Quarterly FINANCIAL STATEMENTS September 30, 2012 (Un-audited)







Company Information

BOARD OF DIRECTORS

Lt Gen Muhammad Mustafa Khan, HI(M) (Retired) Chairman

Lt Gen Naeem Khalid Lodhi, HI(M) (Retired) Chief Executive and Managing Director

Mr Qaiser Javed Dr Nadeem Inayat Mr Shahid Aziz Siddiqi Mr Jorgen Madsen Maj Gen Zahid Parvez, HI(M) (Retired) Brig Agha Ali Hassan, SI(M) (Retired) Mr Wazir Ali Khoja Mr Agha Nadeem Brig Dr Gulfam Alam, SI (M) (Retired) Engr Rukhsana Zuberi Mr Farhad Shaikh Mohammad

CHIEF FINANCIAL OFFICER

Syed Shahid Hussain Tel: No.92-51-8456101 Fax: 92-51-8459961 E-mail: shahid_hussain@ffc.com.pk

COMPANY SECRETARY

Brig Khalid Kibriya (Retired) Tel: No.92-51-8453101 Fax: 92-51-8459931 E-mail: ffcrwp@ffc.com.pk

REGISTERED OFFICE

156- The Mall, Rawalpindi Cantt Website: www.ffc.com.pk Tel No. 92-51-111-332-111, 8450001 Fax No. 92-51-8459925 E-mail: ffcrwp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadikabad (Distt: Rahim Yar Khan) Tel No. 92-68-5786420-9 Fax No. 92-68-5786401

Mirpur Mathelo (Distt: Ghotki) Tel No. 92-723-661500-09 Fax No. 92-723-661462

MARKETING DIVISION

Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore Tel No. 92-42-36369137-40 Fax No. 92-42-36366324

KARACHI OFFICE

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

AUDITORS

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: 92-21-35655595 **Directors' Review** For the nine months ended September 30, 2012

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 13.79 billion for the nine months ended September 30, 2012, translating into an EPS of Rs. 10.84.

'Sona' Urea production for the period was recorded at 1,790 thousand tonnes, at par with the production during the corresponding period last year. Sales for the period, at 1,613 thousand tonnes were however down by 10%, caused by excessive availability of subsidized imported urea in the market and also because of lower fertilizer application by the farmers due to water shortage.

Brand preference by the farming community enabled the Company to maintain a combined FFC / FFBL Urea / DAP market share of 49% and 64% respectively, marginally down by 1% compared to last year.

Despite increase in sales revenue by Rs. 11.50 billion, gross margins for the period were down by 9% owing to lower offtake coupled with increase in cost of sales primarily due to imposition of Gas Infrastructure Development Cess (GIDC). Other income at Rs. 2.84 billion also declined by 35% mainly due to lower dividend from FFBL while finance cost was higher by 35% mainly due to higher level of short term financing obtained during the period to meet the working capital requirements.

Pakistan primarily has agro based economy which is mainly dependent on irrigation water. The socio economic structure of the Country is under great risk due to water shortage. The last year's floods helped in reaping short-term productivity gains in the agriculture sector which spearheaded the growth in the sector. However, sustainability of these gains in the medium-term is challenging and effective measures need to be taken to conserve and increase water availability through extraordinary policy efforts to avoid deficit of agricultural output in the Country.

The Company's Wind Power initiative has entered into the final phase of commissioning / testing and arrangements are underway for interconnectivity of the power station for supply of electricity to the national grid.

In view of sustained earnings, the Board is pleased to approve third interim dividend of Rs. 2.50 per share representing a cumulative payout of 96.85% amounting to Rs 13.36 billion .

On behalf of the Board,

Chairman Lt Gen Muhammad Mustafa Khan, HI (M) (Retired)

Rio de Janeiro, Brazil October 21, 2012



Image: Second secon



Condensed Interim Balance Sheet As at September 30, 2012

		Un-audited September 30,	Audited December 31,
	Note	2012	2011
		(Rupee	s '000)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	8,481,588
Capital reserves		160,000	160,000
Revenue reserves	5	9,348,416	14,428,636
		22,230,798	23,070,224
NON-CURRENT LIABILITIES			
Long term borrowings	6	2,550,000	2,703,750
Deferred liabilities		3,860,384	3,832,614
		6,410,384	6,536,364
CURRENT LIABILITIES			
Trade and other payables	7	16,456,085	11,730,961
Interest and mark - up accrued		145,396	79,826
Short term borrowings	8	6,620,903	8,735,650
Current portion of long term borrowings		1,077,500	1,615,655
Taxation		4,719,967	3,762,236
		29,019,851	25,924,328

57,661,033	55,530,916

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

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		Un-audited September 30,	Audited
	Note	2012	2011
		(Rupee	s '000)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	17,833,810	17,050,951
Goodwill		1,569,234	1,569,234
Long term investments	11	9,351,319	8,659,073
Long term loans and advances		656,407	605,883
Long term deposits and prepayments		5,192	9,370
		29,415,962	27,894,511
CURRENT ASSETS			
Stores, spares and loose tools		2,884,499	2,447,452
Stock in trade		3,072,886	636,923
Trade debts		3,012,017	86,669
Loans and advances		552,797	431,582
Deposits and prepayments Other receivables		299,728 946,723	53,852 891,673
Short term investments	12	940,723	21,794,480
Cash and bank balances	12	8,331,900	1,293,774
		28,245,071	27,636,405
			,,
		57,661,033	55,530,916

Chairman

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Condensed Interim Profit and Loss Account (Un-audited) For the period ended September 30, 2012

		For the qu	arter ended	For the pe	riod ended
	Note	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
		(Rupees '000)		(Rupees	s '000)
Sales	13	13,903,434	14,311,393	50,034,211	38,532,072
Cost of sales	14	7,059,425	6,012,196	25,873,332	16,539,446
GROSS PROFIT		6,844,009	8,299,197	24,160,879	21,992,626
Distribution cost		1,220,250	1,087,520	3,852,090	3,253,082
		5,623,759	7,211,677	20,308,789	18,739,544
Finance cost		175,237	131,203	816,247	602,512
Other expenses		515,129	670,052	1,812,786	1,791,491
		4,933,393	6,410,422	17,679,756	16,345,541
Other income		382,533	1,510,703	2,841,960	4,392,572
NET PROFIT BEFORE TAXATION		5,315,926	7,921,125	20,521,716	20,738,113
Provision for taxation		1,858,000	2,275,000	6,729,000	6,903,179
NET PROFIT AFTER TAXATION		3,457,926	5,646,125	13,792,716	13,834,934
			Restated		Restated
Earnings per share - basic and diluted (Rupees)	15	2.72	4.44	10.84	10.87

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



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Condensed Interim Statement of Comprehensive Income (Un-audited) For the period ended September 30, 2012

	For the qua	arter ended	For the pe	riod ended
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	-	es '000)		es '000)
Net profit after taxation	3,457,926	5,646,125	13,792,716	13,834,934
Other comprehensive income for the period		80		
Surplus / (deficit) on remeasurement of investments available for sale to fair value	2,796	3,350	(526)	12,200
Income tax relating to component of other comprehensive income	(909)	(989)	(876)	(2,206)
Other comprehensive income / (loss) for the period - net of tax	1,887	2,361	(1,402)	9,994
Total comprehensive income for the period	3,459,813	5,648,486	13,791,314	13,844,928

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

1000 Chairman



Condensed Interim Cash Flow Statement (Un-audited) For the period ended September 30, 2012

	Note	September 30, 2012	September 30, 2011
		(Rupee	es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	19,314,086	25,543,841
Finance cost paid		(750,677)	(587,454)
Income tax paid		(5,801,196)	(4,019,620)
Receipt from Workers Profit Participation Fund		-	13,187
Payment to Workers' Welfare Fund		(583,014)	
Payment to Employees' Gratuity Fund Trust		(83,040)	(75,241)
Payment to Employees' Pension Fund Trust		(454,661)	(109,220)
Net cash generated from operating activities		11,641,498	20,765,493
CASH FLOWS FROM INVESTING ACTIVITIES			1.1
Fixed capital expenditure		(1,790,713)	(1,492,664)
Proceeds from sale of property, plant and equipment		23,630	7,547
Interest received		642,805	925,179
Decrease / (increase) in investments		3,756,054	(334,911)
Dividends received		1,663,315	3,398,833
Net cash generated from investing activities		4,295,091	2,503,984
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Disbursements		1,000,000	-
Repayments		(1,691,905)	(1,334,405)
Dividends paid		(14,565,815)	(10,125,466)
Net cash used in financing activities		(15,257,720)	(11,459,871)
Net increase in cash and cash equivalents		678,869	11,809,606
Cash and cash equivalents at beginning of the period		9,963,247	6,423,264
Cash and cash equivalents at end of the period		10,642,116	18,232,870
CASH AND CASH EQUIVALENTS			
Cash and bank balances		8,331,900	5,502,158
Short term highly liquid investments		8,931,119	13,866,298
Short term running finance		(6,620,903)	(1,135,586)
		10,642,116	18,232,870

The annexed notes 1 to 18 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, 2012

			F			
	Share capital	Capital reserves	Surplus on remeasurement of investments available for sale to fair value	General reserve	Unappropriated profit	Total
	1.1		(Rup	ees '000)	6 - A	
Balance as at January 01, 2011	6,785,271	160,000	(5,554)	4,239,471	4,268,359	15,447,547
Transfer to general reserve			104-	1,700,000	(1,700,000)	1 - 1
Total comprehensive income for the period						
Profit for the period after taxation			117-	-	13,834,934	13,834,934
Other comprehensive income - net of tax	-	-	9,994			9,994
Total comprehensive income for the period	-		9,994	-	13,834,934	13,844,928
Distribution to owners					de la	
Bonus shares issued	1,696,317	12		(1,696,317)	1 .	
Final dividend 2010: Rs 3.50 per share		1.1	S		(2,374,845)	(2,374,845)
First interim dividend 2011: Rs 4.50 per share		-		10.00	(3,816,715)	(3,816,715)
Second interim dividend 2011: Rs 4.75 per share		1		11.	(4,028,754)	(4,028,754)
Total transactions with owners	1,696,317	14		(1,696,317)	(10,220,314)	(10,220,314)
Balance as at September 30, 2011	8,481,588	160,000	4,440	4,243,154	6,182,979	19,072,161
Balance as at January 01, 2012	8,481,588	160,000	10,258	5,543,154	8,875,224	23,070,224
Transfer to general reserve		8 - I		4,200,000	(4,200,000)	-
Total comprehensive income for the period						
Profit for the period after taxation			11.1		13,792,716	13,792,716
Other comprehensive income - net of tax	· .	-	(1,402)	-	-	(1,402)
Total comprehensive income for the period		18	(1,402)	-	13,792,716	13,791,314
Distribution to owners						
Bonus shares issued	4,240,794	1 -	-	(4,240,794)	-	-
Final dividend 2011: Rs 5.25 per share	-	-	-	•	(4,452,834)	(4,452,834)
First interim dividend 2012: Rs 3.00 per share	-	-	1.		(3,816,715)	(3,816,715)
Second interim dividend 2012: Rs 5.00 per share		-	P	-	(6,361,191)	(6,361,191)
Total transactions with owners	4,240,794	-	-	(4,240,794)	(14,630,740)	(14,630,740)
Balance as at September 30, 2012	12,722,382	160,000	8,856	5,502,360	3,837,200	22,230,798

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.





- 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 156 The Mall, 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 and energy
 generation operations.
- 2. This condensed interim financial information of the Company for the period ended September 30, 2012 has been prepared in accordance with the requirements of 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, Other action 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984.

The disclosures in this condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Company for the year ended December 31, 2011. Comparative balance sheet is extracted from annual financial statements as of December 31, 2011 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the period ended September 30, 2011.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore Stock Exchanges.

3. The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of financial statements of the Company for the year ended December 31, 2011.

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2012	Audited December 31, 2011		Un-audited September 30, 2012	Audited December 31, 2011
(Num	bers)		(Rupe	es '000)
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
1,015,742,345	591,662,929	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	5,916,629
1,272,238,247	848,158,831		12,722,382	8,481,588

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2011: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2011: Rs 15,000,000 thousand).

Un-audited September 30, 2012	Audited December 31, 2011
(Rupe	es '000)
8,856	10,258
5,502,360	5,543,154
3,837,200	8,875,224
9,348,416	14,428,636
	September 30, 2012 (Rupe 8,856 5,502,360 3,837,200

5.

		Note	Un-audited September 30 2012	Audited , December 31, 2011
			(Rupee	s '000)
6.	LONG TERM BORROWINGS			
	Long term borrowings - secured Less: Amount payable within twelve months transferred	6.1	3,627,500	4,319,405
	to current maturity		1,077,500	1,615,655
			2,550,000	2,703,750
6.1	Movement in this account during the period / year is as follows	:		
	Opening balance		4,319,405	5,578,810
	Disbursements during the period / year		1,000,000	
	Repayments during the period / year		(1,691,905)	(1,259,405)
	Closing balance	6.2	3,627,500	4,319,405

6.2 These finances are secured by an equitable mortgage on the Company's assets and hypothecation of all Company assets including plant, machinery, tools & spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin.

These carry mark up ranging between 6 months KIBOR + 0.80% to 1.3% (December 31, 2011: six month KIBOR + 0.30 % to 1.5% per annum) and are repayable upto December 2016 (December 31, 2011: December 2016).

VA PASS	Un-audited September 30 2012	Audited , December 31, 2011
	(Rupe	es '000)
TRADE AND OTHER PAYABLES		
Creditors	1,264,738	365,810
Accrued liabilities	1,701,391	2,212,668
Consignment account with		
Fauji Fertilizer Bin Qasim Limited - unsecured	9,871,166	2,124,704
Sales tax payable - net	304,185	724,310
Deposits	181,370	180,825
Retention money	110,773	92,056
Advances from customers	583,685	4,435,326
Workers' Profit Participation Fund	1,057,201	-
Workers' Welfare Fund	900,933	1,060,648
Unclaimed dividend	326,735	261,810
Gratuity fund	79,053	79,053
Pension fund	-	133,879
Other liabilities	74,855	59,872
	16,456,085	11,730,961

8. SHORT TERM BORROWINGS

7.

The Company has short term running finance and demand finance facilities limits aggregating Rs.11.99 billion (December 31, 2011: Rs. 11.54 billion). These are secured against hypothecation charge over stocks and current assets of the Company and carry mark up ranging between one month KIBOR + 0.10% to 0.50% and 3 months KIBOR + 0.30% per annum (December 31, 2011: one month KIBOR + 0.10% to 1% and three months KIBOR + 0.30% per annum).

9. CONTINGENCIES AND COMMITMENTS (a) Contingencies (i) Guarantees issued by banks on behalf of the Company. 19,042 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. 101,990 101,247 (b) Commitments in respect of: 101 2,721,870 101,247 (ii) Clapital expenditure 2,133,340 2,721,870 3,126,910 (iii) Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 2012 15,370 4,392 (iv) Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: Premises 178,731 200,707 201,707 Vehicles 10,1 1,790,713 5,074,074					Note	2012	Audited December 31, 2011
(i) Guarantees issued by banks on behalf of the Company. 19,042 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. 101,990 101,247 (b) Commitments in respect of: 1,198,590 3,126,910 (iii) Carptal expenditure 2,133,340 2,721,870 (iii) Company's share of commitments of Pakistan Maroc Phosphore S A, Morocco (PMP) as at June 30, 2012 15,370 4,392 (iv) Investment in FFC Energy Limited. The Company's commitment to abank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: Premises 178,731 200,707 Vehicles 104,888 108,258 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 20pening written down value 17,050,951 15,933,588 <th>9.</th> <th>со</th> <th>NTIN</th> <th>GENCIES AND COMMITMENTS</th> <th></th> <th>(Rupee</th> <th>es 000)</th>	9.	со	NTIN	GENCIES AND COMMITMENTS		(Rupee	es 000)
(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 		(a)	Cor	ntingencies			
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acknowledged as debt. 50,696 50,696 (iv) Company's share of contingent liabilities of Fauji Cement Company Limited. 101,990 101,247 (b) Commitments in respect of: 101,990 101,247 (i) Capital expenditure 2,133,340 2,721,870 (ii) Purchase of fertilizer, stores, spares and other revenue items 1,198,590 3,126,910 (iii) Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 2012 15,370 4,392 (iv) Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: Premises 178,731 200,707 Vehicles 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 17,050,951 15,933,588 Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)			(ii)	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		178,590	178,590
Company Limited. 101,990 101,247 (b) Commitments in respect of: 2,133,340 2,721,870 (i) Capital expenditure 2,133,340 2,721,870 (ii) Purchase of fertilizer, stores, spares and other revenue items 1,198,590 3,126,910 (iii) Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 2012 15,370 4,392 (iv) Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: Premises 178,731 200,707 Vehicles 104,888 108,258 108,258 10. PROPERTY, PLANT AND EQUIPMENT 15,933,588 Additions 10,1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) (2,760,742) (2,760,742) Depreciation (1,107,050) (1,195,969) (1,195,969) (1,195,969) (1,195,969)			(iii)			50,696	50,696
(i)Capital expenditure2,133,3402,721,870(ii)Purchase of fertilizer, stores, spares and other revenue items1,198,5903,126,910(iii)Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 201215,3704,392(iv)Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company.886,0001,236,000(v)Rentals under lease agreements: Premises178,731200,707Vehicles104,888108,25810.PROPERTY, PLANT AND EQUIPMENT17,050,95115,933,588Additions10.11,790,7135,074,074Written down value of disposals / adjustments Depreciation(804)(2,760,742) (1,195,969)			(iv)			101,990	101,247
(ii)Purchase of fertilizer, stores, spares and other revenue items1,198,5903,126,910(iii)Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 201215,3704,392(iv)Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company.886,0001,236,000(v)Rentals under lease agreements: Premises178,731200,707Vehicles104,888108,25810.PROPERTY, PLANT AND EQUIPMENT17,050,95115,933,588Additions10.11,790,7135,074,074Written down value of disposals / adjustments(804) (2,760,742)(2,760,742)Depreciation(1,007,050)(1,195,969)		(b)	Co	ommitments in respect of:			
items1,198,5903,126,910(iii)Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at June 30, 201215,3704,392(iv)Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company.886,0001,236,000(v)Rentals under lease agreements: Premises178,731200,707Vehicles104,888108,25810.PROPERTY, PLANT AND EQUIPMENT10,11,790,7135,074,074Opening written down value Additions10,11,790,7135,074,074Written down value of disposals / adjustments Depreciation(804) (2,760,742) (1,195,969)(1,195,969)			(i)	Capital expenditure		2,133,340	2,721,870
Phosphore S.A, Morocco (PMP) as at June 30, 2012 15,370 4,392 (iv) Investment in FFC Energy Limited. The Company's commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: Premises 178,731 200,707 Vehicles 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 15,933,588 Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,195,969) (1,195,969)			(ii)			1,198,590	3,126,910
commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable properties, land and building of the Company. 886,000 1,236,000 (v) Rentals under lease agreements: 978,731 200,707 Vehicles 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 17,050,951 15,933,588 Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,107,050) (1,195,969)			(iii)			15,370	4,392
Premises 178,731 200,707 Vehicles 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 5000000000000000000000000000000000000			(iv)	commitment to a bank on behalf of consortium of financial institutions is secured against all present and future, moveable and fixed assets excluding immovable		886,000	1,236,000
Vehicles 104,888 108,258 10. PROPERTY, PLANT AND EQUIPMENT 17,050,951 15,933,588 Additions 10.1 17,050,951 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)			(v)	Rentals under lease agreements:			
Instruction PROPERTY, PLANT AND EQUIPMENT Opening written down value 17,050,951 15,933,588 Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)				Premises		178,731	200,707
Opening written down value 17,050,951 15,933,588 Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)				Vehicles		104,888	108,258
Additions 10.1 1,790,713 5,074,074 Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)	10.	PR	OPEF	RTY, PLANT AND EQUIPMENT		1 301	
Written down value of disposals / adjustments (804) (2,760,742) Depreciation (1,007,050) (1,195,969)		Оре	ening	written down value		17,050,951	15,933,588
Depreciation (1,195,969) (1,195,969)		Add	itions	6	10.1	1,790,713	5,074,074
		Writ	ten d	lown value of disposals / adjustments		(804)	(2,760,742)
Closing written down value 17,833,810 17,050,951		Dep	recia	tion	1	(1,007,050)	· · · · · · · · · · · · · · · · · · ·
		Clos	sing v	written down value		17,833,810	17,050,951

10.1 Additions in and depreciation on property, plant and equipment during the period ended September 30, 2011 were Rs 1,492,664 thousand and Rs 893,393 thousand respectively.

		Note	Un-audited September 30, 2012	Audited December 31, 2011
		15	(Rupee	es '000)
11.	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		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)		2,150,000	1,450,000
	Investments available for sale			
	Certificates of Investment		108,664	108,961
	Pakistan Investment Bonds		59,757	162,043
	Term Finance Certificates		112,226	123,712
			280,647	394,716
			9,388,902	8,802,971
	Less: Current portion shown under short term investments	12		
	Investments available for sale			
	Certificates of Investment		20,745	22,507
	Pakistan Investment Bonds		-	104,706
	Term Finance Certificates		16,838	16,685
			37,583	143,898
12.	SHORT TERM INVESTMENTS		9,351,319	8,659,073
	Available for sale			
	Term deposits with banks and financial institutions			
	Local currency		6,610,000	18,675,000
	Foreign currency		1,172,745	1,028,608
	Investments at fair value through profit or loss - Held for trading		1,324,193	1,946,974
	Current maturity of long term investments - Available for sale	11	37,583	143,898
			9,144,521	21,794,480

12.1. These represent investments having markup ranging between 10.95% to 12.81% per annum (December 31, 2011: 11.15% to 14.25% per annum) and maturities ranging between 1 to 12 months and are being carried at cost as management believes there would be insignificant difference in the rate of returns on comparable investments.

13. SALES

Sales is exclusive of sales tax of Rs. 8,005,435 thousand (September 30, 2011: Rs. 4,761,748 thousand).

		For the quarter ended		For the period ended			
		September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011		
14.	COST OF SALES	(Rupe	es '000)	(Rupe	(Rupees '000)		
	Raw materials consumed	4,772,379	2,147,272	13,765,430	5,543,566		
	Fuel and power	1,806,115	1,638,707	5,013,668	4,206,559		
	Chemicals and supplies	44,089	63,098	189,149	195,667		
	Salaries, wages and benefits	978,734	1,071,296	3,052,365	3,190,332		
	Training and employees welfare	143,869	137,400	437,139	376,178		
	Rent, rates and taxes	6,578	6,822	20,529	19,027		
	Insurance	36,765	43,598	112,442	128,632		
	Travel and conveyance	65,619	161,540	240,052	314,106		
	Repairs and maintenance	219,820	129,058	856,601	785,929		
	Depreciation	334,141	269,819	987,138	875,448		
	Communication and other expenses	359,305	318,133	881,502	704,262		
	Provision for slow moving spares		-	15,910	24,635		
	Opening stock - work in process	36,605	29,491	17,522	28,074		
	Closing stock - work in process	(28,123)	(13,617)	(28,123)	(13,617)		
	Cost of goods manufactured	8,775,896	6,002,617	25,561,324	16,378,798		
	Opening stock - manufactured urea	562,479	79,650	7,538	105,609		
	Closing stock - manufactured urea	(2,455,972)	(117,862)	(2,455,972)	(117,862)		
		(1,893,493)	(38,212)	(2,448,434)	(12,253)		
	Cost of sales - manufactured urea	6,882,403	5,964,405	23,112,890	16,366,545		
	Opening stock - purchased fertilizers	657,221	78,450	144,090	-		
	Purchase of fertilizers for resale	2,983	50,395	3,099,534	253,955		
		660,204	128,845	3,243,624	253,955		
	Closing stock - purchased fertilizers	(483,182)	(81,054)	(483,182)	(81,054)		
	Cost of sales - purchased fertilizers	177,022	47,791	2,760,442	172,901		
		7,059,425	6,012,196	25,873,332	16,539,446		
15.	EARNINGS PER SHARE			1.1			
	Net profit after tax (Rupees '000)	3,457,926	5,646,125	13,792,716	13,834,934		
	Weighted average number of shares in issue						
	during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238		
			Restated		Restated		
	Basic and diluted earnings per share (Rupees)	2.72	4.44	10.84	10.87		

There is no dilutive effect on the basic earnings per share of the Company. Weighted average number of shares in issue and earnings per share for the three, six months and nine months period ended September 30, 2011 have been restated by taking into effect the bonus shares issued during the period @ 50%.

		September 30, 2012	September 30, 2011
16.	CASH GENERATED FROM OPERATIONS	(Rupee	es '000)
	Net profit before taxation	20,521,716	20,738,113
	Adjustments for:		
	Depreciation	1,007,050	888,693
	Provision for Employees' Gratuity Fund Trust	94,230	114,603
	Provision for Employees' Pension Fund Trust	71,771	101,334
	Provision for Workers' Profit Participation Fund	1,096,505	1,113,309
	Provision for Workers' Welfare Fund	423,299	414,762
	Provision for slow moving spares	15,910	24,635
	Finance cost	816,247	602,512
	Gain on sale of property, plant and equipment	(22,826)	(6,922)
	Income on loans, deposits and investments	(539,797)	(972,849)
	Exchange gain	(81,325)	(7,257)
	(Gain) / loss on remeasurement of investment at		
	fair value through profit or loss	(191,546)	46,761
	Dividend income	(1,663,315)	(3,398,833)
		1,026,203	(1,079,252)
		21,547,919	19,658,861
	Changes in working capital		
	(Increase) / decrease in current assets	/	
	Stores, spares and loose tools	(452,957)	(383,738)
	Stock in trade	(2,435,963)	(79,777)
	Trade debts	(2,925,348)	(326,015)
	Loans and advances	(121,215)	(379,400)
	Deposits and prepayments	3,135	(49,535)
	Other receivables	(158,058)	(100,696)
	Increase in current liabilities		
	Trade and other payables	3,902,919	7,209,478
		(2,187,487)	5,890,317
	Changes in long term loans and advances	(50,524)	(5,331)
	Changes in long term deposits and prepayments	4,178	(6)
		19,314,086	25,543,841

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with related parties are as follows:

	September 30, 2012	September 30 2011
	(Rupe	es '000)
Transactions with the subsidiary companies		
Reimbursement of expenses on marketing of fertilizer		
of subsidiary company under sale on consignment basis	375,289	417,758
Commission on sale of subsidiary company's products	11,248	15,284
Services and materials received	1,239	1,104
Services and materials provided		1,104
Payments made / expenses incurred - net	13,348	100.0
Dividend income	1,663,315	3,326,631
Long term investment made	700,000	500,000
Balance receivable - unsecured	13,365	18,256
Balance payable - unsecured	9,871,166	2,124,704
Transactions with associated undertakings / companies due		
to common directorship		
Medical services	47	71
Office rent	3,333	2,057
Sale of fertilizer	14,686	1,298
Dividends paid	6,488,733	4,532,709
Issuance of bonus shares	1,880,792	-
Purchase of gas as feed and fuel stock	17,731,323	8,659,987
Donations	100,000	-
Services received	152,937	-
Others	55,000	102,805
Balance receivable - unsecured	4,134	3,307
Balance payable - unsecured	1,044,391	-
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of Chief		
Executive and other Executives. Number of persons 1 and 550		
(2011: 1 and 471) respectively		
	2,231,567	1,721,693
Payments to:		N. C. C.
Employees' Provident Fund Trust	203,692	175,463
Employees' Gratuity Fund Trust	83,040	75,241
Employees' Pension Fund Trust	454,661	109,220
Others:		
Receipt from Workers' Profit Participation Fund		13,187
Balance receivable - unsecured	217,202	39,304
Balance payable - unsecured	2,037,187	1,273,580

* Comparative figures of receivable / payable balances are as of December 31, 2011.

18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- **18.2** The Board of Directors in its meeting held on October 21, 2012 proposed third interim dividend of Rs. 2.50 per share.
- **18.3** This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 21, 2012.

Contraction of the second Chairman

11 **Chief Executive**

Director





Condensed Interim Consolidated Financial Information



Condensed Interim Consolidated Balance Sheet As at September 30, 2012

	Note	Un-audited September 30, 2012	Audited December 31, 2011	
		(Rupees '000)		
EQUITY AND LIABILITIES				
ATTRIBUTABLE TO EQUITY HOLDERS OF FAUJI FERTILIZER COMPANY LIMITED				
Share capital	3	12,722,382	8,481,588	
Capital reserves		1,000,909	972,682	
Revenue reserves	4	10,686,674	16,308,762	
		24,409,965	25,763,032	
NON-CONTROLLING INTERESTS		6,142,990	6,688,550	
TOTAL EQUITY		30,552,955	32,451,582	
NON-CURRENT LIABILITIES				
Long term borrowings	5	11,918,458	10,080,890	
Deferred liabilities		7,556,856	7,504,401	
		19,475,314	17,585,291	
CURRENT LIABILITIES				
Trade and other payables		16,064,605	20,956,921	
Interest and mark - up accrued		713,059	496,159	
Short term borrowings		21,199,519	16,211,794	
Current portion of long term:				
- Financing		2,437,981	1,615,655	
- Loans		648,201	648,201	
Taxation		5,124,198	4,425,068	
		46,187,563	44,353,798	
		96,215,832	94,390,671	

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, 2012	Audited December 31 2011
		(Rupe	es '000)
ASSETS			
NON-CURRENT ASSETS		12 11	
Property, plant & equipment	7	42,187,790	37,208,281
Goodwill		1,569,234	1,569,234
Equity accounted investments	8.1	6,377,276	5,503,123
Other long term investments	8.2	243,064	250,818
Long term loans and advances		656,407	605,883
Long term deposits and prepayments		84,385	90,487
		51,118,156	45,227,826
CURRENT ASSETS		1911	
Stores, spares and loose tools		4,865,474	4,353,190
Stock in trade		9,113,380	4,043,916
Trade debts		7,151,867	733,185
Loans and advances		1,042,270	872,320
Deposits and prepayments		352,740	67,009
Other receivables		1,104,700	1,055,982
Short term investments	9	10,744,521	30,632,717
Cash and bank balances		10,722,724	7,404,526
		45,097,676	49,162,845
		96,215,832	94,390,671

Chairman

Ber 5.0

Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited) For the period ended September 30, 2012

		For the quarter ended		For the pe	riod ended
	Note	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
		(Rupee	s '000)	(Rupee	es '000)
Sales		31,827,070	32,621,889	79,253,872	74,868,514
Cost of sales	10	20,978,808	17,489,576	48,651,638	39,104,793
GROSS PROFIT		10,848,262	15,132,313	30,602,234	35,763,721
Administrative expenses and distribution cost		2,363,375	2,150,306	6,278,177	5,668,702
		8,484,887	12,982,007	24,324,057	30,095,019
Finance cost		628,816	514,022	2,179,710	1,358,660
Other expenses		682,469	1,061,903	2,036,062	2,589,377
		7,173,602	11,406,082	20,108,285	26,146,982
Other income		548,757	789,686	1,860,371	2,106,185
Share of (loss) / profit of joint venture and associ	ate	(43,570)	14,754	50,747	127,572
NET PROFIT BEFORE TAXATION		7,678,789	12,210,522	22,019,403	28,380,739
Provision for taxation		2,710,209	3,965,055	7,721,967	10,629,263
NET PROFIT AFTER TAXATION		4,968,580	8,245,467	14,297,436	17,751,476
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limite	d	4,238,285	6,449,393	13,250,848	14,229,351
Non - controlling interests		730,295	1,796,074	1,046,588	3,522,125
		4,968,580	8,245,467	14,297,436	17,751,476

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





Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited) For the period ended September 30, 2012

	For the quar	rter ended	For the per	For the period ended		
	September 30,	September 30,	September 30,	September 30,		
	2012	2011	2012	2011		
	(Rupe	es'000)	(Rupee	es'000)		
Net profit after taxation	4,968,580	8,245,467	14,297,436	17,751,476		
Other comprehensive income for the period				1		
Exchange difference on translating foreign investment	9,128	167,859	42,056	111,840		
Surplus / (deficit) on remeasurement		11.1	11			
of investments available for sale to fair value	2,796	3,350	(526)	12,200		
	11,924	171,209	41,530	124,040		
Income tax relating to components of	(000)	(000)	(070)	(0.000)		
other comprehensive income	(909)	(989)	(876)	(2,206)		
Other comprehensive income						
for the period - net of tax	11,015	170,220	40,654	121,834		
Total comprehensive income for the period	4,979,595	8,415,687	14,338,090	17,873,310		
ATTRIBUTABLE TO:						
Equity holders of Fauji Fertilizer Company Limited	4,246,378	6,578,733	13,277,729	14,314,556		
Non - controlling interests	733,217	1,836,954	1,060,361	3,558,754		
	4,979,595	8,415,687	14,338,090	17,873,310		

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

1000 Chairman

Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited) For the period ended September 30, 2012

	Note	September 30, 2012	September 30, 2011
		(Rupee	es '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	9,501,430	29,745,876
Finance cost paid		(1,777,299)	(1,156,222)
Income tax paid		(7,015,217)	(6,301,383)
Payment to Employees' Provident Fund Trust		(234,785)	(203,737)
Payment to Employees' Pension Fund Trust		(454,661)	(109,220)
Payment to Employees' Gratuity Fund Trust		(126,988)	(89,714)
Payment to Workers' Profit Participation Fund		(18,162)	(57,818)
Payment to Workers' Welfare Fund		(583,014)	
Compensated absences paid		(12,766)	(7,010)
		(10,222,892)	(7,925,104)
Net cash (used in) / generated from operating activities		(721,462)	21,820,772
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(7,014,534)	(4,456,125)
Proceeds from sale of property, plant and equipment		32,712	9,870
Interest received		941,235	1,163,362
Decrease in investments		11,449,374	733,430
Net cash generated from / (used in) investing activities		5,408,787	(2,549,463)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing: disbursements		1,000,000	2,000,000
repayments		(2,340,106)	(1,542,877)
Long term murabaha - repayments		-	(19,338)
Long term loan received		6,162,000	(648,201)
Loan arrangement fee		(666,455)	(222,497)
Dividends paid		(16,474,295)	(13,368,637)
Net cash used in financing activities		(12,318,856)	(13,801,550)
Net (decrease) / increase in cash and cash equivalents	1	(7,631,531)	5,469,759
Cash and cash equivalents at beginning of the period		16,242,855	14,905,629
Cash and cash equivalents at end of the period		8,611,324	20,375,388
CASH AND CASH EQUIVALENTS		1	0.20
Cash and bank balances		10,722,724	14,450,345
Short term highly liquid investments		10,531,119	14,766,298
Short term running finance		(12,642,519)	(8,841,255)
		8,611,324	20,375,388

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

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Chairman

Chief Executive

۰., Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited) For the period ended September 30, 2012

	Attributable to equity holders of Fauji Fertilizer Company Limited Capital reserves Revenue reserves				controlling interests				
		Ca	pital reserve	15	Surplus on	vevenue res	erves		
	Share capital	Capital reserve	Translation reserve	reserve	remeasurement of available for sale investments to fair value	reserve	Unappropriated profit		
					(Rupees'0	000)			
Balance as at January 01, 2011	6,785,271	276,184	690,463	6,436	(5,554)	4,239,471	5,288,670	5,988,208	23,269,14
Transfer to general reserve	() • J		1		1.1	1,700,000	(1,700,000)		
Total comprehensive income for the period									
Profit for the period after taxation	-		•		0.00	-	14,229,351	3,522,125	17,751,47
Other comprehensive income - net of tax	-		75,212	-	9,994	-	/	36,628	121,83
Total comprehensive income for the period	•	-	75,212	-	9,994		14,229,351	3,558,753	17,873,31
Distribution to owners							de la		
FFC dividends:		1	14	7			1		
Bonus shares issued	1,696,317	-	1.47	-	-	(1,696,317)		-	
Final dividend 2010: Rs 3.50 per share			11.	-			(2,374,845)		(2,374,84
First interim dividend 2011: Rs. 4.50 per share	· · ·		•	-	- •, J	•	(3,816,715)	-	(3,816,71
Second interim dividend 2011: Rs. 4.75 per share		-	11 .	-	/	11.	(4,028,754)	-	(4,028,75
Dividend to FFBL non-controlling interest holders:	1.00								
Final dividend 2010: Rs 3.50 per share	10 .	-	•			•	· ·	(1,605,921)	(1,605,92
First interim dividend 2011: Rs.1.25 per share					1	1		(573,543)	(573,54
Second interim dividend 2011: Rs.2.25 per share	1,696,317	1				- (1,696,317)	(10,220,314)	(1,032,379)	(1,032,37
Balance as at September 30, 2011	8,481,588	276,184	765,675	6,436	4,440	4,243,154	7,597,707	6,335,118	27,710,30
		_							
Balance as at January 01, 2012	8,481,588	276,184	690,062	6,380	10,258	5,543,154	10,755,350	6,688,550	32,451,52
Fransfer to general reserve	10		-	-		4,200,000	(4,200,000)	-	
Fotal comprehensive income for the period									
Profit for the period after taxation	-			-	10-		13,250,848	1,046,588	14,297,43
Other comprehensive income - net of tax	-	e.	28,283	-	(1,402)			13,773	40,65
Total comprehensive income for the period	•	1.1	28,283	•	(1,402)	•	13,250,848	1,060,361	14,338,09
Distribution to owners									
Bonus shares issued	4,240,794	-	-		-	(4,240,794)	· ·	-	
FFC dividends:	100								
Final dividend 2011: Rs 5.25 per share				-	-		(4,452,834)	-	(4,452,83
First interim dividend 2012: Rs. 3.00 per share		/ .	11-	-	-		(3,816,715)		(3,816,71
Second interim dividend 2012: Rs. 5.00 per share		-	1	-	-	-	(6,361,191)		(6,361,19
Dividend to FFBL non-controlling interest holders:									
Final dividend 2011: Rs 3.50 per share	-		1.		-	-	-	(1,605,921)	(1,605,92
	4,240,794		•	-		(4,240,794)	(14,630,740)	(1,605,921)	(16,236,66
Balance as at September 30, 2012	12,722,382	276,184	718,345	6,380	8,856	5,502,360	5,175,458	6,142,990	30,552,95

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

-----Chairman

Director

- 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 the FFC and FFBL are manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations while the 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 information of the Group for the period ended Septermber 30, 2012 has been prepared in accordance with the requirements of 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.

The disclosures in this condensed interim consolidated financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements of the Group for the year ended December 31, 2011. Comparative balance sheet is extracted from annual financial statements as of December 31, 2011 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information of the Group for the period ended September 30, 2011.

This condensed interim consolidated financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Islamabad, Karachi and Lahore Stock Exchanges.

3. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited September 30, 2012	Audited December 31, 2011		Un-audited September 30, 2012	Audited December 31, 2011
Num	bers		(Rupee	es '000)
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash.	2,564,959	2,564,959
1,015,742,345	591,662,929	Ordinary shares of Rs.10 each issued as fully paid bonus shares.	10,157,423	5,916,629
1,272,238,247	848,158,831		12,722,382	8,481,588

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2011: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs15,000,000 thousand (2011: Rs 15,000,000 thousand)

		Un-audited September 30, 2012	Audited December 31, 2011
		(Rupee	es '000)
ŀ.	REVENUE RESERVES		
	Surplus on remeasurement of available for sale investments		
	to fair value - net of tax	8,856	10,258
	General reserve	5,502,360	5,543,154
	Unappropriated profit	5,175,458	10,755,350
		10,686,674	16,308,762

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Notes to the Condensed Interim Consolidated Financial Information For the period ended September 30, 2012

				Note	Un-audited September 30, 2012	Audited December 31, 2011
-	1.01		ERM BORROWINGS		(Rupee	es '000)
5.				F 4	44 700 000	0 455 540
		-	ו financing - secured ו loan - Government of Pakistan Loan - FFBL (Unsecured)	5.1 5.2	11,763,638 3,241,002	8,455,543 3,889,203
	Lon	y tom		0.2	15,004,640	12,344,746
	Les	s: Amo	ount payable within twelve months shown as current maturity		3,086,182	2,263,856
					11,918,458	10,080,890
5.1	Мον	/emer	nt in this account during the period/ year is as follows:			
	Оре	ening t	balance		8,455,543	6,435,483
			nents during the period/ year		5,000,000	4,636,138
			nts during the period/ year		(1,691,905)	(2,616,078)
	CIOS	sing ba	alance		11,763,638	8,455,543
5.2	Мо	/emer	nt in this account during the period/ year is as follows:			
	Ope	ening b	balance		3,889,203	4,537,404
			nts during the period/ year		(648,201)	(648,201)
	CIOS	sing ba	alance		3,241,002	3,889,203
6.	co	NTING	GENCIES AND COMMITMENTS			
	a)	Con	tingencies			
		i)	Guarantees issued by banks on behalf of the Group companies	6.	154,318	158,681
		ii)	Disputed demand for income tax and levy of contribution to Welfare Fund related to former PSFL decided in favour of FF Income Tax Appellate Authorities, are currently in appea Department. FFC is confident that there are reasonable group	C by the I by the		
		,	favourable decision.	/	178,590	178,590
		iii) Claims against FFC and / or potential exposure not acknowledged as debt.			50,696	50,696
		iv)	Indemnity bonds and undertakings given to the custom auth the machinery imported by FFBL for installation at plantsite.	orities for	119,650	119,650
		v)	Group's share of contingencies in Fauji Cement Company Limi	ted.	122,388	121,496
		vi)	FFBL's share of contingent liabilities of Foundation Wind E Limited as at June 30, 2012.	nergy - I	8,260	7,595
		vii)	FFBL's share of contingent liabilities of Foundation Wind En (Private) Limited as at June 30, 2012.	nergy - II	8,295	7,595
	b)	Con	nmitments in respect of:			,
	5)	i)	Capital expenditure (including commitments relating to FFCEL).	14,483,834	17,468,405
		ii)	Purchase of fertilizer, stores, spares and other revenue items.		3,676,612	4,226,170
		iii)	Investment in FFC Energy Limited. FFC's commitme bank on behalf of consortium of financial institu secured against all present and future, moveable a assets excuding immovable properties, land and building of FFC	tions is nd fixed		1,236,000
		i.d			46,110	13,176
		iv)	Group's share of commitments of PMP.			10,110
		v)	FFBL's share of commitments for investment in wind power project.		3,983,365	4,764,715
N		vi)	Rentals under lease agreements: Premises Vehicles		223,636 104,888	200,707 153,163

Notes to the Condensed Interim Consolidated Financial Information For the period ended September 30, 2012

		Note	Un-audited September 30, 2012	Audited December 31, 2011
			(Rupee	es '000)
7.	PROPERTY, PLANT AND EQUIPMENT			
	Opening written down value		37,208,281	31,045,089
	Additions during the period / year		7,014,534	11,460,718
	Written down value of disposals / adjustments		(29,122)	(2,767,730)
	Depreciation during the period / year		(2,005,903)	(2,529,796)
	Closing written down value		42,187,790	37,208,281
8.	LONG TERM INVESTMENTS			
	Equity accounted investments	8.1	6,377,276	5,503,123
	Other long term investments	8.2	243,064	250,818
			6,620,340	5,753,941
8.1	Equity accounted investments			
	Investment in associated companies			
	Fauji Cement Company Limited			
	Cost of investment		1,800,000	1,800,000
	Share of post acquisition profits		257,196	208,170
	Share of profit for the period / year		24,948	49,026
	Closing Balance		2,082,144	2,057,196
	Foundation Wind Energy - I Limited			
	Opening balance of advance for issue of shares		131,160	131,160
	Advance of issue of shares during the period / year		233,664	
	Brought forward loss		(11,751)	-
	Share of loss for the period / year		(23,449)	(11,751)
	Closing Balance		329,624	119,409
	Foundation Wind Energy - II (Private) Limited		lier	
	Opening balance of advance for issue of shares	1	104,125	104,125
	Advance of issue of shares during the period / year		547,686	-
	Brought forward loss		(10,779)	
	Share of loss for the period / year		(22,793)	(10,779)
	Closing Balance		618,239	93,346
	Investment in joint venture			
	Pakistan Maroc Phosphore S.A.Morocco			
	Cost of investment		2,117,075	2,117,075
	Post acquisition profits / (losses) brought forward		89,987	(292,594)
	Share of profit for the period / year		72,041	382,581
	Gain on translation of net assets		1,068,166	1,026,110
	Closing Balance		3,347,269	3,233,172
			6,377,276	5,503,123

Notes to the Condensed Interim Consolidated Financial Information For the period ended September 30, 2012

	No	Un-audited September 30, te 2012	Audited December 31, 2011
		(Rupe	es '000)
8.2	OTHER LONG TERM INVESTMENTS	86 1	
	Investments available for sale	10	
	Certificates of investment	108,664	108,961
	Pakistan Investment Bonds	59,757	162,043
	Term Finance Certificates	112,226	123,712
	Arabian Sea Country Club Limited (ASCCL)		1
	(300,000 shares of Rs 10 each)	3,000	3,000
	Less: Impairment in value of investment	(3,000)	(3,000)
	10 11 111	-	-
		280,647	394,716
	1	200,047	554,710
	Less: Current portion shown under 9 short term investments	1811	
	Investments available for sale	1	
	Certificates of investment	20,745	22,507
	Pakistan Investments Bonds	-	104,706
	Term Finance Certificates	16,838	16,685
		37,583	143,898
		243,064	250,818
9.	SHORT TERM INVESTMENTS	07	
	Available for sale		
	Term deposits with banks and financial institutions		
	Local currency	8,210,000	18,675,000
	Foreign currency	1,172,745	1,028,608
	Investments at fair value through		
	profit or loss - Held for trading	1,324,193	9,535,211
	Loans and receivables at amortized cost		1,250,000
	Current maturity of long term investments - Available for sale 8.2	2 37,583	143,898
		10,744,521	30,632,717

		For the quarter ended		For the period ended		
		September 30, September 30, S		September 30, September		
		2012	2011	2012	2011	
		(Rupe	es'000)	(Rupe	es'000)	
10.	COST OF SALES					
	Raw materials consumed	12,990,718	10,509,483	35,503,064	26,029,946	
	Fuel and power	2,445,216	1,798,426	6,676,265	4,661,461	
	Chemicals and supplies	92,403	619,497	310,731	1,655,616	
	Salaries, wages and benefits	1,497,917	1,119,226	4,015,977	3,345,054	
	Training and employees welfare	143,869	559,197	437,139	1,496,717	
	Rent, rates and taxes	12,454	15,113	31,137	36,336	
	Insurance	62,031	69,369	188,731	206,680	
	Travel and conveyance	98,441	191,157	346,435	407,351	
	Repairs and maintenance	348,131	241,901	1,572,056	1,381,797	
	Depreciation	677,645	595,542	1,991,000	1,855,458	
	Communication and other expenses	380,838	338,850	946,485	779,225	
	Provision for slow moving spares	- 10	-	15,910	24,635	
	Opening stock - work in process	97,638	48,150	58,478	57,567	
	Closing stock - work in process	(70,237)	(37,411)	(70,237)	(37,411)	
	Cost of goods manufactured	18,777,064	16,068,500	52,023,171	41,900,432	
	Opening stock - manufactured fertilizers	8,501,453	4,696,029	344,756	354,204	
	Closing stock - manufactured fertilizers	(6,476,731)	(3,322,744)	(6,476,731)	(3,322,744)	
		2,024,722	1,373,285	(6,131,975)	(2,968,540)	
	Cost of sales - manufactured fertilizers	20,801,786	17,441,785	45,891,196	38,931,892	
	Opening stock - purchased fertilizers	657,221	78,450	144,090	-	
	Purchase of fertilizers for resale	2,983	50,395	3,099,534	253,955	
		660,204	128,845	3,243,624	253,955	
	Closing stock - purchased fertilizers	(483,182)	(81,054)	(483,182)	(81,054)	
	Cost of sale - purchased fertilizers	177,022	47,791	2,760,442	172,901	
		20,978,808	17,489,576	48,651,638	39,104,793	
		_			-	

		September 30, 2012	September 30, 2011
		(Rupee	
11.	CASH GENERATED FROM OPERATIONS		
	Net profit before taxation	22,019,403	28,380,739
	Adjustments for:	1	
	Depreciation	2,005,903	1,884,969
	Provision for slow moving spares	15,910	24,635
	Finance cost	2,179,710	1,204,911
	Provision for Workers' Profit Participation Fund	1,263,680	1,697,643
	Provision for Workers' Welfare Fund	477,259	625,930
	Income on loans, deposits and investments	(820,829)	(1,214,788)
	Gain on sale of property, plant and equipment	(3,590)	(6,476)
	Gain on sale of investments	(363,287)	-
	Provision for Employees' Gratuity Fund Trust	138,178	158,061
	Provision for Employees' Pension Fund Trust	71,771	101,334
	Provision for compensated absences	- A	65,567
	Exchange loss	201,182	146,491
	Gain on remeasurement of investments at fair value	110	
	through profit or loss	(191,546)	(756,865)
	Share of profit of joint venture and associate	(50,747)	(127,572)
		4,923,594	3,803,840
		26,942,997	32,184,579
	Changes in working capital	1	
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	(512,284)	(605,747)
	Stock in trade	(5,069,464)	(2,177,866)
	Trade debts	(6,418,682)	(226,888)
	Loans and advances	(169,950)	(484,211)
	Deposits and prepayments	(285,731)	(83,684)
	Other receivables	(48,718)	(44,015)
	(Decrease) / increase in current liabilities:		
	Trade and other payables	(4,892,316)	1,189,045
	1.1.1.1.1.1.	(17,397,145)	(2,433,366)
	Changes in long term loans and advances	(50,524)	(5,331)
	Changes in long term deposits and prepayments	6,102	(6)
	The state of the second	9,501,430	29,745,876

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

For the period ended September 30, 2012

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, 2012	September 30, 2011
	(Rupe	es '000)
Transactions with associated undertaking / companies due to common directorship		
Sale of fertilizer	14,686	3,508
Rent charged to Group companies	4,199	2,882
Dividend paid	7,053,988	5,663,218
Issuance of bonus shares	1,880,792	_
Donation	100,000	17 A 1
FFBL's investment in wind power projects	781,350	235,286
Repayment of principal portion of long term finance		19,338
Financial charges		328
Medical services	47	71
Purchase of gas as feed and fuel stock	17,731,323	8,659,987
Others	55,000	102,805
Services received	152,937	-
Balance receivable - unsecured	4,134	3,307 *
Balance payable - unsecured	1,044,391	550,986 *
Transactions with joint venture company		
Raw material purchased	15,933,275	18,021,594
Expenses incurred on behalf of joint venture company	25,304	26,097
Balance payable - secured	5,206,181	5,947,347 *
Balance receivable - unsecured	18,294	28,569 *
Other related parties		
Remuneration including benefits and perquisites of Chief Executives		
and other Executives. Number of persons 2012: 2 and 813 (2011: 2 and 702)	3,158,077	2,623,285
Payments to:		
Employees' Provident Fund Trust	234,785	203,737
Employees' Gratuity Fund Trust	126,988	89,714
Employees' Pension Fund Trust	454,661	109,220
Workers' Profit Participation Fund	18,162	57,818
Others:	Sec.	
Balance payable - unsecured	2,979,816	1,929,008 *
Balance receivable - unsecured	217,202	- *

* Comparative figures of receivable / payable balances are as of December 31, 2011.

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 its meeting held on October 21, 2012 proposed third interim dividend of Rs 2.50 per share while a dividend of Rs. 2.25 per share has been proposed by the Board of Directors of FFBL on October 18, 2012.
- **13.3** This condensed interim consolidated financial report has been authorised for issue by the Board of Directors of FFC on October 21, 2012.

A CONTRACTOR OF THE OWNER

Chairman

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