



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



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## Board of Directors

Mr. Arif Habib  
Chairman

Mr. Fawad Ahmed Mukhtar  
Chief Executive Officer

Mr. Fazal Ahmed Sheikh  
Mr. Faisal Ahmed Mukhtar  
Mr. Jorgen Nergaard Gol  
Mr. Muhammad Kashif  
Mr. M. Abad Khan  
Mr. Muhammad Jawaid Iqbal  
Mr. Masood Karim Shaikh

## Key Management

Mr. Arif-ur-Rehman  
Project Director

Mr. Muhammad Zahir  
Director Marketing

Mr. Ausaf Ali Qureshi  
Company Secretary

Mr. Iftikhar Mahmood Baig  
Chief Financial Officer

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. Faisal Ahmed Mukhtar  
Member

Mr. Muhammad Jawaid Iqbal  
Member

Mr. M. Abad Khan  
Member

## Legal Advisors

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

## Auditors

M. Yousuf Adil Saleem & Company  
Chartered Accountants  
Multan

## 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  
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  
Summit Bank  
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

## Head 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

On behalf of the Board of Directors of Fatima Fertilizer Company Limited, I am pleased to present the unaudited financial statements for the Half Year ended June 30, 2010.

The Ammonia plant, Urea plant, Nitric Acid Plant (NA), Plant and related offsite and utilities are operational under Trial run since March/April 2010 while Calcium Ammonium Nitrate (CAN) facility became operational earlier, since November 2009.

As on June 30, 2010 the plant wise total production is as follows:

<b>Plant</b>	<b>Trial Production (MT)</b>
Urea	100,309
CAN	38,438
Nitric Acid	34,015
Ammonia	76,080

The performance of all plants is improving and achieving optimization with the passage of time. Teething problems are being resolved by project team with the help of equipment suppliers.

Civil works of NP plant have been significantly completed and Mechanical work is also expected to be completed by the end of 2010. The company shall operate the complex at full capacity after the start of NP production.

The Company has been listed at all the stock exchanges of Pakistan through a successful IPO in February 2010. The public offer was heavily oversubscribed with a response of Rs 8,803 million against offer of 200 million shares of Rs 10 each. The Company has received Rs 2,790 million against the issuance of 200 million ordinary shares with base price of Rs 10/- per share. We are thankful to the institutional investors and general public for showing confidence in the Company.

A strong team of marketing professionals has been established for the marketing and distribution of fertilizers being produced by the Company. Experience and network of Pakarab Fertilizers Limited was very helpful in building such a team. Upon completion of the Fatima project the total Fertilizer sale of the group is expected to be in excess of Rs 40 billion per annum.

The demand of fertilizers is expected to grow with the rising demand and prices of agricultural commodities; however the recent heavy floods could have an uncertain medium term impact on demand for agricultural input. The management continues to strive to improve balanced use of fertilizers among the farmers as it shall improve farm productivity.

The sponsors and lenders have significantly funded the project as per project financing commitments. Arrangements for short term facilities are at an advance stage of finalization in order to ensure availability of working capital requirements for 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.

#### Board Changes

The Board expresses its appreciation for the services rendered by the outgoing Director, Mr. M. Nasir Butt and welcomes Mr. Jørgen Nergaard Gøl from Haldor Topsøe A/S and Mr. Muhammad Jawaid Iqbal from Allied Bank Limited on the Board.

**For and on behalf of the Board**

Karachi  
August 24, 2010

**Arif Habib**  
Chairman

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Fatima Fertilizer Company Limited (the Company) as at June 30, 2010, and the related 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 together with the notes forming part thereof, for the six-months period 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 profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2010 and June 30, 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months ended June 30, 2010.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the company". A review of interim financial information consists of making inquiries, primarily of the person responsible for the 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, 2010 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.



The financial statements of the Company for the year ended December 31, 2009 were audited by another firm of Chartered Accountants whose report dated April 09, 2010 expressed an unqualified opinion thereon. The financial statements of the Company for the half year ended June 30, 2009 were audited by the same firm of Chartered Accountants whose report dated August 31, 2009 expressed an unqualified conclusion thereon.

M. Yusuf Adil Saleem & Company  
Chartered Accountants  
Multan  
Dated: August 24, 2010

# Condensed Interim Balance Sheet

As at June 30, 2010

	Note	Un-audited June 30, 2010	Audited December 31, 2009 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
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		(436,618)	(257,212)
		20,353,382	17,742,788
<b>NON-CURRENT LIABILITIES</b>			
Preference share Capital			
400,000,000 (2009: Nil) preference shares of Rs 10 each	5	4,000,000	-
Advance against preference shares		-	3,898,250
Long term loans	6	32,974,100	30,846,063
Retirement benefits		60,344	54,493
		37,034,444	34,798,806
<b>CURRENT LIABILITIES</b>			
Current maturity of long term loans		805,591	402,796
Short term loans		960,414	-
Trade and other payables	7	4,925,880	4,258,142
		6,691,885	4,660,938
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
		64,079,711	57,202,532

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

Sd/-  
Chief Executive

	Note	Un-audited June 30, 2010	Audited December 31, 2009 (Rupees in thousand)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	861,257	684,940
Capital work in progress	10	59,454,935	54,292,989
		60,316,192	54,977,929
Long term loans and deposits		26,946	8,150
		60,343,138	54,986,079
<b>CURRENT ASSETS</b>			
Stores and spares		1,692,030	1,142,798
Stock in trade		659,239	-
Loans, advances, deposits, prepayments and other receivables		1,369,254	849,238
Cash and bank balances		16,050	224,417
		3,736,573	2,216,453
		64,079,711	57,202,532

Sd/-  
Director

# Condensed Interim Profit and Loss Account

For the half year ended June 30, 2010

	Note	Quarter Ended		Half Year Ended	
		(Un-audited) June 30, 2010	(Un-audited) June 30, 2009	(Un-audited) June 30, 2010	(Audited) June 30, 2009
(Rupees in thousand)					
Administrative expenses		(34,458)	(23,168)	(60,856)	(43,238)
Finance cost		(6,073)	(4,314)	(6,623)	(4,995)
Other income		260	3,047	260	7,852
<b>Loss before taxation</b>		<b>(40,271)</b>	<b>(24,435)</b>	<b>(67,219)</b>	<b>(40,381)</b>
Provision for taxation		(6,357)	-	(6,357)	-
<b>Loss after taxation</b>		<b>(46,628)</b>	<b>(24,435)</b>	<b>(73,576)</b>	<b>(40,381)</b>
<b>Loss per share</b>					
- Basic and diluted (Rupees)	11	(0.02)	(0.03)	(0.04)	(0.05)

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

Sd/-  
Chief Executive

Sd/-  
Director

# Condensed Interim Statement of Comprehensive Income

For the half year ended June 30, 2010

	Quarter Ended		Half Year Ended	
	(Un-audited) June 30, 2010	(Un-audited) June 30, 2009	(Un-audited) June 30, 2010	(Audited) June 30, 2009
	(Rupees in thousand)			
Loss after taxation	(46,628)	(24,435)	(73,576)	(40,381)
<b>Other comprehensive income</b>				
Transferred to CWIP on expiry of derivative financial instruments	-	-	-	10,056
Other comprehensive income	-	-	-	10,056
<b>Total loss for the period</b>	<b>(46,628)</b>	<b>(24,435)</b>	<b>(73,576)</b>	<b>(30,325)</b>

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

Sd/-  
Chief Executive

Sd/-  
Director

# Condensed Interim Cash Flow Statement

For the half year ended June 30, 2010

	Note	Half Year Ended	
		(Un-audited) June 30, 2010	(Audited) June 30, 2009
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
<b>Cash used in operations</b>	12	(1,548,922)	(114,259)
Finance costs paid		(2,380,627)	(1,449,469)
Taxes paid		(20,360)	(2,801)
Staff retirement benefits paid		(7,906)	(1,574)
<b>Net cash used in operating activities</b>		(3,957,815)	(1,568,103)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(2,509,193)	(8,809,250)
Proceeds from sale of property, plant and equipment		271	-
Net decrease in long-term loans and deposits		(18,796)	(179)
<b>Net cash used in investing activities</b>		(2,527,718)	(8,809,429)
<b>Cash flows from financing activities</b>			
Proceeds from share deposit money		-	4,529,455
Proceeds from issue of ordinary shares		2,790,000	-
Proceeds from issue of preference shares		101,750	-
Cost of issue of share capital		(105,830)	-
Proceeds from long term loans - secured		2,530,832	5,828,261
Proceeds from short term loans		960,414	-
Decrease in bills payable		-	(224,925)
<b>Net cash from financing activities</b>		6,277,166	10,132,791
Net decrease in cash and cash equivalents		(208,367)	(244,741)
<b>Cash and cash equivalents - at beginning of the period</b>		224,417	479,256
<b>Cash and cash equivalents - at end of the period</b>		16,050	234,515

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

Sd/-  
Chief Executive

Sd/-  
Director

# Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2010

	(Rupees in thousand)					
	Share capital	Share deposit money	Share Premium	Hedging reserve	Accumulated Loss	Total
Balance as at January 01, 2009 (audited)	8,934,788	6,573,898	-	(10,056)	(153,286)	15,345,344
Proceeds from share deposit money	-	2,491,314	-	-	-	2,491,314
Transferred to cost of capital work in progress on expiry of derivative financial instruments	-	-	-	10,056	-	10,056
Loss after taxation for the period ended June 30, 2009	-	-	-	-	(40,381)	(40,381)
Balance as at June 30, 2009 (audited)	8,934,788	9,065,212	-	-	(193,667)	17,806,333
Issue of ordinary shares	9,065,212	(9,065,212)	-	-	-	-
Cost of issuance of shares	-	-	-	-	(6,805)	(6,805)
Loss for the period	-	-	-	-	(56,740)	(56,740)
Balance as at December 31, 2009 (audited)	18,000,000	-	-	-	(257,212)	17,742,788
Issue of 200,000,000 ordinary shares of Rs.10 each fully paid in cash	2,000,000	-	-	-	-	2,000,000
Cost of issuance of shares	-	-	-	-	(105,830)	(105,830)
Share premium on issue of 200,000,000 shares to institutional investors and general public	-	-	790,000	-	-	790,000
Loss after taxation for the half year ended June 30, 2010	-	-	-	-	(73,576)	(73,576)
Balance as at June 30, 2010 (un-audited)	20,000,000	-	790,000	-	(436,618)	20,353,382

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

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. The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals. The Ammonia plant, Nitric Acid plant, Urea plant, Calcium Ammonium Nitrate (CAN) plant and related off-sites and utilities are in operation, however still in trial run phase, while Nitro Phosphate (NP) plant and Nitro Phosphorus Potash (NPK) plant are in the process of installation. The registered office of the Company is in Multan. Status of the Company has changed to Listed during the period by issuance of 200 million ordinary shares to institutional investors, high net worth individuals and general public through IPO. The ordinary shares of the Company are listed on Karachi, Lahore and Islamabad Stock Exchanges.

## 2. Basis of preparation

- 2.1 This condensed interim financial information 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 financial information of the Company for the half year ended June 30, 2010 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 directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2009. Comparative condensed interim balance sheet is extracted from annual audited financial statements for the year ended December 31, 2009 and comparative interim profit and loss account, interim statement of comprehensive income, interim cash flow statement and interim statement of changes in equity are stated from audited interim financial information for half year ended June 30, 2009.



### 3. Basis of measurement and estimates

The accounting policies, related judgments, 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. The following amendments and interpretations of approved accounting standards became effective during the period, however these do not have significant impact on the Company's financial statements:

-Revised IFRS 3 Business Combinations	(effective 1 January 2009)
-Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations	(effective 1 July 2009)
-Amended IAS 27 Consolidated and Separate Financial Statements	(effective 1 July 2009)
-Amendments to IAS 39 Financial Instruments: Recognition and Measurement - Eligible hedged Items	(effective 1 July 2009)
-IFRIC - 17 Distributions of Non-cash Assets to Owners	(effective 1 July 2009)
-Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards Additional Exemptions for First-time Adopters	(effective 1 January 2010)
-Amendments to IFRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions	(effective 1 January 2010)
-Amendments to IFRS 2 Share-based payments and IFRS 3 Business Combinations	(effective 1 January 2009)
-Amendments to IAS 38 Intangible Assets	(effective 1 January 2009)
-Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	(effective 1 January 2010)
-Amendments to IFRS 8 Operating Segments	(effective 1 January 2010)
-Amendments to IAS 1 Presentation of Financial Statements	(effective 1 January 2010)
-Amendments to IAS 7 Statement of Cash Flows	(effective 1 January 2010)
-Amendments to IAS 17 Leases	(effective 1 January 2010)
-Amendments to IAS 36 Impairment of Assets	(effective 1 January 2010)
-Amendments to IAS 39 Financial Instruments	(effective 1 January 2010)
-Amendment to IAS 32 Financial Instruments: Presentation - Classification of Rights Issues	(effective 1 January 2009)
-Amendments to IFRIC 9 Reassessment of Embedded Derivatives	(effective 1 July 2009)
-Amendments to IFRIC 16 Hedges of a Net Investment in a Foreign Operation	(effective 1 July 2009)

Selected Notes to and forming part of the Condensed Financial Information  
For the quarter and half year ended June 30, 2010 (Un-audited)

**4. Issued, subscribed and paid up capital**

June 30, 2010 (Number of shares)	December 31, 2009 (Number of shares)		(Un-audited) June 30, 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			

The reconciliation of ordinary shares is as follows:

	June 30, 2010 (Number of shares)	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

**5. Preference share capital**

June 30, 2010 (Number of shares)	December 31, 2009 (Number of shares)		(Un-audited) June 30, 2010 (Rupees in thousand)	(Audited) December 31, 2009 (Rupees in thousand)
		Preference shares of Rs 10 each fully paid in cash	4,000,000	-
400,000,000	-			

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	-

Selected Notes to and forming part of the Condensed Financial Information  
For the quarter and half year ended June 30, 2010 (Un-audited)

	(Un-audited) June 30, 2010	(Audited) December 31, 2009 (Rupees in thousand)
<b>6. Long term loans</b>		
These are composed of:		
<b>Secured:</b>		
Long Term Syndicated Loan (Senior Facility)	22,996,281	22,971,488
Commercial Facility (CF)	4,496,000	4,327,000
New Facility (NF)	2,755,592	1,754,051
	30,247,873	29,052,539
<b>Unsecured loans from an associated company:</b>		
Bridge Finance (STFA)	2,037,500	2,037,500
Term loan	1,494,318	158,820
	3,531,818	2,196,320
	33,779,691	31,248,859
Less: Current portion shown under current liabilities	805,591	402,796
	32,974,100	30,846,063

**7. Trade and other payables**

Trade and other payables include due to a related party of Rs. 17.833 million (December 31, 2009: Rs. nil).

**8. Contingencies and commitments**

**8.1 Contingencies**

Post dated cheques not provided for in the financial statements, furnished by the Company to the Collector of Customs to cover excess import levies on plant and machinery amounting to Rs 9.581 million (2009: Rs 12.604 million).

**8.2 Commitments in respect of**

- (i) Contracts for capital expenditure Rs. 2,057.197 million (December 31, 2009: Rs. 3,000.458 million).
- (ii) Contracts for other than capital expenditure Rs. 159.225 million (December 31, 2009: Rs. 26.936 million).

Selected Notes to and forming part of the Condensed Financial Information  
For the quarter and half year ended June 30, 2010 (Un-audited)

	(Un-audited) June 30, 2010	(Audited) December 31, 2009
(Rupees in thousand)		
<b>9. Property, plant and equipment</b>		
Opening book value	684,940	603,126
Add: Additions during the period / year	205,441	126,533
Less: Disposals during the period / year	1,370	-
	889,011	729,659
Less: Depreciation charged during the period / year	27,754	44,719
Closing book value	861,257	684,940
<b>Additions during the period / year</b>		
Freehold land	58,477	19,872
Furniture and fixtures	2,219	10,161
Office equipment	107	728
Electric installations and appliances	136,571	78,865
Computers	1,212	10,046
Vehicles	6,855	6,861
	205,441	126,533
<b>10. Capital work in progress</b>		
Civil works	4,641,109	2,069,443
Plant and machinery	41,111,592	41,308,348
Un-allocated expenditure	10.1 13,937,280	10,228,925
Trial run results	10.2 (435,472)	-
Advances	10.3 200,426	686,273
	59,454,935	54,292,989
<b>10.1 Unallocated expenditures</b>		
Salaries, wages and other benefits	1,300,650	1,092,166
Travelling and conveyance	148,188	137,588
Utilities	1,126,214	648,670
Legal and professional charges	54,272	47,126
Commitment charges - long term loan	88,993	96,401
Loan arrangement, agency and monitoring fee	459,996	458,256
Technical consultancy	56,671	51,760
Project management services	102,069	102,069
Project insurance	380,738	271,707
Depreciation	65,675	45,980
Mark up on :		
- long term loans	9,269,341	6,430,875
- contribution by sponsors and associated undertakings	369,554	369,554
	9,638,895	6,800,429
General	514,919	476,773
	13,937,280	10,228,925

Selected Notes to and forming part of the Condensed Financial Information  
For the quarter and half year ended June 30, 2010 (Un-audited)

	(Un-audited) June 30, 2010	(Audited) December 31, 2009
(Rupees in thousand)		
<b>10.2 Trial-run results</b>		
Sales	1,271,497	-
Cost of sales		
Raw material consumed	5,520	-
Feed Gas	279,123	-
Fuel and power	709,317	-
Salaries and wages	192,783	-
Stores and Spares	129,954	-
Catalysts and chemicals	33,611	-
Repairs and Maintenance	5,471	-
Travelling & Conveyance	17,967	-
Printing & Stationery	1,318	-
Transportation	62,976	-
Mark up on short term loan	18,380	-
Others	37,341	-
	1,493,761	-
Less: closing stock	657,736	-
	435,472	-
<b>10.3 Advances</b>		
- Freehold land	8,350	63,512
- Civil works	120,441	64,010
- Plant and machinery	63,993	551,571
- ERP Software	7,642	7,180
	200,426	686,273

		Quarter Ended		Half Year Ended	
		30 Jun 10	30 Jun 09	30 Jun 10	30 June 09
		(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
<b>11. Loss per share</b>					
Loss for the period	Rupees in thousand	(46,628)	(24,435)	(73,576)	(40,381)
Weighted average number of ordinary shares issued and subscribed	Number of shares	2,000,000,000	893,478,833	1,938,461,538	893,478,833
Loss per share	Rupees	(0.02)	(0.03)	(0.04)	(0.05)

There is no dilutive effect on loss per share of the company.

Selected Notes to and forming part of the Condensed Financial Information  
For the quarter and half year ended June 30, 2010 (Un-audited)

	Half Year Ended	
	(Un-audited) June 30, 2010	(Audited) June 30, 2009
(Rupees in thousand)		
<b>12. Cash flows from operating activities</b>		
Loss before tax	(67,219)	(40,381)
Adjustments for:		
Retirement benefits accrued	13,757	2,193
Depreciation of property, plant and equipment	9,386	7,829
Finance cost	6,623	4,995
Other income	(260)	(7,852)
Loss before working capital changes	(37,713)	(33,216)
Effect on cash flows due to working capital changes (Increase) / decrease in current assets		
Loans, advances, deposits, prepayments and other receivables	(506,014)	116,766
Stock in trade	(659,239)	-
Stores and spares	(549,232)	(993)
Increase / (decrease) in trade and other payables	203,276	(196,816)
	(1,511,209)	(81,043)
Cash used in operations	(1,548,922)	(114,259)

**13. 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		
<b>- Key management personnel</b>			
Directors	Short term employee benefits	3,136	2,846
Other key management personnel	Short term employee benefits	5,653	7,081
<b>- Associated Companies</b>			
Pakarab Fertilizers Limited	Disbursement of loan	1,335,498	-
	Supplies and services	17,833	-
	Interest expense	203,012	-
	Markup on Preference Shares	265,629	-
Reliance Commodities (Pvt) Limited	Markup on Preference Shares	25,195	-
Fatima Sugar Mills Limited	Markup on Preference Shares	3,403	-
	Interest expense	-	715

**14. General**

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

14.2 This financial information has been authorized for issue on August 24, 2010.

Sd/-  
Chief Executive

Sd/-  
Director





### Fatima Fertilizer Company Limited

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