



HALF YEARLY

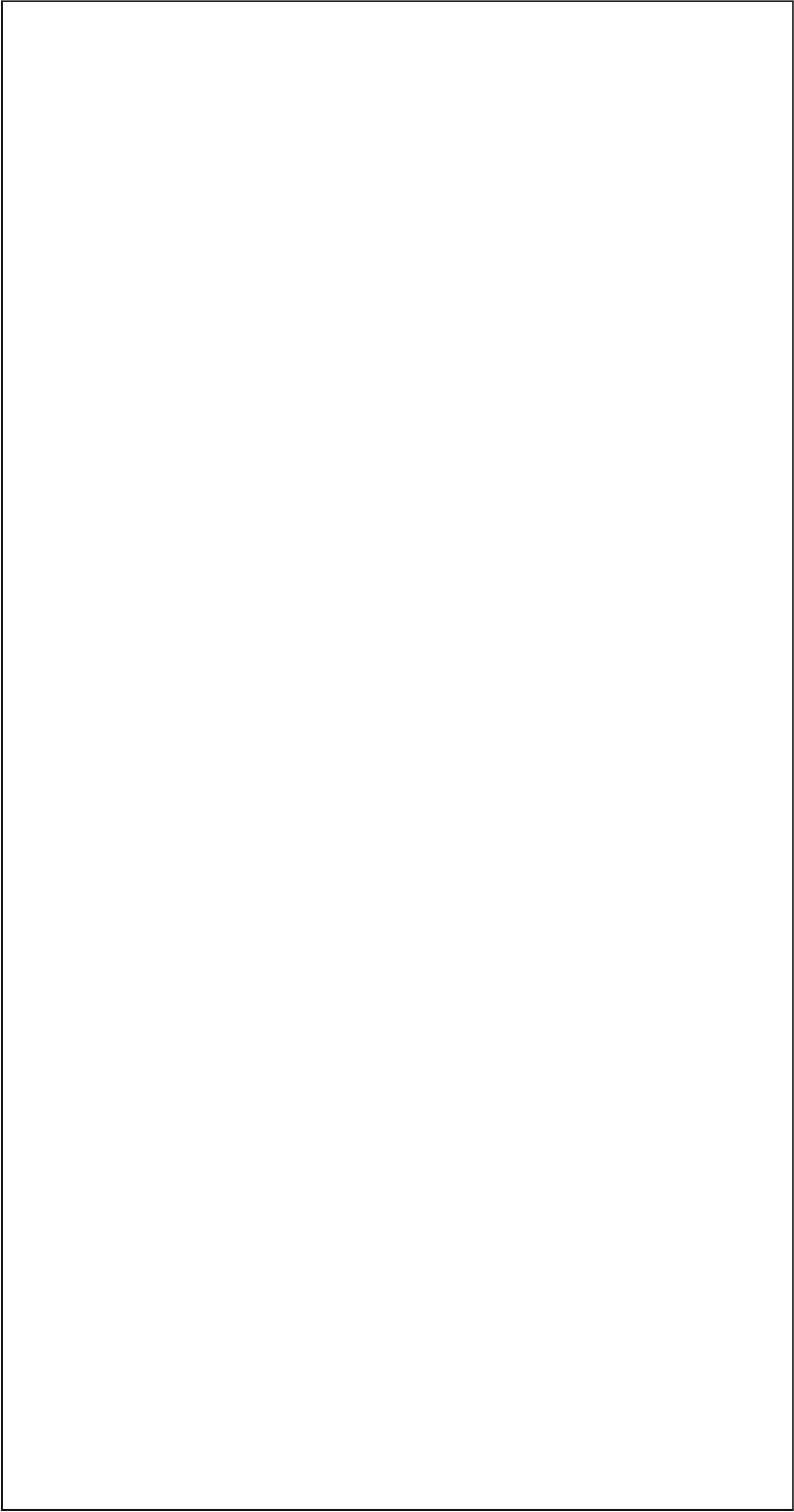
Financial Statements

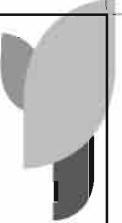
June 30, 2013 (Un-audited)



FAUJI FERTILIZER COMPANY LIMITED







Company Information

BOARD OF DIRECTORS

Lt Gen Muhammad Mustafa Khan, HI(M) (Retd)
Chairman
Lt Gen Naeem Khalid Lodhi, HI(M) (Retd)
Chief Executive & Managing Director
Mr Qaiser Javed
Dr Nadeem Inayat
Mr Shahid Aziz Siddiqi
Mr Jorgen Madsen
Maj Gen Zahid Parvez, HI(M) (Retd)
Brig Dr Gulfam Alam, SI(M) (Retd)
Engr Rukhsana Zuberi
Mr Farhad Shaikh Mohammad
Brig Parvez Sarwar Khan, SI(M) (Retd)
Mr Khizar Hayat Khan
Mr Manzoor Ahmed

CHIEF FINANCIAL OFFICER

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

COMPANY SECRETARY

Brig Sher Shah, SI(M) (Retd)
Tel: No.92-51-8453101, Fax: 92-51-8459931
E-mail: ffcw@ffc.com.pk

REGISTERED OFFICE

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

M/s A.F.Ferguson & 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, 2013

Dear Members,

On behalf of the Board of Directors, I am pleased to report net earnings of Rs. 9.496 billion during the half year ended June 30, 2013 returning an EPS of Rs. 7.46.

Aggregate production of all the three plants at 1,194 thousand tonnes during the period was 2% higher than the corresponding period at a combined operating efficiency of 117% of designed capacity.

Sona urea sales of 1,187 thousand tonnes improved by 5% over last year as compared to 2% decline in industry offtake, resulting in increased FFC/FFBL urea market share of 48%. Sales revenue for the period was however down by 5% because of lower urea selling prices and lesser imported fertilizer offtake, while dividend income from FFBL witnessed a decline of 36%. Return on other investments, net of financing cost, however improved by Rs. 422 million owing to efficient treasury management and better liquidity position, impacting positively on the bottom line, constricting the decline in net margins to 10%.

Acquisition of 43.15% equity stake of the Company in Askari Bank Limited was completed by assumption of the Bank's management control by the Fauji Group Consortium on the close of business on June 20, 2013. The Bank has offered 55% (55 shares for every 100 shares held) right shares to diversify and balance its portfolio of business, improve performance, achieve greater alignment with its corporate objectives and contribute towards profitability of the shareholders, which is recommended by the Board subject to shareholders approval.

As a part of Company's diversification strategy, FFC is considering acquisition of Al-Hamd Foods Limited, an IQF (Individual Quick Freezing) based Fruits & Vegetables Processing Plant, which has been approved by the Competition Commission of Pakistan. The target acquisition presents attractive buy out opportunity, providing an entry platform into growing global food market for higher value added fruit & vegetable products having considerable growth prospects into further avenues, including but not limited to Controlled Atmosphere Stores, ready-to-eat meals and Chicken Abattoirs etc. The project is currently under construction and requires 15-18 months to complete with an expected total cost of around Rs. 2.50 billion.

I am also pleased to inform that FFC Energy Limited has attained commercial production on May 16, 2013 and is now supplying uninterrupted wind energy to the national grid with profitable performance from the first year of operations. Project cash flows are however expected to be constrained because of customary delayed revenue recovery by the sector.

In view of sustained earnings, the Board is pleased to approve second interim dividend of Rs. 3.75 per share (37.5%) making a total payout of Rs. 7.25 per share to-date, representing 97.13 % distribution of the net earnings for the period.

On behalf of the Board,



Chairman

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

Rawalpindi
July 29, 2013



AUDITOR'S REPORT TO THE MEMBERS

ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of Fauji Fertilizer Company Limited as at June 30, 2013, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the financial information 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. The figures of the condensed interim statement of comprehensive income for the three month period ended June 30, 2013 and June 30, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2013.

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 of and for the half year ended June 30, 2013, is not prepared, in all material respects in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

OTHER MATTER

The financial statements of Fauji Fertilizer Company Limited for the year ended December 31, 2012 and for the half year ended June 30, 2012 were audited / reviewed by another auditor who expressed an unmodified opinion on those statements on January 23, 2013 and July 24, 2012 respectively.

Islamabad
Date: July 29, 2013

A.F. FERGUSON & CO.
Chartered Accountants
Engagement Partner: M. Imtiaz Aslam



**Condensed Interim
Financial Information**

Condensed Interim Balance Sheet (Un-audited)
As at June 30, 2013

		Un-audited June 30, 2013	Restated Audited December 31, 2012	Restated Audited January 1, 2012
	Note			
(Rupees '000)				
EQUITY AND LIABILITIES				
EQUITY				
Share capital	5	12,722,382	12,722,382	8,481,588
Capital reserves		160,000	160,000	160,000
Revenue reserves	6	11,559,007	12,877,129	14,029,206
Surplus on remeasurement of investments available for sale to fair value		7,882	7,695	10,258
		24,449,271	25,767,206	22,681,052
NON-CURRENT LIABILITIES				
Long term borrowings	7	3,510,000	3,870,000	2,703,750
Deferred liabilities		3,980,452	3,926,246	3,623,060
		7,490,452	7,796,246	6,326,810
CURRENT LIABILITIES				
Trade and other payables	8	19,486,747	16,125,589	12,329,687
Interest and mark - up accrued		17,327	24,921	79,826
Short term borrowings	9	8,953,036	4,990,000	8,735,650
Current portion of long term borrowings		1,335,000	1,433,750	1,615,655
Taxation		3,097,599	4,531,939	3,762,236
		32,889,709	27,106,199	26,523,054
		64,829,432	60,669,651	55,530,916

CONTINGENCIES AND COMMITMENTS

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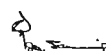
The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



	Note	Un-audited June 30, 2013	Restated Audited December 31, 2012	Restated Audited January 1, 2012
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	11	18,376,281	17,818,755	17,050,951
Intangible assets		1,659,450	1,678,639	1,569,234
Long term investments	12	18,183,195	9,511,865	8,659,073
Long term loans and advances		688,927	700,786	605,883
Long term deposits and prepayments		3,501	5,111	9,370
		38,911,354	29,715,156	27,894,511

CURRENT ASSETS

Stores, spares and loose tools		3,084,062	3,098,938	2,447,452
Stock in trade		461,787	442,139	636,923
Trade debts		1,400,309	3,611,476	86,669
Loans and advances		609,440	677,977	431,582
Deposits and prepayments		173,783	35,670	53,852
Other receivables		1,249,257	588,667	891,673
Short term investments	13	15,986,491	18,750,996	21,794,480
Cash and bank balances		2,952,949	3,748,632	1,293,774
		25,918,078	30,954,495	27,636,405
		64,829,432	60,669,651	55,530,916


Chairman

Chief Executive

Director

Condensed Interim Profit And Loss Account (Un-audited)
For the half year ended June 30, 2013

		For the quarter ended		For the half year ended	
	Note	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
		(Rupees '000)		(Rupees '000)	
Sales	14	18,044,549	24,697,952	34,405,411	36,130,777
Cost of sales	15	9,501,680	13,139,040	18,093,283	18,813,907
GROSS PROFIT		8,542,869	11,558,912	16,312,128	17,316,870
Distribution cost		1,627,094	1,291,906	2,921,641	2,631,840
		6,915,775	10,267,006	13,390,487	14,685,030
Finance cost		169,919	362,920	348,215	641,010
Other expenses		589,683	775,943	1,214,025	1,297,657
		6,156,173	9,128,143	11,828,247	12,746,363
Other income		493,177	318,542	1,993,656	2,459,427
NET PROFIT BEFORE TAXATION		6,649,350	9,446,685	13,821,903	15,205,790
Provision for taxation		2,063,000	2,987,000	4,326,000	4,871,000
NET PROFIT AFTER TAXATION		4,586,350	6,459,685	9,495,903	10,334,790
Earnings per share – basic and diluted (Rupees)	16	3.60	5.08	7.46	8.12

The annexed notes 1 to 19 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, 2013

	For the quarter ended		For the half year ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees '000)		(Rupees '000)	
Net profit after taxation	4,586,350	6,459,685	9,495,903	10,334,790
Other comprehensive income for the period:				
(Deficit) / surplus on remeasurement of investments available for sale at fair value	(1,624)	(4,461)	290	(3,322)
Income tax relating to component of other comprehensive income	326	32	(103)	33
Remeasurement of defined benefit plans – net of tax	-	-	-	-
Other comprehensive (loss) / income for the period – net of tax	(1,298)	(4,429)	187	(3,289)
Total comprehensive income for the period	<u>4,585,052</u>	<u>6,455,256</u>	<u>9,496,090</u>	<u>10,331,501</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.


Chairman


Chief Executive


Director

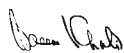
Condensed Interim Statement of Cash Flows (Un-audited)
For the half year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	17,753,288	12,403,235
Finance cost paid		(355,809)	(625,275)
Income tax paid		(5,706,237)	(3,779,151)
Net cash generated from operating activities		11,691,242	7,998,809
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,333,609)	(1,242,647)
Proceeds from sale of property, plant and equipment		34,667	21,104
(Increase) / decrease in investments - net		(8,440,676)	1,356,037
Interest received		621,600	642,805
Dividends received		1,069,274	1,663,315
Net cash (used in) / from investing activities		(8,048,744)	2,440,614
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
- Disbursements		500,000	1,000,000
- Repayments		(958,750)	(1,425,119)
Dividends paid		(10,707,218)	(8,262,524)
Net cash used in financing activities		(11,165,968)	(8,687,643)
Net (decrease) / increase in cash and cash equivalents		(7,523,470)	1,751,780
Cash and cash equivalents at beginning of the period		16,571,069	9,963,247
Cash and cash equivalents at end of the period		9,047,599	11,715,027
CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,952,949	3,440,104
Short term highly liquid investments		15,047,686	9,324,923
Short term running finance		(8,953,036)	(1,050,000)
		9,047,599	11,715,027

The annexed notes 1 to 19 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, 2013

	Revenue reserves				Surplus on remeasurement of investments available for sale to fair value	Total
	Share capital	Capital reserves	General reserve	Unappropriated profit		
	(Rupees '000)					
Balance as at January 1, 2012 - as previously reported	8,481,588	160,000	5,543,154	8,875,224	10,258	23,070,224
Change in accounting policy for recognition of actuarial gains and losses - note 4	-	-	-	(389,172)	-	(389,172)
Balance at January 1, 2012 - as restated	8,481,588	160,000	5,543,154	8,486,052	10,258	22,681,052
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	-	-	-	10,334,790	(3,289)	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	5,502,360	6,351,293	6,969	24,743,004
Balance as at January 1, 2013 - as previously reported	12,722,382	160,000	5,502,360	7,703,612	7,695	26,096,049
Change in accounting policy for recognition of actuarial gains and losses - note 4	-	-	-	(328,843)	-	(328,843)
Balance as at January 1, 2013 - as restated	12,722,382	160,000	5,502,360	7,374,769	7,695	25,767,206
Transfer to general reserve	-	-	1,300,000	(1,300,000)	-	-
Total comprehensive income for the period:						
Profit for the period after taxation	-	-	-	9,495,903	-	9,495,903
Other comprehensive income - net of tax	-	-	-	-	187	187
Total comprehensive income for the period	-	-	-	9,495,903	187	9,496,090
Distribution to owners:						
Final dividend 2012: Rs 5.00 per share	-	-	-	(6,361,191)	-	(6,361,191)
First interim dividend 2013: Rs 3.50 per share	-	-	-	(4,452,834)	-	(4,452,834)
Total transactions with owners	-	-	-	(10,814,025)	-	(10,814,025)
Balance as at June 30, 2013	12,722,382	160,000	6,802,360	4,756,647	7,882	24,449,271

The annexed notes 1 to 19 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, 2013

1. Fauji Fertilizer Company Limited ("the Company") is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Ordinance, 1984) and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges of Pakistan. The registered office of the Company is situated at 156-The Mall Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, other manufacturing and energy generation operations.
2. This condensed interim financial information of the Company for the half year ended June 30, 2013 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, 2012. Comparative condensed interim balance sheet is extracted from annual financial statements as of December 31, 2012 whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from unaudited condensed interim financial information of the Company for the half year ended June 30, 2012.

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, 2012.
4. Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses (remeasurement gains/losses) on employees' retirement benefit plans are recognised immediately in other comprehensive income. Previously, the actuarial gains/losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

	Cumulative effect upto December 31, 2012	Effect for the year ended December 31, 2012	Cumulative effect upto January 1, 2012
(Rupees '000)			
Condensed interim Balance Sheet			
(Decrease) / increase in unappropriated profit			
Actuarial loss on retirement benefit plans (net of tax)	(328,843)	60,329	(389,172)
Increase / (decrease) in trade and other payables			
- Payable to retirement benefit funds	505,912	(92,814)	598,726
(Decrease) / increase in deferred liabilities			
- Deferred taxation	(177,069)	32,485	(209,554)

The effect on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the half year ended June 30, 2013 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim statement of cash flows.

5. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2013	December 31, 2012		Un-audited June 30, 2013	Audited December 31, 2012
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	1,015,742,345	Ordinary shares of Rs 10 each, issued as fully paid bonus shares	10,157,423	10,157,423
<u>1,272,238,247</u>	<u>1,272,238,247</u>		<u>12,722,382</u>	<u>12,722,382</u>

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2012: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2012: Rs 15,000,000 thousand).

Notes To The Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2013

		Un-audited June 30, 2013	Restated Audited December 31, 2012
	Note	(Rupees '000)	
6. REVENUE RESERVES			
General reserve		6,802,360	5,502,360
Unappropriated profit		4,756,647	7,374,769
		<u>11,559,007</u>	<u>12,877,129</u>
7. LONG TERM BORROWINGS			
Long term borrowings – secured	7.1	4,845,000	5,303,750
Less: Current portion shown under current liabilities		1,335,000	1,433,750
		<u>3,510,000</u>	<u>3,870,000</u>
7.1 Movement in this account during the period / year is as follows:			
Opening balance		5,303,750	4,319,405
Disbursements during the period / year		500,000	3,000,000
Repayments during the period / year		(958,750)	(2,015,655)
Closing balance	7.2	<u>4,845,000</u>	<u>5,303,750</u>
7.2 These finances are secured by an equitable mortgage on the Company's assets and hypothecation of all Company assets including plant, machinery, tools & spares and all other moveable properties including stocks and book debts, ranking pari passu with each other with 25% margin.			
These carry mark up ranging between six month KIBOR + 0.35 % to 1% per annum (December 31, 2012: six month KIBOR + 0.30 % to 1.5% per annum) and are repayable upto June 2018 (December 31, 2012: December 2017).			
		Un-audited June 30, 2013	Restated Audited December 31, 2012
		(Rupees '000)	
8. TRADE AND OTHER PAYABLES			
Creditors		2,679,788	420,933
Accrued liabilities		2,703,382	3,447,871
Consignment account with Fauji Fertilizer Bin Qasim Limited – unsecured		2,559,659	2,969,967
Sales tax payable – net		587,739	1,600,848
Deposits		203,005	188,260
Retention money		137,284	152,370
Advances from customers		7,610,749	5,431,710
Workers' Profit Participation Fund		683,382	-
Workers' Welfare Fund		1,373,038	1,094,245
Unclaimed dividend		430,235	323,428
Gratuity fund		339,641	367,962
Pension fund		50,343	50,343
Other liabilities		128,502	77,652
		<u>19,486,747</u>	<u>16,125,589</u>
9. SHORT TERM BORROWINGS			
The Company has short term running finance and demand finance facilities limits aggregating Rs. 11.99 billion (December 31, 2012: Rs. 11.24 billion). These are secured against ranking charge on all present and future current assets of the company, lien on shipping documents, ranking charge by way of hypothecation over all present and future fixed assets of the company with 25% margin over and above the financed amount. These carry mark up ranging between one month KIBOR + 0.05 % to 1% and three months KIBOR + 0.3% per annum (December 31, 2012: one month KIBOR + 0.05 % to 1% and three months KIBOR + 0.3% per annum).			
		Un-audited June 30, 2013	Audited December 31, 2012
10. CONTINGENCIES AND COMMITMENTS			
(a) Contingencies		(Rupees '000)	
(i) Guarantees issued by banks on behalf of the Company		20,062	19,072
(ii) Claims against the Company and / or potential exposure not acknowledged as debt		50,696	50,696

Notes To The Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2013

- (iii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on the Company for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. The Company has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.

		Un-audited June 30, 2013	Audited December 31, 2012
	Note	(Rupees '000)	
(b) Commitments in respect of:			
(i) Capital expenditure		1,074,490	1,535,446
(ii) Purchase of fertilizer, stores, spares and other revenue items		1,054,169	1,180,288
(iii) 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.		247,750	386,000
(iv) Rentals under lease agreements:			
- Premises		158,134	158,145
- Vehicles		107,196	103,513

11. PROPERTY, PLANT AND EQUIPMENT

Opening written down value		17,818,755	17,050,951
Additions	11.1	1,332,932	4,628,185
Written down value of disposals / adjustments		(22,110)	(2,485,130)
Depreciation		(753,296)	(1,375,251)
Closing written down value		18,376,281	17,818,755

- 11.1** Additions in and depreciation on property, plant and equipment during the half year ended June 30, 2012 were Rs 1,242,647 thousand and Rs 666,048 thousand respectively.

Notes To The Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2013

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		(Rupees '000)	
12. LONG TERM INVESTMENTS			
Investment in associate – at cost			
Fauji Cement Company Limited		1,500,000	1,500,000
Investment in joint venture – at cost			
Pakistan Maroc Phosphore S.A., Morocco		705,925	705,925
Investment in subsidiaries – at cost			
Fauji Fertilizer Bin Qasim Limited (FFBL)		4,752,330	4,752,330
FFC Energy Limited (FFCEL)		2,438,250	2,300,000
Askari Bank Limited (AKBL)	12.1	8,532,421	-
		15,723,001	7,052,330
Investments available for sale			
Certificates of Investment		122,464	111,528
Pakistan Investment Bonds		61,083	60,491
Term Finance Certificates		93,750	102,341
		277,297	274,360
		18,206,223	9,532,615
Less: Current portion shown under short term investments	13		
Investments available for sale			
Certificates of Investment		23,028	12,395
Term Finance Certificates		-	8,355
		23,028	20,750
		18,183,195	9,511,865

12.1 During the period, the Company acquired 43.15% of the share capital of Askari Bank Limited, a banking company.

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		(Rupees '000)	
13. SHORT TERM INVESTMENTS			
Loans and receivables			
Term deposits with banks and financial institutions			
Local currency		13,803,900	16,800,000
Foreign currency		1,243,786	1,208,683
Investments at fair value through profit or loss – Held for trading		915,777	721,563
Current maturity of long term investments – Available for sale	12	23,028	20,750
		15,986,491	18,750,996

Notes To The Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2013

14. SALES

Sales is exclusive of sales tax of Rs 5,504,174 thousand (June 30, 2012: Rs. 5,780,886 thousand)

	Un-audited For the quarter ended		Un-audited For the half year ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees '000)		(Rupees '000)	
15. COST OF SALES				
Raw materials consumed	4,771,300	4,534,139	9,127,168	8,993,050
Fuel and power	1,763,931	1,678,921	3,298,662	3,207,553
Chemicals and supplies	54,893	78,316	146,534	145,060
Salaries, wages and benefits	1,124,440	1,076,826	2,108,236	2,073,631
Training and employees welfare	173,546	135,992	329,931	293,270
Rent, rates and taxes	6,312	7,714	8,437	13,951
Insurance	3,933	42,722	75,605	75,677
Travel and conveyance	116,803	86,851	208,594	174,433
Repairs and maintenance	300,023	251,173	884,847	636,781
Depreciation and amortisation	372,515	334,449	734,473	652,997
Communication and other expenses	542,116	211,581	792,409	522,197
Provision for slow moving spares	9,850	15,910	9,850	15,910
Opening stock - work in process	30,069	54,740	45,216	17,523
Closing stock - work in process	(8,386)	(36,605)	(8,386)	(36,605)
Cost of goods manufactured	9,261,345	8,472,729	17,761,576	16,785,428
Opening stock of manufactured urea	152,398	3,826,361	80,055	7,538
Closing stock of manufactured urea	(108,506)	(562,479)	(108,506)	(562,479)
	43,892	3,263,882	(28,451)	(554,941)
Cost of sales - manufactured urea	9,305,237	11,736,611	17,733,125	16,230,487
Opening stock of purchased fertilizers	110,314	1,958,360	274,029	144,090
Purchase of fertilizers for resale	286,491	101,290	286,491	3,096,551
	396,805	2,059,650	560,520	3,240,641
Closing stock - purchased fertilizers	(200,362)	(657,221)	(200,362)	(657,221)
Cost of sales - purchased fertilizers	196,443	1,402,429	360,158	2,583,420
	9,501,680	13,139,040	18,093,283	18,813,907
16. EARNINGS PER SHARE				
Net profit after tax (Rupees '000)	4,586,350	6,459,685	9,495,903	10,334,790
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)	3.60	5.08	7.46	8.12

Notes To The Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2013

17. CASH GENERATED FROM OPERATIONS

	Note	June 30, 2013	June 30, 2012
		(Rupees '000)	
Net profit before taxation		13,821,903	15,205,790
Adjustments for:			
Depreciation and amortisation	11	773,162	666,048
Provision for slow moving spares		9,850	15,910
Finance cost		348,215	641,010
Gain on sale of property, plant and equipment		(12,557)	(20,650)
Income on loans, deposits and investments		(637,916)	(539,797)
Exchange gain		(30,546)	(75,091)
Gain on remeasurement of investment at fair value through profit or loss		(200,064)	(154,306)
Dividend income		(1,069,274)	(1,663,315)
		(819,130)	(1,130,191)
		13,002,773	14,075,599
Changes in working capital:			
Decrease / (increase) in current assets			
Stores, spares and loose tools		5,026	(368,989)
Stock in trade		(19,648)	(715,073)
Trade debts		2,211,167	(1,869,501)
Loans and advances		68,537	(86,755)
Deposits and prepayments		(138,113)	(59,815)
Other receivables		(644,274)	72,081
Increase / (decrease) in current liabilities			
Trade and other payables		3,254,351	1,393,355
		4,737,046	(1,634,697)
Changes in long term loans and advances		11,859	(41,610)
Changes in long term deposits and prepayments		1,610	3,943
		17,753,288	12,403,235

Notes To The Condensed Interim Financial Information (Un-audited)
For the half year ended June 30, 2013

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Significant transactions and balances with related parties are as follows:

	June 30, 2013	June 30, 2012
	(Rupees '000)	
Transactions with the subsidiary companies		
Reimbursement of expenses on marketing of fertilizer of subsidiary company under sale on consignment basis	351,105	185,770
Commission on sale of subsidiary company's products	7,466	4,993
Services and materials received	6,806	1,239
Payments made / expenses incurred - net	-	13,348
Dividend income	1,069,274	1,663,315
Long term investment made	138,250	650,000
Loans extended	614,386	-
Investments in certificates of investments	122,464	-
Balance receivable - unsecured	797,875	5,458 *
Balance payable - unsecured	2,559,655	2,969,967 *
Transactions with associated undertakings / companies due to common directorship		
Sale of fertilizer	2,004	14,686
Purchase of gas as feed and fuel stock	11,722,873	11,502,094
Services received	122,992	90,394
Medical services	-	47
Office rent	-	2,222
Donations	250,000	100,000
Dividends paid	4,796,020	3,667,545
Issuance of bonus shares	-	1,880,792
Balance receivable - unsecured	32,594	6,611 *
Balance payable - unsecured	1,016,001	1,398 *
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 587 (2012: 1 and 549) respectively	1,864,792	1,620,455
Payments to:		
Employees' Provident Fund Trust	139,817	133,003
Employees' Gratuity Fund Trust	91,929	83,040
Employees' Pension Fund Trust	47,191	454,661
Others:		
Balance receivable - unsecured	-	69,919 *
Balance payable - unsecured (Restated)	389,984	418,305 *

* Comparative figures of receivable / payable balances are as of December 31, 2012.

19. GENERAL

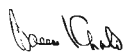
19.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

19.2 The Board of Directors in its meeting held on July 29, 2013 proposed second interim dividend of Rs. 3.75 per share.

19.3 This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on July 29, 2013.



Chairman



Chief Executive



Director



**Condensed Interim
Consolidated
Financial Information**

Condensed Interim Consolidated Balance Sheet (Un-audited)

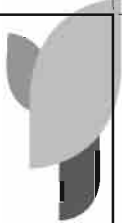
As at June 30, 2013

		Un-audited	Restated	Restated
		June 30,	Audited	Audited
Note		2013	December 31,	January 01,
			2012	2012
			(Rupees '000)	
EQUITY AND LIABILITIES				
ATTRIBUTABLE TO EQUITY HOLDERS				
OF FAUJI FERTILIZER COMPANY LIMITED				
Share capital	4	12,722,382	12,722,382	8,481,588
Capital reserves		1,045,800	1,001,061	972,682
Revenue reserves	5	13,193,382	14,389,380	16,107,187
Surplus on remeasurement of investments available for sale to fair value		7,882	7,695	10,258
		26,969,446	28,120,518	25,571,715
NON-CONTROLLING INTERESTS		5,858,380	5,983,400	6,503,850
TOTAL EQUITY		32,827,826	34,103,918	32,075,565
NON-CURRENT LIABILITIES				
Long term borrowings	6	13,200,549	13,643,915	10,080,890
Deferred liabilities		7,604,952	7,580,087	7,301,931
		20,805,501	21,224,002	17,382,821
CURRENT LIABILITIES				
Trade and other payables		24,462,334	24,707,148	21,535,408
Interest and mark - up accrued		407,171	308,611	496,159
Short term borrowings		23,679,004	14,206,660	16,211,794
Current portion of long term:				
- Borrowings		1,335,000	1,740,517	1,615,655
- GOP Loan		2,314,019	2,008,682	648,201
Taxation - net		3,886,630	5,000,827	4,425,068
		56,084,158	47,972,445	44,932,285
		109,717,485	103,300,365	94,390,671

CONTINGENCIES AND COMMITMENTS

7

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



		Restated	Restated
	Un-audited	Audited	Audited
	June 30,	December 31,	January 01,
Note	2013	2012	2012
		(Rupees '000)	

ASSETS
NON-CURRENT ASSETS

Property, plant & equipment	8	44,063,610	42,679,047	37,161,882
Intangible assets		1,659,450	1,687,919	1,615,633
Equity accounted investments	9.1	19,588,551	6,398,247	5,503,123
Other long term investments	9.2	254,269	253,610	250,818
Long term loans and advances		688,927	700,786	605,883
Long term deposits and prepayments		83,100	300,864	90,487
		66,337,907	52,020,473	45,227,826

CURRENT ASSETS

Stores, spares and loose tools		5,120,434	5,110,420	4,353,190
Stock in trade		8,192,498	5,318,444	4,043,916
Trade debts		2,869,863	6,080,551	733,185
Loans and advances		1,314,144	1,126,040	872,320
Deposits and prepayments		238,914	59,564	67,009
Other receivables		96,741	710,611	1,055,982
Short term investments	10	18,431,491	20,300,996	30,632,717
Cash and bank balances		7,115,493	12,573,266	7,404,526
		43,379,578	51,279,892	49,162,845

109,717,485	103,300,365	94,390,671
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Chairman

Chief Executive

Director

Condensed Interim Consolidated Profit And Loss Account (Un-audited)
For the half year ended June 30, 2013

	Note	For the quarter ended		For the half year ended	
		June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
		(Rupees '000)		(Rupees '000)	
Sales		30,993,508	34,059,044	55,060,896	47,426,802
Cost of sales	11	18,427,392	19,798,490	33,065,529	27,672,830
GROSS PROFIT		12,566,116	14,260,554	21,995,367	19,753,972
Administrative expenses and distribution cost		2,793,733	2,240,489	4,797,374	3,928,802
		9,772,383	12,020,065	17,197,993	15,825,170
Finance cost		684,668	966,524	1,128,527	1,550,894
Other expenses		746,338	831,134	1,429,508	1,353,593
		8,341,377	10,222,407	14,639,958	12,920,683
Other income		685,645	522,848	1,295,147	1,320,269
Share in (loss) / profit of equity accounted investments		(186,769)	(183,767)	(108,568)	94,317
NET PROFIT BEFORE TAXATION		8,840,253	10,561,488	15,826,537	14,335,269
Provision for taxation		2,794,327	3,143,687	5,315,749	5,012,597
NET PROFIT AFTER TAXATION		6,045,926	7,417,801	10,510,788	9,322,672
ATTRIBUTABLE TO:					
Equity holders of Fauji Fertilizer Company Limited		5,394,739	6,911,382	9,618,027	9,006,379
Non - controlling interests		651,187	506,419	892,761	316,293
		6,045,926	7,417,801	10,510,788	9,322,672

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


Chairman


Chief Executive


Director

Condensed Interim Consolidated Statement Of Comprehensive Income (Un-audited)
For the half year ended June 30, 2013

	For the quarter ended		For the half year ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees'000)		(Rupees'000)	
Net profit after taxation	6,045,926	7,417,801	10,510,788	9,322,672
Other comprehensive income for the period				
Exchange difference on translating foreign investments	(184,089)	78,111	88,557	32,928
(Deficit) /surplus on remeasurement to fair value of investments available for sale	(972)	(4,461)	290	(3,322)
Income tax relating to component of other comprehensive income	(326)	(32)	(103)	33
Changes in accounting policy for recognition of actuarial gains and losses	(29,125)	-	(29,125)	-
Other comprehensive income for the period - net of tax	(214,512)	73,618	59,619	29,639
Total comprehensive income for the period	5,831,414	7,491,419	10,570,407	9,352,311
ATTRIBUTABLE TO:				
Equity holders of Fauji Fertilizer Company Limited	5,254,876	6,959,468	9,662,951	9,025,234
Non - controlling interests	576,538	531,951	907,456	327,077
	5,831,414	7,491,419	10,570,407	9,352,311

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


Chairman

Chief Executive

Director

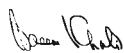
Condensed Interim Consolidated Statement of Cash Flows (Un-audited)
For the half year ended June 30, 2013

	Note	June 30, 2013	June 30, 2012
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	16,674,405	5,741,636
Finance cost paid		(802,231)	(1,270,407)
Income tax paid		(6,521,903)	(4,695,053)
Payment to provident fund trust		-	(153,820)
Payment to pension fund		(91,929)	(454,661)
Payment to gratuity fund		(47,191)	(109,498)
Payment to Workers' Profit Participation Fund		(17,042)	(18,162)
Compensated absences paid		(11,292)	(10,027)
		(7,491,588)	(6,711,628)
Net cash generated from / (used in) operating activities		9,182,817	(969,992)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,257,277)	(5,350,273)
Proceeds from sale of property, plant and equipment		44,006	23,986
Interest received		913,191	858,949
Decrease/(Increase) in investments		(12,467,928)	8,733,171
Net cash (used in) / generated from investing activities		(13,768,008)	4,265,833
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - repayments		(1,715,621)	(2,073,320)
- disbursements		1,044,330	8,848,315
Short term borrowings - net		6,300,000	-
Dividends paid		(11,743,436)	(10,163,126)
Net cash used in financing activities		(6,114,727)	(3,388,131)
Net decrease in cash and cash equivalents		(10,699,918)	(92,290)
Cash and cash equivalents at beginning of the period		21,324,093	16,242,855
Cash and cash equivalents at end of the period		10,624,175	16,150,565
CASH AND CASH EQUIVALENTS			
Cash and bank balances		7,115,493	8,465,945
Short term highly liquid investments		17,292,686	10,924,923
Short term running finance		(13,784,004)	(3,240,303)
		10,624,175	16,150,565

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



Chairman



Chief Executive



Director

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

For the half year ended June 30, 2013

	Attributable to equity holders of Fauji Fertilizer Company Limited							
	Capital reserves				Revenue reserves		Surplus on remeasurement of available for sale investments to fair value	Non- controlling interests
	Share capital	Capital reserve	Translation reserve	Statutory reserve	General reserve	Unappropriated profit		Total
	(Rupees ' 000)							
Balance at January 01, 2012 – as previously reported	8,481,588	276,184	690,062	6,436	5,543,154	10,755,350	10,258	6,688,550
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	-	(191,317)	-	(184,700)
Balance at January 1, 2012 – as restated	8,481,588	276,184	690,062	6,436	5,543,154	10,564,033	10,258	6,503,850
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
Other comprehensive Income – net of tax	-	-	22,144	-	-	-	(3,289)	10,784
Total comprehensive income for the period	-	-	22,144	-	-	9,006,379	(3,289)	327,077
Distribution to owners								
FFC dividends:								
Bonus shares Issued	4,240,794	-	-	-	(4,240,794)	-	-	-
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 by FFBL non-controlling interest holders	-	-	-	-	-	-	-	-
Final dividend 2011: Rs 3.50 per share	-	-	-	-	-	-	-	(1,605,921)
	4,240,794	-	-	-	(4,240,794)	(8,269,549)	-	(1,605,921)
Balance as at June 30, 2012	12,722,382	276,184	712,206	6,436	1,302,360	11,300,863	6,969	5,225,006
Balance at January 01, 2013 – as previously reported	12,722,382	276,184	718,441	6,436	5,502,360	9,106,120	7,695	6,194,921
Change in accounting policy for recognition of actuarial gains and losses	-	-	-	-	-	(219,100)	-	(211,521)
Balance at January 1, 2013 – as restated	12,722,382	276,184	718,441	6,436	5,502,360	8,887,020	7,695	5,983,400
Transfer to general reserve	-	-	-	-	1,300,000	(1,300,000)	-	-
Total comprehensive income for the period								
Profit for the period after taxation	-	-	-	-	-	9,618,027	-	892,761
Other comprehensive Income – net of tax	-	-	44,739	-	-	-	187	14,693
Total comprehensive income for the period	-	-	44,739	-	-	9,618,027	187	907,454
Distribution to owners								
FFC dividends:								
FFC Final dividend 2012: Rs 5.00 per share	-	-	-	-	-	(6,361,191)	-	(6,361,191)
First Interim dividend 2013: Rs 3.50 per share	-	-	-	-	-	(4,452,834)	-	(4,452,834)
Dividend by FFBL to non-controlling interest holders	-	-	-	-	-	-	-	(1,032,474)
Final dividend 2012: Rs. 2.25 per ordinary share	-	-	-	-	-	-	-	(1,032,474)
	-	-	-	-	-	(10,814,025)	-	(1,032,474)
Balance as at June 30, 2013	12,722,382	276,184	763,180	6,436	5,502,360	7,691,022	7,882	5,858,380

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



Chairman



Chief Executive



Director

Notes To The Condensed Interim Consolidated Financial Information For the half year ended June 30, 2013

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, 2013 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, 2012. Comparative balance sheet is extracted from annual financial statements as of December 31, 2012 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, 2012.

- 2.1 On June 20, 2013, the group acquired 64.7% of the share capital of Askari Bank Limited (AKBL), being 43.15% direct holding acquired by FFC in addition to indirect holding of 21.6% acquired through its subsidiary FFBL. FFC has been allowed one time exemption for the half year ended June 30, 2013 from consolidation of AKBL under section 237 to the Companies Ordinance, 1984 by SECP. The total consideration paid in cash for the acquisition was Rs. 12,798,640 thousand. As a result of the acquisition, the group is expected to increase its profits and reduce risks through diversification.

Because of the aforesaid exemption, the assets and liabilities of AKBL have not been consolidated in this condensed interim consolidated financial information. As a result, the fair value of the net assets acquired, related goodwill and non controlling interest has not been accounted for and disclosed.

Auditors review report alongwith condensed interim unconsolidated statement of financial position and condensed interim unconsolidated profit and loss account of AKBL are given in attachments "A", "B" and "C" to this condensed interim consolidated financial information for the half year ended June 30, 2013.

Half yearly reviewed accounts of AKBL are available for inspection by the members at Registered Office of the Company without any cost.

3. Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after January 1, 2013, the Group has changed its accounting policy for recognition of actuarial gains and losses on employees' benefit plans. In terms of the new policy, the actuarial gains/ losses in excess of the corridor limit were recognised in profit and loss account over the remaining service life of the employees. The change in accounting policy has been accounted for retrospectively and the comparative figures have thereby been restated.

	Cumulative effect upto December 31, 2012	effect for the year ended December 31, 2012 (Rupees '000)	Cumulative effect upto January 1, 2012
Condensed interim Consolidated Balance Sheet			
(Decreased) / Increase in unappropriated profit			
- Actuarial loss on retirement benefit plans (Net of tax)	(219,100)	27,783	(191,317)
Increase / (Decrease) in trade and other payables			
- Payable to retirement benefit funds	662,493	(84,006)	578,487
(Decrease)/Increase in deferred liabilities			
- Deferred taxation	(231,872)	29,402	(202,470)
Non - controlling interest	(211,521)	26,821	(184,700)

The effect on the condensed interim consolidated profit and loss account and the condensed interim consolidated statement of comprehensive income for the half year ended June 30, 2012 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim consolidated cash flow statement.

Actuarial valuation for retirement benefit plans of FFBL was carried out for the half year 2013, the results of which have been disclosed in condensed interim consolidated statement of comprehensive income for the period ended June 30, 2013.

Notes To The Condensed Interim Consolidated Financial Information

For the half year ended June 30, 2013

4. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Un-audited June 30, 2013	Audited December 31, 2012		Un-audited June 30, 2013	Audited December 31, 2012
(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	1,015,742,345	Ordinary shares of Rs.10 each issued as fully paid bonus shares.	10,157,423	10,157,423
1,272,238,247	1,272,238,247		12,722,382	12,722,382

AUTHORISED SHARE CAPITAL

This represents 1,500,000,000 (2012: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 15,000,000 thousand (2012: Rs 15,000,000 thousand)

	Note	Un-audited June 30, 2013	Restated Audited December 31, 2012
		(Rupees '000)	
5. REVENUE RESERVES			
General reserve		5,502,360	5,502,360
Unappropriated profit		7,691,022	8,887,020
		13,193,382	14,389,380
6. LONG TERM BORROWINGS			
Long term financing - secured	6.1	14,256,767	14,152,112
Long term loan - GOP Loan & deferred government assistance - FFBL (Un-secured)	6.2	2,592,801	3,241,002
		16,849,568	17,393,114
Less: Amount payable within twelve months shown as current maturity		3,649,019	3,749,199
		13,200,549	13,643,915
6.1 Movement in this account during the period/ year is as follows:			
Opening balance		14,152,112	8,455,543
Disbursements during the period/ year		1,063,405	7,700,000
Repayments during the period/ year		(958,750)	(2,003,431)
Closing balance		14,256,767	14,152,112
6.2 Movement in this account during the period/ year is as follows:			
Opening balance		3,241,002	3,889,203
Repayments during the period/ year		(648,201)	(648,201)
Closing balance		2,592,801	3,241,002

7. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantees issued by banks on behalf of the Group companies.	48,316	151,892
ii) Claims against FFC and / or potential exposure not acknowledged as debt.	50,696	50,696
iii) Indemnity bonds and undertakings given to the custom authorities for the machinery imported by FFBL for installation at plant site.	119,650	119,650
iv) Group's share of contingencies In Fauji Cement Company Limited.	125,934	122,388
v) FFBL's share of contingent liabilities of Foundation Wind Energy - I Limited as at June 30, 2013	8,654	4,375
vi) FFBL's share of contingent liabilities of Foundation Wind Energy - II (Private) Limited as at June 30, 2013	8,654	4,130

Notes To The Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2013

- vii) The Competition Commission of Pakistan has imposed a penalty of Rs 5.5 billion on FFC for alleged unreasonable increase in urea prices during the year 2011. However, the fact remains that price increase was essentially caused by extended gas curtailment and delayed urea imports by the Government of Pakistan resulting in product shortage leading to market imbalance and price hike. FFC has filed an appeal against the above penalty before the Competition Appellate Tribunal. Based on legal advice from the Company's legal advisor, the Company is confident that there are reasonable grounds for a favourable decision.

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		(Rupees '000)	
b) Commitments			
i) Capital expenditure		12,789,764	2,816,921
ii) Purchase of fertilizer, stores, spares and other revenue items.		2,901,516	2,243,495
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.		274,750	386,000
iv) Group's share of commitments of PMP.		39,159	20,196
v) FFBL's share of commitments for investment in wind power project		3,571,690	3,983,365
vi) Rentals under lease agreements:			
Premises		158,134	158,145
Vehicles		107,196	103,513
Land		44,905	44,905
8. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value		42,679,047	37,161,882
Additions during the period/ year		2,943,476	12,226,956
Written down value of disposals/ adjustments		(31,662)	(3,998,519)
Depreciation during the period/ year		(1,527,251)	(2,711,272)
Closing written down value		44,063,610	42,679,047
9. LONG TERM INVESTMENTS			
Equity accounted investments	9.1	19,588,551	6,398,247
Other long term investments	9.2	254,269	253,610
		19,842,820	6,651,857

Notes To The Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2013

	Note	Un-audited June 30, 2013	Audited December 31, 2012
		(Rupees '000)	
9.1 Equity accounted investments			
Investment in subsidiary company			
Askari Bank Limited	2.1 & 9.1.1	12,798,640	-
Investment in associated companies - under equity method			
Fauji Cement Company Limited			
Cost of investment		1,800,000	1,800,000
Post acquisition profits brought forward		309,528	257,196
Share of profit for the period / year		94,542	52,332
Balance as at June 30, 2013		2,204,070	2,109,528
Foundation Wind Energy - I Limited			
Advance for issue of shares		353,073	119,409
Advance paid during the period / year against issue of shares		375,550	233,664
Brought forward loss		(23,683)	-
Share of loss for the period / year		(1,990)	(23,683)
Balance as at June 30, 2013		702,950	329,390
Foundation Wind Energy - II (Private) Limited			
Opening balance of advance for issue of shares		641,032	93,346
Advance paid during the period / year against issue of shares		36,125	547,686
Brought forward loss		(20,742)	-
Share of loss for the period / year		(723)	(20,742)
Balance as at June 30, 2013		655,692	620,290
Investment in joint venture - under equity method			
Pakistan Maroc Phosphore S.A.Morocco			
Cost of investment		2,117,075	2,117,075
Post acquisition profits brought forward		153,656	89,987
Share of (loss) / profit for the period / year		(200,397)	63,669
Gain on translation of net assets		1,156,865	1,068,308
Balance as at June 30, 2013		3,227,199	3,339,039
		19,588,551	6,398,247

9.1.1 During the period, FFC and FFBL acquired 43.15% and 21.6% of the share capital of Askari Bank Limited, a banking company.

Notes To The Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2013

		Un-audited June 30, 2013	Audited December 31, 2012
	Note		
		(Rupees '000)	
9.2 OTHER LONG TERM INVESTMENTS			
Investment available for sale			
Certificates of investment		122,464	111,528
Pakistan Investment Bonds		61,083	60,491
Term Finance Certificates		93,750	102,341
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)
		-	-
		277,297	274,360
Less: Current portion shown under	9		
Investments available for sale			
Certificates of investment		23,028	12,395
Term Finance Certificates		-	8,355
		23,028	20,750
		254,269	253,610
10. SHORT TERM INVESTMENTS			
Loans & receivables			
Term deposits with banks and financial institutions			
Local currency		16,248,900	18,350,000
Foreign Currency		1,243,786	1,208,683
Investments at fair value through profit or loss - Held for trading		915,777	721,563
Current maturity of long term investments	9.2	23,028	20,750
		18,431,491	20,300,996

Notes To The Condensed Interim Consolidated Financial Information
For the half year ended June 30, 2013

	For the quarter ended		For the half year ended	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
	(Rupees'000)		(Rupees'000)	
11. COST OF SALES				
Raw materials consumed	13,475,043	13,450,106	24,526,912	22,512,345
Fuel and power	2,380,602	2,365,172	4,416,395	4,231,049
Chemicals and supplies	131,939	119,203	276,167	218,328
Salaries, wages and benefits	1,441,941	1,199,008	2,834,403	2,518,060
Training and employees welfare	173,546	135,992	329,931	293,270
Rent, rates and taxes	12,150	10,604	20,191	18,683
Insurance	39,482	67,823	140,194	126,700
Travel and conveyance	153,359	130,127	270,452	247,994
Repairs and maintenance	417,742	399,081	1,470,290	1,223,925
Depreciation & amortization	787,540	666,054	1,502,333	1,313,355
Communication and other expenses	575,809	237,668	870,875	565,647
Annual licence fee	253	-	253	-
Recalibration of Metering System	212	-	212	-
Provision for slow moving spares	9,850	15,910	9,850	15,910
Opening stock - work in process	87,751	86,944	58,831	58,479
Closing stock - work in process	(59,366)	(97,638)	(59,366)	(97,638)
Cost of goods manufactured	19,627,853	18,786,054	36,667,923	33,246,107
Opening stock of manufactured fertilizers	4,639,701	8,111,460	2,074,053	344,756
Closing stock of manufactured fertilizers	(6,036,605)	(8,501,453)	(6,036,605)	(8,501,453)
	(1,396,904)	(389,993)	(3,962,552)	(8,156,697)
Cost of sales - manufactured fertilizers	18,230,949	18,396,061	32,705,371	25,089,410
Opening stock of purchased fertilizers	110,314	1,958,360	274,029	144,090
Purchase of fertilizers for resale	286,491	101,290	286,491	3,096,551
	396,805	2,059,650	560,520	3,240,641
Closing stock of purchased fertilizers	(200,362)	(657,221)	(200,362)	(657,221)
Cost of sale - purchased fertilizers	196,443	1,402,429	360,158	2,583,420
	18,427,392	19,798,490	33,065,529	27,672,830

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended June 30, 2013

	June 30, 2013	June 30, 2012
	(Rupees '000)	
12. CASH GENERATED FROM OPERATIONS		
Net profit before taxation	15,826,537	14,335,269
Adjustments for:		
Depreciation and amortisation	1,553,507	1,337,737
Provision for slow moving spares	9,850	15,910
Finance cost	881,356	1,550,894
Provision for Workers' Profit Participation Fund	892,906	850,933
Provision for Worker's Welfare Fund	342,858	289,647
Income on loans, deposits and investments	(982,921)	(1,045,958)
Gain on sale of property, plant and equipment	(18,734)	(20,994)
Provision for gratuity	84,189	90,571
Provision for pension	43,572	48,859
Provision for compensated absences	42,142	-
Exchange loss	40,535	190,612
Gain on remeasurement of investments at fair value through profit or loss	(200,064)	(154,306)
Share of profit of joint venture and associate	108,568	(94,317)
	2,797,764	3,059,588
	18,624,301	17,394,857
Changes in working capital		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(19,864)	(383,806)
Stock in trade	(2,874,054)	(7,059,910)
Trade debts	3,210,687	(2,134,944)
Loans and advances	(188,104)	11,605
Deposits and prepayments	(179,603)	(384,922)
Other receivables	3,633,562	(586,768)
Increase / (Decrease) in current liabilities:		
Trade and other payables	(5,545,989)	(1,076,124)
	(1,963,365)	(11,614,869)
Changes in long term loans and advances	11,859	(43,578)
Changes in long term deposits and prepayments	1,610	5,226
	16,674,405	5,741,636

Notes To The Condensed Interim Consolidated Financial Information (Un-audited)
For the half year ended June 30, 2013

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, 2013	June 30, 2012
	(Rupees '000)	
Transactions with associated undertaking / companies due to common directorship		
Sale of fertilizer	2,004	14,686
Rent charged to Group Companies	600	2,793
Dividend paid	5,159,398	4,232,800
Issuance of bonus shares	-	1,880,792
Donation	250,000	100,000
FFBL's investment in wind power projects	411,675	781,350
Medical services	47	47
Purchase of gas as feed and fuel stock	11,722,873	11,502,094
Services Received	122,992	90,394
Balance receivable - unsecured	32,594	6,935 *
Balance Payable	1,016,001	1,074 *
Transactions with joint venture company		
Raw material purchased	11,865,160	9,647,028
Expenses incurred on behalf of joint venture company	7,963	18,644
Balance payable - secured	2,736,951	5,758,636 *
Balance receivable - unsecured	21,359	22,733 *
Other related parties		
Remuneration including benefits and perquisites of Chief Executives and Executives. No. of persons 2013: 2 and 612 (2012: 2 and 702)	2,030,688	2,242,745
Payments to:		
Employees' Provident Fund Trust	164,404	153,820
Employees' Gratuity Fund Trust	117,410	109,498
Employees' Pension Fund Trust	47,191	454,661
Others:		
Balance payable - unsecured	1,375,788	180,896 *

* Comparative figures of receivable/payable balances are as of December 31, 2012.

14. GENERAL

- 14.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 14.2** The Board of Directors of FFC in its meeting held on July 29, 2013 proposed second interim dividend of Rs 3.75 per share while an interim dividend of Rs 1.75 per share has been proposed by the Board of Directors of FFBL on July 26, 2013.
- 14.3** This condensed interim consolidated financial information has been authorised for issue by the Board of Directors of FFC on July 29, 2013.


Chairman

Chief Executive

Director



ASKARI BANK LIMITED

Attachment "A" Auditors' Review Report

Attachment "B" Condensed Interim Unconsolidated
Statement of Financial Position (Un-audited)

Attachment "C" Condensed Interim Unconsolidated
Profit and Loss Account (Un-audited)

ASKARI BANK LIMITED

Independent Auditors' Report on Review of Interim Financial Information to the Members of Askari Bank Limited

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Askari Bank Limited ("the Bank") as at June 30, 2013 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. 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 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, 2013 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 quarter ended June 30, 2013 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

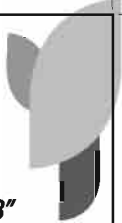
ISLAMABAD

Date: August 17, 2013

KPMG TASEER HADI & Co.

CHARTERED ACCOUNTANTS

Engagement Partner: Riaz Pesnani


Attachment "B"

ASKARI BANK LIMITED

Condensed Interim Unconsolidated Statement of Financial Position As at June 30, 2013

	Un-audited June 30, 2013	Restated Audited December 31, 2012
	(Rupees '000)	
ASSETS		
Cash and balances with treasury banks	24,853,731	24,435,380
Balances with other banks	2,582,984	8,863,586
Lendings to financial institutions	182,915	6,319,474
Investments	145,813,288	145,378,148
Advances	140,320,803	143,726,962
Operating fixed assets	8,620,671	8,841,091
Deferred tax assets - net	1,925,438	-
Other assets	15,996,551	15,462,240
	340,296,381	353,026,881
LIABILITIES		
Bills payable	6,400,339	3,700,156
Borrowings	9,154,327	8,372,617
Deposits and other accounts	293,324,922	306,937,216
Sub-ordinated loans	5,490,700	6,987,300
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities - net	-	71,229
Other liabilities	9,699,643	7,386,659
	324,069,931	333,455,177
NET ASSETS	16,226,450	19,571,704
REPRESENTED BY:		
Share capital	8,130,711	8,130,711
Reserves	9,551,731	8,542,421
Unappropriated (loss) / profit	(4,195,660)	887,988
	13,486,782	17,561,120
Surplus on revaluation of assets - net of tax	2,739,668	2,010,584
	16,226,450	19,571,704

CONTINGENCIES AND COMMITMENTS

President & Chief Executive
Director
Director
Chairman

ASKARI BANK LIMITED

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

For the half year ended June 30, 2013

	June 30, 2013		June 30, 2012	
	For the quarter ended	For the half year ended	For the quarter ended	For the half year ended
	(Rupees in thousand)		(Rupees in thousand)	
Mark-up / return / interest earned	6,331,735	13,617,757	8,092,908	16,634,221
Mark-up / return / interest expensed	4,667,429	9,766,977	5,796,536	11,970,435
Net mark-up / interest income	1,664,306	3,850,780	2,296,372	4,663,786
Provision against non-performing loans and advances - net	6,369,302	6,583,700	266,742	727,536
Impairment loss on available for sale investments	85,165	135,873	10,350	10,350
Provision for diminution in the value of investments	311,156	427,677	-	-
Provision against repurchase agreement lending	-	-	-	-
Bad debts written off directly	-	-	-	1,043
	6,765,623	7,147,250	277,092	738,929
Net mark-up / interest income after provisions	(5,101,317)	(3,296,470)	2,019,280	3,924,857
Non mark-up / interest income				
Fee, commission and brokerage income	329,842	593,086	365,416	620,168
Dividend income	30,541	107,266	261,093	739,004
Income from dealing in foreign currencies	82,000	230,265	280,518	495,838
Gain on sale of securities - net	328,036	572,292	126,540	77,586
Unrealised gain / (loss) on revaluation of investments classified as held for trading - net	-	-	-	-
Other income	112,534	198,178	71,061	164,182
Total non-markup / interest income	882,953	1,701,087	1,104,628	2,096,778
	(4,218,364)	(1,595,383)	3,123,908	6,021,635
Non mark-up / interest expenses				
Administrative expenses	2,464,467	4,663,103	2,293,896	4,390,901
Other provisions / write offs	76,632	76,632	20,123	20,123
Other charges	202	226	34,519	34,597
Total non-markup / interest expenses	2,541,301	4,739,961	2,348,538	4,445,621
	(6,759,665)	(6,335,344)	775,370	1,576,014
Extra ordinary / unusual items				
(Loss) / profit before taxation	(6,759,665)	(6,335,344)	775,370	1,576,014
Taxation - current	(10,866)	(176,182)	(2,116)	(249,940)
- prior years'	-	-	-	-
- deferred	2,387,273	2,404,271	(248,619)	(227,309)
	2,376,407	2,228,089	(250,735)	(477,249)
(Loss) / profit after taxation	(4,383,258)	(4,107,255)	524,635	1,098,765
Basic and diluted (loss) / earnings per share (Rupees)	(5.39)	(5.05)	0.65	1.35

President & Chief Executive

Director

Director

Chairman

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