

Ref. No. 118/Sectt/C

Dated: 29 Jul 2015

The General Manager

Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building, Stock Exchange Road,
Karachi

Fax No. 021-111-573-329
E-mail:- aqfs@kse.com.pk

The General Manager

Lahore Stock Exchange (Guarantee) Limited
19-Khayaban-e-Iqbal,
Lahore

Fax No. 042-36368484-85
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The General Manager

Islamabad Stock Exchange (Guarantee) Limited
ISE Towers, 55-B, Jinnah Avenue,
Islamabad

Fax No. +92(51)111-473-329
Email: quotation@ise.com.pk

Securities and Exchange Commission of Pakistan

NIC Building, Jinnah Avenue, Blue Area
Islamabad

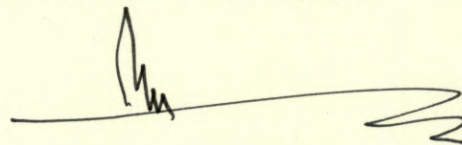
051-9204915
info@secp.gov.pk

Subject: **Financial Results – Half Year Ended 30 Jun 2015**

Dear Sir,

1. We have to inform you that the Board of Directors of our Company in their meeting, held at FFBL Plantsite, Karachi on 29 Jul 2015 at 1115 hrs, recommended **First Interim Cash Dividend** for the half year ended 30 Jun 2015 at Rs 0.75 per share i.e, 7.5 %.
2. The **Financial Statements (Balance Sheet and Profit & Loss Accounts)** of the Company are attached.
3. The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on **10 Sep 2015**. The Share Transfer Books of the Company will be closed from **11-17 Sep 2015** (both days inclusive). Transfers received at **Corplink Pvt Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore** at the close of business on **10 Sep 2015** will be treated in time for the purpose of above entitlement to the transferees.
4. Printed copies of subject accounts as per the requirement of stock exchanges will be forwarded for distribution amongst the members in due course, please.

Regards



Brig Muhammad Azam, SI(M), (Retd)
Company Secretary

	Un - audited	Audited
	June 30,	December 31,
	2015	2014
Note	(Rupees '000)	

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment	9	11,928,600	12,202,673
Long term investments	10	16,999,293	12,130,788
Long term deposits		78,643	78,643
		29,006,536	24,412,104

CURRENT ASSETS

Stores and spares	2,309,097	2,337,205
Stock in trade	8,657,869	1,557,296
Trade debts	1,607,343	1,466,063
Advances	643,047	880,687

Trade deposits are

Trade deposits and short term prepayments		108,175	28,097
Interest accrued		17,702	17,633
Other receivables	11	2,517,555	514,226
Income tax refundable - net		256,252	-
Sales tax refundable		882,607	760,734
Short term investments	12	400,000	9,230,117
Cash and bank balances		6,766,876	5,044,669
		24,166,523	21,836,727

53,173,059	46,248,831
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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 17 form an integral part of the financial statements.

[Signature]
CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

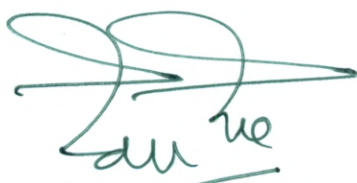
FAUJI FERTILIZER BIN QASIM LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

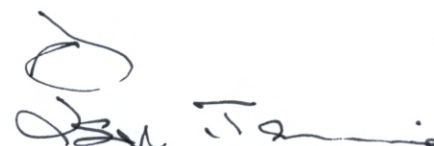
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Note	Quarter ended June 30,		Half year ended June 30,	
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
Sales - net		12,194,973	9,708,406	17,993,914	15,748,982
Cost of sales	13	(10,002,003)	(7,321,327)	(15,090,511)	(12,531,876)
Gross profit		2,192,970	2,387,079	2,903,403	3,217,106
Selling and distribution expenses		(954,095)	(887,050)	(1,446,208)	(1,336,565)
Administrative expenses		(374,963)	(349,040)	(649,746)	(611,806)
		863,912	1,150,989	807,449	1,268,735
Finance costs		(419,187)	(355,119)	(840,304)	(397,258)
Other operating expenses		(45,335)	(68,676)	(50,308)	(89,195)
		399,390	727,194	(83,163)	782,282
Other income		176,011	163,298	745,919	349,916
Profit before taxation		575,401	890,492	662,756	1,132,198
Taxation	14	84,842	(169,458)	95,609	(224,849)
Profit after taxation		660,243	721,034	758,365	907,349
Earnings per share- basic and diluted (Rupees)		0.71	0.77	0.81	0.97

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

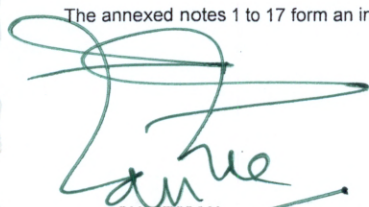
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FAUJI FERTILIZER BIN QASIM LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2014

	Quarter ended June 30,		Half year ended June 30,	
	2015	2014	2015	2014
	(Rupees '000)		(Rupees '000)	
Profit after tax	660,243	721,034	758,365	907,349
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>660,243</u>	<u>721,034</u>	<u>758,365</u>	<u>907,349</u>

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The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE


 DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

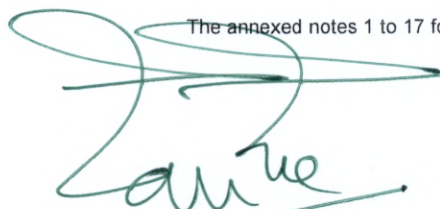
		2015	2014
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	15	(5,060,130)	(836,536)
Income tax paid		(1,442,607)	(849,684)
Payment to Gratuity Fund		3,268	(51,301)
Finance cost paid		(644,875)	(507,229)
Compensated absences paid		(15,307)	(18,899)
Payment to Workers' (Profit) Participation Fund		(20,557)	(49,808)
Net cash used in operating activities		(7,180,208)	(2,313,457)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(425,805)	(317,382)
Long term investments		(4,868,505)	(679,346)
Sale proceeds of property, plant and equipment		6,845	17,946
Dividend received		290,634	14,063
Proceeds from short term investments		8,114,763	451,827
Profit received on bank balances and term deposits		111,885	132,957
Net cash generated / (used) from investing activities		3,229,817	(379,935)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan - repayment		-	-
Deferred Government assistance payment		(648,201)	(648,201)
Short term borrowings - net		3,900,000	(1,500,000)
Dividend paid		(2,261,279)	(2,284,060)
Net cash generated / (used) from financing activities		990,520	(4,432,261)
Net decrease in cash and cash equivalents		(2,959,871)	(7,125,653)
Cash and cash equivalents at the beginning of the period		5,137,262	3,042,405
Cash and cash equivalents at the end of the period		2,177,391	(4,083,248)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts:

- Cash and bank balances		6,766,876	4,886,195
- Short term highly liquid investments	12	400,000	400,000
- Short term running finance		(4,989,485)	(9,369,443)
		2,177,391	(4,083,248)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE

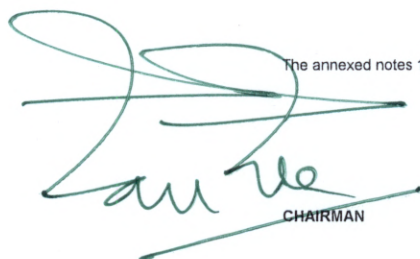

DIRECTOR

KPMC 2015

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
Balance as at January 01, 2014	9,341,100	228,350	3,273,456	12,842,906
Total comprehensive income				
Profit for the period after tax	-	-	907,349	907,349
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	907,349	907,349
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2013 (Rs. 2.25 per ordinary share)	-	-	(2,101,748)	(2,101,748)
Total transactions with owners	-	-	(2,101,748)	(2,101,748)
Balance as at June 30, 2014	9,341,100	228,350	2,079,057	11,648,507
Balance as at January 01, 2015	9,341,100	228,350	3,502,187	13,071,637
Total comprehensive income				
Profit for the period after tax	-	-	758,365	758,365
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	758,365	758,365
Transactions with owners, recorded directly in equity				
Distributions to owners				
Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	(2,101,748)	(2,101,748)
Total transactions with owners	-	-	(2,101,748)	(2,101,748)
Balance as at June 30, 2015	9,341,100	228,350	2,158,804	11,728,254

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

Kameesh

FAUJI FERTILIZER BIN QASIM LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)****FOR THE HALF YEAR ENDED JUNE 30, 2015**

1. Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges in Pakistan. The registered office of the Company is situated at Rawalpindi, Pakistan. The Company is domiciled in Rawalpindi, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000.

2. This condensed interim financial information of the Company for the six months ended June 30, 2015 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 for the year ended December 31, 2014. Comparative balance sheet is extracted from annual financial statements as of December 31, 2014 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 for the quarter ended June 30, 2014.

The 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. Consolidated interim financial information of the Company is prepared separately.

Consequent to preparation of consolidated financial statements, investments in subsidiaries and associates are now being accounted on the basis of direct equity interest at cost rather than reported results and net assets of the investees in this separate interim financial information of the Company. Accordingly corresponding figures for period ended June 30, 2014 have also been presented on the same basis.

3. The accounting policies and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2014.

4. Status of significant shareholding as at June 30, 2015 is given below:

	Shares	Percentage
Fauji Fertilizer Company Limited	465,891,896	49.88
Fauji Foundation	170,842,386	18.29
	Un - audited	Audited
	June 30,	December 31,
	2015	2014
	(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies-secured	10,000,000	10,000,000
Less: Current portion shown under current liabilities	1,500,000	-
	<u>8,500,000</u>	<u>10,000,000</u>

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	Un - audited	Audited
	June 30,	December 31,
	2015	2014
Note	(Rupees '000)	

6. DEFERRED GOVERNMENT ASSISTANCE

Deferred Government assistance from Government of Pakistan (GoP)	1,298,539	1,925,179
Less: Current portion shown under current liabilities	1,296,401	1,944,600
	2,138	(19,421)
Deferred Government assistance	(2,138)	19,421
	-	-

7. DEFERRED LIABILITIES

Compensated leave absences	406,048	393,853
Deferred tax	7.1 2,376,146	2,882,952
	2,782,194	3,276,805

7.1 The balance of deferred tax is in respect of the following major temporary differences:

Accelerated depreciation	2,426,324	2,940,894
Provision for inventory obsolescence	(50,178)	(57,942)
	2,376,146	2,882,952

Also refer to note 14.2 to the interim financial information.

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Un - audited	Audited
June 30,	December 31,
2015	2014
(Rupees '000)	

8. CONTINGENCIES AND COMMITMENTS

Contingencies

i) Indemnity bonds and undertakings given to the customs authorities for the machinery imported by the Company for installation at plant site.	119,650	119,650
ii) Guarantees issued by banks on behalf of the Company.	43,473	60,692

Commitments

i) Capital expenditures - contracted.	1,305,169	909,849
ii) Letters of credit for purchase of stores, spares and raw materials.	890,982	1,079,418
iii) Commitment with Noon Pakistan Limited for payment against acquiring 38.25% (4.5 million) shares	479,857	-

The Company jointly with Fauji Foundation has entered into an agreement with Noon Pakistan Limited, a listed company engaged in manufacture and sale of toned milk, milk powder, fruit juices, allied dairy and food products with shares listed at Karachi and Lahore stock exchanges for acquiring 51% shareholding. As per the agreement signed on May 18, 2015, the Company and Fauji Foundation will acquire voting shares of 38.25% (4.5 million) and 12.75% (1.5 million) respectively. The Company and Fauji Foundation will also acquire non voting shares of 18.94% (7.5 million) and 6.31% (2.5 million) respectively.

9. PROPERTY, PLANT AND EQUIPMENT

Opening written down value	12,202,673	13,059,509
Additions	425,805	530,995
Disposals	(44,572)	(48,994)
Depreciation	(694,426)	(1,381,801)
Depreciation on disposed off items	39,120	42,964
Closing written down value	11,928,600	12,202,673

KPMC 74

		Un - audited June 30, 2015	Audited December 31 2014
	Note	(Rupees '000)	
10. LONG TERM INVESTMENTS			
Investment in jointly controlled entity - at cost	10.1	1,411,150	1,411,150
Investment in associates - at cost	10.2	7,878,338	7,878,338
Subsidiary companies - at cost	10.3	7,709,805	2,841,300
Other long term investments	10.4	-	-
		<u>16,999,293</u>	<u>12,130,788</u>
10.1. Investment in jointly controlled entity - at cost			
Pakistan Maroc Phosphore S.A, Morocco (PMP)		1,411,150	1,411,150
10.2. Investment in associates - at cost			
Fauji Cement Company Limited (FCCL)		300,000	300,000
Askari Bank Limited (AKBL)		5,230,991	5,230,991
Foundation Wind Energy - I Limited (FWE-I)			
Shares		740,374	740,374
Share deposit money		417,156	417,156
		1,157,530	1,157,530
Foundation Wind Energy - II (Private) Limited (FWE-II)			
Shares		651,810	651,810
Share deposit money		538,007	538,007
		1,189,817	1,189,817
		<u>7,878,338</u>	<u>7,878,338</u>
10.3. Investment in subsidiaries			
Fauji Meat Limited (FML)			
Shares		2,250,000	1,000
Share deposit money		-	1,199,000
		2,250,000	1,200,000
Fauji Foods Limited (FFL)			
Shares		285,197	1,000
Share deposit money		7,108	284,197
		292,305	285,197
FFBL Power Company Limited (FPCL)			
Shares		5,167,500	1,000
Share deposit money		-	1,355,103
		5,167,500	1,356,103
		<u>7,709,805</u>	<u>2,841,300</u>
10.3.1	The board of directors in their meeting held on April 27, 2015 has approved equity participation of 25% each by Fauji Foundation in Fauji Meat Limited and FFBL Power Company Limited. However, as at June 30, 2015, Fauji Foundation has not contributed its share of equity.		
10.4. Investment - available for sale - unquoted			
Arabian Sea Country Club Limited (ASCCL)			
300,000 ordinary shares of Rs. 10 each		3,000	3,000
Less: Impairment in value of investment		3,000	3,000
		-	-
		<u>-</u>	<u>-</u>

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11. OTHER RECEIVABLE

This includes an amount of Rs. 2,065 million receivable from Fauji Fertilizer Company Limited, an associated company, on account of amounts recovered from customers on sale of the Company's products under inter-company services agreement.

12. SHORT TERM INVESTMENTS

Balance at the period end includes investment in term deposit receipts of various banks having maturity period upto 3 months carrying mark up between 6.00% to 8.50% per annum (2014: 10.24% to 11.08% per annum).

		Un - audited		Un - audited		
		Quarter ended June 30,		Half year ended June 30,		
		2015	2014	2015	2014	
		(Rupees '000)		(Rupees '000)		
13.	COST OF SALES					
	Raw materials consumed	10,241,106	8,374,541	16,158,779	12,353,278	
	Packing materials consumed	153,365	173,024	243,367	248,231	
	Fuel and power	942,513	756,635	1,510,617	1,203,133	
	Chemicals and supplies consumed	61,527	68,133	110,251	109,598	
	Salaries, wages and benefits	566,915	440,014	837,611	828,751	
	Rent, rates and taxes	5,967	58,697	12,319	64,370	
	Insurance	25,383	25,188	50,288	49,913	
	Travel and conveyance	44,016	36,387	68,988	73,921	
	Repairs and maintenance	170,149	132,831	578,152	480,085	
	Communication, establishment and others	28,806	48,087	49,308	79,449	
	Depreciation	333,483	334,692	665,707	669,786	
	Opening stock - work in process	41,642	81,039	103,341	26,936	
	Closing stock - work in process	(54,973)	(65,712)	(54,973)	(65,712)	
	Cost of goods manufactured	12,559,899	10,463,556	20,333,755	16,121,739	
	Opening stock - finished goods	2,963,300	995,230	277,952	547,596	
	Closing stock - finished goods	(5,521,196)	(4,137,459)	(5,521,196)	(4,137,459)	
	Cost of sales	10,002,003	7,321,327	15,090,511	12,531,876	
		Quarter ended June 30,		For the half year ended June 30,		
		2015	2014	2015	2014	
		(Rupees '000)		(Rupees '000)		
14.	TAXATION					
	Note					
	Current tax	14.1	356,311	334,922	411,197	460,902
	Deferred tax	14.2	(441,153)	(165,464)	(506,806)	(236,053)
			(84,842)	169,458	(95,609)	224,849

14.1 This includes an amount of Rs. 183 million recognized as super tax @ 3% on imputed taxable income for the tax year 2015.

14.2 Reversal of deferred tax liability is due to downward revision in income tax rates enacted in Finance Act 2015.

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Un - audited
Half year ended June 30,

2015 2014

(Rupees '000)

15. CASH USED IN OPERATIONS

Profit before taxation	662,756	1,132,198
Adjustment for:		
Provision for gratuity	40,217	35,774
Exchange losses / (gains)	56,531	(160,022)
Provision for compensated absences	27,503	76,075
Provision for Workers' (Profit) Participation Fund	35,580	61,027
Provision for Workers' Welfare Fund	13,255	27,324
Depreciation	694,426	689,152
Finance cost	783,773	557,280
Profit on bank balances and term deposits	(111,954)	(127,051)
Dividend from associates	(290,634)	(14,063)
Gain on sale of investments	(314,646)	(167,400)
Gain on sale of property, plant and equipment	(1,392)	(14,027)
Operating profit before working capital changes	1,595,415	2,096,267
Changes in working capital		
Stores and spares	28,108	(12,535)
Stock in trade	(7,100,573)	(4,834,092)
Trade debts	(141,280)	884,265
Advances	237,640	1,698
Trade deposits and short term prepayments	(80,078)	(46,334)
Other receivables	(2,003,329)	(807,140)
Sales tax refundable	(121,873)	(103,867)
Trade and other payables	2,525,840	1,985,202
	(6,655,545)	(2,932,803)
Cash used in operations	(5,060,130)	(836,536)

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For the half year ended June 30,

2015 2014

(Rupees '000)

16. RELATED PARTY TRANSACTIONS

Significant transactions and balances with related parties are as follows:

Transactions with subsidiary companies

Investment in Fauji Meat Limited (FML)	828,652	500,000
Investment in Fauji Foods Limited (FFL)	7,108	-
Investment in FFBL Power Company Limited (FPCL)	4,147,176	-

Transactions with associated undertakings due to common directorship

Services and material acquired	332,659	302,644
Commission charged to the Company	6,729	6,316
Dividend paid	1,432,652	1,432,652
Rent charged to the Company	700	648
Profit on bank balances (AKBL)	13,775	-
Receipts under consignment account (FFC)	17,710,356	19,057,286
Balance receivable -unsecured (FFC)	2,064,271	173,420 *
Balance payable -unsecured (FF)	1,283	- *
Balances at bank (AKBL)	393,595	1 *
Investments	-	279,345

Transactions with jointly controlled entity

Purchase of raw materials	14,168,794	10,726,841
Expenses incurred on behalf of jointly controlled entity	4,288	7,201
Balance payable - secured	6,443,714	5,745,925 *
Balance receivable - unsecured	24,437	37,526 *

Other related parties

Contribution to Provident Fund	29,575	28,816
Contribution to Gratuity Fund	40,217	35,774
Remuneration including benefits and perquisites of Chief Executive Officer and executives		
No of persons 2015 : 1 and 18. (2014 : 1 and 19)	126,083	128,116
Payment to Workers' (Profit) Participation Fund	20,557	49,808
Payable to Gratuity Fund	241,713	198,228 *

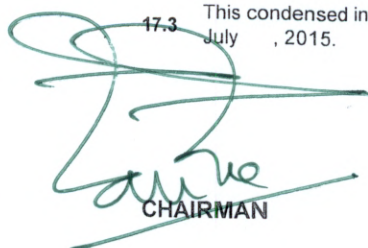
* Balance of accounts appearing as comparatives are as at December 31, 2014

17. GENERAL

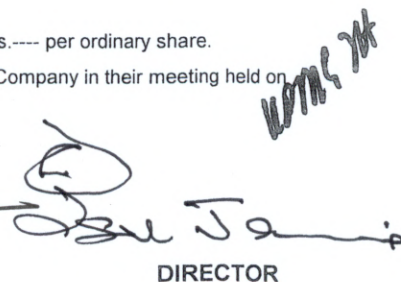
17.1 Figures have been rounded off to the nearest thousand rupees.

17.2 The Board of Directors in their meeting held on July , 2015 have proposed an interim dividend of Rs.---- per ordinary share.

17.3 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on July , 2015.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2015

	Un - audited June 30, 2015	Audited December 31, 2014		Un - audited June 30, 2015	Audited December 31, 2014
Note	(Rupees '000)		Note	(Rupees '000)	
EQUITY AND LIABILITIES			ASSETS		
ISSUED SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Share capital	9,341,100	9,341,100	Property, plant and equipment	9 19,194,240	14,864,264
Capital reserve	228,350	228,350	Long term investments	10 10,643,427	10,539,514
Statutory reserve	6,380	6,380	Long term deposits	<u>78,643</u>	<u>78,643</u>
Translation reserve	554,918	904,465		29,916,310	25,482,421
Accumulated profit	<u>2,967,089</u>	<u>3,773,056</u>			
	13,097,837	14,253,351			
NON-CURRENT LIABILITIES			CURRENT ASSETS		
Long term loan	5 9,600,000	10,000,000	Stores and spares	2,309,169	2,350,145
Deferred liabilities	7 <u>2,868,385</u>	<u>3,317,195</u>	Stock in trade	8,657,869	1,557,296
	12,468,385	13,317,195	Trade debts	1,607,343	1,468,373
			Advances	891,374	892,783
CURRENT LIABILITIES			Trade deposits and short term prepayments	109,661	28,689
Trade and other payables	16,422,932	13,873,336	Interest accrued	17,702	17,634
Mark - up accrued	372,751	233,142	Other receivables	2,101,737	212,836
Short term borrowings	14,639,485	3,087,407	Income tax refundable - net	631,766	-
Current portion of long term loans	1,500,000	-	Sales tax refundable	882,607	763,591
Current portion of deferred Government assistance	6 1,296,401	1,944,600	Short term investments	400,000	9,230,116
Provision for income tax - net	-	769,100	Cash and bank balances	12,272,253	5,474,247
	34,231,569	19,907,585		29,881,481	21,995,710
	<u>59,797,791</u>	<u>47,478,131</u>		<u>59,797,791</u>	<u>47,478,131</u>
CONTINGENCIES AND COMMITMENTS					

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

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

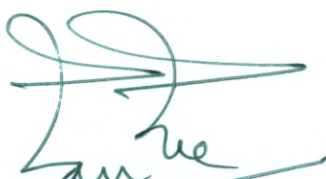
FAUJI FERTILIZER BIN QASIM LIMITED

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

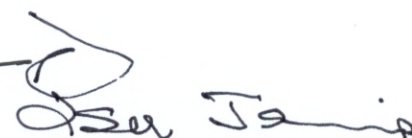
FOR THE HALF YEAR ENDED JUNE 30, 2015

		Quarter ended June 30,		Half year ended June 30,	
		2015	2014	2015	2014
	Note	(Rupees '000)			
Sales - net		12,194,973	9,708,406	17,993,914	15,748,982
Cost of sales	11	(10,002,006)	(7,321,329)	(15,090,512)	(12,531,876)
Gross profit		2,192,967	2,387,077	2,903,402	3,217,106
Selling and distribution expenses		(954,095)	(887,051)	(1,446,208)	(1,336,565)
Administrative expenses		(392,232)	(359,031)	(685,272)	(623,904)
		846,640	1,140,995	771,922	1,256,637
Finance costs		(421,002)	(355,119)	(842,499)	(397,258)
Other operating expenses		(75,944)	(71,457)	(81,905)	(83,322)
		349,694	714,419	(152,482)	776,057
Other income					
Share of profit/ (loss) of associates and jointly controlled entity		440,601	56,724	750,994	(105,685)
Others		194,821	163,297	477,877	340,768
		635,422	220,021	1,228,871	235,083
Profit before taxation		985,116	934,440	1,076,389	1,011,140
Taxation	12	196,497	(190,423)	219,393	(216,387)
Profit after taxation		1,181,613	744,017	1,295,782	794,753
Earnings per share - basic and diluted (Rupees)		1.26	0.80	1.39	0.85

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

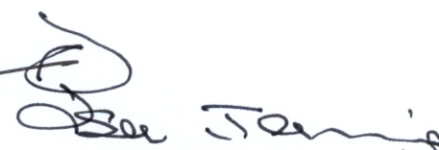
FOR THE HALF YEAR ENDED JUNE 30, 2015

	2015	2014
	(Rupees '000)	
Profit after taxation	1,295,782	794,751
Other comprehensive income		
Exchange difference on translating a joint venture	(349,251)	(137,534)
Effect of translation - share of Askari Bank Limited under equity method	(297)	(3,249)
Total comprehensive income	<u>946,234</u>	<u>653,968</u>

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


CHAIRMAN

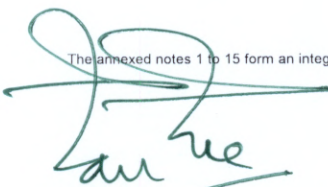

CHIEF EXECUTIVE


DIRECTOR

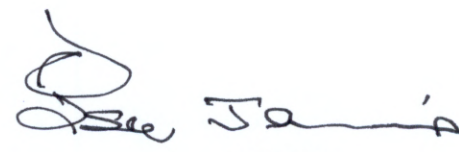
FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

	Share capital	Capital reserve	Statutory reserve	Translation reserve	Accumulated profit / (loss)	Total
	(Rupees '000)					
Balance as at January 01, 2014	9,341,100	228,350	6,380	1,041,870	3,163,872	13,781,572
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	794,753	794,753
Other comprehensive income for the period	-	-	-	(140,783)		(140,783)
Total comprehensive income for the period	-	-	-	(140,783)	794,753	653,970
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2013	-	-			(2,101,748)	(2,101,748)
Total transactions with owners	-	-			(2,101,748)	(2,101,748)
Balance as at June 30, 2014	9,341,100	228,350	6,380	901,087	1,856,877	12,333,794
Balance as at January 01, 2015	9,341,100	228,350	6,380	904,466	3,773,055	14,253,351
Total comprehensive income						
Profit for the period after taxation	-	-	-	-	1,295,782	1,295,782
Other comprehensive income for the period	-	-	-	(349,548)		(349,548)
Total comprehensive income for the period	-	-	-	(349,548)	1,295,782	946,234
Transactions with owners, recorded directly in equity						
Distributions to owners						
Final dividend 2014 (Rs. 2.25 per ordinary share)	-	-	-		(2,101,748)	(2,101,748)
Total transactions with owners	-	-	-	-	(2,101,748)	(2,101,748)
Balance as at March 31, 2015	9,341,100	228,350	6,380	554,918	2,967,089	13,097,837

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2015

		2015	2014
	Note	(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(4,860,900)	(993,485)
Income tax paid		(1,643,574)	(849,686)
Payment to Gratuity Fund		3,268	(51,301)
Finance cost paid		(647,070)	(507,231)
Compensated absences paid		(15,307)	(18,899)
Payment to Workers Welfare Fund		(180)	-
Payment to Workers' (Profit) Participation Fund		(11,218)	(49,808)
Net cash used in operating activities		(7,174,981)	(2,470,410)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,037,768)	(579,672)
Long term investment		-	(164,282)
Sale proceeds of property, plant and equipment		6,845	17,946
Short term investments		8,114,763	451,827
Profit received on bank balances and term deposits		116,549	137,863
Net cash used in investing activities		3,200,389	(136,318)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowing - net		3,900,000	(1,500,000)
Deferred Government assistance payment		(648,201)	(648,201)
Long term loan		1,100,000	-
Dividend paid		(2,261,279)	(2,284,060)
Net cash used in from financing activities		2,090,520	(4,432,261)
Net increase in cash and cash equivalents		(1,884,072)	(7,038,989)
Cash and cash equivalents at the beginning of the quarter		5,566,840	3,044,420
Cash and cash equivalents at the end of the quarter		3,682,768	(3,994,569)

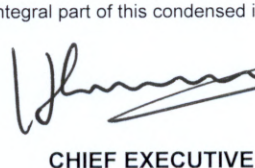
CASH AND CASH EQUIVALENTS

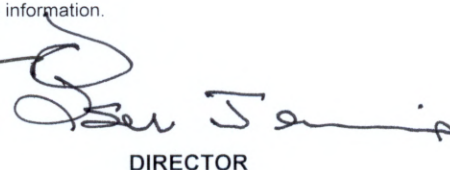
Cash and cash equivalents included in the cash flow statement comprises the following balance sheet amounts:

- Cash and bank balances	12,272,253	4,974,874
- Short term highly liquid investments	400,000	400,000
- Short term running finance	8,989,485	9,369,443
	3,682,768	(3,994,569)

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


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR

FAUJI FERTILIZER BIN QASIM LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2015

1. Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984, and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges in Pakistan. The registered office of FFBL is situated at Rawalpindi, Pakistan. FFBL is domiciled in Rawalpindi, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 1, 2000.

Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / parent company) and its fully owned subsidiaries, Fauji Meat Limited (FML), Fauji Foods limited (FFL) and FFBL Power Company Limited (FPCL), collectively referred as ("Group").

FML is a public limited company incorporated on September 05, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives of FML are to establish a meat abattoir unit for halal slaughtering of animals to obtain meat for local and export sale purposes.

FFL is a public limited company incorporated on July 04, 2013 in Pakistan under the Companies Ordinance, 1984. The principal objectives of FFL are to produce multi brand dairy products.

FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984. The principal activity is generation and supply of electricity and all other forms of

2. This condensed interim consolidated financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial report of the Group for the period ended March 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard - 34: "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The applicable financial frame work for banks also includes the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the State Bank of Pakistan (SBP).

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 for the year ended December 31, 2014. Comparative balance sheet is extracted from annual financial statements as of December 31, 2014 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 FFBL and its subsidiaries for the six months ended June 30, 2015.

The 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 and method of computation adopted for the preparation of this condensed interim financial information is same as those applied in preparation of financial statements for the preceding year ended December 31, 2014.

4. Group consists of following subsidiary companies:

	Shares	Percentage
Fauji Meat Limited	225,000,000	100
Fauji Power Company Limited	516,750,000	100
Fauji Foods Limited	28,519,700	100

The condensed interim financial information of subsidiary companies has been consolidated on line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.

All material intercompany balances have been eliminated.

The board of directors in their meeting held on April 27, 2015 has approved equity participation of 25% each by Fauji Foundation in Fauji Meat Limited and FFBL Power Company Limited. The process of allotment of shares to Fauji Foundation was in process as at June 30, 2015.

Un - audited	Audited
June 30,	December 31,
2015	2014
(Rupees '000)	

5. LONG TERM LOANS

Loans from banking companies-secured	11,100,000	10,000,000
Less: Current portion shown under current liabilities	1,500,000	-
	<u>9,600,000</u>	<u>10,000,000</u>

	Un - audited	Audited
	June 30, 2015	December 31, 2014
Note	(Rupees '000)	
6. DEFERRED GOVERNMENT ASSISTANCE		
Deferred Government assistance from Government of Pakistan (GoP)	1,298,539	1,925,179
Less: Current portion shown under current liabilities	1,296,401	1,944,600
	2,138	(19,421)
Deferred Government assistance	(2,138)	19,421
	-	-
7. DEFERRED LIABILITIES		
Compensated leave absences	406,048	393,853
Deferred tax	7.1 2,462,337	2,923,339
	2,868,385	3,317,195
7.1		
Accelerated depreciation	2,427,537	2,940,894
Share of (loss) / profit of associates	84,978	40,387
Provision for inventory obsolescence	(50,178)	(57,942)
	2,462,337	2,923,339
8. CONTINGENCIES AND COMMITMENTS		
Contingencies		
i) Indemnity bonds and undertakings given to the customs authorities for the machinery imported by the Company for installation at plant site.	119,650	119,650
ii) Guarantees issued by banks on behalf of the Company.	43,473	60,692
iii) Company's share of contingent liabilities of Fauji Cement Company Limited as at March 31, 2015 (2014: September 30, 2014).	22,680	22,250
iv) Company's share of contingent liabilities of Foundation Wind Energy - I Limited as at March 31, 2015 (2014: September 30, 2014).	62,408	62,873
v) Company's share of contingent liabilities of Foundation Wind Energy - II (Pvt) Limited as at March 31, 2015 (2014: September 30, 2014).	62,408	62,873
vi) Company's share of contingent liabilities of Askari Bank Limited as at March 31, 2015 (2014: September 30, 2014).	33,372,047	34,965,631
Commitments		
i) Capital expenditures - contracted.	1,305,169	3,603,502
ii) Letters of credit for purchase of stores, spares and raw materials.	890,982	1,079,418
iii) Company's share of commitments for investment in wind power projects.	333,261	865,078
iv) Company's share of commitments of PMP as at March 31, 2015.	998	4,623
v) Group's share of commitments of Fauji Meat Limited	2,281,517	69,916
vi) Group's share of commitments of FFBL Power Company Limited	6,101,855	5,390,538
vii) Group's share of commitments of Fauji Cement Company Limited as at March 31, 2015.	4,746	10,785
viii) Commitment with Noon Pakistan Limited for payment against acquiring 38.25% (4.5 million) shares	479,857	-
The Company jointly with Fauji Foundation has entered into an agreement with Noon Pakistan Limited, a listed company engaged in manufacture and sale of toned milk, milk powder, fruit juices, allied dairy and food products with shares listed at Karachi and Lahore stock exchanges for acquiring 51% shareholding. As per the agreement signed on May 18, 2015, the Company and Fauji Foundation will acquire voting shares of 38.25% (4.5 million) and 12.75% (1.5 million) voting shares respectively. In addition the Company along with Fauji Foundation will also acquire non voting shares of 18.94% (7.5 million) and 6.31% (2.5 million) respectively.		
9. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	14,864,264	13,059,509
Additions	5,037,768	3,194,633
Disposals	(48,700)	(48,994)
Depreciation	(698,609)	(1,383,849)
Depreciation on disposed off items	39,517	42,965
Closing written down value	19,194,240	14,864,264

10. LONG TERM INVESTMENTS

Investment in joint venture - equity method

Pakistan Maroc Phosphore S.A, Morocco (PMP)

	Un - audited June 30, 2015	Audited December 31, 2014
Balance brought forward	2,579,773	2,346,725
Share of profit	305,079	368,973
Loss during the year on translation of net assets	(356,151)	(135,925)
Closing balance	2,528,701	2,579,773

Investment in associates - equity method

Fauji Cement Company Limited (FCCL)

Balance brought forward	364,800	358,313
Share of profit	27,172	34,612
Dividend	(18,750)	(28,125)
Closing balance	373,222	364,800

Foundation Wind Energy - I Limited (FWE-I)

Opening balance	1,102,352	923,941
Advance paid during the year against issue of shares	-	189,042
Share of loss	(8,202)	(10,631)
Closing balance	1,094,150	1,102,352

Foundation Wind Energy - II (Pvt) Limited (FWE-II)

Opening balance	1,149,908	971,100
Advance paid during the year against issue of shares	-	180,461
Share of loss	(47,290)	(1,653)
Closing balance	1,102,618	1,149,908

Askari Bank Limited (AKBL)

Opening balance	5,342,681	5,262,054
Share of profit	474,236	353,990
Dividend	(271,884)	(271,884)
Effect of translation	(297)	(1,479)
Closing balance	5,544,736	5,342,681

Investment - available for sale - unquoted

Arabian Sea Country Club Limited (ASCCL)

300,000 ordinary shares of Rs. 10 each

Less: Impairment in value of investment

3,000	3,000
3,000	3,000
-	-
10,643,427	10,539,514

	Quarter ended June 30,		Half year ended June 30,	
	2015	2014	2015	2014
	(Rupees '000)			
11. COST OF SALES				
Raw materials consumed	10,241,106	8,374,541	16,158,779	12,353,278
Packing materials consumed	153,365	173,024	243,367	248,231
Fuel and power	942,513	756,635	1,510,618	1,203,133
Chemicals and supplies consumed	61,527	68,133	110,251	109,598
Salaries, wages and benefits	566,915	440,014	837,611	828,751
Rent, rates and taxes	5,967	58,697	12,319	64,370
Insurance	25,383	25,188	50,288	49,913
Travel and conveyance	44,016	36,387	68,988	73,921
Repairs and maintenance	170,152	132,833	578,152	480,085
Communication, establishment and others	28,806	48,087	49,308	79,449
Depreciation	333,483	334,692	665,707	669,786
Opening stock -work in process	41,642	81,039	103,341	26,936
Closing stock	(54,973)	(65,712)	(54,973)	(65,712)
Cost of goods manufactured	12,559,902	10,463,558	20,333,756	16,121,739
Opening stock - finished goods	2,963,300	995,230	277,952	547,596
Closing stock - finished goods	(5,521,196)	(4,137,459)	(5,521,196)	(4,137,459)
Cost of sales	10,002,006	7,321,329	15,090,512	12,531,876

		Quarter ended June 30,		For the half year ended June 30,	
		2015	2014	2015	2014
		(Rupees '000)		(Rupees '000)	
12. TAXATION	Note				
Current tax	12.1	216,886	333,939	242,708	461,440
Deferred tax	12.2	(413,379)	(143,495)	(462,101)	(245,053)
		<u>(196,493)</u>	<u>190,444</u>	<u>(219,393)</u>	<u>216,387</u>

12.1 This includes an amount of Rs. 183 million recognized as super tax @ 3% on imputed taxable income for the tax year 2015.

12.2 Reversal of deferred tax liability is due to downward revision in income tax rates enacted in Finance Act 2015.

For the half year ended June 30,

2015

2014

(Rupees '000)

13. CASH GENERATED FROM OPERATIONS

Profit before taxation from ordinary activities

1,076,389

1,011,140

Adjustment for:

Provision for gratuity

40,217

35,774

Exchange loss / (gain)

56,531

(160,022)

Provision for compensated absences

27,503

76,075

Provision for Workers' (Profit) Participation Fund

58,598

55,040

Provision for Workers' Welfare Fund

21,830

27,439

Depreciation

698,609

689,152

Finance cost

785,968

557,282

Profit on bank balances and term deposits

(116,618)

(131,957)

(Profit) / Loss from associates

(750,994)

105,685

Gain on sale of investments

(314,646)

(167,400)

Gain on sale of property, plant and equipment

(1,392)

(14,027)

Operating profit before working capital changes

1,581,995

2,084,181

Changes in working capital

Stores and spares

40,976

(12,535)

Stock in trade

(7,100,573)

(4,834,092)

Trade debts

(138,970)

884,265

Advances

1,409

3,519

Trade deposits and short term prepayments

(80,972)

(346,334)

Other receivables

(1,888,901)

(807,140)

Sales tax receivable

(119,016)

(103,867)

Trade and other payables

2,843,152

2,138,518

(6,442,895)

(3,077,666)

Cash used in operations

(4,860,900)

(993,485)

For the half year ended June 30,

2015

2014

(Rupees '000)

14. RELATED PARTY TRANSACTIONS

Transactions with associated undertakings due to common directorship

Services and material acquired	332,659	106,196
Services and material provided	559	-
Commission charged to the Company	6,729	2,217
Dividend paid	1,432,652	1,432,652
Rent charged to the Company	700	324
Profit on bank balances (AKBL)	13,791	5,601
Balance receivable -unsecured	2,064,315	173,420 *
Balance payable -unsecured	1,283	583 *
Balances at bank (AKBL)	393,595	1,342,645 *
Investments	-	279,345

Transactions with jointly controlled entity

Purchase of raw materials	14,168,794	4,351,800
Expenses incurred on behalf of jointly controlled entity	4,288	4,340
Balance payable - secured	6,443,714	5,745,925 *
Balance receivable - unsecured	24,437	37,526 *

Other related parties

Contribution to Provident Fund	29,575	14,519
Contribution to Gratuity Fund	40,217	17,951
Remuneration including benefits and perquisites of Chief Executive Officer and executives	126,083	
No of persons 2015 : 1 and 16. (2014 : 1 and 18)		79,748
Payment to Workers' (Profit) Participation Fund	20,557	49,808
Balance payable - (WWF+WPPF) unsecured	1,124,570	1,096,074 *
Payable to Gratuity Fund	241,713	198,228 *

* Balance of accounts appearing as comparatives are as at December 31, 2014

15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.

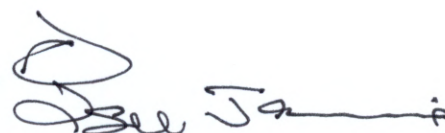
15.2 Corresponding figures have been re-arranged / restated, wherever necessary, for the purpose of comparison.

15.3 The Board of Directors in their meeting held on ----, 2015 have proposed an interim dividend of Rs.--- per ordinary share.

15.4 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on ----, 2015.


CHAIRMAN


CHIEF EXECUTIVE


DIRECTOR