

Quarterly FINANCIAL STATEMENTS

September 30, 2010 (Un-Audited)



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 Khizar Hayat Khan
Maj Gen Zahid Parvez, HI(M) (Retired)
Brig Agha Ali Hassan, SI(M) (Retired)
Mr Wazir Ali Khoja

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: ffcryp@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: ffcryp@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: +92-723-651021-24, Fax: +92-723-651102

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

Ms 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 Nine Months Ended September 30, 2010

These are challenging times for the Country which is facing economic problems due to the unprecedented flooding and devastation. Considerable effort is being made for rehabilitation of the affectees and FFC is playing its part by contributing towards the relief efforts.

During the nine months period under review, production of urea was recorded at 1,865 thousand tonnes (capacity utilization 121%) compared to 1,869 thousand tonnes produced last year. This was despite gas curtailment imposed by the Government on Fertilizer Industry, initially for the period May - July 2010, later extended till the end of October. There are now indications that our plants could be subjected to further gas curtailment.

'Sona' sales were recorded at 1,644 thousand tonnes, lower by 12% compared to 1,859 thousand tonnes sold during the same period last year as a result of the floods. The aggregate urea market share of the Company declined to 48% from 50% achieved last year mainly attributed to Industry capacity enhancement. Sales of 'Sona' DAP also declined by 40% compared to sales during the corresponding period of last year.

Aggregate sales revenue of the Company for the nine months was Rs 28.5 billion, surpassing revenue earned last year by 11%, whereas, net profit after tax was recorded at Rs 7.02 billion translating into an EPS of Rs 10.35, 6% higher than last year.

Considering the record results for the nine months, the Board is pleased to announce third interim cash dividend of 20% (Rs 2.00 per share) to take the total payout to 95% (Rs 9.50 per share) for 2010.

In the wake of the floods, the road to economic recovery and social rehabilitation is challenging and difficult. The Company will continue to play its role towards this effort as a good corporate citizen. We also hope to maintain our growth despite adversity due to the sound fundamentals of the fertilizer market.

On behalf of the Board,



CHAIRMAN

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

Rome, Italy
October 28, 2010



Condensed Interim Financial Information

Condensed Interim Balance Sheet

As at September 30, 2010

	Note	Un - audited September 30, 2010	Audited December 31, 2009
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	6,785,271	6,785,271
Capital reserves		160,000	160,000
Revenue reserves	5	5,862,060	6,137,171
		12,807,331	13,082,442
NON - CURRENT LIABILITIES			
Long term borrowings	6	2,804,405	4,578,809
Deferred taxation		2,975,772	3,035,757
		5,780,177	7,614,566
CURRENT LIABILITIES			
Trade and other payables		9,718,077	8,002,897
Interest and mark - up accrued		215,984	147,329
Short term borrowings		4,866,783	6,088,348
Current portion of long term borrowings		2,499,405	1,799,405
Taxation		2,122,322	1,816,595
		19,422,571	17,854,574
		38,010,079	38,551,582

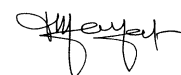
CONTINGENCIES AND COMMITMENTS 7

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

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	8	14,470,060	13,993,518
Goodwill		1,569,234	1,569,234
Long term investments	9	7,910,642	7,727,528
Long term loans and advances		519,099	337,541
Long term deposits and prepayments		7,665	6,305
		24,476,700	23,634,126
CURRENT ASSETS			
Stores, spares and loose tools		3,191,855	2,996,633
Stock in trade		4,237,628	144,087
Trade debts		426,478	256,886
Loans and advances		445,964	130,219
Deposits and prepayments		119,154	37,653
Other receivables		838,652	734,062
Short term investments	10	1,998,363	6,768,568
Cash and bank balances		2,275,285	3,849,348
		13,533,379	14,917,456
		38,010,079	38,551,582



Chairman



Chief Executive




Director

Condensed Interim Profit and Loss Account (Un - Audited) For the period ended September 30, 2010

	Note	For the quarter ended		For the period ended	
		September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
		(Rupees '000)		(Rupees '000)	
Sales		8,558,848	8,836,790	28,505,471	25,733,642
Cost of sales	11	4,674,611	4,925,925	15,787,685	14,207,282
GROSS PROFIT		3,884,237	3,910,865	12,717,786	11,526,360
Distribution cost		1,000,263	809,239	2,869,476	2,317,330
		2,883,974	3,101,626	9,848,310	9,209,030
Finance cost		343,912	306,409	837,633	826,268
Other expenses		345,025	275,194	975,022	895,476
		2,195,037	2,520,023	8,035,655	7,487,286
Other income		715,587	510,788	2,240,320	2,075,514
NET PROFIT BEFORE TAXATION		2,910,624	3,030,811	10,275,975	9,562,800
Provision for taxation		991,000	940,000	3,255,000	2,924,000
NET PROFIT AFTER TAXATION		1,919,624	2,090,811	7,020,975	6,638,800
Earnings per share - basic and diluted (Rupees)	12	2.83	3.08	10.35	9.78

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 period ended September 30, 2010

	For the quarter ended		For the period ended	
	September	September	September	September
	30, 2010	30, 2009	30, 2010	30, 2009
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	1,919,624	2,090,811	7,020,975	6,638,800
Other comprehensive income for the period				
Surplus / (deficit) on remeasurement of investments available for sale at fair value	5,543	(6,600)	(3,906)	35,167
Income tax relating to component of other comprehensive income	1,131	2,307	1,986	(12,006)
Other comprehensive income for the period - net of tax	6,674	(4,293)	(1,920)	23,161
Total comprehensive income for the period	<u>1,926,298</u>	<u>2,086,518</u>	<u>7,019,055</u>	<u>6,661,961</u>

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


Chairman


Chief Executive



Director

Condensed Interim Statement of Cash Flows (Un - Audited) For the period ended September 30, 2010

	Note	September 30, 2010	September 30, 2009
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	8,458,293	9,214,515
Finance cost paid		(768,978)	(824,177)
Income tax paid		(3,007,274)	(1,732,863)
Payment to gratuity fund		(63,710)	(74,715)
Payment to pension fund		(77,446)	(78,963)
Payment to workers' welfare fund		—	(200,821)
Receipt from workers' profit participation fund		—	81,671
Net cash generated from operating activities		4,540,885	6,384,647
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,351,697)	(1,594,636)
Proceeds from sale of property, plant and equipment		7,831	11,634
Interest received		318,996	401,393
Decrease in investments		1,272,551	603,601
Dividends received		1,970,034	1,306,891
Net cash generated from investing activities		2,217,715	728,883
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term borrowings		(1,074,404)	(578,036)
Dividends paid		(9,281,974)	(6,394,313)
Net cash used in financing activities		(10,356,378)	(6,972,349)
Net (decrease) / increase in cash and cash equivalents		(3,597,778)	141,181
Cash and cash equivalents at beginning of the period		2,096,060	739,929
Effect of exchange rate changes		—	693
Cash and cash equivalents at end of the period		(1,501,718)	881,803
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,275,285	743,253
Short term highly liquid investments		1,089,780	1,142,118
Short term running finance		(4,866,783)	(1,003,568)
		(1,501,718)	881,803

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 period ended September 30, 2010

	Revenue reserves					
	Surplus on					
	remeasurement					
	of investments					
	available for					
	Share	Capital	sale to	General	Unappropriated	Total
	capital	reserves	fair value	reserve	profit	
	(Rupees' 000')					
Balance as at January 1, 2009	4,934,742	160,000	(23,121)	5,840,000	1,373,592	12,285,213
Transfer from general reserve	-	-	-	(250,000)	250,000	-
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	6,638,800	6,638,800
Other comprehensive income - net of tax	-	-	23,161	-	-	23,161
Total comprehensive income for the period	-	-	23,161	-	6,638,800	6,661,961
Distribution to owners						
Bonus shares issued	1,850,529	-	-	(1,850,529)	-	-
Final dividend 2008: Rs 3.25 per share	-	-	-	-	(1,603,791)	(1,603,791)
First interim dividend 2009: Rs 4.30 per share	-	-	-	-	(2,652,424)	(2,652,424)
Second interim dividend 2009: Rs 2.60 per share	-	-	-	-	(1,764,171)	(1,764,171)
Total transactions with owners	1,850,529	-	-	(1,850,529)	(6,020,386)	(6,020,386)
Balance as at September 30, 2009	6,785,271	160,000	40	3,739,471	2,242,006	12,926,788
Balance as at January 01, 2010	6,785,271	160,000	6,970	3,739,471	2,390,730	13,082,442
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	7,020,975	7,020,975
Other comprehensive income - net of tax	-	-	(1,920)	-	-	(1,920)
Total comprehensive income for the period	-	-	(1,920)	-	7,020,975	7,019,055
Transfer to general reserve	-	-	-	500,000	(500,000)	-
	-	-	(1,920)	500,000	6,520,975	7,019,055
Distribution to owners						
Final dividend 2009: Rs 3.25 per share	-	-	-	-	(2,205,213)	(2,205,213)
First interim dividend 2010: Rs 4.00 per share	-	-	-	-	(2,714,108)	(2,714,108)
Second interim dividend 2010: Rs 3.50 per share	-	-	-	-	(2,374,845)	(2,374,845)
Total transactions with owners	-	-	-	-	(7,294,166)	(7,294,166)
Balance as at September 30, 2010	6,785,271	160,000	5,050	4,239,471	1,617,539	12,807,331

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 period ended September 30, 2010

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 period ended September 30, 2010 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, 2009. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended December 31, 2009 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 unaudited condensed interim financial report for period ended September 30, 2009.

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, 2009. 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:
 - Revised IFRS 3 Business Combinations (effective July 01, 2009)
 - Amended IAS 27 Consolidated and Separate Financial Statements (effective July 01, 2009)
 - Amendments to IFRS 5 Non - current Assets Held for Sale and Discontinued Operations (effective July 01, 2009)
 - Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective July 01, 2009)
 - IFRIC – 17 Distributions of Non - cash Assets to Owners (effective July 01, 2009)
 - Amendments to IFRS 2 Share - based payments and IFRS 3 Business Combinations (effective July 01, 2009)
 - Amendments to IAS 38 Intangible Assets (effective July 01, 2009)
 - Amendments to IFRIC 9 Reassessment of Embedded Derivatives (effective July 01, 2009)
 - Amendments to IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective July 01, 2009)
 - Amendments to IFRS 5 Non - current Assets Held for Sale and Discontinued Operations (effective January 01, 2010)
 - Amendments to IFRS 8 Operating Segments (effective January 01, 2010)

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2010

- Amendments to IAS 1 Presentation of Financial Statements (effective January 01, 2010)
- Amendments to IAS 7 Statement of Cash Flows (effective January 01, 2010)
- Amendments to IAS 17 Leases (effective January 01, 2010)
- Amendments to IAS 36 Impairment of Assets (effective January 01, 2010)
- Amendments to IAS 39 Financial Instruments (effective January 01, 2010)
- Amendments to IFRS 1 First - time Adoption of International Financial Reporting Standards – Additional Exemptions for First - time Adopters (effective January 01, 2010)
- Amendments to IFRS 2 Share - based Payment – Group Cash-settled Share - based Payment Transactions (effective January 01, 2010)
- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective January 01, 2010)

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2010	December 31, 2009		Un-audited September 30, 2010	Audited December 31, 2009
(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
422,031,163	422,031,163	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	4,220,312	2,220,312
<u>678,527,065</u>	<u>678,527,065</u>		<u>6,785,271</u>	<u>6,785,271</u>

AUTHORISED SHARE CAPITAL

This represents 1,000,000,000 (2009: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2009: Rs 10,000,000 thousand).

5. REVENUE RESERVES

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees '000)	
General reserve	4,239,471	3,739,471
Surplus on remeasurement of available for sale investments to fair value - net of tax	5,050	6,970
Unappropriated profit	1,617,539	2,390,730
	<u>5,862,060</u>	<u>6,137,171</u>

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2010

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	5,303,810	6,378,214
Less: Amount payable within twelve months shown as current maturity		2,499,405	1,799,405
		<u>2,804,405</u>	<u>4,578,809</u>
6.1 Movement in this account during the period / year is as follows:			
Opening balance		6,378,214	6,121,250
Disbursements during the period / year		—	1,000,000
Repayments during the period / year		(1,074,404)	(743,036)
Closing balance		<u>5,303,810</u>	<u>6,378,214</u>
7. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company.		17,192	17,192
(ii) Disputed demand 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.		2,086,759	1,930,397
(ii) Purchase of fertilizer, stores, spares and other revenue items.		436,240	200,789
(iii) Rentals under lease agreements:			
Premises		54,698	73,758
Vehicles		101,903	185,512

Notes to the Condensed Interim Financial Information

For the period ended September 30, 2010

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		13,993,518	12,730,813
Additions		1,351,697	2,344,280
Written down value of disposals / adjustments		(729)	(4,897)
Depreciation		(874,426)	(1,076,678)
Closing written down value		14,470,060	13,993,518
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)	9.1	450,000	–
Investments available for sale			
Certificates of Investment		88,998	155,402
Pakistan Investment Bonds		596,491	602,164
Term Finance Certificates		147,250	145,493
		832,739	903,059
		8,240,994	7,861,314
Less: Current portion shown under short term investments			
Investments available for sale			
Certificates of Investment		12,439	24,026
Pakistan Investment Bonds		301,383	101,691
Term Finance Certificates		16,530	8,069
		330,352	133,786
		7,910,642	7,727,528

9.1 Pursuant to the approval of the shareholders in the meeting held on February 24, 2010, during the period the Company has invested Rs 450,000 thousand in the equity of FFCEL. FFCEL has been incorporated for the purpose of implementing a project comprising the establishment and operation of wind power generation facility and the supply of electricity.

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
10. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency			
Foreign currency			
Investments at fair value through profit or loss - Held for trading			
Current maturity of long term investments - Available for sale			

Notes to the Condensed Interim Financial Information (Un - Audited)
For the period ended September 30, 2010

	For the quarter ended		For the period ended	
	September 30,	September 30,	September 30,	September 30,
	2010	2009	2010	2009
	(Rupees '000)		(Rupees '000)	
11. COST OF SALES				
Raw materials consumed	1,987,458	1,982,749	5,942,576	5,618,705
Fuel and power	1,623,882	1,309,514	4,690,137	3,923,923
Chemicals and supplies	77,177	56,363	201,750	166,583
Salaries, wages and benefits	616,058	827,135	2,311,980	2,130,261
Training and employees welfare	126,753	87,738	327,720	269,266
Rent, rates and taxes	4,106	4,194	19,943	20,636
Insurance	37,427	32,960	113,212	102,990
Travel and conveyance	33,566	64,538	159,650	154,868
Repairs and maintenance	127,072	169,938	602,913	515,715
Depreciation	285,056	259,986	855,031	777,026
Communication and other expenses	379,710	160,483	845,417	537,304
Provision for slow moving and surplus spares	—	—	16,790	8,670
Opening stock - work in process	20,346	44,819	37,186	44,699
Closing stock - work in process	(28,618)	(21,218)	(28,618)	(21,218)
Cost of goods manufactured	5,289,993	4,979,199	16,095,687	14,249,428
Add: Opening stock of manufactured urea	135,817	81,937	73,353	66,842
Less: Closing stock of manufactured urea	(2,083,947)	(149,581)	(2,083,947)	(149,581)
	(1,948,130)	(67,644)	(2,010,594)	(82,739)
Cost of sales - own manufactured urea	3,341,863	4,911,555	14,085,093	14,166,689
Opening stock of purchased fertilizers	1,732,324	15,628	—	33,683
Purchase of fertilizers for resale	1,607,659	2,224	3,709,827	10,392
	3,339,983	17,852	3,709,827	44,075
Less: Closing stock of purchased fertilizers	(2,007,235)	(3,482)	(2,007,235)	(3,482)
Cost of sales - purchased fertilizers	1,332,748	14,370	1,702,592	40,593
	4,674,611	4,925,925	15,787,685	14,207,282
12. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	1,919,624	2,090,811	7,020,975	6,638,800
Weighted average number of shares in issue during the period - (Numbers '000)	678,527	678,527	678,527	678,527
Basic and diluted earnings per share (Rupees)	2.83	3.08	10.35	9.78

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

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

For the period ended September 30, 2010



IFTC
FAUJI FERTILIZER COMPANY LIMITED

	September 30, 2010	September 30, 2009
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	10,275,975	9,562,800
Adjustments for:		
Depreciation	869,791	788,270
Provision for gratuity	62,695	95,204
Provision for pension	53,307	71,660
Provision for Workers' Profit Participation Fund	551,658	513,371
Provision for Workers' Welfare Fund	205,519	191,256
Provision for slow moving and surplus spares	16,790	8,670
Finance cost	837,633	826,268
Gain on sale of property, plant and equipment	(7,102)	(7,436)
Income on loans, deposits and investments	(301,093)	(382,892)
Exchange gain	(26,685)	(54,480)
Loss / (gain) on remeasurement of investment at fair value through profit or loss	92,039	(185,282)
Dividend income	(1,970,034)	(1,306,891)
	384,518	557,718
	10,660,493	10,120,518
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(212,012)	(221,415)
Stock in trade	(4,093,541)	46,485
Trade debts	(169,592)	245,985
Loans and advances	(315,745)	(79,776)
Deposits and prepayments	(81,501)	3,655
Other receivables	(173,551)	(66,626)
Increase / (decrease) in current liabilities		
Trade and other payables	3,026,660	(731,138)
	(2,019,282)	(802,830)
Changes in long term loans and advances	(181,558)	(98,247)
Changes in long term deposits and prepayments	(1,360)	(4,926)
	8,458,293	9,214,515

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

For the period ended September 30, 2010

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

During the period, Company made an investment of Rs 450,000 thousand in FFCEL. Accordingly, transactions and balances with FFCEL have been disclosed in transactions with subsidiary companies. There is no change in relationship with other related parties. Significant transactions and balances with the related parties are as follows:

	September 30, 2010	September 30, 2009
	(Rupees '000)	
Transactions with the subsidiary companies		
Marketing of fertilizer on behalf of subsidiary company under sale on consignment basis	357,310	349,200
Commission on sale of subsidiary company's products	13,848	19,556
Services and materials provided	92,679	7,625
Services and materials received	870	2,262
Dividend income	1,924,694	1,306,891
Investment	450,000	—
Balance receivable - unsecured	11,596	88,802 *
Balance payable - unsecured	4,614,098	161,203 *
Transactions with associated undertakings / companies due to common directorship		
Sale of fertilizer	1,298	1,224
Medical services	110	30
Office rent	2,857	2,645
Dividend paid	3,234,963	2,670,041
Purchase of gas as feed and fuel stock	12,706,646	8,751,894
Technical services received	—	22,457
Others	6,851	—
Balance receivable - unsecured	2,260	29 *
Balance payable - unsecured	—	542,211 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2010: 1 and 414 (2009: 1 and 376) respectively	1,394,370	1,144,627
Payments to:		
Employees' Provident Fund Trust	156,701	147,731
Employees' Gratuity Fund Trust	63,710	74,715
Employees' Pension Fund Trust	77,446	78,963
Others:		
Transactions with Workers' Profit Participation Fund (WPPF)	—	620,260
Balance payable - unsecured	1,372,385	616,225 *

* Comparative figures of receivable / payable balances are as of December 31, 2009.

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

For the period ended September 30, 2010

15. GENERAL

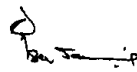
- 15.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 15.2** The Board of Directors in their meeting held on October 28, 2010 have proposed third interim dividend of Rs 2.00 per share.
- 15.3** This condensed interim financial report has been authorised for issue by the Board of Directors of the Company on October 28, 2010.



Chairman



Chief Executive



Director



Condensed Interim
Consolidated
Financial Information

Condensed Interim Consolidated Balance Sheet

As at September 30, 2010

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
EQUITY AND LIABILITIES			
Attributable to Equity Holders of Fauji Fertilizer Company Limited			
Share capital	3	6,785,271	6,785,271
Capital reserves		799,772	986,735
Revenue reserves	4	5,678,006	6,326,661
		13,263,049	14,098,667
Non - controlling Interests		4,727,885	5,237,334
TOTAL EQUITY		17,990,934	19,336,001
NON - CURRENT LIABILITIES			
Long term borrowings	5	6,693,608	9,344,023
Deferred liabilities		6,863,968	7,104,562
		13,557,576	16,448,585
CURRENT LIABILITIES			
Trade and other payables		12,145,254	14,506,047
Interest and mark - up accrued		405,697	257,652
Short term borrowings		14,465,617	13,818,798
Current portion of long term:			
- Financing		2,812,113	2,216,349
- Murabaha		29,010	38,679
- Loans		648,201	648,201
Taxation - net		2,463,913	2,903,411
		32,969,805	34,389,137
		64,518,315	70,173,723

CONTINGENCIES AND COMMITMENTS 6

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

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant & equipment	7	29,571,624	29,570,418
Goodwill		1,569,234	1,569,234
Equity accounted investments	8.1	4,648,487	4,735,980
Other long term investments	8.2	502,387	769,273
Long term loans and advances		519,099	337,541
Long term deposits and prepayments		125,586	82,851
		36,936,417	37,065,297
CURRENT ASSETS			
Stores, spares and loose tools		4,979,181	4,846,427
Stock in trade		11,283,316	1,371,100
Trade debts		426,478	733,614
Loans and advances		579,433	241,572
Deposits and prepayments		173,061	42,460
Other receivables		972,855	948,370
Short term investments	9	2,748,363	11,427,504
Cash and bank balances		6,419,211	13,497,379
		27,581,898	33,108,426
		64,518,315	70,173,723


Chairman


Chief Executive


Director


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

For the period ended September 30, 2010

Note	For the quarter ended		For the period ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees '000)		(Rupees '000)	
Sales	18,846,196	20,870,837	50,720,534	52,777,183
Cost of sales	10 12,110,539	13,516,483	31,306,369	34,846,751
GROSS PROFIT	6,735,657	7,354,354	19,414,165	17,930,432
Administrative expenses and distribution cost	1,832,394	1,590,017	5,055,830	4,175,976
	4,903,263	5,764,337	14,358,335	13,754,456
Finance cost	731,981	496,820	1,557,596	2,014,311
Other expenses	477,958	448,150	1,296,203	1,145,834
	3,693,324	4,819,367	11,504,536	10,594,311
Other income	292,704	702,491	973,775	1,317,953
Share of profit of joint venture and associate	194,824	392,955	240,267	818,375
NET PROFIT BEFORE TAXATION	4,180,852	5,128,903	12,718,578	11,093,889
Provision for taxation	1,578,151	1,840,525	4,631,101	4,225,006
NET PROFIT AFTER TAXATION	2,602,701	3,288,378	8,087,477	6,868,883
ATTRIBUTABLE TO:				
Equity holders of				
Fauji Fertilizer Company Limited	2,008,583	2,646,218	6,647,431	5,982,129
Non - controlling interests	594,118	642,160	1,440,046	886,754
	2,602,701	3,288,378	8,087,477	6,868,883

The annexed notes 1 to 13 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 period ended September 30, 2010

	For the quarter ended		For the period ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	2,602,701	3,288,378	8,087,477	6,868,883
Other comprehensive income for the period				
Exchange difference on translating foreign investment	(298,364)	188,018	(278,009)	47,262
Surplus / (deficit) on remeasurement to fair value of investments available for sale	5,543	(6,600)	(3,906)	35,167
	(292,821)	181,418	(281,915)	82,429
Income tax relating to component of other comprehensive income	1,131	2,307	1,986	(12,006)
Other comprehensive income for the period - net of tax	(291,690)	183,725	(279,929)	70,423
Total comprehensive income for the period	<u>2,311,011</u>	<u>3,472,103</u>	<u>7,807,548</u>	<u>6,939,306</u>
ATTRIBUTABLE TO:				
Equity holders of Fauji Fertilizer Company Limited	1,814,651	2,768,432	6,458,548	6,037,074
Non - controlling interests	496,360	703,671	1,349,000	902,232
	<u>2,311,011</u>	<u>3,472,103</u>	<u>7,807,548</u>	<u>6,939,306</u>

The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial informati


Chairman


Chief Executive


Director

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


For the period ended September 30, 2010

	Note	September 30, 2010	September 30, 2009
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	4,349,989	31,755,637
Finance cost paid		(1,352,335)	(2,418,664)
Income tax paid		(5,307,117)	(2,422,412)
Payment to pension fund		(77,446)	(78,963)
Payment to gratuity fund		(63,710)	(74,715)
Payment to workers' welfare fund		(129,543)	(352,634)
(Payment to) / receipt from Workers' Profit Participation Fund		(53,337)	62,780
Compensated absences paid		(6,693)	(7,799)
		(6,990,181)	(5,292,407)
Net cash (used in) / generated from operating activities		(2,640,192)	26,463,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,831,138)	(1,782,649)
Proceeds from sale of property, plant and equipment		14,823	13,852
Dividends received		45,340	101,228
Interest received		650,494	819,499
Decrease / (increase) in investments		2,388,798	(2,095,601)
Net cash generated from / (used in) investing activities		1,268,317	(2,943,671)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(1,428,722)	(890,744)
Long term murabaha - repayments		(29,007)	(29,009)
Long term loan - repayments		(648,201)	—
Dividends paid		(11,142,462)	(8,834,219)
Net cash used in financing activities		(13,248,392)	(9,753,972)
Net (decrease) / increase in cash and cash equivalents		(14,620,267)	13,765,587
Cash and cash equivalents at beginning of the period		8,413,641	(9,575,629)
Effect of exchange rate changes		—	693
Cash and cash equivalents at end of the period		(6,206,626)	4,190,651
CASH AND CASH EQUIVALENTS			
Cash and bank balances		6,419,211	6,163,247
Short term running finances		(14,465,617)	(3,364,714)
Short term highly liquid investments		1,839,780	1,392,118
		(6,206,626)	4,190,651

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



Chairman



Chief Executive



Director

IFC FAUJI FERTILIZER COMPANY LIMITED

Balance at January 01, 2009	4,934,742	276,184	577,410	-	(23,121)	5,840,000	1,653,875	5,151,378	18,410,468
Transfer from general reserve	-	-	-	-	-	(250,000)	250,000	-	-

Profit for the period after taxation	-	-	-	-	-	5,982,129	886,754	6,868,883
Other comprehensive income	-	-	31,784	-	23,161	-	15,478	70,423
Total comprehensive income for the period	-	-	31,784	-	23,161	5,982,129	902,232	6,939,306

FFC Final dividend 2008: Rs 3.25 per share	-	-	-	-	(1,603,791)	-	(1,603,791)
FFC First interim dividend 2008: Rs. 4.30 per share	-	-	-	-	(2,652,424)	-	(2,652,424)
FFC Second interim dividend 2009: Rs 2.60 per share	-	-	-	-	(1,764,171)	-	(1,764,171)
Bonus shares issued	1,850,529	-	-	-	(1,850,529)	-	-
Dividend to FFBIL non - controlling interest holders	-	-	-	-	-	-	-
Final dividend 2008: Rs 2.25 per share	-	-	-	-	-	(1,032,472)	(1,032,472)
First interim dividend 2009: Rs 0.50 per share	-	-	-	-	-	(229,438)	(229,438)

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
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Profit for the period after taxation	-	-	-	-	-	6,647,431	1,440,046	8,087,477
Other comprehensive income for the period	-	-	(186,963)	-	(1,920)	-	(91,046)	(279,929)
Total comprehensive income for the period	-	-	(186,963)	-	(1,920)	6,647,431	1,349,000	7,807,548
Transfer to general reserve	-	-	-	-	500,000	(500,000)	-	-
	-	-	(186,963)	-	(1,920)	6,147,431	1,349,000	7,807,548

FFC Final dividend 2009: Rs 3.25 per share	-	-	-	-	(2,205,213)	(2,205,213)
FFC first interim dividend 2010: Rs. 4.00 per share	-	-	-	-	(2,714,108)	(2,714,108)
FFC Second interim dividend 2010: Rs 3.50 per share	-	-	-	-	(2,374,845)	(2,374,845)
Dividend to FFBIL non - controlling interest holders						
Final dividend 2009: Rs 2.25 per share	-	-	-	-	(1,032,472)	(1,032,472)
First interim dividend 2010: Rs. 0.50 per share	-	-	-	-	(229,438)	(229,438)
Second interim dividend 2010: Rs. 1.30 per share	-	-	-	-	(596,539)	(596,539)

Balance as at September 30, 2010	6,785,271	276,184	517,152	6,436	5,050	4,239,471	1,433,485	4,727,885	17,990,934
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The annexed notes 1 to 13 form an integral part of this condensed interim consolidated financial information.

Director

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

For the period ended September 30, 2010

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 September 30, 2010 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 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, 2009. Comparative condensed interim consolidated balance sheet is extracted from annual audited financial statements for the year ended December 31, 2009 where as comparative condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of cash flow and condensed interim consolidated statement of changes in equity are stated from unaudited condensed interim financial report for the period ended September 30, 2009.

3. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

September 30, 2010	December 31, 2009		Un-audited September 30, 2010	Audited December 31, 2009
(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
422,031,163	422,031,163	Ordinary shares of Rs 10 each issued as fully paid bonus shares.	4,220,312	2,220,312
<u>678,527,065</u>	<u>678,527,065</u>		<u>6,785,271</u>	<u>6,785,271</u>

AUTHORISED SHARE CAPITAL

This represents 1,000,000,000 (2009: 1,000,000,000) ordinary shares of Rs 10 each amounting to Rs 10,000,000 thousand (2009: Rs 10,000,000 thousand).

	Un-audited September 30, 2010	Audited December 31, 2009
	(Rupees '000)	
4. REVENUE RESERVES		
Surplus on remeasurement of available for sale investments to fair value - net of tax	5,050	6,970
General reserve	4,239,471	3,739,471
Unappropriated profit	1,433,485	2,580,220
	<u>5,678,006</u>	<u>6,326,661</u>

	Note	Un-audited September 30, 2010	Audited December 31, 2009
		(Rupees '000)	
5. LONG TERM BORROWINGS			
Long term financing - secured	5.1	5,616,518	7,003,630
Long term murabaha - secured	5.2	29,010	58,017
Long term loan - Government of Pakistan Loan - FFBL (Un-secured)	5.3	4,537,404	5,185,605
		10,182,932	12,247,252
Less: Amount payable within twelve months shown as current maturity		3,489,324	2,903,229
		6,693,608	9,344,023
5.1 Movement in this account during the period / year is as follows:			
Opening balance		7,003,630	7,163,610
Disbursements during the period / year		—	1,000,000
Repayments during the period / year		(1,387,112)	(1,159,980)
Closing balance		5,616,518	7,003,630
5.2 Movement in this account during the period / year is as follows:			
Opening balance		58,017	96,696
Repayments during the period / year		(29,007)	(38,679)
Closing balance		29,010	58,017
5.3 Movement in this account during the period/ year is as follows:			
Opening balance		5,185,605	5,833,806
Adjustment during the period / year		(648,201)	(648,201)
Closing balance		4,537,404	5,185,605
6. CONTINGENCIES AND COMMITMENTS			
a) Contingencies			
i) Guarantees issued by banks on behalf of the Group companies.		42,288	47,223
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.		107,208	36,668
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

Notes to the Condensed Interim Consolidated Financial Information

For the period ended September 30, 2010

	Note	Un-audited September 30, 2010 (Rupees '000)	Audited December 31, 2009
vi) Group's share of contingencies in Fauji Cement Company Limited.		225,222	206,784
b) Commitments in respect of:			
i) Capital expenditure.		2,580,875	2,072,124
ii) Purchase of fertilizer, stores, spares and other revenue items.		1,965,530	1,581,926
iii) Group's share of commitments of PMP.		27,869	43,761
iv) Rentals under lease agreements:			
Premises		54,698	73,758
Vehicles		101,903	185,512
7. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		29,570,418	28,577,917
Additions during the period / year		1,831,138	3,851,891
Written down value of disposals / adjustments		(12,104)	(565,953)
Depreciation during the period / year		(1,817,828)	(2,293,437)
Closing written down value		<u>29,571,624</u>	<u>29,570,418</u>
8. LONG TERM INVESTMENTS			
Equity accounted investments	8.1	4,648,487	4,735,980
Other long term investments	8.2	502,387	769,273
		<u>5,150,874</u>	<u>5,505,253</u>
8.1 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		191,898	65,256
Share of profit for the period / year		4,056	126,642
Balance as at September 30, 2010		<u>1,995,954</u>	<u>1,991,898</u>
Investment in joint venture			
Pakistan Maroc Phosphore S.A. Morocco (PMP)			
Cost of investments		2,117,075	2,117,075
Post acquisition (losses) / profits brought forward		(420,001)	183,518
Share of profit / (loss) for the period		236,211	(504,023)
Dividend		(49,751)	(99,496)
Gain on translation of net assets		768,999	1,047,008
Balance as at September 30, 2010		<u>2,652,533</u>	<u>2,744,082</u>
		<u>4,648,487</u>	<u>4,735,980</u>

	Note	Un-audited September 30, 2010 (Rupees '000)	Audited December 31, 2009
8.2 Other long term investments			
Investment available for sale			
Certificates of Investment		88,998	155,402
Pakistan Investment Bonds		596,491	602,164
Term Finance Certificates		147,250	145,493
Arabian Sea Country Club Limited (300,000 shares of Rs 10 each)		3,000	3,000
Less: Impairment in value of investment		(3,000)	(3,000)
		—	—
		832,739	903,059
Less: Current portion shown under short term investments			
Investments available for sale			
Certificates of Investment		12,439	24,026
Pakistan Investments Bonds		301,383	101,691
Term Finance Certificates		16,530	8,069
		330,352	133,786
		502,387	769,273
9. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency		9,750	4,850,000
Foreign currency		1,089,779	1,081,360
Investments at fair value through profit or loss - Held for trading		1,318,482	5,362,358
Current maturity of long term investments	8.2	330,352	133,786
		2,748,363	11,427,504

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

For the period ended September 30, 2010

	For the quarter ended		For the period ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees '000)		(Rupees '000)	
10. COST OF SALES				
Raw materials consumed	8,527,417	6,215,296	22,733,514	17,194,681
Fuel and power	2,293,910	1,825,384	6,432,053	5,405,513
Chemicals and supplies	116,848	97,863	312,663	294,853
Salaries, wages and benefits	1,006,790	1,036,717	3,134,913	2,792,137
Training and employees welfare	126,753	87,738	327,720	269,266
Rent, rates and taxes	9,087	10,294	39,485	38,806
Insurance	57,904	50,840	173,191	155,280
Travel and conveyance	35,579	77,649	198,405	194,410
Repairs and maintenance	225,517	305,620	1,336,847	1,104,088
Depreciation	589,662	560,906	1,785,408	1,676,635
Communication and other expenses	398,567	170,669	884,532	565,386
Provision for slow moving and surplus spares	–	–	16,790	8,670
Opening stock - work in process	28,616	59,867	42,326	48,301
Closing stock - work in process	(35,139)	(51,677)	(35,139)	(51,677)
Cost of goods manufactured	13,381,511	10,447,166	37,382,708	29,696,349
Add: Opening stock of manufactured fertilizers	5,419,490	3,595,440	244,279	5,650,302
Less: Closing stock of manufactured fertilizers	(8,023,210)	(540,493)	(8,023,210)	(540,493)
	(2,603,720)	3,054,947	(7,778,931)	5,109,809
Cost of sales of own manufactured fertilizers	10,777,791	13,502,113	29,603,777	34,806,158
Opening stock of purchased fertilizers	1,732,324	15,628	–	33,683
Purchase of fertilizers for resale	1,607,659	2,224	3,709,827	10,392
	3,339,983	17,852	3,709,827	44,075
Less: Closing stock of purchased fertilizers	(2,007,235)	(3,482)	(2,007,235)	(3,482)
Cost of sales - purchased fertilizers	1,332,748	14,370	1,702,592	40,593
	12,110,539	13,516,483	31,306,369	34,846,751

	September 30, 2010	September 30, 2009
	(Rupees '000)	
11. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	12,718,578	11,093,889
Adjustments for:		
Depreciation	1,817,828	1,691,183
Provision for slow moving and surplus spares	16,790	8,670
Finance cost	1,501,413	1,913,875
Provision for Workers' Profit Participation Fund	782,989	680,884
Provision for Worker's Welfare Fund	293,285	273,651
Income on loans, deposits and investments	(533,841)	(721,686)
Gain on sale of property, plant and equipment	(2,719)	(9,253)
Provision for gratuity	87,756	125,126
Provision for pension	53,307	71,660
Provision for compensated absences	20,592	26,253
Exchange loss	29,498	45,956
Gain on remeasurement of investments at fair value through profit or loss	(315,038)	(382,138)
Dividend income	(45,340)	(101,228)
Share of (profit) / loss of joint venture and associate	(240,267)	2,125,265
	3,466,253	5,748,218
	16,184,831	16,842,107
Changes in working capital		
Decrease / (Increase) in current assets		
Stores, spares and loose tools	(149,543)	(633,813)
Stock in trade	(9,912,217)	3,939,877
Trade debts	307,136	238,249
Loans and advances	(337,861)	(90,985)
Deposits and prepayments	(112,531)	(17,570)
Other receivables	42,530	12,770,383
(Decrease) in current liabilities		
Trade and other payables	(1,489,438)	(1,189,438)
	(11,651,924)	15,016,703
Changes in long term loans and advances	(181,558)	(98,247)
Changes in long term deposits and prepayments	(1,360)	(4,926)
	4,349,989	31,755,637

For the period ended September 30, 2010

12. 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:

	September 30, 2010	September 30, 2009
	(Rupees '000)	
Transactions with associated undertakings / companies due to common directorship		
Sale of fertilizer	3,767	1,798
Rent charged to Group Companies	3,615	3,334
Dividend paid	3,889,043	3,114,170
Medical services	110	30
Purchase of gas as feed and fuel stock	12,706,646	8,751,894
Technical services received	—	22,457
Others	6,851	3,260
Balance payable - unsecured	—	542,211 *
Balance receivable - unsecured	4,093	88,831 *
Transactions with joint venture company		
Raw material purchased	13,728,696	10,158,079
Expenses incurred on behalf of joint venture company	17,638	124,550
Balance payable at the year end - secured	3,792,374	2,412,237 *
Balance receivable at the year end - unsecured	11,207	11,005 *
Other related parties		
Remuneration including benefits and perquisites of Chief Executives and Executives. No. of persons 2010: 2 and 586 (2009: 2 and 532)	2,014,115	1,573,967
Payments to:		
Employees' Provident Fund Trust	176,991	164,633
Employees' Gratuity Fund Trust	88,772	104,637
Employees' Pension Fund Trust	77,446	78,963
Workers' Profit Participation Fund	53,337	18,891
Workers' Welfare Fund	129,543	—
Others:		
Transactions with Workers' Profit Participation Fund (WPPF)	—	620,260
Balance payable - unsecured	1,842,928	963,995 *

* Comparative figures of receivable / payable balances are as of December 31, 2009.

13. GENERAL

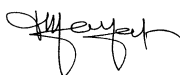
13.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

13.2 The Board of Directors of FFC in their meeting held on October 28, 2010 proposed third interim dividend of Rs 2.00 per share while an interim dividend of Rs 1.25 per share has been proposed by the Board of Directors of FFBL on October 21, 2010.

13.3 This condensed interim consolidated financial report has been authorised for issue by the Board of Directors of FFC on October 28, 2010.



Chairman



Chief Executive



Director

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