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Half Yearly FINANCIAL STATEMENTS

June 30, 2008 (Un-Audited)

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FFC FAUJI FERTILIZER COMPANY LIMITED 
93-Harley Street, Rawalpindi Tel: (051) 9272308-15

FFC FAUJI FERTILIZER COMPANY LIMITED 

Company Information

BOARD OF DIRECTORS

Lt Gen Syed Arif Hasan, HI(M) (Retired)
Chairman

Lt Gen Munir Hafiez, HI(M) (Retired)
Chief Executive and Managing Director

Dr Haldor Topsoe
Mr Qaiser Javed
Mr Tariq Iqbal Khan
Dr Nadeem Inayat
Mr Istaqbal Mehdi
Brig Arif Rasul Qureshi, SI(M) (Retired)
Maj Gen Muhammad Tahir, HI(M) (Retired)
Brig Rahat Khan, SI(M) (Retired)
Mr Kamal Afsar
Mr Mohsin Raza
Mr Masood Karim Shaikh

CHIEF FINANCIAL OFFICER

Mr Abid Maqbool
Tel: +92-51-9272336, Fax: +92-51-9272337
E-mail: gmf_cfo@ffc.com.pk

COMPANY SECRETARY

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

REGISTERED OFFICE

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Tel: +92-51-9272307-14, Fax: +92-51-9272316
Website: www.ffc.com.pk
E-mail: ffcwp@ffc.com.pk

PLANTSITES

Goth Machhi, Sadikabad.
(Distt: Rahim Yar Khan)
Tel: +92-68-5786420-9, Fax: +92-68-5786401

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: +92-42-6365736, Fax: +92-42-6366324

KARACHI OFFICE

B-35, KDA Scheme No. 1, Karachi.
Tel: +92-21-4390115-16, Fax: +92-21-4390117 & 4390122

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

SHARES REGISTRAR

THK Associates (Pvt) Limited
Ground Floor, State Life Building – 3,
Dr. Ziauddin Ahmed Road,
Karachi – 75530
Tel No. 92-21-111-000-322, Fax No. 92-21-5655595

Directors' Review

For the Half Year Ended June 30, 2008

Dear Members,

The Company commemorated its 30th anniversary with record half yearly performance driven by strong demand for our core product - 'Sona' urea. Manufacturing efficiency, judicious management strategies and the resilience of our work force have paid dividends over the years.

Urea Industry recorded a healthy growth of 33% with offtake of 2,693 thousand tonnes as compared to 2,032 thousand tonnes during the corresponding period of last year. The Trading Corporation of Pakistan imported 136 thousand tonnes to bridge the demand and supply gap. Supply comprised of 2,473 thousand tonnes of local urea output and an opening inventory of 159 thousand tonnes. Indigenous urea production recorded a growth of 7% as compared to last year. The Industry carried an inventory of 61 thousand tonnes of urea at close of the period, 89% lower as compared to last year due to improved offtake.

The Industry's manufacturing costs were burdened with an escalation of 5.5% in fuel gas price from January 2008 and a further increase of 31% effective July 1, 2008. The Finance Act 2008 abolished GST on marketing of locally produced and imported fertilizers for the benefit of the farming community. The impacts have been passed on to the consumers.

The year commenced with DAP opening inventory of 276 thousand tonnes. FFBL produced 150 thousand tonnes and 224 thousand tonnes were imported. Industry DAP offtake of 163 thousand tonnes, including 37 thousand tonnes of FFBL's 'Sona' DAP, declined by 65% compared to sales during the corresponding period of last year. The low offtake resulted in a 161% higher DAP inventory of 492 thousand tonnes at the end of the period as compared to last year. DAP demand remained sluggish due to escalation in international price which resulted in an increase of around Rs. 1,800 per bag for FFC DAP locally. Anticipation of enhancement in subsidy to Rs. 1,000 per bag, announced by GOP (modalities not yet communicated), was also a factor.

The Company's urea production remained in excess of designed capacity with aggregate output of 1,184 thousand tonnes, slightly below last year's production due to maintenance turnaround of Plant II, Goth Machhi. The Goth Machhi Complex produced 806 thousand tonnes during the period and the Mirpur Mathelo plant recorded highest ever half yearly production of 378 thousand tonnes.

Company's 'Sona' urea offtake was recorded at 1,192 thousand tonnes, an improvement of 18% over last year's sales, enhancing core product revenue to Rs. 12.55 billion, 30% over the revenue for the corresponding period of last year. The Company marketed 31 thousand tonnes of imported urea while 351 thousand tonnes of 'Sona' urea granular and 8 thousand tonnes of imported urea were marketed on behalf of FFBL. The Company thus captured a market share of 59% during the period under review. FFC DAP sales were recorded at 23 thousand tonnes. Aggregate FFC and 'Sona' DAP sales enabled the Company to capture 37% market participation.

Aggregate sales revenue of Rs. 14.03 billion depicted an increase of 39% over the revenues for last year. Aggregate gross earnings stood at Rs. 6.12 billion, an improvement of 40%, while net after tax earnings surged to Rs. 3.29 billion with a growth of 38% over the net profit for the same period of last year. Earning per share of the Company was recorded at Rs. 6.66 per share as compared to Rs. 4.83 for the same period last year.

The Board has announced second interim dividend of Rs.3.00 per share (30 %), with aggregate dividend of Rs. 6.50 for half year 2008, based on the results indicated in the attached un-audited financial statements of the Company. The Board is also pleased to append the un-audited consolidated financial statements of FFC and its subsidiary FFBL for the period under review.

The global economy is undergoing recession due to the spiraling increase in the price of oil. Pakistan's economy is under tremendous inflationary pressure due to high energy costs and food shortage. However, the long term strategies of the Company provide adequate cover to sustain profitability, with continued support of the Government. All aspects considered, we remain confident regarding the results for the remainder of the year.

On behalf of the Board,



Rawalpindi
July 30, 2008

CHAIRMAN
Lt Gen Syed Arif Hasan, HI(M), (Retired)

Independent Auditors' Report on Review of condensed Interim Financial Information to the Members of Fauji Fertilizer Company Limited.

Introduction

We have reviewed the accompanying condensed interim balance sheet of Fauji Fertilizer Company Limited ("the Company") as of June 30, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six-months' period then ended (the interim financial information). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2008 and 2007 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2008.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at June 30, 2008, is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

ISLAMABAD
July 30, 2008

KPMG TASEER HADI & CO
CHARTERED ACCOUNTANTS



***Condensed Interim
Financial Statements***

Condensed Balance Sheet

As at June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
SHARE CAPITAL AND RESERVES			
Share capital	4	4,934,742	4,934,742
Reserves	5	7,592,961	7,795,303
		<u>12,527,703</u>	<u>12,730,045</u>
NON CURRENT LIABILITIES	6	4,566,250	2,671,250
DEFERRED TAXATION		2,300,038	2,363,526
CURRENT LIABILITIES			
Trade and other payables		7,333,133	5,815,276
Interest and mark - up accrued		168,015	184,430
Short term borrowings		197,647	3,141,081
Current portion of long term financing		560,000	1,022,500
Taxation - net		1,857,264	1,313,106
		<u>10,116,059</u>	<u>11,476,393</u>
		<u>29,510,050</u>	<u>29,241,214</u>

CONTINGENCIES AND COMMITMENTS 7

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
PROPERTY, PLANT AND EQUIPMENT	8	11,478,216	10,390,490
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	7,742,526	6,325,129
LONG TERM LOANS AND ADVANCES		156,237	142,782
LONG TERM DEPOSITS AND PREPAYMENTS		1,662	2,144
CURRENT ASSETS			
Stores, spares and loose tools		2,481,133	2,407,988
Stock in trade		1,477,629	642,836
Trade debts		649,329	1,722,602
Loans and advances		129,868	83,917
Deposits and prepayments		129,081	33,665
Other receivables		636,554	1,542,763
Short term investments	10	2,309,189	3,027,664
Cash and bank balances		749,392	1,350,000
		<u>8,562,175</u>	<u>10,811,435</u>
		<u>29,510,050</u>	<u>29,241,214</u>

Chairman

Chief Executive

Director

Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended June 30, 2008

	Note	For the quarter ended		For the half year ended	
		June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
		(Rupees '000)		(Rupees '000)	
Sales		6,903,981	5,937,354	14,025,251	10,090,491
Cost of sales	11	3,662,010	3,366,126	7,906,972	5,723,708
GROSS PROFIT		3,241,971	2,571,228	6,118,279	4,366,783
Distribution cost		608,644	603,738	1,257,582	1,087,200
		2,633,327	1,967,490	4,860,697	3,279,583
Finance cost		65,813	212,074	230,218	316,297
Other expenses		204,633	202,282	410,374	351,168
		2,362,881	1,553,134	4,220,105	2,612,118
Other income		65,806	112,998	678,209	783,429
NET PROFIT BEFORE TAXATION		2,428,687	1,666,132	4,898,314	3,395,547
Provision for taxation		883,526	576,000	1,612,000	1,011,000
NET PROFIT AFTER TAXATION		1,545,161	1,090,132	3,286,314	2,384,547
Earnings per share - basic and diluted (Rupees)	12	3.13	2.21	6.66	4.83

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director

Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2008

	Note	June 30, 2008	June 30, 2007
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	6,631,849	226,325
Finance cost paid		(246,633)	(253,149)
Income tax paid		(1,112,842)	(967,490)
Payment to gratuity fund		(50,327)	(46,091)
Payment to pension fund		(44,530)	(35,472)
Payment to Workers' Profit Participation Fund		(470,000)	(400,000)
Net cash generated from / (used in) operating activities		4,707,517	(1,475,877)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,521,150)	(545,733)
Proceeds from sale of property, plant and equipment		3,632	5,816
Interest received		164,641	130,474
Investment in Fauji Cement Company Limited		(1,500,000)	–
(Increase)/decrease in investments		(499,977)	298,331
Dividend received from FFBL		475,233	594,041
Net cash (used in) / generated from investing activities		(2,877,621)	482,929
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		2,150,000	1,050,000
- repayments		(717,500)	(622,831)
Decrease in short term borrowings		(2,931,081)	(1,543,731)
Dividends paid		(2,283,057)	(2,838,713)
Net cash used in financing activities		(3,781,638)	(3,955,275)
Net decrease in cash and cash equivalents		(1,951,742)	(4,948,223)
Cash and cash equivalents at beginning of the period		3,344,262	3,884,668
Effect of exchange rate changes		696	(158)
Cash and cash equivalents at end of the half year		1,393,216	(1,063,713)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		749,392	1,493,457
Short term highly liquid investments		841,471	1,149,882
Short term running finance		(197,647)	(3,707,052)
		1,393,216	(1,063,713)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director

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

For the half year ended June 30, 2008

	Share Capital	Capital reserve	General reserve	Surplus/(deficit) on remeasurement of investments available for sale to fair value	Unappropriated Profit	Total
	(R u p e e s ' 0 0 0 ')					
Balance at January 1, 2007	4,934,742	160,000	6,190,000	–	1,671,801	12,956,543
Transfer from general reserve	–	–	(250,000)	–	250,000	–
Final dividend 2006:Rs. 3.90 per share	–	–	–	–	(1,924,549)	(1,924,549)
Total recognized income and expense for the period						
Net profit for the half year ended June 30, 2007	–	–	–	–	2,384,547	2,384,547
Surplus on remeasurement to fair value-net of tax	–	–	–	42,870	–	42,870
	–	–	–	42,870	2,384,547	2,427,417
First interim dividend 2007: Rs. 2.50 per share	–	–	–	–	(1,233,685)	(1,233,685)
Balance at June 30, 2007	4,934,742	160,000	5,940,000	42,870	1,148,114	12,225,726
Balance at January 1, 2008	4,934,742	160,000	5,940,000	38,154	1,657,149	12,730,045
Transfer from general reserve	–	–	(100,000)	–	100,000	–
Final dividend 2007: Rs. 3.50 per share	–	–	–	–	(1,727,160)	(1,727,160)
Total recognized income and expense for the period						
Net profit for the half year ended June 30, 2008	–	–	–	–	3,286,314	3,286,314
Deficit on remeasurement to fair value -net of tax	–	–	–	(34,336)	–	(34,336)
	–	–	–	(34,336)	3,286,314	3,251,978
First interim dividend 2008: Rs. 3.50 per share	–	–	–	–	(1,727,160)	(1,727,160)
Balance at June 30, 2008	4,934,742	160,000	5,840,000	3,818	1,589,143	12,527,703

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive


Director

Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2008

- 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 fertilizer, chemical and other manufacturing operations.
- These interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These interim financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34: "Interim Financial Reporting". These condensed interim financial statement do not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2007, whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim financial statements for the half year ended June 30, 2007.
- Accounting policies, related judgments, estimates and assumptions adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended December 31, 2007 except for the inclusion of following accounting policy:

Investment in Associates

Associates are entities over which the Company has significant influence. Investment in associates are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense. When impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit and loss account.

		Un-audited June 30, 2008	Audited December 31, 2007
		(Rupees '000)	
4. SHARE CAPITAL			
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
(Numbers)			
256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
236,978,328	Ordinary shares of Rs. 10 each issued as fully paid bonus shares.	2,369,783	2,369,783
<u>493,474,230</u>		<u>4,934,742</u>	<u>4,934,742</u>

AUTHORIZED SHARE CAPITAL

This represents 500,000,000 (2007: 500,000,000) ordinary shares of Rs 10 each.

5. RESERVES

Capital reserves	160,000	160,000
General reserve	5,840,000	5,940,000
Surplus on re-measurement of available for sale investments to fair value - net of tax	3,818	38,154
Unappropriated profit	<u>1,589,143</u>	<u>1,657,149</u>
	<u>7,592,961</u>	<u>7,795,303</u>

Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
6. NON CURRENT LIABILITIES			
Long term financing - secured	6.1	5,126,250	3,693,750
Less: Amount payable within twelve months shown as current maturity		560,000	1,022,500
		<u>4,566,250</u>	<u>2,671,250</u>
6.1 Movement in this account during the period/year is as follows:			
Opening balance		3,693,750	2,081,077
Disbursements during the period/year		2,150,000	2,600,000
Repayments during the period/year		(717,500)	(987,327)
Closing balance		<u>5,126,250</u>	<u>3,693,750</u>
7. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i) Guarantees issued by banks on behalf of the Company.		17,192	18,729
(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) Company's share of contingencies in Fauji Cement Company Limited an associated Company.		151,840	–
(iv) Claims against the Company and/ or potential exposure not acknowledged as debt.		50,696	50,696
(b) Commitments			
(i) Capital expenditure.		2,396,765	1,192,706
(ii) Purchase of fertilizer, stores, spares and other revenue items.		1,740,114	895,762
(iii) Company's share of commitments in Pakistan Maroc Phosphore S.A. (a joint venture with OCP). The joint venture itself is committed to incur capital expenditure of MAD 498 million (2007: MAD 839 million) equivalent Pak Rs 4,352 million (2007: Rs 6,692 million).		544,000	836,540
(iv) Company's share of investment in Fauji Cement Company Limited.		–	1,500,000
(v) Rentals under lease agreements:			
Premises		84,681	88,911
Vehicles		238,257	245,966

Notes to the Condensed Interim Financial Statements

For the half year ended June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		10,390,490	9,607,957
Additions		1,521,150	2,549,833
Written down value of disposals/adjustments		(214)	(939,450)
Depreciation		(433,210)	(827,850)
Closing written down value		11,478,216	10,390,490
9. LONG TERM INVESTMENTS			
Investment in associate - at cost			
Fauji Cement Company Limited		1,500,000	–
Investment in joint venture - at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investment in subsidiary - at cost			
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,752,330	4,752,330
Investments available for sale			
Certificates of investment		219,898	259,835
Pakistan Investment Bonds		600,108	652,932
Term Finance Certificates		53,708	53,718
		873,714	966,485
		7,831,969	6,424,740
Less: Current portion shown under short term investments	10		
Investments available for sale			
Certificates of investment		89,421	99,589
Term Finance Certificates		22	22
		89,443	99,611
		7,742,526	6,325,129
10. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)		140,000	1,350,000
Foreign currency		917,561	841,296
Investments at fair value through profit or loss - held for trading		1,162,185	736,757
Current maturity of long term investments	9	89,443	99,611
		2,309,189	3,027,664

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2008

	For the quarter ended		For the half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(Rupees '000)			
11. COST OF SALES				
Raw materials consumed	1,507,473	1,396,094	2,973,293	2,798,842
Fuel and power	902,897	852,044	1,738,339	1,706,932
Chemicals and supplies	52,655	41,062	95,291	76,720
Salaries, wages and benefits	401,665	331,555	761,794	652,071
Training and employees welfare	72,844	63,510	137,605	146,209
Rent, rates and taxes	4,318	4,181	10,172	9,265
Insurance	24,780	26,384	50,226	51,429
Travel and conveyance	36,979	31,460	64,376	60,443
Repairs and maintenance	171,311	145,770	354,391	263,471
Depreciation	213,297	197,214	422,522	392,118
Communication and other expenses	142,377	131,385	251,273	247,998
Provision for slow moving and surplus spares	5,698	3,950	5,698	3,950
Opening stock-work in process	18,014	21,332	16,319	23,484
Closing stock-work in process	(28,662)	(27,287)	(28,662)	(27,287)
Cost of goods manufactured	3,525,646	3,218,654	6,852,637	6,405,645
Add: Opening stock of manufactured urea	137,392	1,097,679	164,714	34,298
Less: Closing stock of manufactured urea	(120,015)	(1,063,527)	(120,015)	(1,063,527)
	17,377	34,152	44,699	(1,029,229)
Cost of sales of own manufactured urea	3,543,023	3,252,806	6,897,336	5,376,416
Opening stock of purchased fertilizers	1,204,246	605,630	395,453	839,602
Purchase of fertilizers for resale (net of subsidy of Rs 706,003 thousand (2007:Rs.582,150 thousand))	192,749	1,135,861	1,892,191	1,135,861
	1,396,995	1,741,491	2,287,644	1,975,463
Less: Closing stock of purchased fertilizers	(1,278,008)	(1,628,171)	(1,278,008)	(1,628,171)
Cost of sales of purchased fertilizers	118,987	113,320	1,009,636	347,292
	3,662,010	3,366,126	7,906,972	5,723,708
12. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	1,545,161	1,090,132	3,286,314	2,384,547
Weighted average number of shares in issue during the period - (000)	493,474	493,474	493,474	493,474
Basic and diluted earnings per share (Rupees)	3.13	2.21	6.66	4.83

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2008

	June 30, 2008	June 30, 2007
	(Rupees '000)	
13. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	4,898,314	3,395,547
Adjustments for:		
Depreciation	430,645	398,601
Provision for gratuity	26,106	21,907
Provision for pension	20,860	16,738
Provision for Workers' Profit Participation Fund	262,962	182,287
Provision for Workers' Welfare Fund	97,966	67,911
Provision for slow moving and surplus spares	5,698	3,950
Finance cost	230,218	316,297
Gain on sale of property, plant and equipment	(3,418)	(5,149)
Income on loans, deposits and investments	(153,960)	(111,226)
Exchange (gain)/loss	(89,828)	5,917
Gain on remeasurement of investment at fair value through profit or loss	(25,428)	(53,197)
Dividend from FFB	(475,233)	(594,041)
	326,588	249,995
	5,224,902	3,645,542
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(78,843)	(131,540)
Stock in trade	(834,793)	(1,795,112)
Trade debts	1,073,273	(878,290)
Loans and advances	(45,951)	(69,487)
Deposits and prepayments	(47,525)	(52,376)
Other receivables	895,528	269,972
Increase/(decrease) in current liabilities		
Trade and other payables	458,231	(716,665)
	1,419,920	(3,373,498)
Changes in long term loans and advances	(13,455)	(45,848)
Changes in long term deposits and prepayments	482	129
	6,631,849	226,325

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2008

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	June 30, 2008	June 30, 2007
	(Rupees '000)	
Transactions with the subsidiary company		
Marketing of fertilizer on behalf of FFBL under sale on consignment basis	138,741	89,965
Commission on sale of FFBL products	7,916	6,017
Services and materials provided	1,745	21,262
Services and materials received	2,124	–
Dividend income	475,233	594,041
Balance payable - unsecured	111,547	67,540 *
Transactions with associated undertakings/companies due to common directorship		
Long term investment	1,500,000	–
Sale of fertilizer	1,104	486
Medical services	7	41
Office rent	1,633	1,512
Dividend paid - net of tax	689,396	810,861
Purchase of gas as feed and fuel stock	4,234,911	4,137,686
Technical services received	12,809	6,654
Donation paid	1,000	–
Others	500	2,534
Balance receivable - unsecured	1,119	759 *
Balance payable - unsecured	405,384	402,405 *
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of chief executive and other executives. No of persons 2008: 1 and 319 (2007: 1 and 310) respectively	447,687	393,853
Payments to:		
Employees' Provident Fund Trust	81,073	69,780
Employees' Gratuity Fund Trust	50,327	44,592
Employees' Pension Fund Trust	44,530	35,472
Workers' Profit Participation Fund	470,000	400,000
Balance payable - unsecured	219,916	432,222 *

* Comparative figures of receivable/payable balances are as of December 31, 2007.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2008

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 July 30, 2008 have proposed second interim dividend of Rs 3.00 per share.
- 15.3 These condensed interim financial statements have been authorized for issue by the Board of Directors of the Company on July 30, 2008.



Chairman



Chief Executive



Director



***Condensed Interim
Consolidated
Financial Statements***

Condensed Consolidated Balance Sheet

As at June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
SHARE CAPITAL AND RESERVES			
Share capital	4	4,934,742	4,934,742
Reserves	5	7,286,756	7,371,929
		12,221,498	12,306,671
MINORITY INTEREST		4,184,446	4,179,969
		16,405,944	16,486,640
NON CURRENT LIABILITIES	6	10,663,100	9,644,110
DEFERRED TAXATION		6,716,649	6,357,761
CURRENT LIABILITIES			
Trade and other payables		15,841,492	8,211,982
Interest and mark-up accrued		355,880	308,317
Short term borrowings		11,127,353	9,016,422
Current portion of long term:			
- Financing		976,944	1,439,444
- Murabaha		38,679	38,679
- Loan		648,201	648,201
- Liabilities against assets subject to finance lease		613	2,651
Taxation - net		1,857,263	1,001,180
		30,846,425	20,666,876
		64,632,118	53,155,387

CONTINGENCIES AND COMMITMENTS 7

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

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
PROPERTY, PLANT AND EQUIPMENT	8	27,918,619	26,848,753
GOODWILL		1,569,234	1,569,234
LONG TERM INVESTMENTS	9	5,220,731	2,983,949
LONG TERM LOANS AND ADVANCES		156,237	142,782
LONG TERM DEPOSITS AND PREPAYMENTS		16,890	17,372
CURRENT ASSETS			
Stores, spares and loose tools		3,852,287	3,674,558
Stock in trade		10,945,635	1,230,782
Trade debts		794,327	1,966,353
Loans and advances		226,325	163,436
Deposits and prepayments		134,250	42,132
Other receivables		2,366,083	2,443,141
Short term investments	10	7,299,313	6,922,326
Cash and bank balances		4,132,187	5,150,569
		29,750,407	21,593,297
		64,632,118	53,155,387

Chairman

Chief Executive

Director

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

For the half year ended June 30, 2008

	Note	For the quarter ended		For the half year ended	
		June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
		(Rupees '000)		(Rupees '000)	
Sales		10,581,419	6,845,072	19,711,107	14,036,838
Cost of sales	11	6,412,568	4,531,614	12,059,743	9,003,027
GROSS PROFIT		4,168,851	2,313,458	7,651,364	5,033,811
Administrative expenses and distribution cost		1,089,918	704,393	2,060,269	1,531,547
		3,078,933	1,609,065	5,591,095	3,502,264
Finance cost		450,839	377,641	810,737	626,447
Other expenses		231,475	190,637	456,151	384,771
		2,396,619	1,040,787	4,324,207	2,491,046
Other income		853,447	863,417	1,144,636	1,121,347
NET PROFIT BEFORE TAXATION		3,250,066	1,904,204	5,468,843	3,612,393
Provision for taxation		1,148,839	654,837	1,939,606	1,288,304
NET PROFIT AFTER TAXATION		2,101,227	1,249,367	3,529,237	2,324,089
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		1,828,062	1,171,144	3,176,446	2,061,969
Minority interest		273,165	78,223	352,791	262,120
		<u>2,101,227</u>	<u>1,249,367</u>	<u>3,529,237</u>	<u>2,324,089</u>

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


Chairman


Chief Executive


Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the half year ended June 30, 2008

	Note	June 30, 2008	June 30, 2007
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	4,897,429	1,164,672
Finance cost paid		(762,891)	(554,713)
Income tax paid		(1,287,568)	(999,413)
Payment of gratuity fund		(59,216)	(51,540)
Payment of pension fund		(44,530)	(35,472)
Payment to Workers' Profit Participation Fund		(488,069)	(414,973)
Compensation received from GOP-net		–	51,800
Net cash generated from / (used in) operating activities		2,255,155	(839,639)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,079,415)	(2,396,705)
Proceeds from sale of property, plant and equipment		7,100	6,504
Interest received		397,288	438,484
Investment in Fauji Cement Company Limited		(1,800,000)	–
Long term deposits		–	282
(Increase)/decrease in investments		(621,110)	149
Net cash used in investing activities		(4,096,137)	(1,951,286)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - disbursements		2,150,000	1,050,000
- repayments		(925,971)	(831,302)
Long term murabaha - repayments		(19,338)	(19,338)
Finance lease paid		(2,038)	(1,889)
(Decrease)/increase in short term borrowings		(2,931,081)	2,163,321
Dividends paid		(3,004,471)	(3,572,352)
Net cash used in financing activities		(4,732,899)	(1,211,560)
Net decrease in cash and cash equivalents		(6,573,881)	(4,002,485)
Cash and cash equivalents at beginning of the period		2,819,490	6,588,581
Effect of exchange rate changes		696	(158)
Cash and cash equivalents at end of the half year		(3,753,695)	2,585,938
CASH AND CASH EQUIVALENTS			
Cash and bank balances		4,132,187	6,862,817
Short term running finances		(11,127,353)	(5,426,761)
Short term highly liquid investments		3,241,471	1,149,882
		(3,753,695)	2,585,938

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


Chairman


Chief Executive


Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2008

	Attributable to equity holders of Fauji Fertilizer Company Limited						Minority Interest	Total
	Share reserve	Capital reserve	Translation reserve	General reserve	Surplus on remeasurement of investments available for sale to fair value			
					Unappropriated Profit			
				(R u p e e s ' 0 0 0 ')				
Balance at January 01, 2007	4,934,742	276,184	–	6,190,000	–	1,146,881	4,194,102	16,741,909
FFC final dividend 2006:								
Rs. 3.90 per share	–	–	–	–	–	(1,924,549)	–	(1,924,549)
FFBL final dividend 2006:								
Rs. 1.25 per share	–	–	–	–	–	–	(573,597)	(573,597)
Transfer to unappropriated profit	–	–	–	(250,000)	–	250,000	–	–
Total recognized income and expense for the period								
Net profit for the half year ended June 30, 2007	–	–	–	–	–	2,061,969	262,120	2,324,089
Surplus on remeasurement to fair value-net of tax	–	–	–	–	42,870	–	–	42,870
	–	–	–	–	42,870	2,061,969	262,120	2,366,959
FFC First interim dividend 2007								
Rs.2.50 per share	–	–	–	–	–	(1,233,685)	–	(1,233,685)
Balance at June 30, 2007	4,934,742	276,184	–	5,940,000	42,870	300,616	3,882,625	15,377,037
Balance at January 01, 2008	4,934,742	276,184	–	5,940,000	38,154	1,117,591	4,179,969	16,486,640
FFC final dividend 2007:								
Rs. 3.50 per share	–	–	–	–	–	(1,727,160)	–	(1,727,160)
FFBL final dividend 2007:								
Rs. 1.00 per share	–	–	–	–	–	–	(458,877)	(458,877)
Transfer to unappropriated profit	–	–	–	(100,000)	–	100,000	–	–
Total recognized income and expense for the period								
Net profit for the half year ended June 30, 2008	–	–	–	–	–	3,176,446	352,791	3,529,237
Deficit on remeasurement to fair value-net of tax	–	–	–	–	(34,336)	–	–	(34,336)
Exchange difference on translating joint venture-net of tax	–	–	227,037	–	–	–	110,563	337,600
	–	–	227,037	–	(34,336)	3,176,446	463,354	3,832,501
FFC first interim dividend 2008:								
Rs 3.50 per share	–	–	–	–	–	(1,727,160)	–	(1,727,160)
Balance at June 30, 2008	4,934,742	276,184	227,037	5,840,000	3,818	939,717	4,184,446	16,405,944

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



Chairman



Chief Executive



Director

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the half year ended June 30, 2008

1. Fauji Fertilizer Company Limited (FFC/ parent company) and its subsidiary, Fauji Fertilizer Bin Qasim Limited (FFBL) are incorporated in Pakistan as public limited companies and their shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered offices of the companies are situated in Rawalpindi, Pakistan. The principal activity of FFC and its subsidiary is manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical and other manufacturing operations.
2. These condensed interim consolidated financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These condensed interim consolidated financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 34: "Interim Financial Reporting". These condensed interim consolidated financial statement do not include all of the information required for annual financial statements and therefore should be read in conjunction with the annual consolidated financial statements of the company for the year ended December 31, 2007, whereas comparative profit and loss account, statement of changes in equity and cash flow statement are stated from unaudited condensed interim consolidated financial statements for the half year ended June 30, 2007.
3. The accounting policies related estimates and judgments adopted for preparation of these condensed interim consolidated financial statements are the same as those applied in preparation of annual consolidated financial statements for the year ended December 31, 2007 except for the inclusion of following accounting policy:

Investment in associate

Associates are entities over which the Group has significant influence, but not control. Investment in associate is accounted for using equity method of accounting. Under the equity method, the investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Group's share of profit or loss of the associate after the date of acquisition. The Group's share of the profit or loss of the associate is recognized in the Group's profit or loss account. The carrying amount of the investment in associate is reduced by the amount of distributions received from the associate. The carrying amount is also adjusted by the amount of changes in the Group's proportionate interest in the associate arising from changes in associate's equity that is recognized directly in equity of the Group.

		Un-audited June 30, 2008	Audited December 31, 2007
		(Rupees '000)	
4. SHARE CAPITAL			
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
(Numbers)			
256,495,902	Ordinary shares of Rs 10 each issued for consideration in cash.	2,564,959	2,564,959
236,978,328	Ordinary shares of Rs. 10 each issued as fully paid bonus shares.	2,369,783	2,369,783
<u>493,474,230</u>		<u>4,934,742</u>	<u>4,934,742</u>

AUTHORIZED SHARE CAPITAL

This represents 500,000,000 (2007: 500,000,000) ordinary shares of Rs 10 each.

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007
5. RESERVES			
Capital reserve		276,184	276,184
General reserve		5,840,000	5,940,000
Surplus on remeasurement of available for sale investments to fair value - net of tax		3,818	38,154
Translation reserve		227,037	–
Unappropriated profit		939,717	1,117,591
		<u>7,286,756</u>	<u>7,371,929</u>
6. NON CURRENT LIABILITIES			
Long term financing - secured	6.1	6,377,083	5,153,054
Long term murabaha - secured	6.2	116,035	135,373
Long term loan - Government of Pakistan loan (Un-secured)	6.3	5,833,806	6,482,007
		<u>12,326,924</u>	<u>11,770,434</u>
Less: Amount payable within twelve months shown as current maturity		1,663,824	2,126,324
		<u>10,663,100</u>	<u>9,644,110</u>
6.1 Movement in this account during the period/ year is as follows:			
Opening balance		5,153,054	3,957,325
Disbursements during the period/year		2,150,000	2,500,000
Repayments during the period/year		(925,971)	(1,304,271)
Closing balance		<u>6,377,083</u>	<u>5,153,054</u>
6.2 Movement in this account during the period/ year is as follows:			
Opening balance		135,373	174,052
Repayments during the period/year		(19,338)	(38,679)
Closing balance		<u>116,035</u>	<u>135,373</u>
6.3 Movement in this account during the period/ year is as follows:			
Opening balance		6,482,007	7,130,208
Adjustment during the period/year		(648,201)	(648,201)
Closing balance		<u>5,833,806</u>	<u>6,482,007</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended June 30, 2008

	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007
7. CONTINGENCIES AND COMMITMENTS		
a) Contingencies		
i) Guarantees issued by banks on behalf of the Group companies.	52,546	48,586
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) Demand raised by Deputy District Officer, property tax against which FFBL has filed a memorandum of appeal with the collector, Property Tax N Division, Karachi. FFBL is expecting a favourable outcome of the case.	22,861	–
iv) Income tax demands, not acknowledged as debt, have been challenged by FFBL and are currently in appeal; FFBL expects favourable outcome of appeal.	49,118	49,118
v) Group's share of contingencies in Fauji Cement Company Limited.	182,208	–
vi) Claims against the Group companies and/or potential exposure not acknowledged as debt.	63,043	63,043
vii) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plant site.	119,650	119,650
b) Commitments		
i) Capital expenditure.	2,420,997	1,467,866
ii) Purchase of fertilizer, stores, spares and other revenue items.	3,533,875	1,112,529
iii) Group's share of commitments in Pakistan Maroc Phosphore S.A.(a joint venture with OCP) including minority interest.The joint venture itself is committed to incur capital expenditure of MAD 498,000 thousand as at March 31, 2007 (2007: MAD 838,637 thousands) Equivalent Pak Rs. 4,352,000 thousand (2007: 6,692,323 thousand).	1,813,067	2,509,620

Notes to the Condensed Interim Consolidated Financial Statements

For the half year ended June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007 (Rupees '000)
iv) Group's share of investment in Fauji Cement Company Limited.		–	1,800,000
v) FFBL's share of investment in Foundation Power Company (Dharaki) Limited.		1,500,000	1,500,000
vi) Rentals under lease agreements:			
Premises		84,861	89,911
Vehicles		238,257	245,966
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		26,848,753	24,538,295
Additions during the period/year		2,079,415	7,346,685
Written down value of disposals/ adjustments		(1,540)	(3,152,389)
Depreciation during the period/ year		(1,008,009)	(1,883,838)
Closing written down value		<u>27,918,619</u>	<u>26,848,753</u>
9. LONG TERM INVESTMENTS			
Investment in joint venture - under equity method Pakistan Maroc Phosphore S.A., Morocco		2,636,460	2,117,075
Investment in associated company - under equity method Fauji Cement Company Limited (Aggregate market value as at June 30, 2008: Rs. 1,138,500 thousand)		1,800,000	–
Investment available for sale			
Certificates of investment		219,898	259,835
Pakistan Investment Bonds		600,108	652,932
Term Finance Certificates		53,708	53,718
Arabian Sea Country Club Limited (ASCCL) (300,000 shares of Rs 10 each)		3,000	3,000
Less: Impairment in value of investment		(3,000)	(3,000)
		<u>–</u>	<u>–</u>
		873,714	966,485
		<u>5,310,174</u>	<u>3,083,560</u>
Less: Current portion shown under short term investments	10		
Investment available for sale			
Certificates of investment		89,421	99,589
Term Finance Certificates		22	22
		<u>89,443</u>	<u>99,611</u>
		<u>5,220,731</u>	<u>2,983,949</u>

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the half year ended June 30, 2008

	Note	Un-audited June 30, 2008 (Rupees '000)	Audited December 31, 2007
10. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency (net of provision for doubtful recovery Rs 13,000 thousand)		3,140,000	3,500,000
Foreign currency		917,561	841,296
Investments at fair value through profit or loss - held for trading			
Fixed income / money market funds		3,152,309	2,481,419
Current maturity of long term investments	9	89,443	99,611
		<u>7,299,313</u>	<u>6,922,326</u>

	For the quarter ended		For the half year ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
	(Rupees '000)			
11. COST OF SALES				
Raw materials consumed	9,653,373	1,948,137	12,108,364	5,337,974
Fuel and power	1,242,585	1,021,490	2,418,482	2,162,946
Chemicals and supplies	84,862	63,507	153,076	115,686
Salaries, wages and benefits	538,514	425,389	1,085,571	878,474
Training and employees welfare	72,844	63,510	137,605	146,209
Rent, rates and taxes	9,814	9,744	21,257	20,443
Insurance	35,843	39,839	74,490	76,084
Travel and conveyance	45,605	40,576	81,084	77,528
Repairs and maintenance	239,512	396,913	593,741	706,801
Depreciation	511,535	445,898	995,524	887,362
Communication and other expenses	147,586	138,220	261,521	260,142
Provision for slow moving and surplus spares	5,698	3,950	5,698	3,950
Opening stock - work in process	24,489	25,737	29,791	28,285
Closing stock - work in process	(44,090)	(34,627)	(44,090)	(34,627)
Subsidy on DAP fertilizer from GOP - FFBL	(1,167,490)	(265,173)	(1,413,093)	(862,183)
Cost of goods manufactured	11,400,680	4,323,110	16,509,021	9,805,074
Add: Opening stock of manufactured fertilizers	833,662	1,388,881	416,981	133,620
Less:Closing stock of manufactured fertilizers	(5,949,124)	(1,297,908)	(5,949,124)	(1,297,908)
	(5,115,462)	90,973	(5,532,143)	(1,164,288)
Cost of sales of own manufactured fertilizers	6,285,218	4,414,083	10,976,878	8,640,786
Opening stock of purchased fertilizers	1,210,755	734,777	396,699	979,487
Purchase of fertilizers for resale - FFC (net of subsidy of Rs 706,003 thousand (2007: Rs. 582,150 thousand)	194,603	1,135,861	1,964,174	1,135,861
	1,405,358	1,870,638	2,360,873	2,115,348
Less:Closing stock of purchased fertilizers	(1,278,008)	(1,753,107)	(1,278,008)	(1,753,107)
Cost of sale of purchased fertilizers	127,350	117,531	1,082,865	362,241
	6,412,568	4,531,614	12,059,743	9,003,027

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)
For the half year ended June 30, 2008

	June 30, 2008	June 30, 2007
	(Rupees '000)	
12. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	5,468,843	3,612,393
Adjustments for:		
Depreciation	1,008,009	895,718
Provision for gratuity	34,995	28,855
Provision for pension	20,860	16,738
Provision for Workers' Profit Participation Fund	287,524	194,498
Provision for Worker's Welfare Fund	118,881	–
Provision for slow moving and surplus spares	5,698	3,950
Finance cost	810,737	626,447
Income on loans, deposits and investments	(362,519)	(414,561)
Compensation from GOP	(600,000)	(600,000)
Gain on sale of property, plant and equipment	(5,560)	(5,514)
Exchange(gain)/ loss	(89,828)	5,917
Gain on remeasurement of investments at fair value through profit or loss	(149,757)	(82,236)
	1,079,040	669,812
	6,547,883	4,282,205
Changes in working capital		
Increase/(decrease) in current assets:		
Stores, spares and loose tools	(183,427)	(283,860)
Stock in trade	(9,714,853)	(2,269,953)
Trade debts	1,172,026	(785,460)
Loans and advances	(62,889)	(100,956)
Deposits and prepayments	(44,227)	(52,507)
Other receivables	467,712	1,391,192
Decrease/(increase) in current liabilities:		
Trade and other payables	6,728,177	(1,057,282)
	(1,637,481)	(3,158,826)
Changes in long term loans and advances	(13,455)	(45,848)
Changes in long term deposits and prepayments	482	129
	4,897,429	1,077,660

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the half year ended June 30, 2008

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	June 30, 2008	June 30, 2007
	(Rupees '000)	
Transactions with associated undertaking/ companies due to common directorship		
Long term investment	1,800,000	—
Sale of fertilizer	1,104	968
Rent charged to Group Companies	2,042	1,884
Dividend paid	856,041	1,607,655
Repayment of principal portion of long term finance	22,857	22,857
Financial charges paid	6,962	8,441
Medical services	7	41
Purchase of gas as feed and fuel stock	4,234,911	4,137,686
Technical services received	12,809	6,654
Donation paid	1,000	—
Others	500	2,534
Balance payable	542,527	402,405 *
Balance receivable - unsecured	1,130	1,257 *
Transactions with joint venture company		
Raw material purchased	5,352,536	—
Expenses incurred on behalf of joint venture company	8,578	5,600
Balance payable - unsecured	3,484,011	—
Other related parties		
Remuneration of Chief Executive and Executives: Remuneration including benefits and perquisites of Chief Executive and Executives. No. of persons 2008: 2 and 435 (2007: 2 and 399) respectively	707,523	530,947
Payments to:		
Employees' Provident Fund Trust	89,289	76,058
Employees' Gratuity Fund Trust	59,216	51,540
Employees' Pension Fund Trust	44,530	35,472
Workers' Profit Participation Fund	488,069	414,973
Purchase of raw materials	6,104,196	2,362,611
Balances payable - unsecured	3,227,726	994,905 *

* Comparative figures of receivable/payable balances are as of December 31, 2007.

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the half year ended June 30, 2008

14. GENERAL

- 14.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2** The Board of Directors of FFC in their meeting held on July 30, 2008 proposed second interim dividend of Rs. 3.00 per share while an interim dividend of Re. 0.60 per share has been proposed by the Board of Directors of FFBL on July 17, 2008.
- 14.3** These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of FFC on July 30, 2008.


Chairman


Chief Executive


Director