

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

CHIEF FINANCIAL OFFICER

Syed Shahid Hussain
Tel: No. 92-51-9272339, Fax: 92-51-9272337
E-mail: shahid_hussain@ffc.com.pk

COMPANY SECRETARY

Brig Khalid Kibriya (Retired)
Tel: No. 92-51-9272327, Fax: 92-51-9272519
E-mail: ffcryp@ffc.com.pk

REGISTERED OFFICE

93-Harley Street, Rawalpindi Cantt
Tel No. 92-51-9272307-14 Fax No. 92-51-9272316
Website: www.ffc.com.pk
E-mail: ffcryp@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 half year ended June 30, 2012

Dear Members,

On behalf of the Board of Directors, I am pleased to report record earnings of Rs. 10.33 billion for the half year ended June 30, 2012 translating into an EPS of Rs. 8.12, surpassing last year's earnings of Rs. 8.19 billion by 26%.

Despite reduced operating plant load due to limited gas off-take, our manufacturing facilities produced 1,172 thousand tonnes of urea at 115% of the combined nameplate capacity, in line with the production of 1,171 thousand tonnes in the corresponding period, as compared to a 9% decline in industry production.

The urea market witnessed a mere 3% increase in demand during the period owing to water shortage resulting in an excessive industry closing inventory of 400 thousand tonnes including 187 thousand tonnes of imported urea. Cumulative offtake of the Company at 1,134 thousand tonnes up to June 2012 was however lower by only 3% against sale of 1,174 thousand tonnes last year, with a marginally higher inventory of 39 thousand tonnes. The Company's market share, including sale of FFBL's granular urea, stood at 46%, whereas the combined DAP share during the period was 61%.

In view of improved earnings, the Board is pleased to approve second interim dividend of Rs 5.00 per share with cumulative payout of Rs 10,178 million representing 98.48% of the half yearly profits.

Aggregate sales revenue for the period at Rs. 36.13 billion was higher by 49% compared to last year, while the operating costs increased by Rs. 8.29 billion, up by 79%, primarily because of levy of Gas Infrastructure Development Cess (GIDC) by the Government, which was partially absorbed by the Company. Other income at Rs. 2.46 billion also registered a decline of 15% mainly due to lower receipt of dividend from FFBL while Finance cost was higher by 36% mainly due to higher level of short term financing obtained during the period to meet the working capital requirements due to depressed sales during first 5 months.

Fertilizer sector is the back bone of national economy and directly or indirectly supports livelihood of millions of people. Gas curtailment to such capital intensive projects has resulted in supply demand imbalance, necessitating imports, leading to depletion of foreign exchange reserves, besides causing additional drain on the exchequer by way of subsidies. Assured and uninterrupted gas supply to the fertilizer sector is therefore essential for the national economy for sustainable growth of agriculture sector at affordable prices for which necessary steps need to be taken by the Government.

On behalf of the Board,



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

Rawalpindi
July 24, 2012

Review Report to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of Fauji Fertilizer Company Limited ("the Company") as at June 30, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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 and for the half year ended June 30, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the three months' period ended June 30, 2012 and June 30, 2011 in the interim financial information have not been reviewed and we do not express a conclusion on them.

Islamabad
July 24, 2012

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Rehan Chughtai





Condensed Interim Financial Information

Condensed Interim Balance Sheet As at June 30, 2012

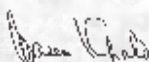
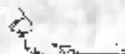
	Note	Un-audited June 30, 2012	Audited December 31, 2011
(Rupees '000)			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	4	12,722,382	8,481,588
Capital reserves		160,000	160,000
Revenue reserves	5	12,249,794	14,428,636
		<u>25,132,176</u>	<u>23,070,224</u>
NON-CURRENT LIABILITIES			
Long term borrowings	6	2,640,000	2,703,750
Deferred liabilities		3,887,475	3,832,614
		<u>6,527,475</u>	<u>6,536,364</u>
CURRENT LIABILITIES			
Trade and other payables	7	13,346,443	11,730,961
Interest and mark-up accrued		95,561	79,826
Short term borrowings	8	1,050,000	8,735,650
Current portion of long term borrowings		1,254,286	1,615,655
Taxation		4,856,012	3,762,236
		<u>20,602,302</u>	<u>25,924,328</u>
		<u>52,261,953</u>	<u>55,530,916</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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

	Note	Un-audited June 30, 2012	Audited December 31, 2011
(Rupees '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	17,627,096	17,050,951
Goodwill		1,569,234	1,569,234
Long term investments	11	9,303,046	8,659,073
Long term loans and advances		647,493	605,883
Long term deposits and prepayments		5,427	9,370
		29,152,296	27,894,511

CURRENT ASSETS

Stores, spares and loose tools		2,800,531	2,447,452
Stock in trade		1,351,996	636,923
Trade debts		1,956,170	86,669
Loans and advances		518,337	431,582
Deposits and prepayments		385,590	53,852
Other receivables		716,584	891,673
Short term investments	12	11,940,345	21,794,480
Cash and bank balances		3,440,104	1,293,774
		23,109,657	27,636,405
		52,261,953	55,530,916

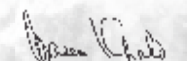

Chairman

Chief Executive

Director

Condensed Interim Profit and Loss Account (Un-audited)
For the half year ended June 30, 2012

		For the quarter ended		For the half year ended	
		June 30,	June 30,	June 30,	June 30,
	Note	2012	2011	2012	2011
		(Rupees '000)		(Rupees '000)	
Sales	13	24,697,952	13,120,334	36,130,777	24,220,679
Cost of sales	14	13,139,040	5,336,917	18,813,907	10,527,250
GROSS PROFIT		11,558,912	7,783,417	17,316,870	13,693,429
Distribution cost		1,291,906	1,147,983	2,631,840	2,165,562
		10,267,006	6,635,434	14,685,030	11,527,867
Finance cost		362,920	242,041	641,010	471,309
Other expenses		775,943	614,568	1,297,657	1,121,439
		9,128,143	5,778,825	12,746,363	9,935,119
Other income		318,542	919,139	2,459,427	2,881,869
NET PROFIT BEFORE TAXATION		9,446,685	6,697,964	15,205,790	12,816,988
Provision for taxation		2,987,000	2,618,000	4,871,000	4,628,179
NET PROFIT AFTER TAXATION		6,459,685	4,079,964	10,334,790	8,188,809
Earnings per share - basic and diluted (Rupees)	15	5.08	3.21	8.12	6.44

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


Chairman


Chief Executive


Director

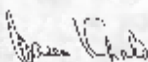
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2012

	For the quarter ended		For the half year ended	
	June 30,	June 30,	June 30,	June 30,
	2012	2011	2012	2011
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	6,459,685	4,079,964	10,334,790	8,188,809
Other comprehensive income for the period				
(Deficit) / surplus on remeasurement of investments available for sale at fair value	(4,461)	2,318	(3,322)	8,850
Income tax relating to component of other comprehensive income	32	(470)	33	(1,216)
Other comprehensive (loss) / income for the period - net of tax	(4,429)	1,848	(3,289)	7,634
Total comprehensive income for the period	6,455,256	4,081,812	10,331,501	8,196,443

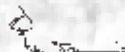
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Chairman



Chief Executive



Director

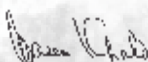
Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended June 30, 2012

	Note	June 30, 2012	June 30, 2011
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	16	12,940,936	14,009,601
Finance cost paid		(625,275)	(469,829)
Income tax paid		(3,779,151)	(3,187,733)
Receipt from Workers Profit Participation Fund		-	11,160
Payment to gratuity fund		(83,040)	(75,241)
Payment to pension fund		(454,661)	(109,220)
Net cash generated from operating activities		7,998,809	10,178,738
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,242,647)	(1,103,668)
Proceeds from sale of property, plant and equipment		21,104	7,182
Interest received		642,805	513,545
Decrease / (increase) in investments		1,356,037	(629,813)
Dividends received		1,663,315	2,257,357
Net cash generated from investing activities		2,440,614	1,044,603
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Disbursements		1,000,000	-
Repayments		(1,425,119)	(779,703)
Dividends paid		(8,262,524)	(6,030,282)
Net cash used in financing activities		(8,687,643)	(6,809,985)
Net increase in cash and cash equivalents		1,751,780	4,413,356
Cash and cash equivalents at beginning of the period		9,963,247	6,423,264
Cash and cash equivalents at end of the period		11,715,027	10,836,620
CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,440,104	2,337,665
Short term highly liquid investments		9,324,923	10,070,955
Short term running finance		(1,050,000)	(1,572,000)
		11,715,027	10,836,620

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



Chairman



Chief Executive



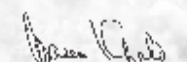
Director

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

For the half year ended June 30, 2012

	Revenue reserves					
	Surplus on remeasurement of investments available for sale to fair value					
	Share capital	Capital reserves	General reserve	Unappropriated profit	Total	
	(Rupees '000)					
Balance as at January 1, 2011	6,785,271	160,000	(5,554)	4,239,471	4,268,359	15,447,547
Transfer to general reserve	-	-	-	1,700,000	(1,700,000)	-
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	8,188,809	8,188,809
Other comprehensive income - net of tax	-	-	7,634	-	-	7,634
Total comprehensive income for the period	-	-	7,634	-	8,188,809	8,196,443
Distribution to owners						
Issue of bonus shares	1,696,317	-	-	(1,696,317)	-	-
Final dividend 2010: Rs 3.50 per share	-	-	-	-	(2,374,845)	(2,374,845)
First interim dividend 2011: Rs 4.50 per share	-	-	-	-	(3,816,715)	(3,816,715)
Total transactions with owners	1,696,317	-	-	1,696,317	(6,191,560)	(6,191,560)
Balance as at June 30, 2011	8,481,588	160,000	2,080	4,243,154	4,565,608	17,452,430
Balance as at January 1, 2012	8,481,588	160,000	10,258	5,543,154	8,875,224	23,070,224
Transfer to general reserve	-	-	-	4,200,000	(4,200,000)	-
Total comprehensive income for the period						
Profit for the period after taxation	-	-	-	-	10,334,790	10,334,790
Other comprehensive income - net of tax	-	-	(3,289)	-	-	(3,289)
Total comprehensive income for the period	-	-	(3,289)	-	10,334,790	10,331,501
Distribution to owners						
Issue of bonus shares	4,240,794	-	-	(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	-	-	-	-	(3,816,715)	(3,816,715)
Total transactions with owners	4,240,794	-	-	(4,240,794)	(8,269,549)	(8,269,549)
Balance as at June 30, 2012	12,722,382	160,000	6,969	5,502,360	6,740,465	25,132,176

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


Chairman

Chief Executive

Director

Notes to the Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2012

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

June 30, 2012	December 31, 2011		Un-audited June 30, 2012	Audited December 31, 2011
Numbers			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs 10 each, issued for consideration in cash	2,564,959	2,564,959
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
<u>1,272,238,247</u>	<u>848,158,831</u>		<u>12,722,382</u>	<u>8,481,588</u>

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).

Notes to the Condensed Interim Financial Information

For the half year ended June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '000)	
5. REVENUE RESERVES			
Surplus on remeasurement of available for sale investments to fair value - net of tax		6,969	10,258
General reserve		5,502,360	5,543,154
Unappropriated profit		6,740,465	8,875,224
		<u>12,249,794</u>	<u>14,428,636</u>
6. LONG TERM BORROWINGS			
Long term borrowings - secured	6.1	3,894,286	4,319,405
Less: Amount payable within twelve months transferred to current maturity		1,254,286	1,615,655
		<u>2,640,000</u>	<u>2,703,750</u>
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		(1,425,119)	(1,259,405)
Closing balance	6.2	<u>3,894,286</u>	<u>4,319,405</u>
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 and spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin and lien on Pakistan Investment Bonds having face value of Rs 100 million.			
These carry mark-up ranging between six month KIBOR + 0.80 % to 1.5% per annum (December 31, 2011: six month KIBOR + 0.30 % to 1.5% per annum) and are repayable upto December 2016 (December 31, 2011: December 2016).			
		Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '000)	
7. TRADE AND OTHER PAYABLES			
Creditors		232,022	365,810
Accrued liabilities		2,882,646	2,212,668
Consignment account with Fauji Fertilizer Bin Qasim Limited - unsecured		1,744,175	2,124,704
Sales tax payable - net		2,141,263	724,310
Deposits		171,008	180,825
Retention money		92,706	92,056
Advances from customers		3,613,320	4,435,326
Workers' Profit Participation Fund		769,709	-
Workers' Welfare Fund		1,337,522	1,060,648
Unclaimed dividend		268,536	261,810
Gratuity fund		60,126	79,053
Pension fund payable		-	133,879
Other liabilities		33,410	59,872
		<u>13,346,443</u>	<u>11,730,961</u>

Notes to the Condensed Interim Financial Information

For the half year ended June 30, 2012

8. SHORT TERM BORROWINGS

The Company has short term running finance and demand finance facilities limits aggregating to Rs. 12.29 billion (December 31, 2011: Rs. 11.54 billion). These are secured against hypothecation charge over stocks and current assets of the Company and lien on bank deposits and carry mark up ranging between one month KIBOR + 0.10 % to 1% and three months KIBOR + 0.3% per annum (December 31, 2011: one month KIBOR + 0.10 % to 1% and three months KIBOR + 0.3% per annum).

		Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '000)	
9. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies			
(i)	Guarantees issued by banks on behalf of the Company.	17,192	17,192
(ii)	Disputed demand for Income tax and levy of contribution to Workers' Welfare Fund related to former PSFL decided in favour of the Company by the Income Tax Appellate Authorities, are currently in appeal by the department. The Company is confident that there are reasonable grounds for a favourable decision.	178,590	178,590
(iii)	Claims against the Company and / or potential exposure not acknowledged as debt.	50,696	50,696
(iv)	Company's share of contingent liabilities of Fauji Cement Company Limited.	101,210	101,247
(b) Commitments in respect of:			
(i)	Capital expenditure	2,568,435	2,721,870
(ii)	Purchase of fertilizer, stores, spares and other revenue items.	1,073,253	3,126,910
(iii)	Company's share of commitments of Pakistan Maroc Phosphore S.A, Morocco (PMP) as at March 31, 2012.	9,094	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.	936,000	1,236,000
(v)	Rentals under lease agreements:		
	Premises	207,738	200,707
	Vehicles	108,881	108,258

Notes to the Condensed Interim Financial Information

For the half year ended June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '000)	
10. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		17,050,951	15,933,588
Additions	10.1	1,242,647	5,074,074
Written down value of disposals / adjustments		(454)	(2,760,742)
Depreciation		(666,048)	(1,195,969)
Closing written down value		17,627,096	17,050,951

- 10.1** Additions in and depreciation on property, plant and equipment during the half year ended June 30, 2011 were Rs 1,103,668 thousand and Rs 618,044 thousand respectively.

	Note	Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '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)	11.1	2,100,000	1,450,000
Investments available for sale			
Certificates of Investment		114,392	108,961
Pakistan Investment Bonds		62,160	162,043
Term Finance Certificates		112,028	123,712
		288,580	394,716
		9,346,835	8,802,971
Less: Current portion shown under short term investments	12		
Investments available for sale			
Certificates of Investment		21,882	22,507
Pakistan Investment Bonds		4,979	104,706
Term Finance Certificates		16,928	16,685
		43,789	143,898
		9,303,046	8,659,073

- 11.1** Pursuant to the approval of the shareholders in the meeting held on February 24, 2010, during the period the Company has purchased 65,000,000 shares at Rs 10 each of FFC Energy Limited ("FFCEL"). FFCEL has been incorporated for the power generation facility and the supply of electricity.

Notes to the Condensed Interim Financial Information For the half year ended June 30, 2012

	Note	Un-audited June 30, 2012	Audited December 31, 2011
		(Rupees '000)	
12. SHORT TERM INVESTMENTS			
Available for sale			
Term deposits with banks and financial institutions			
Local currency		9,455,850	18,675,000
Foreign currency		1,159,602	1,028,608
Investments at fair value through profit or loss - Held for trading		1,281,104	1,946,974
Current maturity of long term investments - Available for sale	11	43,789	143,898
		11,940,345	21,794,480

12.1. These represent investments having markup ranging between 11.15% to 13.65% 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. Term deposits amounting to Rs 1,050,000 thousand (December 31, 2011: Rs 1,450,000) are under lien of an islamic financial institution in respect of Istisna facility availed.

13. SALES

Sales is exclusive of sales tax of Rs. 5,780,886 thousand (June 30, 2011: Rs. 2,474,033 thousand).

	Un-audited For the quarter ended June 30, 2012		Un-audited For the half year ended June 30, 2011	
	(Rupees '000)		(Rupees '000)	
14. COST OF SALES				
Raw materials consumed	4,534,139	1,543,485	8,993,050	3,396,294
Fuel and power	1,678,921	1,200,675	3,207,553	2,567,852
Chemicals and supplies	78,316	56,897	145,060	132,569
Salaries, wages and benefits	1,076,826	1,251,322	2,073,631	2,119,036
Training and employees welfare	135,992	114,072	293,270	238,778
Rent, rates and taxes	7,714	9,612	13,951	12,205
Insurance	42,722	47,161	75,677	85,034
Travel and conveyance	86,851	90,664	174,433	152,566
Repairs and maintenance	251,173	174,160	636,781	656,871
Depreciation	334,449	303,853	652,997	605,629
Communication and other expenses	211,581	100,860	522,197	386,129
Provision for slow moving spares	15,910	24,635	15,910	24,635
Opening stock - work in process	54,740	45,471	17,523	28,074
Closing stock - work in process	(36,605)	(29,491)	(36,605)	(29,491)
Cost of goods manufactured	8,472,729	4,933,376	16,785,428	10,376,181
Add: Opening stock of manufactured urea	3,826,361	368,371	7,538	105,609
Less: Closing stock of manufactured urea	(562,479)	(79,650)	(562,479)	(79,650)
	3,263,882	288,721	(554,941)	25,959
Cost of sales - manufactured urea	11,736,611	5,222,097	16,230,487	10,402,140
Opening stock of purchased fertilizers	1,958,360	184,901	144,090	-
Purchase of fertilizers for resale	101,290	8,369	3,096,551	203,560
	2,059,650	193,270	3,240,641	203,560
Less: Closing stock - purchased fertilizers	(657,221)	(78,450)	(657,221)	(78,450)
Cost of sales - purchased fertilizers	1,402,429	114,820	2,583,420	125,110
	13,139,040	5,336,917	18,813,907	10,527,250

Notes to the Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2012

	For the quarter ended		For the half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	(Rupees '000)		(Rupees '000)	
15. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	6,459,685	4,079,964	10,334,790	8,188,809
Weighted average number of shares in issue during the period - (Number '000)	1,272,238	1,272,238	1,272,238	1,272,238
Basic and diluted earnings per share (Rupees)	5.08	3.21	8.12	6.44

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 and six months period ended June 30, 2011 have been restated by taking into effect, the bonus shares issued during the period @ 50%.

16. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2012	June 30, 2011
		(Rupees '000)	
Net profit before taxation		15,205,790	12,816,988
Adjustments for:			
Depreciation	10	666,048	618,044
Provision for gratuity		64,113	117,100
Provision for pension		48,859	88,887
Provision for Workers' Profit Participation Fund		809,013	688,070
Provision for Workers' Welfare Fund		276,874	256,340
Provision for slow moving spares		15,910	24,635
Finance cost		641,010	471,309
Gain on sale of property, plant and equipment		(20,650)	(6,628)
Income on loans, deposits and investments		(539,797)	(529,199)
Exchange gain		(75,091)	(3,768)
Gain on remeasurement of investment at fair value through profit or loss		(154,306)	(36,619)
Dividend income		(1,663,315)	(2,257,357)
		68,668	(569,186)
		15,274,458	12,247,802
Changes in working capital			
Decrease / (increase) in current assets			
Stores, spares and loose tools		(368,989)	8,023
Stock in trade		(715,073)	(74,133)
Trade debts		(1,869,501)	(92,416)
Loans and advances		(86,755)	(240,857)
Deposits and prepayments		(59,815)	(18,016)
Other receivables		72,081	7,939
Increase / (decrease) in current liabilities			
Trade and other payables		732,197	2,200,703
		(2,295,855)	1,791,243
Changes in long term loans and advances		(41,610)	(28,770)
Changes in long term deposits and prepayments		3,943	(674)
		12,940,936	14,009,601

Notes to the Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2012

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with related parties are as follows:

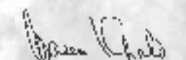
	June 30, 2012	June 30, 2011
	(Rupees '000)	
Transactions with the subsidiary companies		
Reimbursement of expenses on marketing of fertilizer of subsidiary company under sale on consignment basis	185,770	231,151
Commission on sale of subsidiary company's products	4,993	8,506
Services and materials received	1,239	1,104
Payments made / expenses incurred - net	13,348	17,193
Dividend income	1,663,315	2,257,357
Long term investment made	650,000	500,000
Balance receivable - unsecured	4,908	18,256*
Balance payable - unsecured	1,744,175	2,124,704*
Transactions with associated undertakings / companies due to common directorship		
Medical services	47	72
Office rent	2,222	2,057
sale of fertilizer	14,686	-
Dividends paid	3,667,545	2,745,956
Issuance of bonus shares	1,880,792	752,317
Purchase of gas as feed and fuel stock	11,502,094	5,291,134
Donations	100,000	-
Services received	90,394	-
Others	-	3,604
Balance receivable - unsecured	5,857	3,307*
Balance payable - unsecured	1,140,629	550,986*
Other related parties		
Remuneration of Chief Executive and Executives:		
Remuneration including benefits and perquisites of chief executive and other executives. No of persons 1 and 549 (2011: 1 and 468) respectively	1,620,455	1,689,461
Payments to:		
Employees' Provident Fund Trust	133,003	113,725
Employees' Gratuity Fund Trust	83,040	75,241
Employees' Pension Fund Trust	454,661	109,220
Others:		
Balance receivable - unsecured	-	39,304*
Balance payable - unsecured	2,167,357	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 July 24, 2012 proposed second interim dividend of Rs. 5.00 per share.
- 18.3 This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on July 24, 2012.


Chairman


Chief Executive


Director



Condensed Interim Consolidated Financial Information

Condensed Interim Consolidated Balance Sheet As at June 30, 2012

	Note	Un-audited June 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		994,770	972,682
Revenue reserves	4	12,801,509	16,308,762
		26,518,661	25,763,032
NON-CONTROLLING INTERESTS		5,409,706	6,688,550
TOTAL EQUITY		31,928,367	32,451,582
NON-CURRENT LIABILITIES			
Long term borrowings	5	11,363,272	10,080,890
Deferred liabilities		7,460,273	7,504,401
		18,823,545	17,585,291
CURRENT LIABILITIES			
Trade and other payables		19,880,797	20,956,921
Interest and mark - up accrued		294,756	496,159
Short term borrowings		14,797,303	16,211,794
Current portion of long term:			
- Financing		1,254,286	1,615,655
- Loans		2,008,682	648,201
Taxation		4,861,191	4,425,068
		43,097,015	44,353,798
		93,848,927	94,390,671
CONTINGENCIES AND COMMITMENTS			

6

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

		Un-audited	Audited
		June 30,	December 31,
Note	2012	2011	
		(Rupees '000)	

ASSETS
NON-CURRENT ASSETS

Property, plant & equipment	7	41,217,825	37,208,281
Goodwill		1,569,234	1,569,234
Equity accounted investments	8.1	6,411,718	5,503,123
Other long term investments	8.2	244,791	250,818
Long term loans and advances		649,461	605,883
Long term deposits and prepayments		85,261	90,487
		50,178,290	45,227,826

CURRENT ASSETS

Stores, spares and loose tools		4,736,996	4,353,190
Stock in trade		11,103,826	4,043,916
Trade debts		2,868,129	733,185
Loans and advances		860,715	872,320
Deposits and prepayments		451,931	67,009
Other receivables		1,642,750	1,055,982
Short term investments	9	13,540,345	30,632,717
Cash and bank balances		8,465,945	7,404,526
		43,670,637	49,162,845
		93,848,927	94,390,671


Chairman

Chief Executive

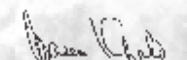
Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the half year ended June 30, 2012

	Note	For the quarter ended		For the half year ended	
		June 30,	June 30,	June 30,	June 30,
		2012	2011	2012	2011
		(Rupees'000)		(Rupees'000)	
Sales		34,059,044	23,088,205	47,426,802	42,246,625
Cost of sales	10	19,798,490	11,118,187	27,672,830	21,615,217
GROSS PROFIT		14,260,554	11,970,018	19,753,972	20,631,408
Administrative expenses and distribution cost		2,240,489	2,007,181	3,928,802	3,518,395
		12,020,065	9,962,837	15,825,170	17,113,013
Finance cost		966,524	508,023	1,550,894	844,638
Other expenses		831,134	849,568	1,353,593	1,527,474
		10,222,407	8,605,246	12,920,683	14,740,901
Other income		522,848	671,248	1,320,269	1,316,590
Share of (loss) / profit of joint venture and associate		(183,767)	106,752	94,317	112,818
NET PROFIT BEFORE TAXATION		10,561,488	9,383,246	14,335,269	16,170,309
Provision for taxation		3,143,687	3,888,555	5,012,597	6,664,016
NET PROFIT AFTER TAXATION		7,417,801	5,494,691	9,322,672	9,506,293
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		6,911,382	4,533,878	9,006,379	7,780,241
Non - controlling interests		506,419	960,813	316,293	1,726,052
		7,417,801	5,494,691	9,322,672	9,506,293

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


Chairman


Chief Executive


Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

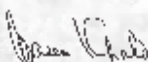
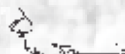
For the half year ended June 30, 2012

	For the quarter ended		For the half year ended	
	June 30,	June 30,	June 30,	June 30,
	2012	2011	2012	2011
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	7,417,801	5,494,691	9,322,672	9,506,293
Other comprehensive income for the period				
Exchange difference on translating foreign investment	78,111	142,212	32,928	(13,503)
Deficit on remeasurement to fair value of investments available for sale	(4,461)	2,318	(3,322)	8,850
Income tax relating to component of other comprehensive income	73,650	144,530	29,606	(4,653)
	(32)	(470)	33	(1,216)
Other comprehensive income for the period - net of tax	73,618	144,060	29,639	(5,869)
Total comprehensive income for the period	7,491,419	5,638,751	9,352,311	9,500,424

ATTRIBUTABLE TO:

Equity holders of Fauji Fertilizer Company Limited	6,959,468	4,631,457	9,025,234	7,778,794
Non - controlling interests	531,951	1,007,294	327,077	1,721,630
	7,491,419	5,638,751	9,352,311	9,500,424

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


Chairman

Chief Executive

Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the half year ended June 30, 2012

	Note	June 30, 2012	June 30 2011
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	5,741,636	13,244,028
Finance cost paid		(1,270,407)	(766,936)
Income tax paid		(4,695,053)	(5,216,782)
Payment to provident fund trust		(153,820)	(132,579)
Payment to pension fund		(454,661)	(109,220)
Payment to gratuity fund		(109,498)	(75,241)
Payment to Workers' Profit Participation Fund		(18,162)	(59,845)
Compensated absences paid		(10,027)	(4,898)
		(6,711,628)	(6,365,501)
Net cash (used in) / generated from operating activities		(969,992)	6,878,527

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(5,350,273)	(3,800,228)
Proceeds from sale of property, plant and equipment	23,986	8,209
Interest received	858,949	1,217,462
Decrease/(Increase) in investments	8,733,171	(837,443)
Net cash generated from / (used in) from investing activities	4,265,833	(3,412,000)

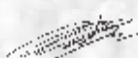
CASH FLOWS FROM FINANCING ACTIVITIES

Long term financing - repayments	(2,073,320)	(1,636,376)
Long term murabaha - repayments	-	(19,338)
Long term loan received	8,848,315	1,755,241
Dividends paid	(10,163,126)	(8,255,724)
Net cash used in financing activities	(3,388,131)	(8,156,197)
Net decrease in cash and cash equivalents	(92,290)	(4,689,670)
Cash and cash equivalents at beginning of the period	16,242,855	14,905,629
Cash and cash equivalents at end of the period	16,150,565	10,215,959

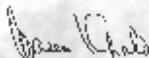
CASH AND CASH EQUIVALENTS

Cash and bank balances	8,465,945	12,942,145
Short term highly liquid investments	10,924,923	10,234,951
Short term running finance	(3,240,303)	(12,961,137)
	16,150,565	10,215,959

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



Chairman



Chief Executive

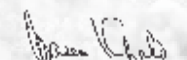


Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)
For the half year ended June 30, 2012

	Attributable to equity holders of Fauji Fertilizer Company Limited						Non-controlling interests	Total	
	Capital reserves			Revenue reserves					
	Share capital	Capital reserve	Translation reserve	Surplus on					
				Statutory reserve	General reserve	Unappropriated profit			
							investments to fair value		
(R u p e e s ' 0 0 0)									
Balance at January 01, 2011	6,785,271	276,184	690,463	6,436	(5,554)	4,239,471	5,288,670	5,988,208	23,269,149
Transfer to general reserve	-	-	-	-	-	1,700,000	(1,700,000)	-	-
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	-	7,780,241	1,726,052	9,506,293
Other comprehensive income - net of tax	-	-	(9,081)	-	7,634	-	-	(4,422)	(5,869)
Total comprehensive income for the period	-	-	(9,081)	-	7,634	-	7,780,241	1,721,630	9,500,424
Distribution to owners									
FFC dividends:									
Bonus shares issued	1,696,317	-	-	-	-	(1,696,317)	-	-	-
FFC Final dividend 2010: Rs 3.50 per share	-	-	-	-	-	-	(2,374,845)	-	(2,374,845)
FFC First interim dividend 2011: Rs. 4.50 per share	-	-	-	-	-	-	(3,816,715)	-	(3,816,715)
Dividend to FFBL non-controlling interest holders									
Final dividend 2010: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)	(1,605,921)
First interim dividend 2011: Rs.1.25 per share	-	-	-	-	-	-	-	(573,543)	(573,543)
	1,696,317	-	-	-	-	(1,696,317)	(6,191,560)	(2,179,464)	(8,371,024)
Balance as at June 30, 2011									
	8,481,588	276,184	681,382	6,436	2,080	4,243,154	5,177,351	5,530,374	24,398,549
Balance at January 01, 2012	8,481,588	276,184	690,062	6,380	10,258	5,543,154	10,755,350	6,688,550	32,451,526
Transfer to general reserve	-	-	-	-	-	4,200,000	(4,200,000)	-	-
Total comprehensive income for the period									
Profit for the period after taxation	-	-	-	-	-	-	9,006,379	316,293	9,322,672
Other comprehensive income - net of tax	-	-	22,144	-	(3,289)	-	-	10,784	29,639
Total comprehensive income for the period	-	-	22,144	-	(3,289)	-	9,006,379	327,077	9,352,311
Distribution to owners									
Issue of bonus shares									
	4,240,794	-	-	-	-	(4,240,794)	-	-	-
FFC dividends:									
FFC Final dividend 2011: Rs 5.25 per share	-	-	-	-	-	-	(4,452,834)	-	(4,452,834)
FFC first interim dividend 2012: Rs. 3.00 per share	-	-	-	-	-	-	(3,816,715)	-	(3,816,715)
Dividend to FFBL non-controlling interest holders									
Final dividend 2011: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)	(1,605,921)
	4,240,794	-	-	-	-	(4,240,794)	(8,269,549)	(1,605,921)	(9,875,470)
Balance as at June 30, 2012									
	12,722,382	276,184	712,206	6,380	6,969	5,502,360	7,292,180	5,409,706	31,928,367

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


Chairman

Chief Executive

Director

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

For the half year ended June 30, 2012

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 half year ended June 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 half year ended June 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

June 30, 2012	December 31, 2011		Un-audited June 30, 2012	Audited December 31, 2011
(Numbers)			(Rupees '000)	
256,495,902	256,495,902	Ordinary shares of Rs.10 each issued for consideration in cash.	2,564,959	2,564,959
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
<u>1,272,238,247</u>	<u>848,158,831</u>		<u>12,722,382</u>	<u>8,481,588</u>

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)

Notes to the Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2012

		Un-audited June 30, 2012	Audited December 31, 2011
	Note		
4. REVENUE RESERVES			
(Rupees '000)			
Surplus on remeasurement of available for sale investments to fair value - net of tax		6,969	10,258
General reserve		5,502,360	5,543,154
Unappropriated profit		7,292,180	10,755,350
		<u>12,801,509</u>	<u>16,308,762</u>
5. LONG TERM BORROWINGS			
Long term financing - secured	5.1	11,385,238	8,455,543
Long term loan - Government of Pakistan			
Loan - FFBL (un-secured)	5.2	3,241,002	3,889,203
		<u>14,626,240</u>	<u>12,344,746</u>
Less: Amount payable within twelve months shown as current maturity		3,262,968	2,263,856
		<u>11,363,272</u>	<u>10,080,890</u>
5.1 Movement in this account during the period / year is as follows:			
Opening balance		8,455,543	6,435,483
Disbursements during the period / year		4,350,000	4,636,138
Repayments during the period / year		(1,420,305)	(2,616,078)
Closing balance		<u>11,385,238</u>	<u>8,455,543</u>
5.2 Movement in this account during the period / year is as follows:			
Opening balance		3,889,203	4,537,404
Repayments during the period / year		(648,201)	(648,201)
Closing balance		<u>3,241,002</u>	<u>3,889,203</u>
6. CONTINGENCIES AND COMMITMENTS			
a) Contingencies			
i) Guarantees issued by banks on behalf of the Group companies.		152,927	158,681
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) Claims against FFC and / or potential exposure not acknowledged as debt.		50,696	50,696
iv) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plantsite.		119,650	119,650
v) Group's share of contingencies in Fauji Cement Company Limited.		121,452	121,496
vi) FFBL's share of contingent liabilities of Foundation Wind Energy - I Limited as at March 31, 2012.		7,595	7,595
vii) FFBL's share of contingent liabilities of Foundation Wind Energy - II (Private) Limited as at March 31, 2012.		7,595	7,595

Notes to the Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2012

	Un-audited June 30, 2012	Audited December 31, 2011
Note	2012	2011
	(Rupees '000)	
b) Commitments in respect of:		
i) Capital expenditure (including commitments relating to FFCEL)	5,427,509	17,468,405
ii) Purchase of fertilizer, stores, spares and other revenue items.	3,496,089	4,226,170
iii) Investment in FFC Energy Limited. FFC'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 FFC.	936,000	1,236,000
iv) Group's share of commitments of PMP.	18,187	13,176
v) FFBL's share of commitments for investment in wind power project.	3,983,455	4,764,715
vi) Rentals under lease agreements:		
Premises	252,643	200,707
Vehicles	108,881	153,163
7. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	37,208,281	31,045,089
Additions during the period/ year	5,350,273	11,460,718
Written down value of disposals/ adjustments	(2,992)	(2,767,730)
Depreciation during the period/ year	(1,337,737)	(2,529,796)
Closing written down value	41,217,825	37,208,281
8. LONG TERM INVESTMENTS		
Equity accounted investments	8.1 6,411,718	5,503,123
Other long term investments	8.2 244,791	250,818
	6,656,509	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 (loss) / pprofit for the period / year	(6,642)	49,026
Balance as at June 30, 2012	2,050,554	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 profit / (loss) for the period / year	5,681	(11,751)
Balance as at June 30, 2012	358,754	119,409

Notes to the Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2012

	Un-audited June 30, 2012	Audited December 31, 2011
Note		
	(Rupees '000)	
Foundation Wind Energy - II (Private) Limited		
Opening balance of advance for issue of shares	104,125	104,125
Advance of issue of shares during the period / year	547,686	-
Brought forward loss	(10,779)	-
Share of profit / (loss) for the period / year	5,254	(10,779)
Balance as at June 30, 2012	646,286	93,346

Investment in joint venture

Pakistan Maroc Phosphore S.A.Morocco

Cost of investments	2,117,075	2,117,075
Post acquisition losses brought forward	89,987	(292,594)
Share of profit for the period / year	90,024	382,581
Gain on translation of net assets	1,059,038	1,026,110
Balance as at June 30, 2012	3,356,124	3,233,172
	6,411,718	5,503,123

8.2 Other long term investments

Investment available for sale

Certificates of investment	114,392	108,961
Pakistan Investment Bonds	62,160	162,043
Term Finance Certificates	112,028	123,712
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)
	-	-
	288,580	394,716

Less: Current portion shown under short term investments

9

Investments available for sale

Certificates of investment	21,882	22,507
Pakistan Investments Bonds	4,979	104,706
Term Finance Certificates	16,928	16,685
	43,789	143,898
	244,791	250,818

9. SHORT TERM INVESTMENTS

Available for sale

Term deposits with banks and financial institutions

Local currency	11,055,850	18,675,000
Foreign Currency	1,159,602	1,028,608

Investments at fair value through
profit or loss - Held for trading

1,281,104 9,535,211

Loans and receivables at amortized cost

- 1,250,000

Current maturity of long term investments

8.2

43,789 143,898

13,540,345 30,632,717

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

For the half year ended June 30, 2012

	For the quarter ended		For the half year ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	(Rupees'000)		(Rupees'000)	
10. COST OF SALES				
Raw materials consumed	13,450,105	9,355,231	22,512,345	15,815,646
Fuel and power	2,365,172	1,702,140	4,231,049	3,471,402
Chemicals and supplies	119,203	109,609	218,328	239,361
Salaries, wages and benefits	1,199,008	1,642,122	2,518,060	2,817,778
Training and employees welfare	135,992	114,072	293,270	238,778
Rent, rates and taxes	10,604	13,902	18,683	21,223
Insurance	67,823	73,558	126,700	137,311
Travel and conveyance	130,127	126,073	247,994	216,194
Repairs and maintenance	399,081	293,563	1,223,925	1,139,896
Depreciation	666,054	630,548	1,313,355	1,259,916
Communication and other expenses	237,668	128,548	565,647	440,375
Provision for slow moving spares	15,910	24,635	15,910	24,635
Opening stock - work in process	86,944	85,853	58,479	57,567
Closing stock - work in process	(97,638)	(48,150)	(97,638)	(48,150)
Cost of goods manufactured	18,786,053	14,251,704	33,246,107	25,831,932
Add: Opening stock of manufactured fertilizers	8,111,460	1,447,692	344,756	354,204
Less: Closing stock of manufactured fertilizers	(8,501,453)	(4,696,029)	(8,501,453)	(4,696,029)
	(389,993)	(3,248,337)	(8,156,697)	(4,341,825)
Cost of sales - manufactured fertilizers	18,396,060	11,003,367	25,089,410	21,490,107
Opening stock of purchased fertilizers	1,958,360	184,901	144,090	-
Purchase of fertilizers for resale	101,290	8,369	3,096,551	203,560
	2,059,650	193,270	3,240,641	203,560
Less: Closing stock of purchased fertilizers	(657,221)	(78,450)	(657,221)	(78,450)
Cost of sale - purchased fertilizers	1,402,429	114,820	2,583,420	125,110
	19,798,489	11,118,187	27,672,830	21,615,217

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

For the half year ended June 30, 2012

	June 30, 2012	June 30, 2011
	(Rupees '000)	
11. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	14,335,269	16,170,309
Adjustments for:		
Depreciation	1,337,737	1,280,151
Provision for slow moving spares	15,910	24,635
Finance cost	1,550,894	818,464
Provision for Workers' Profit Participation Fund	850,933	985,683
Provision for Worker's Welfare Fund	289,647	363,666
Income on loans, deposits and investments	(1,045,958)	(704,683)
Gain on sale of property, plant and equipment	(20,994)	(6,827)
Provision for gratuity	90,571	146,070
Provision for pension	48,859	88,887
Provision for compensated absences	-	46,788
Exchange loss	190,612	22,406
Gain on remeasurement of investments at fair value through profit or loss	(154,306)	(554,626)
Share of profit of joint venture and associate	(94,317)	(112,818)
	3,059,588	2,397,796
	17,394,857	18,568,105
Changes in working capital		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(383,806)	(175,551)
Stock in trade	(7,059,910)	(4,243,041)
Trade debts	(2,134,944)	249,347
Loans and advances	11,605	(190,244)
Deposits and prepayments	(384,922)	(66,447)
Other receivables	(586,768)	109,854
Increase / (decrease) in current liabilities		
Trade and other payables	(1,076,124)	(978,551)
	(11,614,869)	(5,294,633)
Changes in long term loans and advances	(43,578)	(28,770)
Changes in long term deposits and prepayments	5,226	(674)
	5,741,636	13,244,028

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended June 30, 2012

12. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

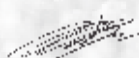
There is no change in relationship with the related parties. Significant transactions and balances with the related parties are as follows:

	June 30, 2012	June 30, 2011
	(Rupees '000)	
Transactions with associated undertaking / companies due to common directorship		
Sale of fertilizer	14,686	2,210
Rent charged to Group Companies	2,793	2,601
Dividend paid	4,232,800	3,513,087
Issuance of bonus shares	1,880,792	752,317
Donation	100,000	-
FFBL's investment in wind power projects	781,350	121,626
Repayment of principal portion of long term finance	-	19,338
Financial charges	-	328
Medical services	47	72
Purchase of gas as feed and fuel stock	11,502,094	5,291,134
Others	-	3,604
Services Received	90,394	-
Balance receivable - unsecured	5,857	3,307*
Balance Payable	1,140,629	550,986*
Transactions with joint venture company		
Raw material purchased	9,647,028	11,334,716
Expenses incurred on behalf of joint venture company	18,644	19,362
Balance payable - secured	3,928,581	5,947,347*
Balance receivable - unsecured	20,832	28,569*
Other related parties		
Remuneration of Chief Executives and Executives: remuneration including benefits and perquisites of chief executives and other executives.		
No. of persons 2012: 2 and 813 (2011: 2 and 702)	2,242,745	2,269,341
Payments to:		
Employees' Provident Fund Trust	153,820	132,579
Employees' Gratuity Fund Trust	109,498	104,211
Employees' Pension Fund Trust	454,661	109,220
Workers' Profit Participation Fund	18,162	71,005
Others:		
Balance payable - unsecured	2,926,017	1,929,008*

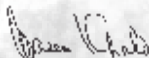
* Comparative figures of receivable / payable balances are as of December 31, 2011.

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 July 24, 2012 proposed second interim dividend of Rs 5.00 per share.
- 13.3** This condensed interim consolidated financial information has been authorised for issue by the Board of Directors of FFC on July 24, 2012.



Chairman



Chief Executive



Director

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