



FFBL – Nine Months Period Ended 30 Sept, 2010 Review

Presented by: Syed Aamir Ahsan
CFO & GMF
28 Oct, 2010

SEQUENCE

- Latest Price Trends
- Industry and FFBL Performance
- PMP Operations
- Pakistan Floods – impact
- Future Outlook

LATEST INT.PRICE TRENDS

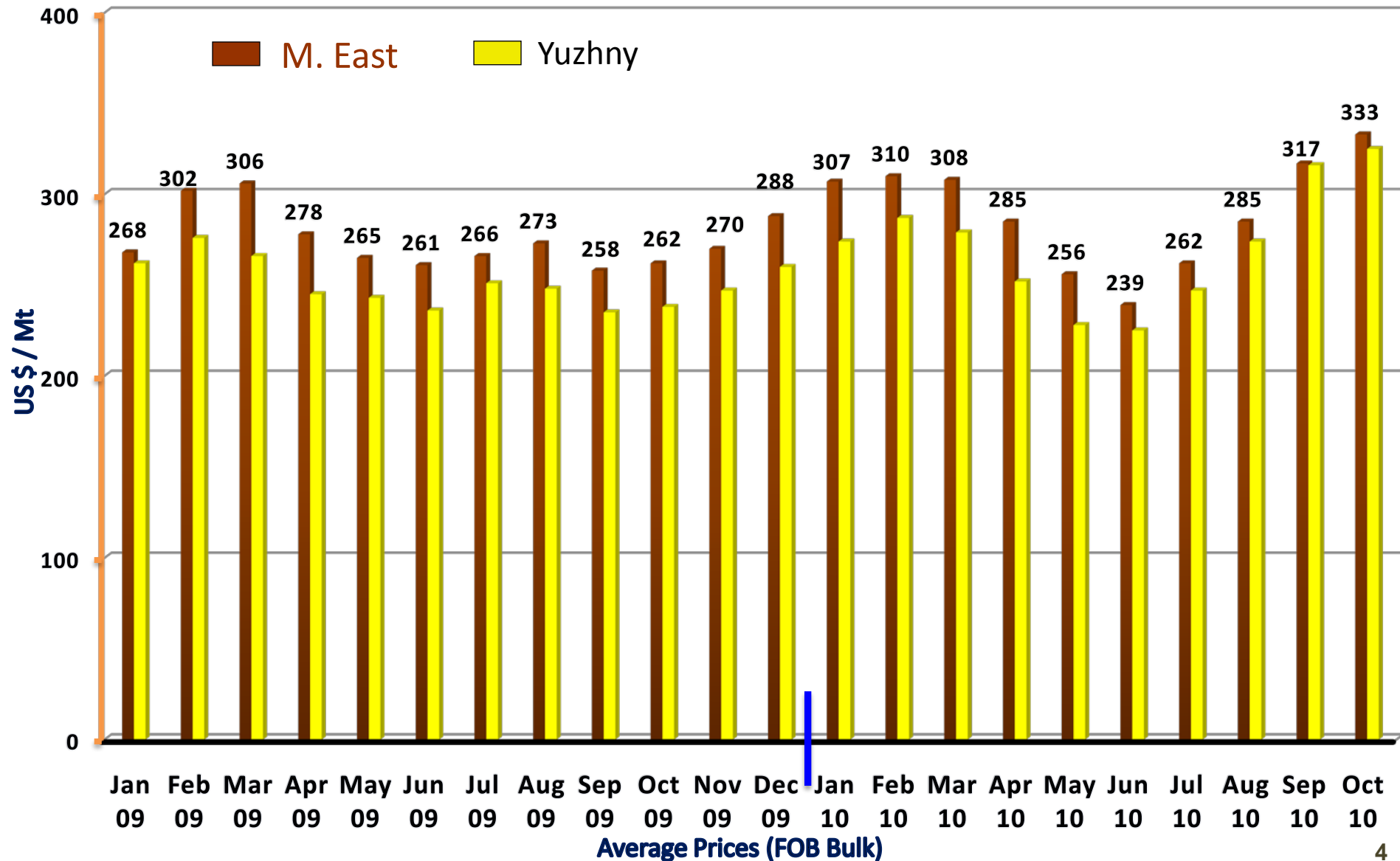
Product	21-Oct-10	08-Jul-10
Prilled Urea-fob Yuzhny	335	248
Urea (G)-fob AG	360	263
Urea (G)- fob USG	358	259
DAP-fob Tampa	573	462
Ammonia-Cfr NA	445	343
Ammonia-Cfr Tampa	470	355
Sulphur-fob Vancouver	148	55
Phos Acid-CFR Pak	780	780

- Overall bullish trend during 3rd quarter (30% + price increase except phos acid)
- Phos acid increased by about 48% during nine months (\$ 525 at year end), though no significant change since March 2010
- Sulphur contract price rose sharply by 169% in Q4 from Q3 owing to re-surgence in phosphate fertilizers and new demand by nickel industry

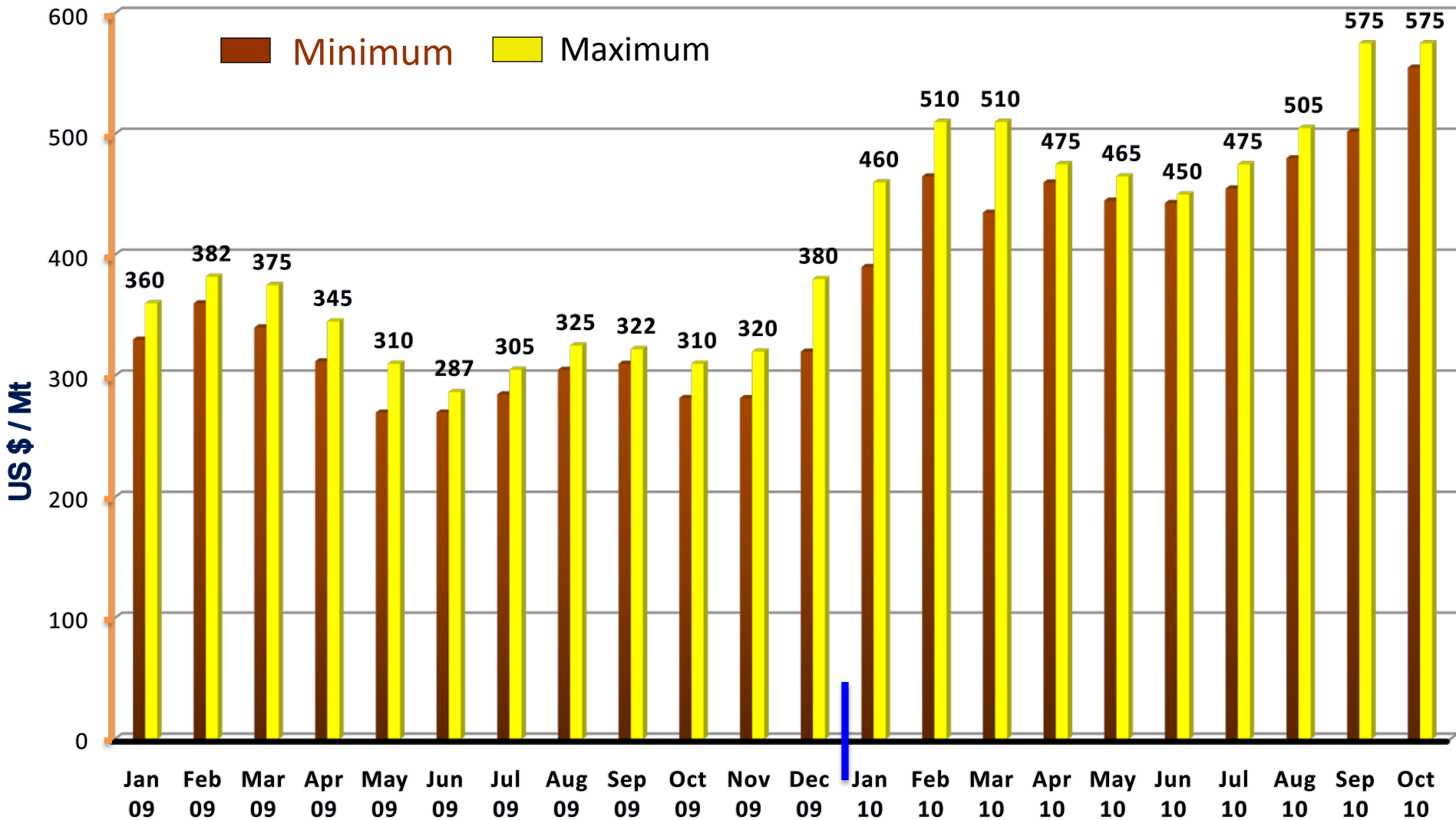


UREA INTERNATIONAL PRICES

JAN 2009 – OCT 2010



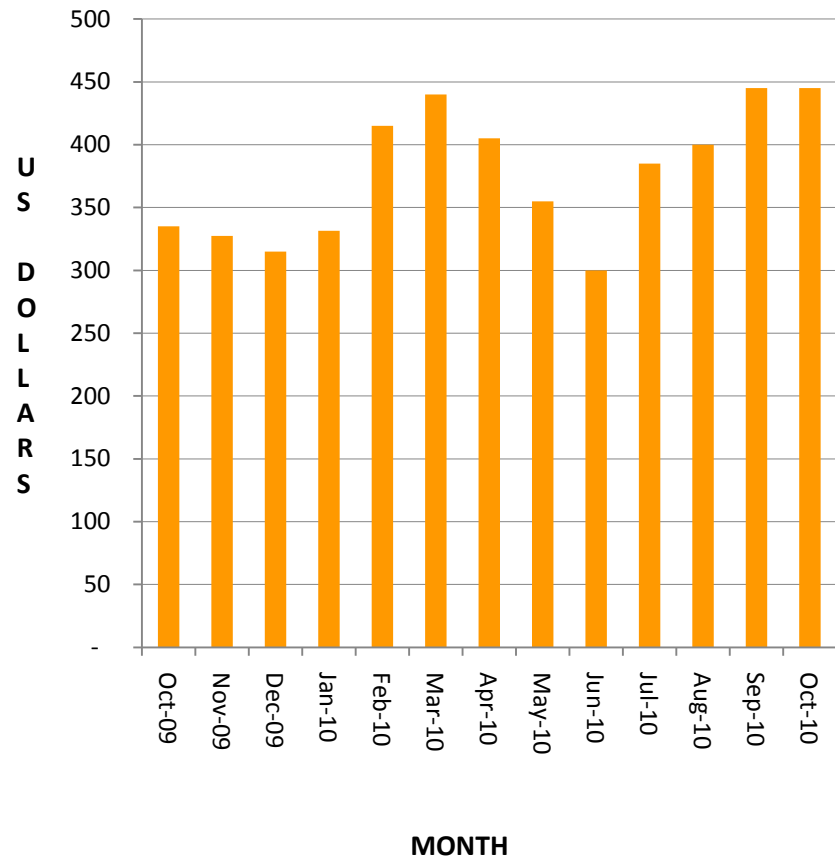
DAP INTERNATIONAL PRICES JAN 2009 – OCT 2010



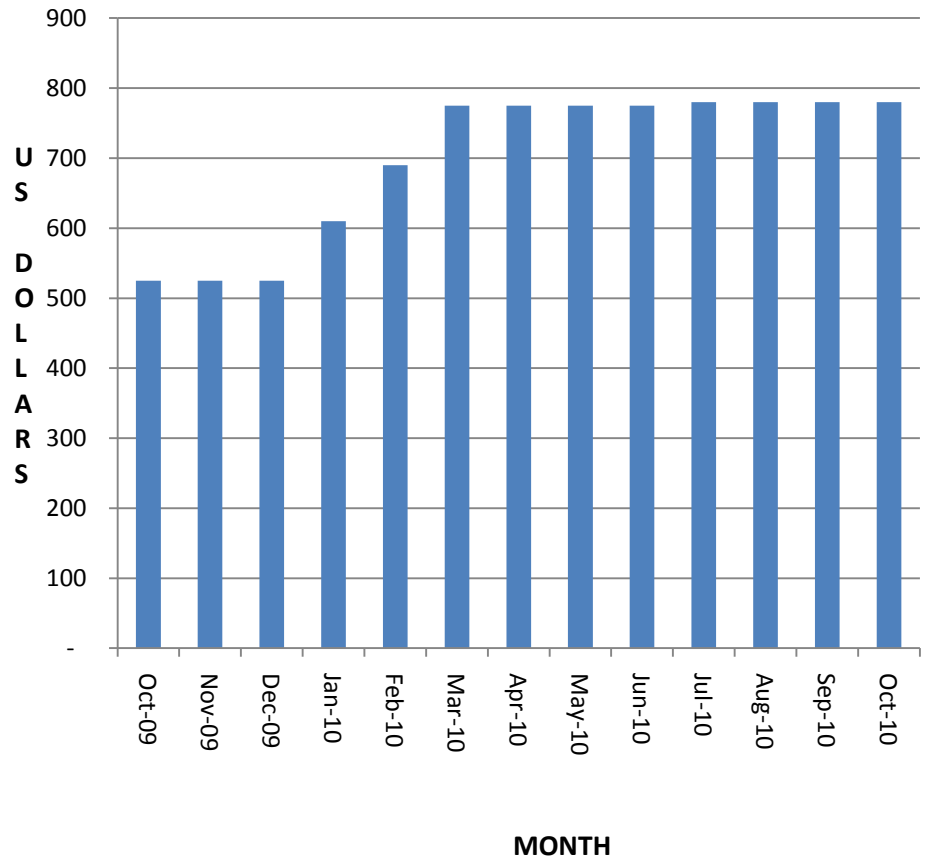


AMMONIA AND PHOS ACID PRICE TREND DURING YEAR 2010

AMMONIA C+F NORTH AFRICA



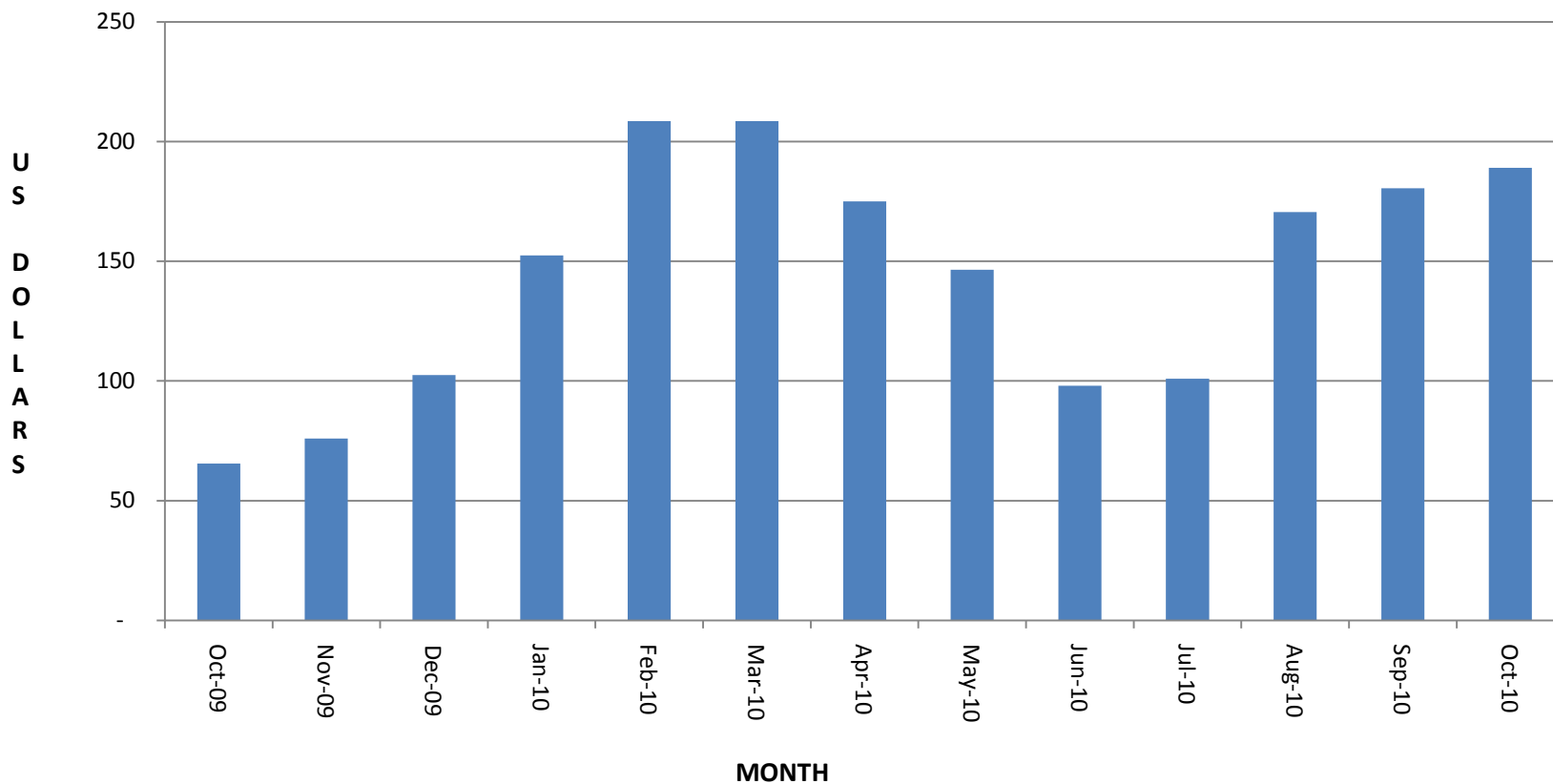
PHOS. ACID PRICE CFR INDIA





SULPHUR PRICE TREND DURING YEAR 2010

YEAR 2010 SULPHUR DRY BULK CFR INDIA-US DOLLAR PER TON





FERTILIZER INDUSTRY AND COMPANY PERFORMANCE JAN-SEPT - 2010

UREA

INDUSTRY UREA MOVEMENT – 3Q 2010

	3Q-2010 Kt	3Q- 2009 Kt	Variance %
Opening	237	175	36
Produced	1,313	1,323	(1)
Imported	394	376	5
Sold	1,136	1,677	(32)
Closing (Adjusted)	809	192	321

INDUSTRY UREA MOVEMENT

NINE MONTHS 2010

	9 M-2010	9 M-2009	Variance
	Kt	Kt	%
Opening	238	140	70
Produced	3,841	3,739	3
Imported	886	975	(9)
Sold	4,166	4,645	(10)
Closing (Adjusted)	809	192	321



FFBL UREA MOVEMENT – 3Q 2010

	3Q-2010 Kt	3Q-2009 Kt	Variance%
Opening	5	4	25
Produced	138	168	(17)
Imported	-	-	-
Sold	112	159	(30)
Closing	31	13	138

Granular Urea Sale was 66% of target



FFBL UREA MOVEMENT

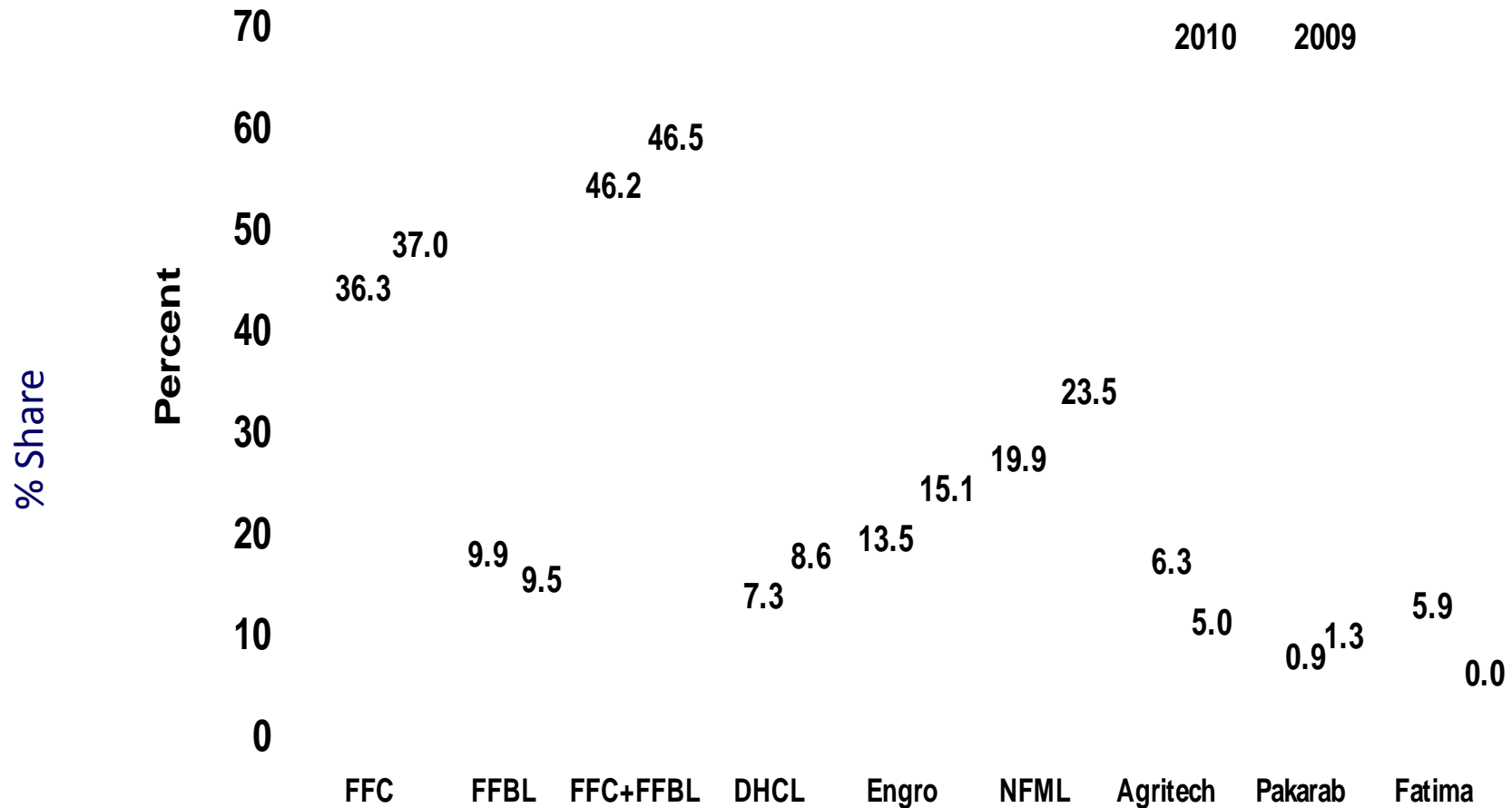
9 MONTHS 2010

	9 M-2010 Kt	9 M-2009 Kt	Variance%
Opening	4	4	0
Produced	400	450	(11)
Imported	-	-	-
Sold	373	441	(15)
Closing	31	13	138

Granular Urea Sale was 88% of target



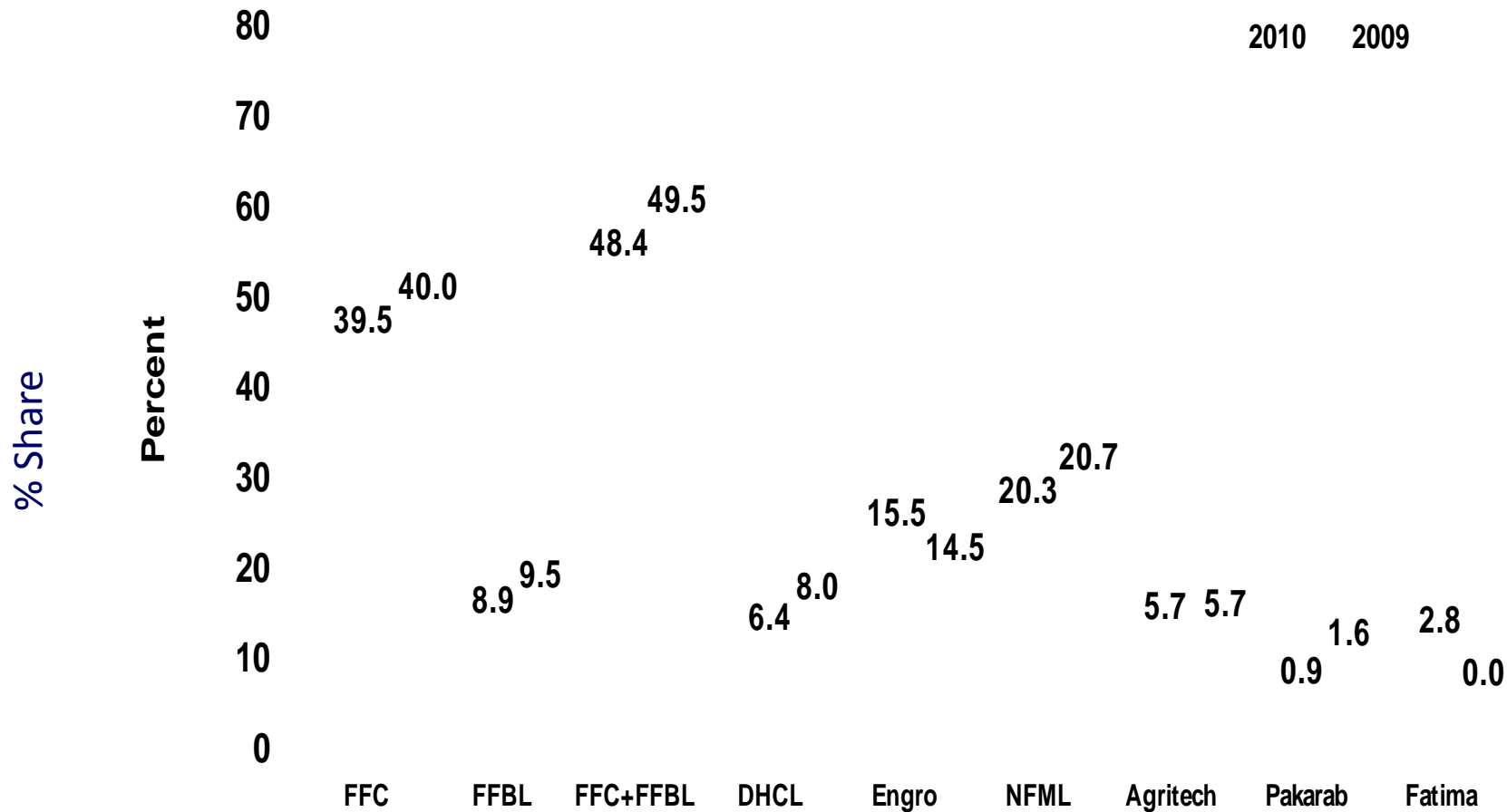
UREA MARKET SHARES JULY – SEPT 2010 vs 2009





UREA MARKET SHARES

JAN – SEPT 2010 vs 2009



DAP

INDUSTRY DAP MOVEMENT – 3Q 2010

	3Q-2010 Kt	3Q- 2009 Kt	Variance %
Opening	354	147	141
Produced	177	163	9
Imported	235	490	(52)
Sold	344	641	(46)
Closing (Adjusted)	422	158	167

INDUSTRY DAP MOVEMENT 9 MONTHS 2010

	9 M-2010		9 M-2009		Variance
	Kt		Kt		%
Opening	74		339		(78)
Produced	476		376		27
Imported	545		589		(7)
Sold	665		1147		(42)
Closing (Adjusted)	422		158		167



FFBL DAP MOVEMENT – 3Q 2009

	3Q-2010		3Q-2009		Variance%
	Kt		Kt		
Opening	144		108		33
Produced	177		163		9
Imported	-		-		-
Sold	161		250		(36)
Closing	160		12		1,233

DAP Sale was 128% of target



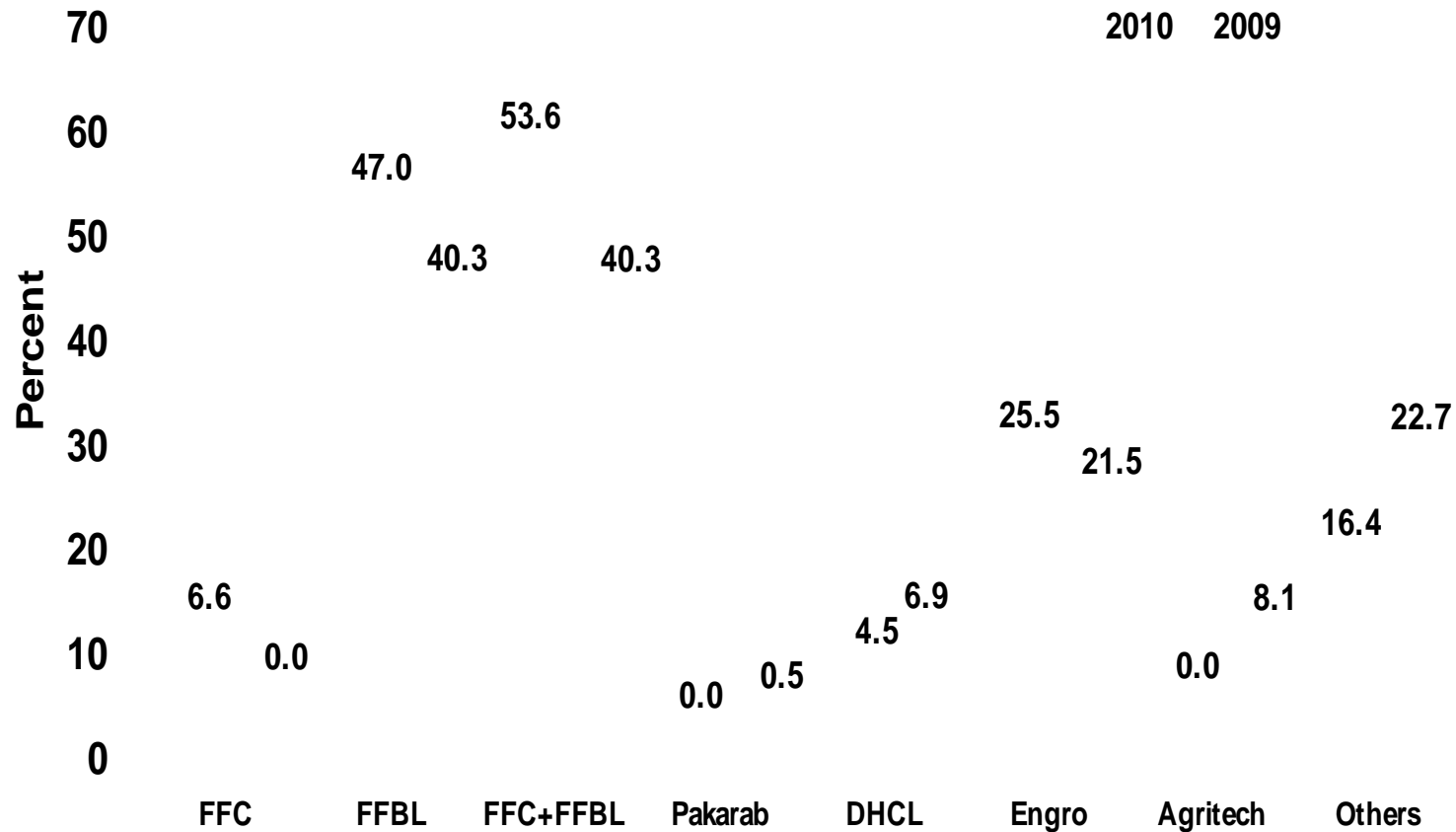
FFBL DAP MOVEMENT 9 MONTHS 2010

	9 M-2010		9 M-2009		Variance%
	Kt		Kt		
Opening	5		173		(97)
Produced	475		376		26
Imported	-		-		-
Sold	320		537		(40)
Closing	160		12		1,233

DAP Sale was 114% of target



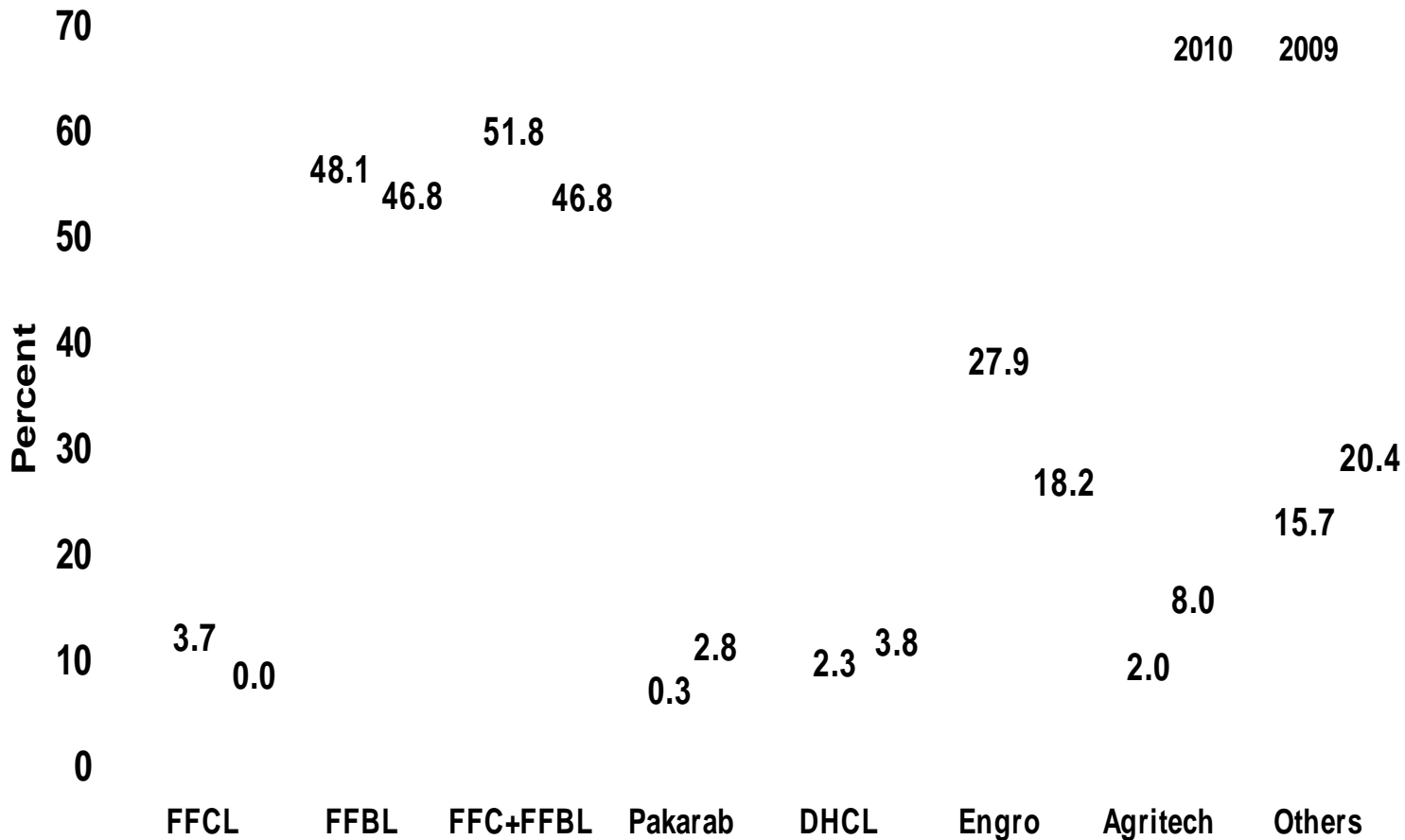
DAP MARKET SHARES JULY – SEPT 2010 vs 2009





DAP MARKET SHARES

JAN – SEPT 2010 vs 2009



FINANCIAL HIGHLIGHTS 3Q 2010

	2010	2009
Sales	10,282	12,026
Cost of sales	(7,436)	(8,591)
Gross profit	2,846	3,435
Dist/other Chgs.	(989)	(954)
Financial Chgs.	(388)	(190)
Other income	328	(83)
Pretax profit/ Loss	1,797	2,208
Tax	(587)	(901)
Profit after tax	1,209	1,307
EPS	1.29	1.40

Sales

- *Urea Qty Variance -30 %*
- *Urea Price Variance +18%*
- *DAP Qty Variance – 36%*
- *DAP Price Variance +37%*

Costs and expenses

- *Urea production down 17%*
- *DAP production up 9%*
- *Raw material cost up 56%*
- *Fuel & power up 30%*
- *Repairs & maint. Down 27%*
- *Fin. chrgs. Up Rs 172 million*
- *Other income up Rs 411 million*

FINANCIAL HIGHLIGHTS 2010

	2010	2009
Sales	22,201	27,024
Cost of sales	(15,519)	(20,639)
Gross profit	6,682	6,385
Dist/other Chgs.	(2476)	(2,110)
Financial Chgs.	(720)	(1,188)
Other income - net	821	13
Pretax profit	4,307	3,100
Tax	(1,376)	(1,295)
Profit after tax	2,931	1,805
EPS	3.14	1.93

Sales

- *Urea Qty Variance -15%*
- *Urea Price Variance +16%*
- *DAP Qty Variance -40%*
- *DAP Price Variance +30%*

Costs and expenses

- *Urea production down -11%*
- *DAP production up 26%*
- *Raw material cost up 45%*
- *Fuel & power up 18%*
- *Repairs & maint. Up 25%*
- *Fin. chrgs. down Rs 468 million*
- *Other income up Rs 808 million*

PMP – Operational Highlights

- The overall plant performance remained satisfactory during the period under review.
- Improved international selling price of phosphoric acid, stable phos rock price and sustained plant operations remained the main factors to keep PMP in profits during nine months period from October 2009 to June 2010.
- The management expects PMP to close year 2010 in positive, provided the above factors remain same for second half of year 2010.

Pakistan Floods Impact

- Over 20 million effected (75% in urgent humanitarian need)
- 5 million acres (23% of arable land) washed away
- Over 2 million hectares of standing crops lost including 3.5 million bales of cotton
- According to one estimate 1 million bales loss of cotton equals to about 32 billion Rs loss
- Sugar-cane and rice crops also significantly damaged
- Almost 1.9 million homes destroyed
- 10 million people currently without shelter

Source: United Nations Reports and Dawn Newspaper

Floods consequence to Economy

- GDP expected to come down to 2.8% from pre-flood estimates of 4.2%
- Inflation will rise to 14.5% from pre-flood estimates of 12%
- Exports will grow by 3% instead of earlier estimate of 4.7% and imports at 8.7% from pre-flood estimate of 6.9%
- Urea and DAP offtakes have also been revised from pre-flood estimates of 6.6 million and 1.8 million respectively to 6 million and 1.3 million.
- SBP in its recent report warned by stating that ***immediate attention is needed to improve economic governance and build social safety nets given the increasing incidence of poverty in country.***

Future Outlook

- Generally, commodities prices are on rising trend with fertilizers being no exception
- Rabi season 2010-11 has started in the country with sufficient stocks of Urea and DAP
- Favorable weather and adequate financial support by GOP to farmers both in form of providing subsidized inputs and adequate wheat support price shall bring favorable impact both for the country and the industry.
- On the other hand Government needs to address the issue of ongoing gas curtailment for fertilizer companies by adhering to its commitment of restoring full gas supply to fertilizer plants at the earliest.



Thank You



Question - Answer Session