Board,

SAAD AMANULLAH KHAN
Chief Executive

February 21, 2013
Karachi

INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Gillette Pakistan Limited** (the Company) as at December 31, 2012, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity, and notes for the six-month period then ended (here-in-after referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three-month period ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2012.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement - 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six-month period ended December 31, 2012, is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner

Nadeem Yousuf Adil

Place: Karachi

Dated: February 21, 2013

**Condensed Interim Balance Sheet**

As at December 31, 2012

	Note	December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
Rupees in '000			
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,262	7,335
Long-term deposits		138	138
Current assets			
Stock-in-trade	7	423,608	256,824
Trade debts		204,824	149,678
Loans and advances		65	21,663
Trade deposits		3,027	2,462
Interest receivable on term deposits		2,531	2,820
Other receivables		10,176	24,245
Other financial assets		442,854	240,000
Sales tax refundable		19,829	11,307
Taxation - net		32,986	23,931
Cash and bank balances		533	41,279
Total assets		1,140,433	774,209
		1,146,833	781,682
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized 20,000,000 ordinary shares of Rs.10/- each		200,000	200,000
Issued, subscribed and paid-up capital		192,000	192,000
Unappropriated profit		379,556	234,322
Total equity		571,556	426,322
LIABILITIES			
Non-current liabilities			
Deferred liability - gratuity scheme		2,514	-
Current liabilities			
Trade and other payables		572,763	355,360
Contingencies and commitments	8		
Total equity and liabilities		1,146,833	781,682

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

SAAD AMANULLAH KHAN
CHIEF EXECUTIVEMUHAMMAD NOOR-E-ARSHI KHAN
DIRECTOR

**Condensed Interim Profit and Loss Account - (Unaudited)**

For the six-month period ended December 31, 2012

	Note	Six- Month Period Ended		Three- Month Period Ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
..... Rupees in '000					
Sales - net	9	917,151	595,949	482,155	335,913
Cost of goods sold		(572,049)	(490,305)	(305,581)	(255,024)
Gross profit		345,102	105,644	176,574	80,889
Other operating income		19,015	23,970	7,695	(4,578)
Selling, marketing and distribution expenses		(124,450)	(117,045)	(50,981)	(60,607)
Administrative expenses		(17,924)	(17,819)	(6,015)	(8,362)
Other operating expenses		(27,594)	(24)	(25,332)	(24)
Bank charges		(26)	(285)	(10)	(15)
Profit / (loss) before tax		194,123	(5,559)	101,931	7,303
Income tax expense		(48,889)	(32,725)	(29,692)	(13,727)
Profit / (loss) after tax		145,234	(38,284)	72,239	(6,424)
..... Rupees					
Earnings / (loss) per share - Basic and diluted		7.56	(1.99)	3.76	(0.33)

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



Condensed Interim Statement of Comprehensive Income - (Unaudited)
For the six-month period ended December 31, 2012

	Six- Month Period Ended		Three- Month Period Ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	Rupees in '000			
Profit / (loss) for the period	145,234	(38,284)	72,239	(6,424)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	145,234	(38,284)	72,239	(6,424)

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

Condensed Interim Cash Flow Statement - (Unaudited)

For the six-month period ended December 31, 2012

	Note	Six- Month Period Ended	
		December 31, 2012	December 31, 2011
Rupees in '000			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	202,556	23,601
Bank charges paid		(26)	(285)
Income taxes paid		(57,944)	(24,314)
Long-term loans - recovered		-	12
Net cash generated / (used in) from operating activities		144,586	(986)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for fixed assets		-	(8,589)
Interest income received		17,522	7,482
Net cash from / (used in) investing activities		17,522	(1,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	-
Net cash from financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		162,108	(2,093)
Cash and cash equivalents at the beginning of the period		281,279	122,207
Cash and cash equivalents at the end of the period	11	443,387	120,114

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



Condensed Interim Statement of Changes In Equity - (Unaudited)
For the six-month period ended December 31, 2012

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	Rupees in '000		
Balance as at July 01, 2011	192,000	172,732	364,732
Other comprehensive income			
Loss for the period	-	(38,284)	(38,284)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(38,284)	(38,284)
Balance as at December 31, 2011	192,000	134,448	326,448
Balance as at July 01, 2012	192,000	234,322	426,322
Other comprehensive income			
Profit for the period	-	145,234	145,234
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	145,234	145,234
Balance as at December 31, 2012	192,000	379,556	571,556

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

SAAD AMANULLAH KHAN
CHIEF EXECUTIVE

MUHAMMAD NOOR-E-ARSHI KHAN
DIRECTOR





Notes to the Condensed Interim Financial Information- (Unaudited)

For the six-month period ended December 31, 2012

1. STATUS AND NATURE OF BUSINESS

Gillette Pakistan Limited ("the Company") was incorporated on December 09, 1986 as a public limited company under the Companies Ordinance, 1984 and is a subsidiary of The Series Acquisition B.V. Netherlands (which is a wholly owned subsidiary of Procter & Gamble Company, USA). The registered office of the Company is situated at 11th Floor, The Harbour Front, Dolmen City, HC-3, Block 4, Marine Drive, Clifton, Karachi-75600, Pakistan and the Company is listed on Karachi and Lahore Stock Exchanges. The principal activities of the Company include marketing and selling of blades and razors, personal care products, household appliances and oral care products.

Subsequent to period end, Mr. Salim Adaya, a major shareholder and also the director of the Company has entered into an agreement to sell his shareholding to Series Acquisitions B.V. (the Holding Company) at price of Rs. 90 per share subject to conditions agreed between the parties. As at December 31, 2012, shareholding of Mr. Salim Adaya in the Company was 14.63% (2,809,571 number of ordinary shares).

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 'Interim Financial Reporting' and the provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail. This condensed interim financial information does not include all information required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2012.
- 2.2 This condensed interim financial information is un-audited but subject to limited scope review by the external auditors of the Company and are being submitted to the shareholders in accordance with the section 245 of the Companies Ordinance 1984.
- 2.3 The comparative balance sheet presented in this condensed interim financial report has been extracted from the annual financial statements of the Company for the year ended June 30, 2012 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been taken from un-audited condensed interim financial information for the six-month period ended December 31, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2012.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use of judgements that affects the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

**Notes to the Condensed Interim Financial Information- (Unaudited)**
For the six-month period ended December 31, 2012

In preparing this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended June 30, 2012.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2012.

December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
-------------------------------------	-------------------------------

----- Rupees in '000 -----

6. PROPERTY, PLANT AND EQUIPMENT

Opening net book value	7,335	5,282
Additions	-	8,590
Disposals	-	(4,010)
Depreciation charge for the period / year	(1,073)	(2,527)
Closing net book value	<u>6,262</u>	<u>7,335</u>
Cost	9,167	9,167
Accumulated Depreciation	(2,905)	(1,832)
Net book value	<u>6,262</u>	<u>7,335</u>

7. STOCK-IN-TRADE

Stock in trade includes goods costing Rs. 57.547 million (June 30, 2012: 55.692 million) which have been valued at net realizable value of Rs. 27.364 million (June 30, 2012: 48.754 million).

8. CONTINGENCIES AND COMMITMENTS**8.1 Contingencies**

The status of the contingencies which were reported in note 16 to the annual financial statements of the Company for the year ended June 30, 2012 have not changed materially except for the following:

The income tax assessments of the Company have been completed up to and including Tax Year 2012 (i.e. year ended on June 30, 2012). The tax returns for the Tax Years from 2003 to 2012 are treated as assessment orders under section 120 of the Income Tax Ordinance, 2001 on the date returns were filed, unless amended otherwise.

Notes to the Condensed Interim Financial Information- (Unaudited)
 For the six-month period ended December 31, 2012

December 31, 2012 (Unaudited)	June 30, 2012 (Audited)
--	--

----- Rupees in '000 -----

8.2 Commitments

Rentals due under operating lease arrangements in respect of vehicles:

Not later than one year	1,309	1,341
Later than one year but not later than five years	1,691	2,404
	3,000	3,745

9. SEGMENT RESULTS
9.1 Segment revenues and profits

The principal categories of customer for the goods are distributors. The Company's reportable segments under IFRS 8 remain the same as reported in financial statements for the year ended June 30, 2012 and are as follows:

	Segment revenue		Segment profit	
	December 31, 2012 (Unaudited)	December 31, 2011	December 31, 2012 (Unaudited)	December 31, 2011
	----- Rupees in '000' -----			
Blades and Razors	780,786	485,019	206,005	(31,139)
Braun Products	79,632	72,480	(4,660)	9,003
Others	56,733	38,450	19,307	10,735
	917,151	595,949	220,652	(11,401)

Reconciliation of segments' profits with the profit / (loss) before tax of the Company

Other operating income	19,015	23,970
Administrative expenses	(17,924)	(17,819)
Other operating expense	(27,594)	(24)
Bank charges	(26)	(285)
Profit / (loss) before tax	194,123	(5,559)

For the purpose of segmental profit calculation, the Company has allocated selling and marketing expenses to the segments. This include expenses directly attributable to the segment as well as those that were allocated on the basis of net sales of the segment.



Notes to the Condensed Interim Financial Information- (Unaudited)
For the six-month period ended December 31, 2012

9.2 Segment assets and liabilities

Following are the segment assets and liabilities as at December 31, 2012.

	Blades and Razors	Braun Products	Others
	Rupees in '000'		
Stocks in trade	335,284	50,264	38,060
Accrued liabilities	42,837	33,548	4,220

For the purpose of monitoring segment performance and allocating resources between segments:

- Segment assets include stock -in- trade.
- Segment liabilities include accrued liabilities relating to selling, marketing and distribution expense.

10. CASH GENERATED FROM OPERATIONS

	Note	December 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
		Rupees in '000'	
Profit / (loss) before taxation		194,123	(5,559)
Adjustments for non cash charges and other items:			
Depreciation expense		1,073	1,020
Bank charges		26	285
Interest income		(17,233)	(6,740)
Provision for gratuity scheme		2,514	-
Working capital changes	10.1	22,053	34,595
		<u>202,556</u>	<u>23,601</u>

10.1 WORKING CAPITAL CHANGES

(Increase) / decrease in current assets:

Stock-in-trade	(166,784)	72,079
Trade debts	(55,146)	8,449
Loans and advances	21,598	(152)
Trade deposits	(565)	(675)
Sales tax refundable	(8,522)	17,033
Other receivables	14,069	2,669
	<u>(195,350)</u>	<u>99,403</u>

Increase / (decrease) in current liabilities:

Trade and other payables	217,403	(64,808)
	<u>22,053</u>	<u>34,595</u>

Notes to the Condensed Interim Financial Information- (Unaudited)
For the six-month period ended December 31, 2012

December 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
-------------------------------------	-------------------------------------

..... Rupees in '000

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	533	67,314
Other financial assets	442,854	52,800
	<u>443,387</u>	<u>120,114</u>

12. RELATED PARTY TRANSACTIONS

The related parties comprise the parent company (The Series Acquisition B.V., Netherlands), the ultimate parent company (The Procter & Gamble Company USA), related group companies, companies in which directors are interested, staff retirement benefits, directors, key management personnel and close member of the family of all the aforementioned related parties. The Company carries out transactions with various related parties at agreed terms. Significant transactions with related parties are as follows:

Six Month Period Ended

December 31, 2012 (Unaudited)	December 31, 2011 (Unaudited)
-------------------------------------	-------------------------------------

..... Rupees in '000

Name	Relationship with the Company	Nature of transaction		
Procter and Gamble International Operations	Associate	Purchase of finished goods	717,539	308,842
Procter and Gamble Pakistan (Pvt) Limited	Associate	Services received	25,861	19,983
Procter and Gamble International Operations SA	Associate	Services received	1,089	910
Procter and Gamble Pakistan (Pvt) Limited	Associate	Services rendered	6,828	12,348
Procter and Gamble US Business Services	Associate	Services received	365	556
Procter and Gamble Home Products Limited	Associate	Services received	-	-
Gillette Pakistan Provident Fund	Retirement benefits plan	Contribution to Provident Fund	669	779
Gillette Pakistan Pension Fund	Retirement benefits plan	Recovery from Pension Fund	(5,935)	(6,250)
Key management personnel	-	Short term compensation	10,368	13,752



Notes to the Condensed Interim Financial Information- (Unaudited)
For the six-month period ended December 31, 2012

12.1 Amounts due from / (due to) related parties are shown as under:

Name	Relationship with the Company	December 31 ,	June 30,
		2012 (Unaudited)	2012 (Audited)
	 Rupees in '000.....	
Procter and Gamble International Operations	Associate	(404,290)	(248,782)
Procter and Gamble Pakistan (Pvt) Limited	Associate	(15,043)	(19,101)
Procter and Gamble International Operations SA	Associate	(231)	(890)
Procter and Gamble US Business Services	Associate	(62)	(91)
Procter and Gamble Gulf FZE	Associate	1,816	3,645
Procter and Gamble Services Limited	Associate	-	3,179
Procter and Gamble Home Products Limited	Associate	-	844
Gillette Pakistan Pension Fund	Retirement benefits plan	1,706	5,935

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 21, 2013.

14. GENERAL

Figures have been rounded off to the nearest thousand rupee.





CORPORATE DATA

Company Secretary

Muhammad Noor-e-Arshi Khan

Auditors

M. Yousuf Adil Saleem & Co.

Legal Advisors

SurrIDGE & Beecheno

Mandviwalla & Zafar

Bankers

Citibank, N.A.

Barclays Bank Pakistan

Standard Chartered Bank

Registrar & Share Registration Office

FAMCO ASSOCIATES (PVT.) LTD.

Management Consultants,

State Life Building No. 1-A,

1st Floor, I.I. Chundrigar Road,

Karachi - 74000, Pakistan.

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