

Fatima Fertilizer
nourishing soils
enriching lives
and we are ready...

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Board of Directors

Mr. Muhammad Arif Habib
Chairman

Mr. Fawad Ahmed Mukhtar
Chief Executive Officer

Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar
Mr. Muhammad Kashif
Mr. M. Abad Khan
Mr. M. Nasir Butt
Mr. Masood Karim Shaikh

Key Management

Mr. Arif-ur-Rehman
Project Director

Mr. Muhammad Zahir
Director Marketing

Mr. Iftikhar Mahmood Baig
Chief Financial Officer & Company Secretary

Mr. Tanvir H. Qureshi
Group Head Human Resource

Brig (Retd.) Abid Abaidullah
Resident General Manager

Audit Committee

Mr. Muhammad Kashif
Chairman

Mr. Fazal Ahmed Sheikh
Member

Mr. M. Abad Khan
Member

Legal Advisors

M/s. Chima & Ibrahim
Advocates
1-A/ 245, Tufail Road
Lahore Cantt.

Auditors

A.F.Ferguson & Co.
Chartered Accountants,
Lahore.

Shares Registrar

THK Associates (Pvt) Limited
Ground Floor, State Life Building-3,
Dr. Ziauddin Ahmed Road,
Karachi - 75530.
Tel: No. 92-21-111-000-322
Fax: No. 92-21-35655595

Bankers

Askari Bank Limited
Arif Habib Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Bank of Khyber
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan Limited
Pak China Investment Company
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Saudi Pak Commercial Bank Limited
The Royal Bank of Scotland Limited
United Bank Limited

Registered Office

2nd Floor, Trust Plaza,
L.M.Q. Road, Multan.
Tel: 061-4512031
Fax: 061-4511677, 4584288
E-mail: mail@fatima-group.com

Lahore Office

E-110, New Super Town,
Main Boulevard, Defence Road,
Lahore Cantt.
UAN: 111FATIMA
Fax: 042-36621389, 042-36621390

Plant Site

Mukhtar Garh, Sadiqabad,
Distt. Rahim Yar Khan,
Pakistan.
Tel: 068-5786910
Fax: 068-5786909

The Directors of Fatima Fertilizer Company Limited are pleased to submit (un-audited) quarterly accounts for the quarter ended March 31, 2010. Significant achievements have been made in terms of start of production of Ammonia plant, Urea plant, Nitric Acid Plant (NA), Calcium Ammonium Nitrate (CAN) Plant and related offsite and utilities. All the plants and facilities are operational except for Nitro Phosphate (NP) and Nitrogen Phosphorus Potash (NPK) Plant. Urea and CAN of Fatima shall replace the costly imported fertilizers and help save foreign exchange and subsidy to the Government of Pakistan.

Civil works of NP plant has achieved significant progress and Prilling Tower has reached its maximum required height. Descon has mobilized and started the erection work of NP Plant. Equipments including piping and vessels have started arriving at plant site. NP plant production is targeted in the Month of December 2010.

The Company has been listed at all the stock exchanges of Pakistan and successful IPO has been completed. The company has issued shares at premium to the institutional investors and general public which shows the confidence of the investors and general public in the Company. The Company has received Rs 2,790 Million against the issuance of 200 Million ordinary shares. We are thankful to the institutional investors and general public for taking interest and showing confidence in the Company's management.

A strong team of marketing professionals has been established for the marketing and distribution of fertilizers being produced by the Company. Existing network of Pakarab Fertilizer Limited (Parent Company) shall be used for the marketing and distribution of Fatima's products.

The demand of fertilizers is expected to grow with the increasing demand and prices of agricultural commodities. The management is striving to improve balanced use of fertilizers among the farmers as it shall improve the farm productivity.

The sponsors and lenders' commitments have been significantly funded into the project as per project financing arrangements. Arrangements for the short term facilities are at advance stage with different banks in order to ensure the availability of working capital required for the smooth operations of the project.

The Company is implementing Oracle R 12 modules for all business processes including Oracle Financials, Oracle Supply Chain Management, Oracle HRMS, Oracle Manufacturing and Oracle Enterprise Assets Management.

For and on behalf of the Board

Karachi
April 27, 2010

Muhammad Arif Habib
Chairman

Condensed Balance Sheet

As at March 31, 2010

	Note	Un-audited March 31, 2010	Audited December 31, 2009
(Rupees in thousand)			
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital			
2,100,000,000 (2009: 2,100,000,000) ordinary shares of Rs 10 each		21,000,000	21,000,000
400,000,000 (2009: 400,000,000) preference shares of Rs 10 each		4,000,000	4,000,000
Issued, subscribed and paid up capital 2,000,000,000 (2009: 1,800,000,000) ordinary shares of Rs 10 each	4	20,000,000	18,000,000
Share Premium		790,000	-
Accumulated loss		(284,160)	(257,212)
		20,505,840	17,742,788
NON-CURRENT LIABILITIES			
Preference shares 400,000,000 (2009: Nil) preference shares of Rs 10 each	5	4,000,000	-
Advance against preference shares	6	-	3,898,250
Long term loans	6	32,381,752	30,846,063
Retirement benefits		48,404	54,493
		36,430,156	34,798,806
CURRENT LIABILITIES			
Current maturity of long term loans		402,796	402,796
Trade and other payables		3,389,318	4,258,142
		3,792,114	4,660,938
CONTINGENCIES AND COMMITMENTS	7		
		60,728,110	57,202,532

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

	Note	Un-audited March 31, 2010	Audited December 31, 2009 (Rupees in thousand)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	772,232	684,940
Capital work in progress			
- Civil works		2,073,247	2,069,443
- Plant and machinery		42,232,701	40,701,631
- Catalysts		606,717	606,717
- Un-allocated expenditure	9	12,359,397	10,228,925
- Advances		428,538	686,273
		57,700,600	54,292,989
Long term loans and deposits		8,643	8,150
		58,481,475	54,986,079
CURRENT ASSETS			
Stores and spares		1,600,076	1,142,798
Stock in trade		113,946	-
Loans, advances, deposits, prepayments and other receivables		485,184	849,238
Cash and bank balances		47,429	224,417
		2,246,635	2,216,453
		60,728,110	57,202,532

Sd/-
Director

Condensed Interim Profit and Loss Account (Un-Audited)

For the quarter ended March 31, 2010

	Note	March 31, 2010 (Rupees in thousand)	March 31, 2009
Administrative expenses		(26,398)	(20,070)
Finance costs		(550)	(681)
Other operating income		–	4,805
Loss before tax		(26,948)	(15,946)
Taxation		–	–
Loss after tax		(26,948)	(15,946)
Loss per share - Rupees	10	(0.014)	(0.02)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the quarter ended March 31, 2010

Note	March 31, 2010 (Rupees in thousand)	March 31, 2009
Loss after taxation	(26,948)	(15,946)
Other comprehensive income		
Effective portion of the gain arising on marked to market foreign currency forwards and options entered into as part of cash flow hedge for the purchase of plant and machinery	-	(6,252)
Transferred to CWIP on expiry of derivative financial instruments	-	10,056
	-	3,804
Total comprehensive loss for the quarter	(26,948)	(12,142)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the quarter ended March 31, 2010

	Note	March 31, 2010 (Rupees in thousand)	March 31, 2009
Cash flows from operating activities			
Cash (used in) / generated from operations	11	(29,602)	210,733
Taxes paid		(8,571)	(1,594)
Staff retirement benefits paid		(6,089)	(643)
Net cash (used in)/generated from operating activities		(44,262)	208,496
Cash flows from investing activities			
Fixed capital expenditure		(2,479,426)	(5,037,465)
Finance costs paid		(2,080,247)	(1,202,488)
Net increase in long-term loans and deposits		(493)	(72)
Net cash used in investing activities		(4,560,166)	(6,240,025)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		2,790,000	–
Proceeds against preference shares		101,750	3,497,185
Proceeds from long term loans		1,535,690	2,939,348
Decrease in bills payable		–	(251,195)
Net cash from financing activities		4,427,440	6,185,338
Net decrease in cash and cash equivalents		(176,990)	153,809
Cash and cash equivalents at the beginning of the period		224,417	479,256
Cash and cash equivalents at the end of the period		47,429	633,065

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

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

For the quarter ended March 31, 2010

	(Rupees in thousand)					
	Share capital	Share deposit money for ordinary shares	Share Premium	Hedging reserve	Accumulated Loss	Total
Balance as on January 1, 2009	8,934,788	6,573,898	-	(10,056)	(153,287)	15,345,343
Changes in equity of the first quarter 2009						
Proceeds from share deposit money	-	3,497,185	-	-	-	3,497,185
Total comprehensive loss for the quarter	-	-	-	3,804	(15,946)	(12,142)
Balance as on March 31, 2009	8,934,788	10,071,083	-	(6,252)	(169,233)	18,830,386
Balance as on January 01, 2010	18,000,000	-	-	-	(257,212)	17,742,788
Issue of 200,000,000 ordinary shares of Rs 10 each fully paid in cash to institutional investors and general public						
	2,000,000	-	-	-	-	2,000,000
Share premium on issue of 200,000,000 shares to institutional Investors and general public						
	-	-	790,000	-	-	790,000
Total comprehensive loss for the quarter	-	-	-	-	(26,948)	(26,948)
Balance as on March 31, 2010	20,000,000	-	790,000	-	(284,160)	20,505,840

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

1. Legal status and nature of business

Fatima Fertilizer Company Limited ('The Company'), was incorporated in Pakistan on December 24, 2003 as a non-listed public company under the Companies Ordinance, 1984. It is setting-up fertilizer complex at Mukhtar Garh, Sadiqabad to produce Urea, Calcium Ammonium Nitrate (CAN), Nitro Phosphate (NP) and Nitro Phosphate Potash (NPK). The registered office of the Company is in Multan.

Status of Company has changed to Listed during the period by issuance of 200 million ordinary shares to institutional investors and general public through IPO. The ordinary shares of Company are listed on Karachi, Lahore and Islamabad Stock Exchanges.

2. Statement of compliance

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. These have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the company as at and for the year ended December 31, 2009. Comparative figures of the balance sheet are extracted from the audited annual financial statements for the year ended December 31, 2009, whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are stated from un-audited condensed interim financial statements for the period ended March 31, 2009.

3. Basis of measurement and estimates

The accounting policies, related judgements, estimates and related assumptions adopted for the preparation of this condensed financial information are the same as those applied in the preparation of annual financial statements of the company for the year ended December 31, 2009.

4. Issued, subscribed and paid up capital

March 31, 2010 (Number of shares)	December 31, 2009 (Number of shares)		(Un-audited) March 31, 2010 (Rupees in thousand)	(Audited) December 31, 2009 (Rupees in thousand)
		Ordinary shares of Rs 10 each fully paid in cash	20,000,000	18,000,000
2,000,000,000	1,800,000,000			

Notes to and forming part of the Condensed Interim Financial Statements

For the quarter ended March 31, 2010

The reconciliation of ordinary shares is as follows:

	March 31, 2010	December 31, 2009
	(Number of shares)	
Opening balance	1,800,000,000	893,478,833
Add: Shares issued during the period	200,000,000	906,521,167
Closing balance	2,000,000,000	1,800,000,000

Ordinary shares of the Company held by associated undertakings as at the period/year end are as follows:

	(Number of shares)	
Pakarab Fertilizers Limited	900,000,000	900,000,000
Reliance Weaving Mills Limited	17,968,135	17,968,135
Reliance Commodities (Pvt) Limited	150,731,084	150,731,084
Fazal Cloth Mills Limited	34,387,480	34,387,480
Fatima Sugar Mills Limited	139,570,865	139,570,865
Arif Habib Securities Limited	180,000,000	180,000,000
	1,422,657,564	1,422,657,564

5. Preference shares

March 31, 2010	December 31, 2009		(Un-audited) March 31, 2010	(Audited) December 31, 2009
(Number of shares)			(Rupees in thousand)	
400,000,000	-	Preference shares of Rs 10 each fully paid in cash	4,000,000	-

Preference shares of the Company held by associated undertakings as at the period/year end are as follows:

	(Number of shares)	
Pakarab Fertilizers Limited	360,000,000	-
Reliance Commodities (Pvt) Limited	35,000,000	-
Fatima Sugar Mills Limited	5,000,000	-
	400,000,000	-

Notes to and forming part of the Condensed Interim Financial Statements

For the quarter ended March 31, 2010

	(Un-audited) March 31, 2010	(Audited) December 31, 2009
	(Rupees in thousand)	
6. Long term loans		
Secured:		
Long Term Syndicated Loan (Senior Facility)	22,996,281	22,971,488
Commercial Facility (CF)	4,425,444	4,327,000
New Facility (NF)	2,586,000	1,754,051
	30,007,725	29,052,539
Unsecured loans from the parent company:		
Bridge Finance (STFA)	2,037,500	2,037,500
Term loan	739,323	158,820
	2,776,823	2,196,320
	32,784,548	31,248,859
Less: Current portion shown under current liabilities	402,796	402,796
	32,381,752	30,846,063

7. Contingencies and commitments

Commitments in respect of

- (i) Contracts for capital expenditure Rs. 3,736.707 million (December 31, 2009: Rs 3,000.458 million).
- (ii) Contracts for other than capital expenditure Rs. 20.280 million (December 31, 2009: Rs 26.936 million).

8. Property, plant and equipment

Opening book value	684,940	603,126
Add: additions during the period	99,550	126,533
	784,490	729,659
Less: depreciation charged during the period	(12,258)	(44,719)
Closing book value	772,232	684,940
Additions during the period		
Freehold land	58,477	19,872
Furniture and fixtures	1,088	10,161
Office equipment	54	728
Electric installations and appliances	33,769	78,865
Computers	388	10,046
Vehicles	5,774	6,861
	99,550	126,533

Notes to and forming part of the Condensed Interim Financial Statements
For the quarter ended March 31, 2010

	(Un-audited) March 31, 2010	(Audited) December 31, 2009 (Rupees in thousand)
9. Unallocated expenditures		
Salaries, wages and other benefits	1,265,621	1,092,166
Travelling and conveyance	147,143	137,588
Utilities	1,126,136	648,670
Legal and professional charges	54,272	47,126
Commitment charges - long term loan	96,479	96,401
Loan arrangement, agency and monitoring fee	459,648	458,256
Technical consultancy	51,849	51,760
Project management services	102,069	102,069
Project insurance	293,469	271,707
Trial run cost	48,732	-
Depreciation on property, plant and equipment	54,554	45,980
Mark up on :		
- long term loans	7,676,584	6,430,875
- contribution by sponsors and associated undertakings	369,554	369,554
	8,046,138	6,800,429
General	613,287	476,773
	12,359,397	10,228,925
10. Loss per share		
Loss for the period	Rupees in thousand (26,948)	(15,946)
Weighted average number of ordinary shares issued and subscribed at the end of the period	Number of shares 1,873,333,333	893,478,833
Loss per share	Rupees (0.014)	(0.02)

Notes to and forming part of the Condensed Interim Financial Statements
For the quarter ended March 31, 2010

	(Un-audited) March 31, 2010	(Un-audited) March 31, 2009
	(Rupees in thousand)	
11. Cash generated from operations		
Loss before tax	(26,948)	(15,946)
Adjustments for :		
Depreciation on property, plant and equipment	4,608	3,787
Finance costs	550	681
Other income	-	(4,805)
	5,158	(337)
Loss before working capital changes	(21,790)	(16,283)
Effect on cash flow due to working capital changes		
Increase in stores and spares	(461,642)	(1,744)
Increase in stock in trade	(113,946)	-
Decrease in loans, advances, deposits, prepayments and other receivables	372,625	183,382
Increase in creditors, accrued and other liabilities	195,151	45,378
	(7,812)	227,016
	(29,602)	210,733

12. Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	2010	2009
- Key management personnel			
Directors	Short term employee benefits	1,450	1,006
Other key management personnel	Short term employee benefits	2,920	4,189
- Parent company			
Pakarab Fertilizers Limited	Disbursement of loan	580,503	-
	Interest expense	91,687	-

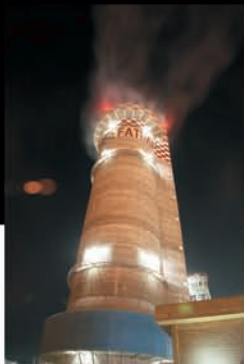
13. General

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

13.2 These financial statements have been authorized for issue by the Board of Directors of the Company on April 27, 2010.

Sd/-
Chief Executive

Sd/-
Director



Fatima Fertilizer Company Limited

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Multan - Pakistan.

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