

Company Information

BOARD OF DIRECTORS

Lt Gen Hamid Rab Nawaz, HI(M) (Retired)
Chairman

Lt Gen Malik Arif Hayat, HI(M) (Retired)
Chief Executive and Managing Director

Mr Jorgen Madsen
Mr Qaiser Javed
Dr Nadeem Inayat
Mr Istaqbal Mehdi
Brig Rahat Khan, SI(M) (Retired)
Mr Shahid Aziz Siddiqi
Mr Shahid Anwar Khan
Mr Wazir Ali Khoja
Maj Gen Zahid Parvez, HI(M) (Retired)
Brig Agha Ali Hassan, SI(M) (Retired)
Mr Agha Nadeem

CHIEF FINANCIAL OFFICER

Syed Shahid Hussain
Tel: +92-51-9272339, Fax: +92-51-9272337
E-mail: shahid_hussain@ffc.com.pk

COMPANY SECRETARY

Brig Khalid Kibriya (Retired)
Tel: +92-51-9272327, Fax: +92-51-9272519
E-mail: fcrwp@ffc.com.pk

REGISTERED OFFICE

93-Harley Street, Rawalpindi Cantt
Tel: +92-51-9272307-14, Fax: +92-51-9272316
Website: www.ffc.com.pk
E-mail: fcrwp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadikabad
(Distt: Rahim Yar Khan)
Tel: +92-685-786420-9, Fax: +92-685-786401

Mirpur Mathelo
(Distt: Ghotki)
Tel: +92-723-661500-09, Fax: +92-723-661462

MARKETING DIVISION

Lahore Trade Centre,
11 Shahrah-e-Aiwan-e-Tijarat, Lahore
Tel: +92-42-36369137-40, Fax: +92-42-36366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi
Tel: +92-21-34390115-16, Fax: +92-21-34390117 & 34390122

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

SHARES REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building – 3,
Dr. Ziauddin Ahmed Road,
Karachi – 75530
Tel: +92-21-111-000-322, Fax: +92-2135655595

Directors' Review

For the first quarter ended March 31, 2011

I am pleased to report highest ever quarterly net profit of Rs. 4.1 billion, surpassing previous record earnings of Rs 2.7 billion, which translates into improved EPS of Rs 4.84, driven by increased revenues and higher return on investments.

In view of increased earnings and better operating performance, the Board is pleased to approve first interim dividend @ Rs 4.50 per share representing 93% payout of the quarterly profits.

Aggregate 'Sona' urea production from all three plants of the Company was recorded at 569 thousand tonnes, with an overall operational efficiency of 113%, which was lower by 9% compared to the corresponding period last year mainly because of gas curtailment and Plant III annual maintenance turnaround.

As a result of lower product availability and withdrawal of GST exemption by the Government effective March 15, 2011, urea sales were negatively impacted registering a decline of 13% compared to the corresponding period. The Company sold 546 thousand tonnes of 'Sona' urea in addition to marketing of 76 thousand tonnes granular urea and 103 thousand tonnes 'Sona' DAP on behalf of FFBL, with combined market share in urea and DAP sales of 51% and 63% respectively.

Increased gas curtailment, sluggish imports and imposition of Reform General Sales Tax on agriculture related items, including fertilizers, are likely to cause demand erosion which may have negative affects on the Country's agriculture.

With the rising fertilizer prices, we see a far greater risk to DAP demand as farmers in Pakistan have long favored urea over DAP; a bias that is typically strengthened when DAP prices are high. In our view, if the goal of balanced nutrient application is to be achieved, farmers need to be provided incentives, either by way of subsidy on DAP or increase in wheat support price.

Management is focused on growth opportunities and continues to aggressively explore ways of improving profitability. Unless gas outages start to limit our pass-through ability, we foresee another profitable year, InshAllah, for the Company.

On behalf of the Board,



CHAIRMAN
Lt Gen Hamid Rab Nawaz
HI(M), (Retired)

Los Angeles, USA
April 29, 2011



**Condensed Interim
Financial Information**

Condensed Interim Balance Sheet

As at March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	8,481,588	6,785,271
Capital reserves		160,000	160,000
Revenue reserves	5	8,545,743	8,502,276
		17,187,331	15,447,547
NON - CURRENT LIABILITIES			
Long term borrowings	6	3,264,702	3,819,405
Deferred taxation		3,166,747	3,215,821
		6,431,449	7,035,226
CURRENT LIABILITIES			
Trade and other payables		8,484,366	9,614,026
Interest and mark - up accrued		198,606	137,968
Short term borrowings		602,771	5,640,420
Current portion of long term borrowings		1,759,405	1,759,405
Taxation		4,266,675	3,426,264
		15,311,823	20,578,083
		38,930,603	43,060,856

CONTINGENCIES AND COMMITMENTS 7

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

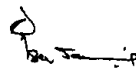
	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	8	15,405,511	15,933,588
Goodwill		1,569,234	1,569,234
Long term investments	9	7,841,891	7,870,027
Long term loans and advances		455,328	455,328
Long term deposits and prepayments		9,088	9,037
		<u>25,281,052</u>	<u>25,837,214</u>
CURRENT ASSETS			
Stores, spares and loose tools		3,100,449	2,440,201
Stock in trade		684,044	211,720
Trade debts		369,486	357,956
Loans and advances		451,244	336,269
Deposits and prepayments		316,586	50,188
Other receivables		635,712	617,664
Short term investments	10	5,966,906	12,020,581
Cash and bank balances		2,125,124	1,189,063
		<u>13,649,551</u>	<u>17,223,642</u>
		<u>38,930,603</u>	<u>43,060,856</u>



Chairman



Chief Executive



Director

Condensed Interim Profit and Loss Account (Un - Audited)

For the first quarter ended March 31, 2011

	Note	March 31, 2011 (Rupees '000)	March 31, 2010
Sales		11,100,345	9,498,815
Cost of sales	11	5,190,333	5,454,698
GROSS PROFIT		5,910,012	4,044,117
Distribution cost		1,017,579	902,550
		4,892,433	3,141,567
Finance cost		229,268	263,508
Other expenses		506,871	319,038
		4,156,294	2,559,021
Other income		1,962,730	1,262,066
NET PROFIT BEFORE TAXATION		6,119,024	3,821,087
Provision for taxation		2,010,179	1,092,000
NET PROFIT AFTER TAXATION		4,108,845	2,729,087
			Restated
Earnings per share - basic and diluted (Rupees)	12	4.84	3.22

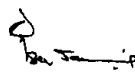
The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

Condensed Interim Statement of Comprehensive Income (Un - Audited)
For the first quarter ended March 31, 2011

	March 31, 2011	March 31, 2010
	(Rupees '000)	
Net profit after taxation	4,108,845	2,729,087
Other comprehensive income for the quarter		
Surplus / (deficit) on remeasurement of investments available for sale to fair value	6,532	(13,012)
Income tax relating to component of taxable comprehensive income	(747)	417
Other comprehensive income for the quarter - net of tax	5,785	(12,595)
Total comprehensive income for the quarter	<u>4,114,630</u>	<u>2,716,492</u>

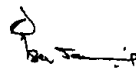
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Chairman



Chief Executive



Director

Condensed Interim Statement of Cash Flows (Un - Audited)

For the first quarter ended March 31, 2011

	Note	March 31, 2011	March 31, 2010
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	2,569,137	2,549,255
Finance cost paid		(168,630)	(247,949)
Income tax paid		(1,219,589)	(138,461)
Payment to gratuity fund		(75,241)	(63,710)
Payment to pension fund		(109,220)	(77,446)
Net cash generated from operating activities		996,457	2,021,689
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(102,711)	(394,512)
Proceeds from sale of property, plant and equipment		2,100	4,897
Interest received		249,613	134,109
(Increase) / decrease in investments		(1,016,793)	1,582,582
Dividend received		1,663,315	1,069,274
Net cash generated from investing activities		795,524	2,396,350
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings - repayments		(554,703)	(454,702)
Dividends paid		(2,386,121)	(4,224,781)
Net cash used in financing activities		(2,940,824)	(4,679,483)
Net decrease in cash and cash equivalents		(1,148,843)	(261,444)
Cash and cash equivalents at beginning of the quarter		6,423,264	2,096,060
Effect of exchange rate changes		130	16
Cash and cash equivalents at end of the quarter		5,274,551	1,834,632
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,125,124	594,093
Short term highly liquid investments		3,752,198	2,283,540
Short term running finance		(602,771)	(1,043,001)
		5,274,551	1,834,632

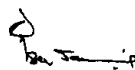
The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

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


For the first quarter ended March 31, 2011

	Share capital	Capital reserves	Revenue reserves				Total
			Surplus/ (deficit) on remeasurement of investments available for				
			sale to fair value	General reserve	Unappropriated profit		
(Rupees '000)							
Balance at January 1, 2010	6,785,271	160,000	6,970	3,739,471	2,390,730	13,082,442	
Total comprehensive income for the quarter							
Profit for the quarter after taxation	-	-	-	-	2,729,087	2,729,087	
Other comprehensive income - net of tax	-	-	(12,595)	-	-	(12,595)	
Total comprehensive income for the quarter	-	-	(12,595)	-	2,729,087	2,716,492	
Distribution to owners							
Final dividend 2009: Rs 3.25 per share	-	-	-	-	(2,205,213)	(2,205,213)	
Balance at March 31, 2010	<u>6,785,271</u>	<u>160,000</u>	<u>(5,625)</u>	<u>3,739,471</u>	<u>2,914,604</u>	<u>13,593,721</u>	
Balance at January 1, 2011	6,785,271	160,000	(5,554)	4,239,471	4,268,359	15,447,547	
Issue of bonus shares	1,696,318	-	-	(1,696,318)	-	-	
Transfer to general reserve	-	-	-	1,700,000	(1,700,000)	-	
Total comprehensive income for the quarter							
Profit for the quarter after taxation	-	-	-	-	4,108,845	4,108,845	
Other comprehensive income - net of tax	-	-	5,785	-	-	5,785	
Total comprehensive income for the quarter	-	-	5,785	-	4,108,845	4,114,630	
Distribution to owners							
Final dividend 2010: Rs 3.50 per share	-	-	-	-	(2,374,845)	(2,374,845)	
Balance at March 31, 2011	<u>8,481,589</u>	<u>160,000</u>	<u>231</u>	<u>4,243,153</u>	<u>4,302,359</u>	<u>17,187,332</u>	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Chairman



Chief Executive



Director

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

For the first quarter ended March 31, 2011

1. Fauji Fertilizer Company Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 93 - Harley Street, Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical and other manufacturing operations.

2. This condensed interim financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial report of the Company for the first quarter ended March 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2010. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended December 31, 2010 where as comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from un-audited condensed interim financial report for period ended March 31, 2010.

3. The accounting policies and the methods of computation adopted in preparation of this condensed interim financial report are the same as those applied in preparation of financial statements for the year ended December 31, 2010. The following standards, amendments and interpretations of approved accounting standards became effective during the period, however these do not have significant impact on the Company's financial statements:
 - Amendments to IFRS 7 – Financial Instruments Disclosures (effective 1 July 2010)
 - Amendments to IAS 1 – Presentation of Financial Statements (effective 1 January 2011)
 - Amendments to IAS 24 – Related Party Disclosures (effective 1 January 2011)
 - Amendments to IAS 28 – Investments in Associates (effective 1 July 2010)
 - Amendments to IAS 31 – Interests in Joint ventures (effective 1 July 2010)
 - Amendments to IAS 32 – Financial Instruments Presentation (effective 1 February 2010)
 - Amendments to IFRIC 13 – Customers Loyalty Programmes (effective 1 January 2011)
 - Amendments to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding equipments and their Interaction (effective 1 January 2011)
 - IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)

Notes to the Condensed Interim Financial Information

For the first quarter ended March 31, 2011

4. SHARE CAPITAL
ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2011	December 31, 2010		Un-audited March 31, 2011	Audited December 31, 2010
(Numbers)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
591,662,929	422,031,163	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	5,916,629	4,220,312
<u>848,158,831</u>	<u>678,527,065</u>		<u>8,481,588</u>	<u>6,785,271</u>

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2010: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2010: Rs 10,000,000 thousand).

	Note	Un-audited March 31, 2011	Audited December 31, 2010
		(Rupees '000)	
5. REVENUE RESERVES			
General reserve		4,243,153	4,239,471
Surplus / (deficit) on remeasurement of available for sale investments to fair value - net of tax		231	(5,554)
Unappropriated profit		4,302,359	4,268,359
		<u>8,545,743</u>	<u>8,502,276</u>
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	5,024,107	5,578,810
Less: Amount payable within twelve months shown as current maturity		1,759,405	1,759,405
		<u>3,264,702</u>	<u>3,819,405</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		5,578,810	6,378,214
Disbursements during the period / year		-	1,500,000
Repayments during the period / year		(554,703)	(2,299,404)
Closing balance		<u>5,024,107</u>	<u>5,578,810</u>

Notes to the Condensed Interim Financial Information

For the first quarter ended March 31, 2011

	Un-audited March 31, 2011	Audited December 31, 2010
	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS		
(a) Contingencies		
(i) Guarantees issued by banks on behalf of the Company.	17,192	17,192
(ii) Disputed demands for income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of the Company by the Income Tax Appellate Authorities, are currently in appeal by the department. The Company is confident that there are reasonable grounds for a favourable decision.	178,590	178,590
(iii) Claims against the Company and / or potential exposure not acknowledged as debt.	50,696	50,696
(iv) Company's share of contingent liabilities of Fauji Cement Company Limited.	187,685	187,685
(b) Commitments in respect of:		
(i) Capital expenditure.	1,839,900	1,412,000
(ii) Purchase of fertilizer, stores, spares and other revenue items.	74,910	333,833
(iii) Proposed investment in FFC Energy Limited.	1,163,000	1,163,000
(iv) Rentals under lease agreements:		
Premises	55,008	38,743
Vehicles	110,447	99,129
8. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	15,933,588	13,993,518
Additions	102,711	4,372,955
Written down value of disposals / adjustments	(322,818)	(1,230,520)
Depreciation	(307,970)	(1,202,365)
Closing written down value	<u>15,405,511</u>	<u>15,933,588</u>

Notes to the Condensed Interim Financial Information

For the first quarter ended March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
9. LONG TERM INVESTMENTS			
Investment in associate - at cost			
Fauji Cement Company Limited		1,500,000	1,500,000
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco (PMP)		705,925	705,925
Investment in subsidiaries - at cost			
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,752,330	4,752,330
FFC Energy Limited (FFCEL)		650,000	650,000
Investments available for sale			
Certificates of Investment		103,173	94,556
Pakistan Investment Bonds		431,531	493,775
Term Finance Certificates		134,491	130,093
		669,195	718,424
		8,277,450	8,326,679
Less: Current portion shown under short term investments	10		
Investments available for sale			
Certificates of Investment		23,367	43,086
Pakistan Investment Bonds		395,594	396,929
Term Finance Certificates		16,598	16,637
		435,559	456,652
		7,841,891	7,870,027
10. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency		3,750,000	9,800,000
Foreign currency		1,069,095	1,074,621
Investments at fair value through profit or loss - Held for trading		712,252	689,308
Current maturity of long term investments - Available for sale	9	435,559	456,652
		5,966,906	12,020,581

Notes to the Condensed Interim Financial Information (Un - Audited)
For the first quarter ended March 31, 2011

	March 31, 2011	March 31, 2010
	(Rupees '000)	
11. COST OF SALES		
Raw materials consumed	1,852,809	1,989,765
Fuel and power	1,367,177	1,501,065
Chemicals and supplies	75,672	56,980
Salaries, wages and benefits	867,714	807,445
Training and employees welfare	124,706	99,788
Rent, rates and taxes	2,593	7,746
Insurance	37,873	37,779
Travel and conveyance	61,902	42,527
Repairs and maintenance	482,711	367,213
Depreciation	301,776	285,274
Communication and other expenses	285,269	185,133
Opening stock - work in process	28,074	37,186
Closing stock - work in process	(45,471)	(24,860)
Cost of goods manufactured	5,442,805	5,393,041
Add: Opening stock of manufactured urea	105,609	73,353
Less: Closing stock of manufactured urea	(368,371)	(97,358)
	(262,762)	(24,005)
Cost of sales of own manufactured urea	5,180,043	5,369,036
Opening stock of purchased fertilizers	-	-
Purchase of fertilizers for resale	195,191	354,084
	195,191	354,084
Less: Closing stock of purchased fertilizers	(184,901)	(268,422)
Cost of sales of purchased fertilizers	10,290	85,662
	5,190,333	5,454,698
12. EARNINGS PER SHARE		
Net profit after tax (Rupees '000)	4,108,845	2,729,087
Weighted average number of shares in issue during the period - (Number '000)	848,159	848,159
Basic and diluted earnings per share (Rupees)	4.84	3.22

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

Number of shares in issue during the period ended March 31, 2010 have been restated for the effect of bonus shares issued subsequent to that date.

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

For the first quarter ended March 31, 2011

	March 31, 2011	March 31, 2010
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	6,119,024	3,821,087
Adjustments for:		
Depreciation	306,925	290,626
Provision for gratuity	28,708	21,208
Provision for pension	25,397	18,076
Provision for Workers' Profit Participation Fund	328,495	205,132
Provision for Workers' Welfare Fund	122,380	76,422
Finance cost	229,268	263,508
Gain on sale of property, plant and equipment	(1,886)	(4,730)
Income on loans, deposits and investments	(272,133)	(149,452)
Exchange loss	5,526	2,071
Gain on remeasurement of investment at fair value through profit or loss	(22,943)	(23,795)
Dividend income	(1,663,315)	(1,069,274)
	(913,578)	(370,208)
	5,205,446	3,450,879
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(357,643)	(14,792)
Stock in trade	(472,324)	(345,579)
Trade debts	(11,530)	(1,857)
Loans and advances	(94,975)	(19,487)
Deposits and prepayments	(266,398)	(164,254)
Other receivables	4,611	115,066
Decrease in current liabilities		
Trade and other payables	(1,437,999)	(405,028)
	(2,636,258)	(835,931)
Changes in long term loans and advances	-	(64,936)
Changes in long term deposits and prepayments	(51)	(757)
	2,569,137	2,549,255

Notes to the Condensed Interim Financial Information (Un - Audited)
For the first quarter ended March 31, 2011

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

There is no change in relationship with the related parties. Significant transactions and balances with the related parties are as follows:

	March 31, 2011	March 31, 2010
	(Rupees '000)	
Transactions with the subsidiary companies		
Marketing of fertilizer on behalf of subsidiary company under sale on consignment basis	95,107	90,856
Commission on sale of subsidiary company's products	3,596	4,171
Services and materials provided	37,988	12,933
Services and materials received	-	85
Dividend income	1,663,315	1,069,274
Balance payable - unsecured	208,512	- *
Transactions with associated undertakings / companies due to common directorship		
Medical services	68	35
Office rent	1,029	952
Dividend paid	1,053,244	1,873,690
Purchase of gas as feed and fuel stock	2,839,977	3,185,115
Others	3,604	179
Balance receivable - unsecured	41,307	2,772 *
Balance payable - unsecured	-	550,892 *
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2011: 1 and 443 (2010: 1 and 406) respectively.		
	668,710	567,487
Payments to:		
Employees' Provident Fund Trust	53,740	49,362
Employees' Gratuity Fund Trust	75,241	63,710
Employees' Pension Fund Trust	109,220	77,446
Others:		
Balance payable / (receivable) - unsecured	1,209,584	(747,550) *

* Comparative figures of receivable / payable balances are as of December 31, 2010.

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

For the first quarter ended March 31, 2011

15 GENERAL

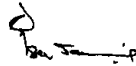
- 15.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.2 The Board of Directors in its meeting held on April 29, 2011 has proposed first interim dividend of Rs 4.50 per share.
- 15.3 This condensed interim financial report has been authorised for issue by the Board of Directors of the Company on April 29, 2011.



Chairman



Chief Executive



Director



**Condensed Interim
Consolidated
Financial Information**

Condensed Interim Balance Sheet

As at March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
EQUITY AND LIABILITIES			
Attributable to Equity Holders of Fauji Fertilizer Company Limited			
Share capital	4	8,481,589	6,785,271
Capital reserves		868,364	973,083
Revenue reserves	5	8,709,475	9,522,587
		18,059,428	17,280,941
Non-controlling Interests		5,096,531	5,988,208
TOTAL EQUITY		23,155,959	23,269,149
NON - CURRENT LIABILITIES			
Long term borrowings	6	7,153,905	7,708,608
Deferred taxation		6,971,373	7,080,897
		14,125,278	14,789,505
CURRENT LIABILITIES			
Trade and other payables		17,727,211	18,072,420
Interest and mark-up accrued		283,586	294,063
Short term borrowings		4,098,842	11,293,144
Current portion of long term:			
- Financing		1,863,641	1,967,877
- Murabaha		9,671	19,338
- Loans		648,201	648,201
Taxation		4,854,077	3,663,165
		29,485,229	35,958,208
		66,766,466	74,016,862

CONTINGENCIES AND COMMITMENTS 7

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

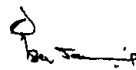
	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	8	30,323,201	31,057,091
Goodwill		1,569,234	1,569,234
Equity accounted investments	9.1	4,725,910	4,859,358
Other long term investments	9.2	233,636	261,772
Long term loans and advances		455,328	455,328
Long term deposits and prepayments		85,400	85,349
		<u>37,392,709</u>	<u>38,288,132</u>
CURRENT ASSETS			
Stores, spares and loose tools		5,116,516	4,342,439
Stock in trade		2,421,833	1,482,387
Trade debts		1,172,692	1,187,941
Loans and advances		565,684	450,631
Deposits and prepayments		418,304	64,170
Other receivables		521,594	856,429
Short term investments	10	7,666,906	13,270,581
Cash and bank balances		11,490,228	14,074,152
		<u>29,373,757</u>	<u>35,728,730</u>
		<u>66,766,466</u>	<u>74,016,862</u>



Chairman



Chief Executive



Director

Condensed Interim Consolidated Profit and Loss Account (Un - Audited)

For the first quarter ended March 31, 2011

	Note	March 31, 2011	March 31, 2010
(Rupees '000)			
Sales		19,158,420	16,069,122
Cost of sales	11	10,497,030	10,211,045
GROSS PROFIT		8,661,390	5,858,077
Administrative expenses and distribution cost		1,500,299	1,416,480
		7,161,091	4,441,597
Finance cost		336,615	362,245
Other expenses		677,906	413,764
		6,146,570	3,665,588
Other income		628,199	415,672
Share of profit / (loss) of associate and joint venture		18,198	(136,302)
NET PROFIT BEFORE TAXATION		6,792,967	3,944,958
Provision for taxation		2,775,461	1,520,413
NET PROFIT AFTER TAXATION		4,017,506	2,424,545
ATTRIBUTABLE TO:			
Equity holders of			
Fauji Fertilizer Company Limited		3,252,266	2,027,305
Non-controlling interests		765,240	397,240
		4,017,506	2,424,545

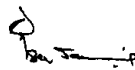
The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un - Audited)
For the first quarter ended March 31, 2011

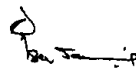
	March 31, 2011	March 31, 2010
	(Rupees '000)	
Net profit after taxation	4,017,506	2,424,545
Other comprehensive income for the quarter		
Exchange difference on translating foreign investment	(155,715)	20,355
Surplus / (deficit) on remeasurement to fair value of investments available for sale	6,532	(13,012)
	(149,183)	7,343
Income tax relating to component of other comprehensive income	(747)	417
Other comprehensive income for the quarter - net of tax	(149,930)	7,760
Total comprehensive income for the quarter	<u>3,867,576</u>	<u>2,432,305</u>
ATTRIBUTABLE TO:		
Equity holders of Fauji Fertilizer Company Limited	3,153,332	2,028,399
Non-controlling interests	714,244	403,906
	<u>3,867,576</u>	<u>2,432,305</u>



Chairman



Chief Executive



Director

Condensed Interim Consolidated Statement of Cash Flows (Un - Audited)

For the first quarter ended March 31, 2011

	Note	March 31, 2011	March 31, 2010
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	4,466,692	3,584,107
Finance cost paid		(368,078)	(402,668)
Income tax paid		(1,703,525)	(1,202,261)
Payment to Gratuity Fund		(75,241)	(63,710)
Compensated absences paid		(3,058)	(3,052)
Payment to Pension Fund		(109,220)	(77,446)
Payment to Workers' Profit Participation Fund		(71,005)	(53,549)
		(2,330,127)	(1,802,686)
Net cash generated from operating activities		2,136,565	1,781,421
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(230,171)	(517,330)
Proceeds from sale of property, plant and equipment		2,987	8,488
Interest received		328,826	297,584
Decrease in investments		(774,192)	1,966,084
Net cash (used in) / generated from investing activities		(672,550)	1,754,826
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(658,939)	(558,938)
Long term murabaha - repayments		(9,670)	(9,670)
Dividends paid		(2,849,544)	(4,975,565)
Net cash used in financing activities		(3,518,153)	(5,544,173)
Net decrease in cash and cash equivalents		(2,054,138)	(2,007,926)
Cash and cash equivalents at beginning of the quarter		14,897,592	8,413,641
Effect of exchange rate changes		130	16
Cash and cash equivalents at end of the quarter		12,843,584	6,405,731
CASH AND CASH EQUIVALENTS			
Cash and bank balances		11,490,228	8,796,442
Short term running finances		(4,098,842)	(5,424,251)
Short term highly liquid investments		5,452,198	3,033,540
		12,843,584	6,405,731

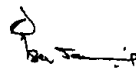
The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.



Chairman



Chief Executive



Director

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


For the first quarter ended March 31, 2011

	Attributable to equity holders of Fauji Fertilizer Company Limited							Non-controlling interests	Total
	Capital reserves			Revenue reserves					
	Share capital	Capital reserves	Translation reserve	Statutory reserve	Surplus / (deficit) on remeasurement of available for sale				
					investments to fair value	General reserve	Unappropriated profit		
(Rupees '000)									
Balance at January 01, 2010	6,785,271	276,184	704,115	6,436	6,970	3,739,471	2,580,220	5,237,334	19,336,001
Total comprehensive income for the quarter									
Profit for the period after taxation	-	-	-	-	-	-	2,027,305	397,240	2,424,545
Other comprehensive income									
Total other comprehensive income for the quarter	-	-	13,689	-	(12,595)	-	-	6,666	7,760
Total comprehensive income for the quarter - net of tax	-	-	13,689	-	(12,595)	-	2,027,305	403,906	2,432,305
Distributions to owners									
FFC dividends:									
Final dividend 2009: Rs 3.25 per share	-	-	-	-	-	-	(2,205,213)	-	(2,205,213)
Dividend to FFBL non-controlling interest holders:									
Final dividend 2009: Rs 2.25 per share	-	-	-	-	-	-	-	(1,032,472)	(1,032,472)
Total transactions with owners	-	-	-	-	-	-	(2,205,213)	(1,032,472)	(3,237,685)
Balance as at March 31, 2010	<u>6,785,271</u>	<u>276,184</u>	<u>717,804</u>	<u>6,436</u>	<u>(5,625)</u>	<u>3,739,471</u>	<u>2,402,312</u>	<u>4,608,768</u>	<u>18,530,621</u>
Balance at January 01, 2011	6,785,271	276,184	690,463	6,436	(5,554)	4,239,471	5,288,670	5,988,208	23,269,149
Total comprehensive income for the quarter									
Issue of bonus shares	1,696,318	-	-	-	-	(1,696,318)	-	-	-
Transfer to general reserve	-	-	-	-	-	1,700,000	(1,700,000)	-	-
Profit for the period after taxation	-	-	-	-	-	-	3,252,266	765,240	4,017,506
Other comprehensive income									
Total other comprehensive income for the quarter	-	-	(104,719)	-	5,785	-	-	(50,996)	(149,930)
Total comprehensive income for the quarter - net of tax	-	-	(104,719)	-	5,785	-	3,252,266	714,244	3,867,576
Distributions to owners									
FFC dividends:									
Final dividend 2010: Rs 3.50 per share	-	-	-	-	-	-	(2,374,845)	-	(2,374,845)
Dividend to FFBL non-controlling interest holders:									
Final dividend 2010: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)	(1,605,921)
Total transactions with owners	-	-	-	-	-	-	(2,374,845)	(1,605,921)	(3,980,766)
Balance as at March 31, 2011	<u>8,481,589</u>	<u>276,184</u>	<u>585,744</u>	<u>6,436</u>	<u>231</u>	<u>4,243,153</u>	<u>4,466,091</u>	<u>5,096,531</u>	<u>23,155,959</u>

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



Chairman



Chief Executive



Director

Notes to the Condensed Interim Consolidated Financial Information (Un - Audited)
For the first quarter ended March 31, 2011

1. Fauji Fertilizer Company Limited (hereinafter referred to as 'FFC' or 'parent company') and its subsidiaries, Fauji Fertilizer Bin Qasim Limited (FFBL) and FFC Energy Limited (FFCEL), collectively referred to as 'the group' are incorporated in Pakistan as public limited companies. Shares of FFC and FFBL are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered offices of the group are situated in Rawalpindi, Pakistan. The principal activities of FFC and FFBL are manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations while FFCEL is engaged in generation of electricity through wind energy and its onward supply to National Transmission & Dispatch Company (NTDC).
2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended March 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
3. This condensed interim consolidated financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended December 31, 2010. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2010 where as comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flows and condensed interim consolidated statement of changes in equity are stated from un-audited condensed interim consolidated financial report for the period ended March 31, 2010.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

March 31, 2011	December 31, 2010		Un-audited March 31, 2011	Audited December 31, 2010
(Numbers)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
591,662,929	422,031,163	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	5,916,629	4,220,312
<u>848,158,831</u>	<u>678,527,065</u>		<u>8,481,588</u>	<u>6,785,271</u>

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2010: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2010: Rs 10,000,000 thousand).

Notes to the Condensed Interim Consolidated Financial Information

For the first quarter ended March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
5. REVENUE RESERVES			
General reserve		4,243,153	4,239,471
Surplus / (deficit) on remeasurement of available for sale investments to fair value - net of tax		231	(5,554)
Unappropriated profit		4,466,091	5,288,670
		<u>8,709,475</u>	<u>9,522,587</u>
6. LONG TERM BORROWINGS			
Long term financing - secured	6.1	5,128,343	5,787,282
Long term murabaha - secured	6.2	9,671	19,338
Long term loan - Government of Pakistan loan FFBL (Un-secured)	6.3	4,537,404	4,537,404
		<u>9,675,418</u>	<u>10,344,024</u>
Less: Amount payable within twelve months shown as current maturity		2,521,513	2,635,416
		<u>7,153,905</u>	<u>7,708,608</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		5,787,282	7,003,630
Disbursements during the period / year		-	1,500,000
Repayments during the period / year		(658,939)	(2,716,348)
Closing balance		<u>5,128,343</u>	<u>5,787,282</u>
6.2 Movement in this account during the period / year is as follows:			
Opening balance		19,338	58,017
Repayments during the period / year		(9,667)	(38,679)
Closing balance		<u>9,671</u>	<u>19,338</u>
6.3 Movement in this account during the period / year is as follows:			
Opening balance		4,537,404	5,185,605
Adjustment during the period / year		-	(648,201)
Closing balance		<u>4,537,404</u>	<u>4,537,404</u>

Notes to the Condensed Interim Consolidated Financial Information
For the first quarter ended March 31, 2011

	Un-audited March 31, 2011	Audited December 31, 2010
	(Rupees '000)	
7. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees issued by banks on behalf of the Group companies.	42,289	52,896
ii) Disputed demand for income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of FFC by the Income Tax Appellate Authorities, are currently in appeal by the department. FFC is confident that there are reasonable grounds for a favourable decision.	178,590	178,590
iii) Income tax demands, not acknowledged as debt, have been challenged by FFBL and are currently in appeal; FFBL expects favourable outcome of appeal.	96,390	96,390
iv) Claims against FFC and / or potential exposure not acknowledged as debt.	50,696	50,696
v) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plant site.	119,650	119,650
vi) Group's share of contingencies in Fauji Cement Company Limited.	206,784	206,784
b) Commitments		
i) Capital expenditure (including commitments relating to FFCEL).	12,032,219	11,633,786
ii) Purchase of fertilizer, stores, spares and other revenue items.	2,207,558	1,564,881
iii) Group's share of commitments of PMP.	17,175	16,154
iv) FFC proposed investment in FFC Energy Limited.	1,163,000	1,163,000
v) FFBL's share of commitments for investment in wind power projects.	5,000,000	5,000,000
vi) Rentals under lease agreements:		
Premises	55,008	38,743
Vehicles	110,447	99,129

Notes to the Condensed Interim Consolidated Financial Information

For the first quarter ended March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		31,057,091	29,570,418
Additions during the period / year		230,834	5,247,312
Written down value of disposals / adjustments		(323,598)	(1,243,684)
Depreciation during the period / year		(641,126)	(2,516,955)
Closing written down value		<u>30,323,201</u>	<u>31,057,091</u>
9. LONG TERM INVESTMENTS			
Equity accounted investments	9.1	4,725,910	4,859,358
Other long term investments	9.2	233,636	261,772
		<u>4,959,546</u>	<u>5,121,130</u>
9.1 Equity accounted investments			
Investment in associated company			
Fauji Cement Company Limited			
Cost of investment		1,800,000	1,800,000
Share of post acquisition profits		208,170	191,898
Share of profit for the period / year		18,198	16,272
Balance as at March 31, 2011		2,026,368	2,008,170
Investment in joint venture			
Pakistan Maroc Phosphore S.A., Morocco			
Cost of investments		2,117,075	2,117,075
Post acquisition losses brought forward		(292,594)	(420,001)
Share of profit for the period / year		-	177,158
Dividend		-	(49,751)
Gain on translation of net assets		875,061	1,026,707
Balance as at March 31, 2011		<u>2,699,542</u>	<u>2,851,188</u>
		<u>4,725,910</u>	<u>4,859,358</u>
9.2 Other long term investments			
Investments available for sale			
Certificates of Investment		103,173	94,556
Pakistan Investment Bonds		431,531	493,775
Term Finance Certificates		134,491	130,093
Arabian Sea Country Club Limited (ASCCL) (300,000 shares of Rs 10 each)		3,000	3,000
Less: Impairment in value of investment		(3,000)	(3,000)
		-	-
		669,195	718,424
Less: Current portion shown under short term investments			
	10		
Investments available for sale			
Certificates of Investment		23,367	43,086
Pakistan Investment Bonds		395,594	396,929
Term Finance Certificates		16,598	16,637
		435,559	456,652
		<u>233,636</u>	<u>261,772</u>

Notes to the Condensed Interim Consolidated Financial Information
For the first quarter ended March 31, 2011

	Note	Un-audited March 31, 2011	Audited December 31, 2010
(Rupees '000)			
10. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency		3,750,000	9,800,000
Foreign Currency		1,069,095	1,074,621
Investments at fair value through profit or loss - Held for trading		712,252	689,308
Loans and receivables at amortised cost		1,700,000	1,250,000
Current maturity of long term investments	9.2	435,559	456,652
		<u>7,666,906</u>	<u>13,270,581</u>
(Rupees '000)			
		Un-audited March 31, 2011	Un-audited March 31, 2010
11. COST OF SALES			
Raw materials consumed		6,460,415	5,731,807
Fuel and power		1,769,262	1,969,189
Chemicals and supplies		129,752	95,137
Salaries, wages and benefits		1,175,656	1,075,696
Training and employees welfare		124,706	99,788
Rent, rates and taxes		7,321	15,501
Insurance		63,753	57,840
Travel and conveyance		90,121	61,495
Repairs and maintenance		846,333	888,834
Depreciation		629,368	597,533
Communication and other expenses		311,827	193,157
Opening stock - work in process		57,567	42,326
Closing stock - work in process		(85,853)	(51,977)
Cost of goods - manufactured		<u>11,580,228</u>	<u>10,776,326</u>
Add: Opening stock of manufactured fertilizers		354,204	244,279
Less: Closing stock of manufactured fertilizers		(1,447,692)	(895,222)
		<u>(1,093,488)</u>	<u>(650,943)</u>
Cost of sales of own manufactured fertilizers		<u>10,486,740</u>	<u>10,125,383</u>
Opening stock of purchased fertilizers		-	-
Purchase of fertilizers for resale		195,191	354,084
		<u>195,191</u>	<u>354,084</u>
Less: Closing stock of purchased fertilizers		(184,901)	(268,422)
Cost of sale of purchased fertilizers		<u>10,290</u>	<u>85,662</u>
		<u>10,497,030</u>	<u>10,211,045</u>

Notes to the Condensed Interim Consolidated Financial Information (Un - Audited)

For the first quarter ended March 31, 2011

	March 31, 2011	March 31, 2010
	(Rupees '000)	
12. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	6,792,967	3,944,958
Adjustments for:		
Depreciation	640,081	604,794
Provision for gratuity	43,070	29,465
Provision for pension	25,397	18,076
Provision for Workers' Profit Participation Fund	453,103	271,714
Provision for Workers' Welfare Fund	168,085	104,379
Provision for compensated absences	31,723	8,439
Finance cost	358,741	364,431
Income on loans, deposits and investments	(356,603)	(242,857)
Share of (profit) / loss of associate and joint venture	(18,198)	136,302
(Gain) / loss on sale of property, plant and equipment	(1,993)	72
Exchange gain	(16,600)	(115)
Gain on remeasurement of investments at fair value through profit or loss	(265,544)	(148,147)
	<u>1,061,262</u>	<u>1,146,553</u>
	7,854,229	5,091,511
(Increase) / decrease in current assets:		
Stores and spares	(357,643)	31,909
Stock in trade	(472,324)	(351,709)
Trade debts	(11,530)	222,800
Loans and advances	(94,975)	(16,424)
Deposits and prepayments	(266,398)	(221,466)
Other receivables	3,322	283,406
Decrease in current liabilities:		
Trade and other payables	(2,187,938)	(1,390,227)
	<u>(3,387,486)</u>	<u>(1,441,711)</u>
Changes in long term loans and advances	-	(64,936)
Changes in long term deposits and prepayments	(51)	(757)
	<u>4,466,692</u>	<u>3,584,107</u>

Notes to the Condensed Interim Consolidated Financial Information (Un - Audited)
For the first quarter ended March 31, 2011

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

There is no change in relationship with the related parties. Significant transactions and balances with the related parties are as follows:

	March 31, 2011	March 31, 2010
	(Rupees '000)	
Transactions with associated undertakings / companies due to common directorship		
Rent charged to Group Companies	1,276	1,199
Dividends paid	1,416,622	2,237,068
Medical services	68	35
Purchase of gas as feed and fuel stock	2,839,977	3,185,115
Others	3,604	179
Balance payable - unsecured	-	550,892 *
Balance receivable - unsecured	41,307	2,772 *
Transactions with joint venture company		
Raw material purchased	3,520,875	2,298,018
Expenses incurred on behalf of joint venture company	7,078	7,267
Balances payable at the year end - secured	2,199,885	3,347,622 *
Balance receivable at the year end - secured	16,876	21,376 *
Other related parties		
Remuneration including benefits and perquisites of Chief Executives and Executives, No. of persons 2011: 2 and 617 (2010: 2 and 578).	891,396	790,173
Payments to:		
Employees' Provident Fund Trust	60,302	55,924
Employees' Gratuity Fund Trust	83,498	71,967
Employees' Pension Fund Trust	109,220	77,446
Workers' Profit Participation Fund	53,549	53,549
Others:		
Balances payable - unsecured	1,585,110	1,181,287 *

* Comparative figures of receivable / payable balances are as of December 31, 2010.

14. GENERAL

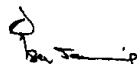
- 14.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2** The Board of Directors of FFC in its meeting held on April 29, 2011 has proposed a first interim dividend of Rs 4.50 per share while a dividend of Rs 1.25 per share has been proposed by the Board of Directors of FFBL on April 25, 2011.
- 14.3** This condensed interim consolidated financial report has been authorised for issue by the Board of Directors of FFC on April 29, 2011.



Chairman



Chief Executive



Director