



***Condensed Interim
Financial Information
for the Quarter/Nine Months
Ended March 31, 2012***





**DIRECTORS' REVIEW OF THE CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE QUARTER/NINE MONTHS ENDED
MARCH 31, 2012**

We are pleased to present your Company's un-consolidated and consolidated financial information for the nine months & quarter ended March 31, 2012. This condensed interim financial information is un-audited and is being submitted to share holders as required by Section 245 of the Companies Ordinance, 1984. This has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. The consolidated financial information incorporates the Company's 97% owned Farmacia retail venture, as well as its subsidiary BF Biosciences Limited.

Your Company's Individual and Consolidated Financial Results

A summary of the operating results for the year and appropriation of the divisible profits is given below:

	Individual				Consolidated			
	3 Months 31-Mar-12	3 Months 31-Mar-11	9 Months 31-Mar-12	9 Months 31-Mar-11	3 Months 31-Mar-12	3 Months 31-Mar-11	9 Months 31-Mar-12	9 Months 31-Mar-11
(Rupees in thousands)								
Sales (net)	432,496	348,868	1,250,471	997,761	638,022	624,695	1,796,761	1,484,930
Gross Profit	226,268	155,319	651,082	514,921	321,165	271,025	888,180	756,940
Profit before tax	108,477	47,871	274,402	246,708	133,553	105,582	304,401	337,981
Taxation	(4,610)	(7,051)	(10,028)	(20,290)	(9,335)	(11,228)	(20,265)	(28,741)
Profit after tax	103,867	40,820	264,374	226,418	124,217	94,354	284,135	309,240

Net Sales of your Company witnessed an increase of 23.97% for the 3rd Quarter of in comparison with the same quarter of last year, whereas the net sales of nine months showed an increase of 25.33% in comparison with the same period last year. On group level the consolidated net sales showed an increase of 2.13% for the 3rd quarter and 21.00% for the nine months ended March 31, 2012 in comparison with the sales for the same period of last year. In ratio terms the Gross Profit of your Company showed an increase of 7.8% during the 3rd quarter and of 0.5% overall during the nine months ended March 31, 2012.

The Company's sales exhibited strong growth across its Pharma, Boston and Exports divisions. Furthermore, owing to an improved sales mix, higher growth among the more profitable ranges help contained cost of sales, which grew by resulting in a healthier bottomline for the Quarter, and also help the Company recover from its decreased profitability in previous quarters.

Based on the net profit for the nine months ended March 31, 2012, the Earnings per Share (EPS), both basic and diluted, stand at Rs. 9.2 compared to EPS of Rs. 7.8 of same respective period of last year, on the enhanced capital of Rs. 287.494 Million after the issuance of bonus share during the period.

BF Biosciences Limited Operational Status

Net Sales of BF Biosciences were Rs. 190.9 Million for the 3rd Quarter and Rs. 471.2 Million for the nine months ended March 31, 2012. The sales have decreased by 9% in 3rd quarter when compared to the same quarter last year, but have showed a nominal decreased of 0.2% in nine months in comparison to the same nine months of last year. The reduced sales achievement during the current year reflects the impact of a substantial price reduction of Peg-INF owing to competitive reasons, and effect of government contracts that your subsidiary company had in 3rd Quarter last year. During the current year, government contracts are being executed in the 4th Quarter, and should Inshallah help improve both the top and bottom-lines for the year.



Acknowledgments

We are once again privileged to recognize the tireless efforts of the Company's management and staff at all levels. Without their dedication and hard work, the improved financial and operational results reflected in this interim period would not have been possible.

We would also like to thank our valued customers for their continued trust in our products. The Company is making all efforts to widen the range of our products with the highest of quality standards. We also thank our vendors, distributors and financial institutions for their extended cooperation.

For and on behalf of the Board of Directors

**(Mrs. Akhter Khalid Waheed)
Chairperson & Chief Executive**

CONDENSED INTERIM UNCONSOLIDATED

	Note	March 31, 2012 Un-Audited (Rupees)	June 30, 2011 Audited (Rupees)
SHARE CAPITAL AND RESERVES			
Share capital	4	287,493,720	249,994,540
Capital reserve		321,843	321,843
Unappropriated profit		1,503,033,202	1,303,293,179
		<u>1,790,848,765</u>	<u>1,553,609,562</u>
Surplus on revaluation of fixed assets - net of tax		385,577,506	389,692,056
NON-CURRENT LIABILITIES			
Deferred liability for taxation		85,627,334	88,104,529
CURRENT LIABILITIES			
Trade and other payables		143,971,199	152,631,234
Accrued markup on long term financing		844,762	969,405
Current portion of long term financing		-	42,562,500
Short term borrowing		-	37,805,811
		<u>144,815,960</u>	<u>233,968,950</u>
CONTINGENCIES AND COMMITMENTS	5	-	-
		<u>2,406,869,564</u>	<u>2,265,375,097</u>

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

BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 Un-Audited (Rupees)	June 30, 2011 Audited (Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	964,663,602	924,715,697
Intangible assets	7	4,171,369	-
Long term investments	8	220,091,483	234,555,914
Long term loan	9	375,000,000	375,000,000
Long term deposits		3,521,600	3,518,500
CURRENT ASSETS			
Stores, spare parts and loose tools		6,996,796	2,223,238
Stock in trade		436,418,806	409,005,347
Trade debts - considered good	10	124,587,825	102,924,380
Current portion of long term loan		-	50,000,000
Loans and advances - considered good		22,660,356	17,689,563
Deposits and prepayments		17,856,430	10,813,518
Interest accrued		12,640,059	16,078,740
Advance income tax - net		86,473,010	84,196,501
Other receivables	11	3,929,884	1,530,320
Short term investments		67,155,938	13,081,368
Derivative asset-interest rate swap		-	26,758
Cash and bank balances		60,702,405	20,015,253
		839,421,510	727,584,986
		2,406,869,564	2,265,375,097



Director



Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

		3 Months Ended March 31, 2012 (Rupees)	3 Months Ended March 31, 2011 (Rupees)	9 Months Ended March 31, 2012 (Rupees)	9 Months Ended March 31, 2011 (Rupees)
Sales- net		432,495,818	348,867,811	1,250,470,944	997,761,225
Cost of sales	12	(206,227,795)	(193,549,291)	(599,389,384)	(482,839,872)
Gross profit		226,268,023	155,318,520	651,081,560	514,921,353
Other operating income		20,615,448	13,023,282	59,293,010	53,148,559
Administrative expenses		(30,367,869)	(28,170,335)	(101,148,783)	(81,587,587)
Selling and distribution expenses		(104,697,216)	(92,160,701)	(320,499,441)	(223,513,098)
Finance cost		(662,614)	(1,387,281)	(5,880,225)	(8,974,152)
Other charges		(7,330,038)	(2,847,107)	(18,979,995)	(16,559,752)
Share in profit of Farmacia - 97% owned partnership firm		4,651,098	4,095,112	10,535,569	9,272,663
Profit before taxation		108,476,832	47,871,490	274,401,695	246,707,986
Taxation	13	(4,609,688)	(7,051,034)	(10,027,514)	(20,289,773)
Profit after taxation		103,867,144	40,820,456	264,374,181	226,418,213
Earnings per share - basic and diluted		3.61	1.42	9.20	7.88

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

Rawalpindi
 April 26, 2012


 Director


 Chairperson & Chief Executive



**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	3 Months Ended March 31, 2012 (Rupees)	3 Months Ended March 31, 2011 (Rupees)	9 Months Ended March 31, 2012 (Rupees)	9 Months Ended March 31, 2011 (Rupees)
Profit after tax	103,867,144	40,820,456	264,374,181	226,418,213
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>103,867,144</u></u>	<u><u>40,820,456</u></u>	<u><u>264,374,181</u></u>	<u><u>226,418,213</u></u>

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

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	9 Months Ended March 31, 2012 (Rupees)	9 Months Ended March 31, 2011 (Rupees)
Cash flow from operating activities		
Profit before taxation	274,401,696	246,707,986
Adjustments for:		
Depreciation	53,460,365	46,884,662
(Profit)/ loss on disposal of property, plant and equipment	(3,478,305)	1,508,909
Finance costs	5,880,225	8,974,152
Provision for Workers Profit Participation Fund	11,177,656	10,042,326
Provision for Workers' Welfare Fund	4,471,062	4,016,930
Provision for Workers' Central Research Fund	2,771,734	2,467,411
Gain on remeasurement of short term investments	(3,562,769)	(2,609,658)
Dividend income, profit on bank deposits & commissions	(10,726,185)	(6,249,277)
Interest income	(41,525,751)	(45,503,178)
Long term investments written off	-	33,085
Fair value adjustment on interest rate swap	-	(295,355)
Share in profit of Farmacia-97% owned subsidiary firm	(10,535,569)	(9,272,663)
	<u>7,932,463</u>	<u>9,997,343</u>
Operating profit before working capital changes (Increase)/decrease in current assets	282,334,159	256,705,330
Stores and spares	(4,773,558)	(8,152,510)
Advances, deposits, prepayments and other receivables	(14,413,269)	(19,086,685)
Stock in trade	(27,413,459)	(68,329,946)
Trade debtors	(21,663,445)	(30,229,110)
	<u>(68,263,731)</u>	<u>(125,798,251)</u>
(Decrease)/Increase in current liabilities		
Trade and other payables	(4,675,559)	4,344,609
Cash generated from operations	209,394,868	135,251,688
Finance cost paid	(5,978,111)	(7,889,876)
Income tax paid	(14,781,218)	(16,145,834)
Payment to Workers' Profit Participation Fund	(14,423,344)	(15,105,721)
Payment to Workers' Welfare Fund	(5,402,441)	-
Payment to Workers' Central Research Fund	(3,399,132)	(3,344,013)
	<u>(43,984,246)</u>	<u>(42,485,444)</u>
Net cash generated from operating activities	165,410,622	92,766,243
Cash flow from investing activities		
Fixed capital expenditure	(99,112,747)	(25,156,790)
Proceeds from sale of property, plant and equipment	5,011,414	2,269,250
Markup on long term loan received	44,964,434	-
Dividend income, profit on bank deposits & commissions	10,726,185	6,544,632
Decrease in long term Investment	25,000,000	-
Decrease in long term loan	50,000,000	29,716,000
Purchase of short term investments	(63,050,246)	-
Proceeds from encashment of short term investments	12,538,445	-
Long term deposits	(3,100)	(26,600)
Net cash (used in)/generated from investing activities	(13,925,616)	13,346,492
Cash flow from financing activities		
Repayment of long term finances	(42,562,500)	(42,562,500)
Payment of liabilities against assets subject to finance lease	-	(475,003)
Payment of short term borrowings	(37,805,811)	(36,528,049)
Dividend paid	(30,429,543)	(450,557)
Net cash used in financing activities	(110,797,854)	(80,016,109)
Net increase in cash and cash equivalents	40,687,152	26,096,626
Cash and cash equivalents at the beginning of the period	20,015,253	15,267,082
Cash and cash equivalents at the end of the period	60,702,405	41,363,708

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

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive

**CONDENSED INTERIM UNCONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	Share Capital	Capital reserve	Revenue reserve Unappropriated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance at 01 July 2010	208,328,786	321,843	1,067,114,429	1,275,765,058
Total Comprehensive income for the period	-	-	226,418,213	226,418,213
Transfer from surplus on revaluation of fixed assets	-	-	4,090,286	4,090,286
Bonus shares issued at 20% for the year ended 30 June 2010	41,665,757	-	(41,665,757)	-
Interim Dividend for the year ending June 30, 2011 Rs. 1.25 per share	-	-	(31,249,131)	(31,249,131)
Balance at 31 March 2011	<u>249,994,543</u>	<u>321,843</u>	<u>994,199,541</u>	<u>1,244,515,927</u>
Balance at 01 July 2011	249,994,543	321,843	1,303,293,179	1,553,609,565
Total Comprehensive income for the period	-	-	264,374,181	264,374,181
Transfer from surplus on revaluation of fixed assets	-	-	4,114,550	4,114,550
Final dividend for the year ended 30 June 2011 Rs. 1.25 per share	-	-	(31,249,532)	(31,249,532)
Bonus shares issued at 15% for the year ended 30 June 2011	37,499,177	-	(37,499,177)	-
Balance as at 31 March 2012	<u>287,493,720</u>	<u>321,843</u>	<u>1,503,033,202</u>	<u>1,790,848,765</u>

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

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive



**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

1 The Company and its operations

Ferozsons Laboratories Limited ("the Company") was incorporated as a private limited company on 28th January 1954 and was converted into a public limited company on 8th September 1960. The Company is listed on the Karachi, Lahore and Islamabad stock exchanges. The Company is primarily engaged in the manufacture and sale of pharmaceuticals products and its registered office is situated at 197-A, The Mall, Rawalpindi. The factory is located at Amangarh, Nowshera-Khyber Pakhtoon Khwa. The Company is domiciled in Rawalpindi, Pakistan.

2 Basis of Preparation and statement of compliance

"This condensed interim unconsolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim unconsolidated 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 30 June 2011. Comparative balance sheet is extracted from annual financial statements as of 30 June 2011 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial information for the nine months ended 31 March 2011.

The condensed interim unconsolidated financial information is unaudited and is being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

3 Significant accounting policies and estimates

The accounting policies and estimates applied by the Company for the preparation of this condensed interim unconsolidated financial information are the same as those applied by the Company in preparation of annual financial statements for the year ended 30 June 2011.

4 Share capital

During the nine months ended 31 March 2012 the Company issued 3.75 million ordinary shares (30 June 2011: 4.17 million) of Rs. 10 each as fully paid bonus shares.

5 Contingencies and commitments

Guarantees issued by the banks on the behalf of the company amount to Rs. 0.67 million as on 31 March 2012 (30 June 2011: Rs.3.2 million).

Commitments for capital expenditure and letters of credit issued by banks on behalf of the Company amount to Rs. 20.5 million (30 June 2011: Nil) and Rs. 83 million (30 June 2011 : Rs. 103.7 million) respectively.

	Note	March 31, 2012 (Rupees)	June 30, 2011 (Rupees)
6 Property, plant and equipment			
Opening balance - Net book value		924,715,697	742,280,446
Additions during the period/year		93,569,391	88,845,686
Revaluation during the period/year		-	164,393,292
		<u>1,018,285,089</u>	<u>995,519,424</u>
Book value of property, plant and equipment disposed off during the period /year		(1,533,109)	(3,772,760)
Depreciation charged during the period/year		(52,088,378)	(67,030,967)
Closing balance - Net book value		<u>964,663,602</u>	<u>924,715,697</u>

6.1 This includes CWIP amounting to Rs. 75,207,389 (30 June 2011: 28,357,921)

7 Intangible assets			
Additions during the period/year		5,543,356	-
Less: Amortization charged during the period/year		(1,371,987)	-
Closing balance-Net book value	7.1	<u>4,171,369</u>	<u>-</u>

7.1 This represents ERP and software licenses capitalized during the period.

8 Long term investments

During the period investment in Farmacia amounting to 25 million (30 June 2011: Nil) was withdrawn by the company.

9 Long term loan

This represents the restructuring in form of further investment by converting the overall outstanding term loan, overdue markup and trade receivables of BF Biosciences Limited, into a Term Loan. This restructuring was carried out under the authority of a special resolution passed by the shareholders in the extraordinary general meeting held on 14 June 2010, in accordance with the provisions of Section 208 of the Companies Ordinance, 1984. The loan is recoverable within a period of five years or earlier as and when required by the Company with a grace period of one year starting from 01 July 2010. Markup is charged on the loan at the rate not less than the borrowing cost of the Company.

10 Trade debts-Considered good

These include Rs. 1,343,162 (30 June 2011: 592,585) from Farmacia

11 Other receivables

These include Rs. 3,929,884 (30 June 2011: 743,506) due from BF Biosciences Limited on account of expenses incurred on behalf of the subsidiary.

12. COST OF SALES

		3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Note	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
Material consumed	12.1	154,337,603	142,148,404	515,494,434	396,826,950
Manufacturing expenses		40,627,503	40,011,113	116,886,555	102,229,766
Opening work in process		16,457,247	16,633,514	11,929,149	9,069,289
		211,422,353	198,793,031	644,310,138	508,126,005
Less: closing work in process		(15,919,192)	(16,138,450)	(15,919,192)	(16,138,450)
Cost of goods manufactured		195,503,161	182,654,581	628,390,946	491,987,555
Add: opening finished goods		209,717,220	158,098,956	169,991,024	138,056,563
		405,220,381	340,753,537	798,381,970	630,044,118
Less: closing finished goods		(198,992,586)	(147,204,246)	(198,992,586)	(147,204,246)
Cost of sales		206,227,795	193,549,291	599,389,384	482,839,872

12.1 Material consumed

Opening stock	235,631,013	138,668,900	224,016,595	138,107,999
Add: Purchases during the period	134,668,324	169,197,869	507,439,573	424,437,316
	370,299,337	307,866,769	731,456,168	562,545,315
Less: closing stock	(215,961,734)	(165,718,365)	(215,961,734)	(165,718,365)
	154,337,603	142,148,404	515,494,434	396,826,950

13. TAXATION

	Note	9 Months	9 Months
		March 31, 2012	March 31, 2011
		(Un-Audited)	(Un-Audited)
		(Rupees)	(Rupees)
Current	13.1	12,504,709	9,977,612
Deferred		(2,477,195)	10,312,161
		10,027,514	20,289,773

13.1 Pursuant to the clause 126F in Part-I of the Second Schedule of Income Tax Ordinance 2001 (the Ordinance) through the Finance Act 2010, the income of the Company is exempt from tax for three years commencing from the tax year 2010. Accordingly the Company has not provided any normal tax liability on its taxable income. However, minimum tax under section 113 of the Ordinance has been provided for in this condensed interim unconsolidated financial information.

14 Transactions with related parties

The related parties include subsidiaries, associated companies, major shareholders, directors, key management personnel and contributory provident fund. Transactions with related parties during the period are as follows:

	9 months ended March 31, 2012 (Rupees)	9 months ended March 31, 2011 (Rupees)
Farmacia-97% owned subsidiary firm		
Sale of medicines	2,861,935	4,697,172
Payment received against sale of medicines	1,518,773	4,697,172
Expenses incurred on behalf of subsidiary	-	
Share of profit reinvested	10,535,569	9,272,663
Withdrawal of Investment	25,000,000	-
BF Biosciences Limited-80% owned subsidiary		
Long term loan and mark up repayment	94,964,200	14,858,000
Sale of medicines to subsidiary	37,849,019	51,583,249
Payment received against sale of medicines	37,849,019	51,116,249
Purchase of medicines from subsidiary for institutions supply	12,093,699	5,660,373
Payments made against purchase of medicines	12,093,699	5,660,373
Expenses incurred on behalf of subsidiary	35,859,798	1,254,258
Reimbursement of Expenses from subsidiary during the period	32,673,419	638,244
Other related parties		
Contribution to employees provident fund	7,643,904	6,447,683
Remuneration including benefits and perquisites of key management personnel	59,841,000	49,062,108

15 Non adjusting event after the balance sheet date

The Board of Directors of the Company in their meeting held on April 26, 2012 did not propose any interim dividend.

16 Date of authorisation

The condensed interim unconsolidated financial information was authorized for issue by the Board of Directors of the Company in their meeting held on April 26, 2012.

17 General

Figures in the condensed interim unconsolidated financial information have been rounded off to the nearest rupee.

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive





***Condensed Interim
Consolidated Financial
Information for the
Quarter/Nine Months
Ended March 31, 2012***



CONDENSED INTERIM CONSOLIDATED BALANCE


		March 31, 2012	June 30, 2011
	Note	Un-Audited (Rupees)	Audited (Rupees)
SHARE CAPITAL AND RESERVES			
Share capital	3	287,493,718	249,994,540
Reserves			
Capital reserve		321,843	321,843
Revenue reserve - unappropriated profit		1,558,295,777	1,342,834,271
		<u>1,846,111,338</u>	<u>1,593,150,654</u>
Minority interest		53,715,510	49,675,749
Total equity		<u>1,899,826,848</u>	<u>1,642,826,403</u>
Surplus on revaluation of fixed assets - net of tax	4	385,577,506	389,692,056
NON CURRENT LIABILITIES			
Long term financing - secured	5	-	-
Deferred liability for taxation		120,898,716	121,695,416
		<u>120,898,716</u>	<u>121,695,416</u>
CURRENT LIABILITIES			
Trade and other payables		285,873,915	290,397,231
Short term borrowings - secured		14,070,523	37,805,811
Accrued markup of long term financing		1,333,497	1,898,089
Current portion of long term financing	5	9,343,750	79,937,500
		<u>310,621,685</u>	<u>410,038,631</u>
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		<u>2,716,924,754</u>	<u>2,564,252,506</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

SHEET AS AT MARCH 31, 2012

		March 31, 2012	June 30, 2011
	Note	Un-Audited (Rupees)	Audited (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	1,464,948,086	1,465,485,976
Intangible assets	7	4,171,369	-
Long term deposits		7,468,600	7,465,500
CURRENT ASSETS			
Stores, spares and loose tools		9,776,627	4,805,283
Stock in trade		711,027,391	592,723,356
Trade debts-considered good		195,387,379	158,262,572
Loans and advances-considered good		30,528,129	24,393,199
Deposits and prepayments		29,076,153	21,038,681
Advance income tax - net		118,789,566	110,196,797
Other receivables		2,226,843	786,813
Short term investments		67,155,938	23,673,368
Deivative asset-interest rate swap		-	26,758
Cash and bank balances		76,368,672	155,394,203
		1,240,336,699	1,091,301,030
		2,716,924,754	2,564,252,506


 Director


 Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

		3 Months Ended March 31, 2012 (Rupees)	3 Months Ended March 31, 2011 (Rupees)	9 Months Ended March 31, 2012 (Rupees)	9 Months Ended March 31, 2011 (Rupees)
Net sales		638,021,662	624,695,365	1,796,761,312	1,484,929,817
Cost of sales	8	<u>(316,856,597)</u>	<u>(353,670,774)</u>	<u>(908,581,383)</u>	<u>(727,989,538)</u>
Gross profit		321,165,065	271,024,591	888,179,929	756,940,279
Other income		8,078,745	(1,619,473)	20,062,952	10,482,725
Administrative expenses		(33,149,441)	(29,078,460)	(116,734,891)	(84,375,713)
Selling and distribution cost		(148,749,291)	(124,145,394)	(451,482,206)	(306,741,432)
Finance cost		(1,771,647)	(3,985,852)	(9,734,513)	(16,189,571)
Other expenses		(12,020,752)	(6,613,202)	(25,890,530)	(22,135,524)
Profit before taxation		133,552,680	105,582,210	304,400,741	337,980,764
Provision for taxation		(9,335,366)	(11,227,751)	(20,265,315)	(28,741,055)
Profit after taxation		<u>124,217,314</u>	<u>94,354,459</u>	<u>284,135,426</u>	<u>309,239,709</u>
Attributable to:					
Shareholders of the parent company		120,071,343	83,139,395	280,095,666	292,524,020
Minority interest		4,145,971	11,215,064	4,039,761	16,715,690
		<u>124,217,314</u>	<u>94,354,459</u>	<u>284,135,427</u>	<u>309,239,710</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Rawalpindi
 April 26, 2012


 Director


 Chairperson & Chief Executive


**CONDENSED INTERIM CONSOLIDATED
 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	3 Months Ended March 31, 2012 (Rupees)	3 Months Ended March 31, 2011 (Rupees)	9 Months Ended March 31, 2012 (Rupees)	9 Months Ended March 31, 2011 (Rupees)
Profit after tax	124,217,314	94,354,459	284,135,426	309,239,710
Other comprehensive income	-	-	-	-
Total comprehensive income	124,217,314	94,354,459	284,135,426	309,239,710
Attributable to:				
Shareholders of the Parent Company	120,071,343	83,139,395	280,095,666	292,524,020
Non-Controlling Interest	4,145,971	11,215,064	4,039,761	16,715,690
	<u>124,217,314</u>	<u>94,354,459</u>	<u>284,135,427</u>	<u>309,239,710</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Rawalpindi
 April 26, 2012


 Director


 Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	March 31, 2012 (Rupees)	March 31, 2011 (Rupees)
Cash flow from operating activities		
Profit before taxation	304,400,741	337,980,764
Adjustments for:		
Depreciation	104,387,517	94,705,704
Gain on disposal of property, plant and equipment	(3,478,305)	1,508,909
Finance costs	9,734,513	16,189,571
Provision for Workers Profit Participation Fund	12,746,618	14,688,802
Provision for Workers' Welfare Fund	5,098,647	4,016,930
Provision for Workers' Central Research Fund Gain on remeasurement of short term investments	3,029,481	3,396,706
Dividend income, profit on bank deposits	(3,562,769)	(2,609,658)
Long term investments written off	(13,016,878)	(9,086,621)
	-	33,085
	<u>114,938,823</u>	<u>122,843,428</u>
Operating profit before working capital changes (Increase) in current assets	<u>419,339,565</u>	<u>460,824,192</u>
Stores and spares	(4,971,344)	(10,387,018)
Advances, deposits, prepayments and other receivables	(15,585,678)	(19,876,963)
Stock in trade	(118,304,035)	(122,153,701)
Trade debtors	(37,124,807)	(68,551,952)
	<u>(175,985,864)</u>	<u>(220,969,634)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	7,704,448	(2,312,564)
Cash generated from operations	<u>251,058,148</u>	<u>237,541,994</u>
Finance cost paid	(10,272,348)	(15,563,860)
Income tax paid	(29,654,784)	(30,353,830)
Payment to Workers' Profit Participation Fund	(23,439,661)	(14,176,426)
Payment to Workers' Welfare Fund	(5,402,441)	-
Payment to Workers' Central Research Fund	(5,080,396)	(4,273,308)
	<u>(73,849,630)</u>	<u>(64,367,424)</u>
Net cash generated from operating activities	<u>177,208,518</u>	<u>173,174,570</u>
Cash flow from investing activities		
Fixed capital expenditure	(109,550,611)	(69,014,479)
Proceeds from sale of property, plant and equipment	5,007,921	2,269,251
Dividend income, profit on bank deposits & commissions	13,070,916	9,086,621
Increase in short term investments	(63,050,246)	(592,000)
Proceeds from encashment of short term investments	23,049,649	-
Long term deposits	(3,100)	-
Net cash used in investing activities	<u>(131,475,472)</u>	<u>(48,250,607)</u>
Cash flow from financing activities		
Repayment of long term finances	(70,593,750)	(70,593,750)
Payment of liabilities against assets subject to finance lease	-	(475,003)
Payment of short term borrowings	(23,735,286)	(36,528,048)
Dividend paid	(30,429,542)	(450,562)
Net cash used in financing activities	<u>(124,758,578)</u>	<u>(108,047,363)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(79,025,531)</u>	<u>16,876,600</u>
Cash and cash equivalents at the beginning of the period	<u>155,394,203</u>	<u>56,492,557</u>
Cash and cash equivalents at the end of the period	<u>76,368,672</u>	<u>73,369,157</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive

**CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

	Share capital (Rupees)	Capital reserve (Rupees)	Revenue reserve Unappropriated profit (Rupees)	Total (Rupees)	Minority Interest (Rupees)	Total (Rupees)
Balance as at July 01, 2010	288,208,786	321,843	1,807,224,346	1,315,874,875	34,872,022	1,246,346,997
Total Comprehensive Income for the period:	-	-	292,524,020	292,524,020	16,715,058	309,239,078
Transfer from surplus on resolution of fixed assets Net income recognized directly in equity	-	-	4,090,286	4,090,286	-	4,090,286
Total other comprehensive income for the period	-	-	4,090,286	4,090,286	-	4,090,286
Total comprehensive income for the period:	-	-	296,614,306	296,614,306	16,715,058	313,329,364
Interim dividend for the year ended June 30, 2011 Rs. 1.25 per share	-	-	(31,249,131)	(31,249,131)	-	(31,249,131)
Bonus shares issued at 20% for the year ended June 30, 2011	41,685,757	-	(41,685,757)	-	-	-
Total Transactions with owners:	41,685,757	-	(72,934,888)	(31,249,131)	-	(31,249,131)
Balance as at March 31, 2011	<u>249,894,543</u>	<u>321,843</u>	<u>1,230,923,794</u>	<u>1,481,240,180</u>	<u>41,587,080</u>	<u>1,522,827,862</u>
Balance as at July 01, 2011	249,894,543	321,843	1,342,834,271	1,593,150,657	49,875,748	1,643,026,401
Total Comprehensive Income for the period:	-	-	280,095,055	280,095,055	4,028,761	284,123,816
Transfer from surplus on resolution of fixed assets Net income recognized directly in equity	-	-	4,114,520	4,114,520	-	4,114,520
Total other comprehensive income for the period	-	-	4,114,520	4,114,520	-	4,114,520
Total comprehensive income for the period:	-	-	284,209,575	284,209,575	4,028,761	288,238,336
Distribution to owners:						
Interim dividend for the year ending 30 June 2011: Rs. 1.25 per share	-	-	(31,249,521)	(31,249,521)	-	(31,249,521)
Bonus shares issued at 10% for the year ended June 30, 2011	37,489,129	-	(37,489,129)	-	-	-
Total Transactions with owners:	37,489,129	-	(68,748,710)	(31,249,581)	-	(31,249,581)
Balance as at March 31, 2012	<u>287,383,672</u>	<u>321,843</u>	<u>1,162,185,061</u>	<u>1,449,791,376</u>	<u>53,715,418</u>	<u>1,503,828,602</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

Rawalpindi
April 26, 2012


Director


Chairperson & Chief Executive

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
 FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2012**

1. STATUS AND OPERATIONS

Ferozsons Laboratories Limited ("the Company") was incorporated as a private limited company on January 28, 1954 and was converted into a public limited company on September 08, 1960. The company is listed on the Karachi, Lahore and Islamabad stock exchanges. The company is primarily engaged in the manufacture and sale of pharmaceuticals products and its registered office is situated at 197-A, The Mall, Rawalpindi. The factory is located at Amangarh Nowshera KPK.

2. BASIS OF PREPARATION

- 2.1** These financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. These financial statements are presented in condensed form in accordance with the requirements of International Accounting Standard 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 June 30, 2011. Comparative figures of the balance sheet are extracted from the annual financial statements for the year ended June 30, 2011 whereas comparative profit and loss account, statement of changes in equity and statement of cash flows are stated from un-audited condensed interim financial statements for the nine months period ended March 31, 2011.
- 2.2** Except as described below, the accounting policies and estimates adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements for the preceding year ended June 30, 2011.
- 2.2.1** The Company applies revised IAS 1 "Presentation of Financial Statements", which became effective as of January 01, 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the nine months period ended on March 31, 2012.
- 2.3** Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the changes in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

3. SHARE CAPITAL

	March 31, 2012 (Rupees)	June 30, 2011 (Rupees)
Authorized share capital	500,000,000	250,000,000
Issued, subscribed and paid up capital	<u>287,493,718</u>	<u>249,994,540</u>

	March 31, 2012 (Rupees)	June 30, 2011 (Rupees)
4. SURPLUS ON REVALUATION OF FIXED ASSETS-net of tax		
Surplus on revaluation of fixed assets as at 01 July.	419,254,636	267,331,843
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year:		
- Net of deferred tax	(4,114,550)	(6,744,289)
- Related deferred tax liability	(2,215,527)	(3,631,540)
	(6,330,077)	(10,375,829)
Surplus transferred to unappropriated profit in respect of disposal of fixed assets during the period /year		
Related deferred tax liability:		
- Net of deferred tax	-	(1,361,536)
- Related deferred tax liability	-	(733,134)
		(2,094,670)
Surplus on revaluation of fixed assets recognized during the period/year		
- Net of deferred tax	-	155,777,069
- Related deferred tax liability	-	8,616,224
		164,393,293
Surplus on revaluation of fixed assets	412,924,559	419,254,637
Related deferred tax liability:		
- On Revaluation oas at 1 July	(29,562,580)	25,311,031
- On Revaluatin surplus of fixed assets recognized during the period/year	-	(8,616,224)
- Transferred to unappropriated profit on: Disposal of fixed assets during the period /year	-	733,134
Incremental depreciation charged during the period/year	2,215,527	3,631,540
	(27,347,053)	(29,562,581)
	385,577,506	389,692,056
5. LONG TERM FINANCING - secured		
Opening balance	79,937,500	174,062,500
Add. Disbursements during the period/year	-	-
	79,937,500	174,062,500
Less: Repayments during the period/year	(70,593,750)	(94,125,000)
	9,343,750	79,937,500
Less: Current portion shown under current liabilities	(9,343,750)	(79,937,500)
	-	-

		March 31, 2012 (Rupees)	June 30, 2011 (Rupees)
6. PROPERTY, PLANT AND EQUIPMENT	Note		
Opening net book value		1,465,485,976	1,294,926,904
Add:			
Additions during the period/year	6.1	109,550,611	141,830,902
Surplus on revaluation of fixed assets		-	32,957,653
Less:			
Written down value of disposals		(1,529,616)	(4,353,260)
Surplus released on revaluation		-	131,435,640
Transfers to Intangible assets	7	(5,543,356)	-
Depreciation		(103,015,530)	(131,311,863)
		<u>(110,088,502)</u>	<u>(4,229,483)</u>
		<u><u>1,464,948,086</u></u>	<u><u>1,465,485,976</u></u>
6.1 Additions during the period/year represents:			
Building on freehold land		4,094,486	14,215,367
Plant and machinery		9,986,083	28,225,974
Office equipments		2,221,402	4,541,962
Furniture and fixtures		854,536	2,344,123
Computers		2,126,262	4,269,132
Vehicles-owned		8,752,500	20,644,800
Capital work in progress		81,515,342	67,589,544
		<u><u>109,550,611</u></u>	<u><u>141,830,902</u></u>
7 Intangible assets			
Additions during the period/year		5,543,356	-
Less: Amortization charged during the period/year		(1,371,987)	-
Closing balance-Net book value	7.1	4,171,369	-

7.1 This represents ERP and software licenses capitalized during the period.

8	COST OF SALES		3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	Note		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
			(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
			(Rupees)	(Rupees)	(Rupees)	(Rupees)
Material consumed	8.1		269,981,503	241,378,337	820,999,859	580,797,328
Manufacturing expenses			87,214,773	76,950,311	241,914,207	203,075,243
Opening work in process			35,090,055	49,893,019	31,773,388	9,069,289
			<u>392,286,331</u>	<u>368,221,667</u>	<u>1,094,687,454</u>	<u>792,941,860</u>
Less: closing work in process			<u>(88,249,299)</u>	<u>(49,625,505)</u>	<u>(88,249,299)</u>	<u>(49,625,505)</u>
Cost of goods manufactured			<u>304,037,032</u>	<u>318,596,162</u>	<u>1,006,438,155</u>	<u>743,316,355</u>
Add: opening finished goods			<u>374,467,621</u>	<u>253,139,865</u>	<u>263,791,283</u>	<u>202,738,436</u>
			<u>678,504,653</u>	<u>571,736,027</u>	<u>1,270,229,438</u>	<u>946,054,791</u>
Less: closing finished goods			<u>(361,648,055)</u>	<u>(218,065,254)</u>	<u>(361,648,055)</u>	<u>(218,065,253)</u>
Cost of sales			<u>316,856,598</u>	<u>353,670,773</u>	<u>908,581,383</u>	<u>727,989,538</u>
			<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
		8.1 Material consumed				
		Opening stock	282,621,932	182,306,076	261,125,156	164,529,561
		Add: purchases during the period	<u>236,254,536</u>	<u>264,100,784</u>	<u>808,769,669</u>	<u>621,296,289</u>
			<u>518,876,468</u>	<u>446,406,860</u>	<u>1,069,894,825</u>	<u>785,825,850</u>
		Less: closing stock	<u>(248,894,966)</u>	<u>(205,028,523)</u>	<u>(248,894,966)</u>	<u>(205,028,523)</u>
			<u>269,981,502</u>	<u>241,378,337</u>	<u>820,999,859</u>	<u>580,797,327</u>
			<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
					9 Months	9 Months
					March 31, 2012	March 31, 2011
					(Un-Audited)	(Un-Audited)
					(Rupees)	(Rupees)
		9. Other related parties				
		Contribution to employee provident fund			11,048,601	7,572,716
					March 31, 2012	June 30, 2011
					(Un-Audited)	(Audited)
					(Rupees)	(Rupees)
		10. CONTINGENCIES AND COMMITMENTS				
		Contingencies:				
		i Guarantees issued by banks on behalf of the company			13,564,414	14,685,240
		Commitments:				
		ii Capital Expenditure			28,500,000	-
		iii Letter of credits other than for capital expenditure			190,331,870	111,255,343
		11. GENERAL				
		Figures have been rounded off to the nearest rupee.				
		12. DATE OF AUTHORIZATION				
		The financial statements have been authorized for issue by the board of directors or the Company on April 26, 2012.				

Rawalpindi
 April 26, 2012


 Director


 Chairperson & Chief Executive



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MORE THAN FIVE DECADES
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TO HUMANITY IN PAKISTAN
AND AROUND THE WORLD
IN PHARMACEUTICALS



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