



***Condensed Interim
Financial Information
for the Quarter/Nine Months
Ended March 31, 2009***



FEROZSONS
LABORATORIES LIMITED

DIRECTORS' REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER/NINE MONTHS ENDED MARCH 31, 2009

We are pleased to present your Company's individual and consolidated financial information for the quarter and nine months ended March 31, 2009. This condensed interim financial information is un-audited and is being submitted to shareholders 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 statements incorporate the Company's 98% 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-09	3 Months 31-Mar-08	9 Months 31-Mar-09	9 Months 31-Mar-08	3 Months 31-Mar-09	3 Months 31-Mar-08	9 Months 31-Mar-09	9 Months 31-Mar-08
(Rupees in thousands)								
Sales (net)	288,836	238,177	790,054	691,994	312,214	265,106	869,858	767,475
Gross Profit	157,339	144,512	426,258	400,539	161,111	149,579	442,870	418,185
Profit before tax	74,347	77,856	188,969	220,032	74,403	79,100	191,980	224,275
Taxation	(18,162)	(21,110)	(47,618)	(57,653)	(18,420)	(22,331)	(50,535)	(62,014)
Profit after tax	56,186	56,746	141,351	162,380	55,983	56,769	141,445	162,261

Net Sales of your Company's pharmaceutical operations witnessed an increase of 21.27% for the 3rd Quarter under review.

However, since the first quarter had witnessed a decline against the previous year, the net sales of nine months ended March 31, 2009 showed an overall increase of 14.17%. Similarly, Consolidated Net Sales including Farmacia also showed an increase of 17.77% for the 3rd Quarter and an increase of 13.34% for the nine months ended March 31, 2009 in comparison with the Sales for the same period of last year.

Owing to a depreciation of the Rupee and increased raw material prices, the cost of sales of your Company increased by 40.39% during the 3rd quarter and by 24.82% overall during the nine months ended March 31, 2009.

The Gross Profit of your Company, for the 3rd Quarter and nine months, increased by 8.88% and 6.42%, respectively in comparison to the same quarter and nine months of last year. The GP of the consolidated results also show a similar trend.

It is also important to point out that we also regained Rs. 12 Million in 3rd Quarter out of a previous decline of Rs. 16 Million in the value of the Company's investments in the 2nd Quarter, a result of the recovery of stock market.

Your Company's Net Profit before Tax decreased by 4.51% in 3rd Quarter and a decrease of 12.95% as a whole respectively, whereas Net Profit After Tax (NPAT) decreased by 0.99% in 3rd Quarter and by 12.95% as a whole during the nine months ended March 31, 2009 in comparison with the same period last year.

Based on the net profit for the nine months ended March 31, 2009, the Earnings per Share (EPS), both basic and diluted, stand at Rs. 8.14 compared to EPS of Rs. 9.35 of same respective period of last year, on the enhanced capital of Rs. 173.607 Million after the issuance of bonus share during the nine months.

BF Biosciences Limited Operational Status

We are glad to report that all start-up tests and validation experiments at your company's joint venture subsidiary, BF Biosciences Limited, have been completed successfully, and the plant is ready for commercial production. The unit has been built to comply with international standards specified by the USFDA and the European Union's EMEA regulatory authority. The unit is a first of its kind manufacturing facility, with tremendous potential for both import substitution as well as export diversification. We are awaiting the necessary permissions from the Ministry of Health in order to begin producing for the local market, and are hopeful that these will be granted at an early date so that the plant can begin serving cancer and hepatitis patients in Pakistan and the rest of the world.

Future Outlook

We strongly believe that your company has the potential to maintain its positive sales growth from the quarter under review into the last quarter of the year. Our new launches in cardiology and hepatology are gathering pace, and we expect to strengthen our portfolios in the cardiac and gastroenterology segments through further launches in the last quarter of the current year as well as in the year ahead.

The Company's Boston Scientific division has begun making inroads into the medical device market in the cardiology, neurology, endoscopy and peripheral intervention segments. Combined with our existing medical platform in these same segments, we can create a powerful combination of medical and interventional solutions that can play a substantial role in enabling the medical community in serving their patients in a much better way.

We must mention here, however, that our expectations are contingent on the political and economic conditions prevailing in our country. Unless the government takes serious cognizance of the unique challenges facing industrial expansion and investment in the country, and takes appropriate fiscal and administrative measures to reduce the cost of business and investment in Pakistan – tax incentives, adequate provision of utilities at competitive rates, and reduced cost of lending to name a few - efforts such as the one being made by your Company will continue to remain few and far between, and the chances of creating a paradigm shift towards knowledge-based industries and diversified export growth for the country will remain a pipe dream.

Acknowledgment

We would like to thank our valued customers for their continued trust in our products. It is their faith first and foremost that have made possible our efforts towards scientific progress in the country. We are making all-out efforts to widen the range of our products with the highest of quality standards. We also thank our distributors and financial institutions for their extended cooperation. Last but not the least, We would also like to convey our profound gratitude to the employees of our company for their tireless efforts, loyalty and devotion in making these results possible in the most trying of circumstances.

For and on behalf of the Board of Directors

(Mrs. Akhter Khalid Waheed)
Chairperson & Chief Executive

CONDENSED INTERIM BALANCE SHEET

		March 31, 2009 Un-Audited (Rupees)	June 30, 2008 Audited (Rupees)
SHARE CAPITAL AND RESERVES			
Share capital	3	173,607,322	144,672,768
Reserves			
Capital reserve		321,843	321,843
Revenue reserve - unappropriated profit		753,659,115	681,242,280
		927,588,280	826,236,891
SURPLUS ON REVALUATION OF FIXED ASSETS-net of tax	4	248,608,748	252,011,413
NON CURRENT LIABILITIES			
Long term financing - secured	5	113,500,000	156,062,500
Liabilities against assets subject to finance lease		740,945	1,456,643
Deferred liability for taxation		49,542,715	49,691,426
		163,783,660	207,210,569
CURRENT LIABILITIES			
Trade and other payables		207,580,284	116,423,214
Short term borrowing- Secured		-	-
Accrued markup of long term financing		8,392,719	5,588,157
Current portion of long term financing	5	56,750,000	56,750,000
Current maturity of liabilities against assets subject to finance lease		1,065,967	2,399,815
Provision for taxation - net		6,870,767	15,008,477
		280,659,737	196,169,663
		1,620,640,425	1,481,628,536
CONTINGENCIES AND COMMITMENTS	11	-	-

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

AS AT MARCH 31, 2009

	Note	March 31, 2009 Un-Audited (Rupees)	June 30, 2008 Audited (Rupees)
FIXED ASSETS			
Property, plant and equipment	6	713,533,140	610,987,413
LONG TERM INVESTMENTS			
	7	212,390,510	203,425,956
LONG TERM LOAN			
		113,500,000	156,062,500
LONG TERM DEPOSITS			
		1,005,870	790,870
DERIVATIVE ASSET-INTEREST RATE SWAP			
		4,600,302	822,691
CURRENT ASSETS			
Stores, spares and loose tools		3,384,507	4,091,300
Stock in trade		287,185,807	180,787,784
Trade debts - considered good		63,785,221	24,454,201
Current portion of long term loan		56,750,000	56,750,000
Loans and advances - considered good		14,652,942	4,560,060
Deposits and prepayments		10,116,088	5,809,956
Interest accrued		21,677,163	1,273,496
Other receivables		26,792,326	1,530,284
Short term investments	8	33,273,300	194,474,564
Cash and bank balances		57,993,249	35,807,461
		575,610,603	509,539,106
		<u>1,620,640,425</u>	<u>1,481,628,536</u>

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009

	3 Months Ended March 31, 2009 (Rupees)	3 Months Ended March 31, 2008 (Rupees)	9 Months Ended March 31, 2009 (Rupees)	9 Months Ended March 31, 2008 (Rupees)
Net sales	288,836,190	238,177,465	790,053,941	691,993,545
Cost of sales	9 (131,497,350)	(93,665,117)	(363,795,952)	(291,454,275)
Gross profit	157,338,840	144,512,348	426,257,989	400,539,270
Other income	4,045,712	1,359,316	13,934,953	13,476,662
Administrative expenses	(23,070,503)	(12,725,620)	(57,716,343)	(41,671,207)
Selling and distribution cost	(75,085,892)	(52,772,888)	(178,488,060)	(149,480,877)
Finance cost	(512,926)	(231,410)	(3,228,267)	(610,351)
Other expenses	(3,552,801)	(6,878,450)	(16,109,996)	(13,518,949)
(Loss)/Gain on fair value measurement of short term investments	12,414,638	2,262,591	(4,646,012)	2,260,867
Share in profit of Farmacia - 98% owned partnership firm	2,770,032	2,329,895	8,964,554	9,037,013
Profit before taxation	74,347,100	77,855,782	188,968,818	220,032,428
Provision for taxation	(18,161,544)	(21,110,261)	(47,618,264)	(57,652,682)
Profit after taxation	56,185,556	56,745,521	141,350,554	162,379,746
Earnings per share - basic and diluted	3.24	3.27	8.14	9.35

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

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

	9 Months Ended March 31,2009 (Rupees)	9 Months Ended March 31,2008 (Rupees)
Cash flow from operating activities		
Profit before taxation	188,968,818	220,032,428
Adjustment for:		
Depreciation	32,702,473	29,843,342
(Gain) on disposal of property, plant and equipment	(2,109,203)	(339,375)
Finance cost	2,040,627	30,581,752
Dividends, capital gains and income from investments and deposits	(11,825,750)	(45,369,554)
loss/(Gain) on remeasurement of short term investments	4,686,745	(2,260,867)
Loss on fair value adjustment of interest rate swap	1,187,639	-
Share in profit of Farmacia-98% owned subsidiary firm	(8,964,554)	(9,037,013)
	<u>17,717,977</u>	<u>3,418,285</u>
	206,686,795	223,450,713
Working capital changes		
(Increase) in stocks and stores	(105,691,230)	(42,623,642)
(Increase)/decrease in trade debtors	(39,331,020)	3,445,283
(Increase) in loans, advances, deposits, prepayments and other receivables	(44,841,306)	(5,180,515)
Increase/(decrease) in trade and other payables	89,229,258	(13,256,216)
	<u>(100,634,298)</u>	<u>(57,615,090)</u>
Cash generated from operations	106,052,497	165,835,623
Finance cost	(22,710,737)	(27,471,828)
Taxes paid	(55,904,685)	(40,519,669)
	<u>(78,615,422)</u>	<u>(67,991,497)</u>
Net cash from operating activities	27,437,075	97,844,126
Cash flow from investing activities		
Long term loan disbursed	-	134,500,000
Long term loan recovered	42,562,500	-
Purchase of property, plant and equipment	(137,877,165)	(58,071,075)
Purchase of short term investments	(11,776,389)	(18,573,932)
Sale proceeds from short term investments	168,290,908	-
Dividends, capital gains and income from investments and deposits	15,223,685	38,547,277
Sale proceeds of property, plant and equipment	4,738,168	651,375
Net cash from investing activities	81,161,707	97,053,645
Cash flow from financing activities		
Payment of finance lease liabilities	(2,049,546)	(1,379,611)
Proceeds from long term financing	-	(134,500,000)
Repayment of long term financing	(42,562,500)	-
Dividend paid	(41,800,948)	(75,310,973)
Net cash used in financing activities	<u>(86,412,994)</u>	<u>(211,190,584)</u>
Net increase/(decrease) in cash and cash equivalents	22,185,788	(16,292,813)
Cash and cash equivalents at the beginning of the period	35,807,461	41,680,940
Cash and cash equivalents at the end of the period	<u>57,993,249</u>	<u>25,388,127</u>

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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

	Share Capital	Capital reserve	Revenue reserve Unappropriated Profit	Total
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Balance as at June 30, 2007	120,560,640	321,843	561,722,124	682,604,607
"Final dividend for the year ended June 30, 2007 Rs. 6.50 per share"	—	—	(78,364,416)	(78,364,416)
"Bonus shares issued at 20% for the year ended June 30, 2007"	24,112,128	—	(24,112,128)	—
Transfer from surplus on revaluation of fixed assets - net of tax Net income recognized directly in equity	—	—	3,729,654	3,729,654
Net profit for the year	—	—	162,379,746	162,379,746
Total recognized income for the year	—	—	166,109,400	166,109,400
Balance as at March 31, 2008	<u>144,672,768</u>	<u>321,843</u>	<u>625,354,980</u>	<u>770,349,591</u>
Balance as at June 30, 2008	144,672,768	321,843	681,242,280	826,236,891
"Final dividend for the year ended June 30, 2008 Rs. 3.00 per share"	—	—	(43,401,830)	(43,401,830)
"Bonus shares issued at 20% for the year ended June 30, 2008"	28,934,554	—	(28,934,554)	—
Transfer from surplus on revaluation of fixed assets - net of tax Net income recognized directly in equity	—	—	3,402,665	3,402,665
Net profit for the year	—	—	141,350,554	141,350,554
Total recognized income for the year	—	—	144,753,219	144,753,219
Balance as at March 31, 2009	<u>173,607,322</u>	<u>321,843</u>	<u>753,659,115</u>	<u>927,588,280</u>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

1. STATUS AND 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 Company is domiciled in Rawalpindi, Pakistan.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.
- 2.2 This condensed interim financial information is un-audited and are being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.
- 2.3 Accounting policies, related judgments, estimates and assumptions adopted for preparation of this condensed financial information are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2008.

3. SHARE CAPITAL

	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
Authorized share capital 25,000,000 (June 30, 2008: 25,000,000) ordinary shares of Rs. 10 each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital 1,441,952 (June 30, 2008: 1,441,952) ordinary shares of Rs. 10 each fully paid in cash	14,419,520	14,419,520
119,600 (June 30, 2008: 119,600) ordinary shares of Rs. 10 each issued in lieu of NWF Industries Limited and Sargodha Oil and Flour Mills Limited since merged	1,196,000	1,196,000
15,799,180 (June 30, 2008: 12,905,725) ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>157,991,802</u>	<u>129,057,248</u>
	<u>173,607,322</u>	<u>144,672,768</u>

4. SURPLUS ON REVALUATION OF FIXED ASSETS-net of tax	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
Surplus on revaluation of fixed assets as at 01 July	282,701,998	290,352,569
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year:		
- Net of deferred tax	(3,402,665)	(4,972,871)
- Related deferred tax liability	(1,832,204)	(2,677,700)
Surplus on revaluation of fixed assets as at 31 March	(5,234,869)	(7,650,571)
	<u>277,467,129</u>	<u>282,701,998</u>
Related deferred tax liability:		
- On Revaluation as at 01 July	(30,690,585)	(33,368,285)
- Transferred to profit and loss account		
Incremental depreciation charged during the year	1,832,204	2,677,700
	<u>(28,858,381)</u>	<u>(30,690,585)</u>
	<u>248,608,748</u>	<u>252,011,413</u>

5. LONG TERM FINANCING - secured

Opening balance	212,812,500	92,500,000
Add. Disbursements during the period/year	-	134,500,000
	<u>212,812,500</u>	<u>227,000,000</u>
Less: Repayments during the period/year	(42,562,500)	(14,187,500)
	<u>170,250,000</u>	<u>212,812,500</u>
Less: Current portion shown under current liabilities	(56,750,000)	(56,750,000)
	<u>113,500,000</u>	<u>156,062,500</u>

The Company has entered into a pay fix, receive variable interest rate swap agreement with a bank to hedge the interest rate exposure on the above mentioned long term financing at notional amount of Rs. 275 million. As per the terms of the agreement the company will pay fix interest rate @ 12.8% p.a. to the bank and will receive 3 months PKR KIBOR. Effective period of swap is from July 25, 2007 till July 25, 2011. This swap agreement arrangement does not qualify for hedge accounting under the requirements of International Accounting Standard - 39 "Financial Instruments: Recognition and Measurement". Accordingly, this has been measured at its fair value as at the balance sheet date and resultant accumulated loss of Rs. 1.1 million has been recognized in the profit and loss account.

6. PROPERTY, PLANT AND EQUIPMENT	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
Opening net book value	610,987,413	550,589,472
Add:		
Additions during the period	137,877,165	95,324,207
Less:		
Written down value of disposals	(2,628,965)	(1,681,700)
Depreciation	(32,702,473)	(33,244,566)
	<u>(35,331,438)</u>	<u>(34,926,266)</u>
	<u>713,533,140</u>	<u>610,987,413</u>

6.1 Additions during the period/year represents:	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
Freehold land	1,500,000	2,000,000
Building on freehold land	7,908,632	2,399,523
Plant and machinery	3,115,488	11,906,255
Office equipments	14,960,292	2,949,321
Furniture and fixtures	74,598	183,360
Computers	1,972,470	1,229,240
Vehicles-owned	37,930,000	11,099,126
Vehicles-leased	-	2,965,800
Capital work in progress	70,415,685	60,591,582
	<u>137,877,165</u>	<u>95,324,207</u>
7. LONG TERM INVESTMENTS		
Investment in Farmacia - 98% owned subsidiary partnership firm	7.1 60,357,465	51,392,911
Investment in BF Biosciences Limited - 80% owned subsidiary	7.2 151,999,960	151,999,960
Available for sale-unquoted shares	33,085	33,085
	<u>212,390,510</u>	<u>203,425,956</u>
7.1 Investment in Farmacia		
Opening balance	51,392,911	37,573,914
Share in profit for the Quarter	8,964,554	13,818,997
	<u>60,357,465</u>	<u>51,392,911</u>

This represent company's 98% share in "Farmacia", a subsidiary partnership duly registered under the Partnership Act, 1932 and engaged in operating retail shop. Share of profit for the year not withdrawn is treated as reinvestment in capital account of partnership.

7.2 Investment in BF Biosciences Limited

This represents investment made in 11,199,996 ordinary shares of Rs. 10 each, in BF Biosciences Limited.

BF Biosciences Limited was set up for establishing a Biotech Production Plant to manufacture mainly Cancer and Hepatitis related medicines. The Company holds 80% of equity of the subsidiary and the remaining 20% is held by Laboratories Bagó S.A., Argentina. The Company expects to start its commercial operation in the second half of the fiscal year.

8. SHORT TERM INVESTMENTS	Note	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
Investment at fair value through profit or loss - listed securities	8.1	33,273,300	194,474,564
		<u>33,273,300</u>	<u>194,474,564</u>

8.1 Investments at fair value through profit or loss - listed securities

Number of shares		Name of Companies	March 31, 2009 (UN-AUDITED) (Rupees)		June 30, 2008 (AUDITED) (Rupees)		
			Carrying value	Fair value	Carrying value	Fair value	
March 2009	June 2008						
25,000	25,000	Pakistan National Shipping Corporation Ordinary shares of Rs. 10 each	1,788,750	1,020,000	2,530,057	1,788,750	
118,800	108,000	Pakistan Petroleum Ltd Ordinary shares of Rs. 10 each	26,566,920	20,584,476	28,567,884	26,566,920	
138,450	92,300	Bank Alfalah Ltd Ordinary shares of Rs. 10 each	1,446,620	1,939,685	4,672,262	3,789,838	
30,000	—	National Bank of Pakistan Ordinary shares of Rs. 10 each	1,386,367	2,643,000	—	—	
50,000	—	Pakistan Telecommunication Co.Ltd. Ordinary shares of Rs. 10 each	727,943	834,000	—	—	
200,000	—	PICIC-Growth Fund Ordinary shares of Rs. 10 each	1,747,247	1,762,000	—	—	
20,000	—	Pakistan Oilfields Ltd. Ordinary shares of Rs. 10 each	3,235,471	3,421,200	—	—	
—	431,757	Arif Habib Investments Ltd. PIF Units of Rs. 50 each	—	—	20,000,000	22,218,232	
—	502,899	JS Investments Ltd. JS-IF Units of Rs. 100 each	—	—	50,000,000	52,337,682	
—	5,770,222	NAFA Cash Funds NAFA-CF Units of Rs. 10 each	—	—	60,000,000	62,185,107	
10,774	247,930	UBL Fund Managers Ltd. UGIF Units of Rs. 10 each	1,060,726	1,068,940	25,000,000	25,588,035	
			37,960,044	33,273,301	190,770,203	194,474,564	
		Unrealised (loss)/gain on account of remeasurement to fair value	(4,686,744)	—	3,704,361		
			33,273,300	33,273,301	194,474,564	194,474,564	

9 COST OF SALES

		3 Months Ended March 31, 2009 (Un-Audited) (Rupees)	3 Months Ended March 31, 2008 (Un-Audited) (Rupees)	9 Months Ended March 31, 2009 (Un-Audited) (Rupees)	9 Months Ended March 31, 2008 (Un-Audited) (Rupees)
	Note				
Material consumed	9.1	143,341,839	97,773,332	338,503,811	262,433,446
Manufacturing expenses		26,278,521	20,829,873	72,762,112	67,224,901
Opening Work in process		11,849,920	7,364,468	5,206,081	2,897,691
		<u>181,470,280</u>	<u>125,967,673</u>	<u>416,472,004</u>	<u>332,556,038</u>
Less: closing work in process		<u>(10,261,837)</u>	<u>(5,842,809)</u>	<u>(10,261,837)</u>	<u>(5,842,809)</u>
Cost of goods manufactured		<u>171,208,443</u>	<u>120,124,864</u>	<u>406,210,167</u>	<u>326,713,229</u>
Add: opening finished goods		<u>89,763,706</u>	<u>57,055,260</u>	<u>87,060,584</u>	<u>48,256,053</u>
		<u>260,972,149</u>	<u>177,180,124</u>	<u>493,270,751</u>	<u>374,969,282</u>
Less: closing finished goods		<u>(129,474,799)</u>	<u>(83,515,007)</u>	<u>(129,474,799)</u>	<u>(83,515,007)</u>
Cost of sales		<u>131,497,350</u>	<u>93,665,117</u>	<u>363,795,952</u>	<u>291,454,275</u>

9.1 Material Consumed

Opening stock	100,493,270	69,766,963	86,298,725	68,389,436
Add: purchases during the period	<u>163,792,903</u>	<u>108,505,011</u>	<u>373,149,420</u>	<u>274,542,652</u>
	<u>264,286,173</u>	<u>178,271,974</u>	<u>459,448,145</u>	<u>342,932,088</u>
Less: closing stock	<u>(120,944,334)</u>	<u>(80,498,642)</u>	<u>(120,944,334)</u>	<u>(80,498,642)</u>
	<u>143,341,839</u>	<u>97,773,332</u>	<u>338,503,811</u>	<u>262,433,446</u>

10. TRANSACTIONS WITH RELATED PARTIES

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

Farmacia-98% owned subsidiary firm	9 Months March 31, 2009 (Rupees)	9 Months March 31, 2008 (Rupees)
Sale of medicines	34,910,294	26,472,343
Share of profit	8,964,554	9,037,013
BF Biosciences Limited-80% owned subsidiary		
Long term loan	-	134,500,000
Financial charges on long term loan	20,403,667	17,242,992
Other related parties		
Contribution to employee provident fund	4,741,753	3,166,985
Remuneration of directors and key management personnel	35,611,741	23,719,370

11	CONTINGENCIES AND COMMITMENTS	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
	Contingencies:		
	i Guarantees issued by banks on behalf of the Company	455,640	455,640
	Commitments:		
	ii Capital Expenditure	24,272,650	36,330,718
	iii Letter of credits other than for capital expenditure	49,097,735	12,011,016
12	GENERAL		
	The figures have been rounded off to the nearest rupee.		
13	DATE OF AUTHORIZATION		
	The financial statements have been authorized for issue by the board of directors of the Company on April 28, 2009.		

Rawalpindi
 April 28, 2009

Director

Chairperson & Chief Executive



***Condensed Interim
Consolidated Financial
Information for the
Quarter/Nine Months
Ended March 31, 2009***



FEROZSONS
LABORATORIES LIMITED

CONDENSED INTERIM CONSOLIDATED BALANCE

		March 31, 2009	June 30, 2008
	Note	Un-Audited (Rupees)	Audited (Rupees)
SHARE CAPITAL AND RESERVES			
Share capital	3	173,607,322	144,672,768
Reserves			
Capital reserve		321,843	321,843
Revenue reserve - unappropriated profit		752,569,474	680,223,326
		926,498,639	825,217,937
MINORITY INTEREST		38,959,413	28,794,135
TOTAL EQUITY		965,458,052	854,012,072
SURPLUS ON REVALUATION OF FIXED ASSETS-net of tax			
	4	248,608,748	252,011,413
NON CURRENT LIABILITIES			
Long term financing - secured	5	197,593,750	189,511,350
Liabilities against assets subject to finance lease		740,945	1,456,643
Deferred liability for taxation		49,542,715	49,691,426
		247,877,410	240,659,419
CURRENT LIABILITIES			
Trade and other payables		227,527,964	128,986,789
Short term borrowings - secured		-	1,416,299
Accrued markup of long term financing		8,392,719	6,865,680
Current portion of long term financing	5	94,125,000	84,875,000
Current maturity of liabilities against assets subject to finance lease		1,065,967	2,399,815
Provision for taxation - net		4,147,584	14,569,439
		335,259,234	239,113,022
		1,797,203,444	1,585,795,926
CONTINGENCIES AND COMMITMENTS	10	-	-

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

SHEET AS AT MARCH 31, 2009

	Note	March 31, 2009 Un-Audited (Rupees)	June 30, 2008 Audited (Rupees)
FIXED ASSETS			
Property, plant and equipment	6	1,212,022,388	1,046,841,975
LONG TERM INVESTMENTS		33,084	33,085
LONG TERM DEPOSITS		1,005,870	841,070
DERIVATIVE ASSET-INTEREST RATE SWAP		4,600,302	822,691
CURRENT ASSETS			
Stores, spare parts and loose tools		3,384,507	4,091,300
Stock in trade		297,971,826	191,696,449
Trade debts-considered good		77,549,484	36,755,668
Loans and advances-considered good		15,561,742	4,807,010
Deposits and prepayments		10,181,398	5,953,376
Interest accrued		-	249,662
Other receivables		6,395,101	1,476,210
Short term investments	7	93,024,239	221,184,835
Cash and bank balances		75,473,503	71,042,595
		579,541,800	537,257,105
		1,797,203,444	1,585,795,926

**CONDENSED INTERIM CONSOLIDATED
 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

	3 Months Ended March 31, 2009 (Rupees)	3 Months Ended March 31, 2008 (Rupees)	9 Months Ended March 31, 2009 (Rupees)	9 Months Ended March 31, 2008 (Rupees)
Net sales	312,214,390	265,105,545	869,858,233	767,475,388
Cost of sales	9 (151,103,634)	(115,526,626)	(426,987,845)	(349,290,373)
Gross profit	161,110,756	149,578,919	442,870,388	418,185,015
Other income	5,745,875	2,148,514	17,665,611	16,407,003
Administrative expenses	(23,588,034)	(13,127,435)	(59,288,072)	(43,217,280)
Selling and distribution cost	(77,187,514)	(54,628,453)	(185,206,929)	(155,143,432)
Finance cost	(539,910)	(257,726)	(3,305,038)	(698,616)
Other expenses	(3,552,801)	(6,876,725)	(16,109,996)	(13,518,949)
(Loss)/Gain on fair value measurement of short term investments	12,414,638	2,262,591	(4,646,012)	2,260,866
Profit before taxation	74,403,010	79,099,685	191,979,952	224,274,607
Provision for taxation	(18,419,942)	(22,330,621)	(50,534,807)	(62,013,848)
Profit after taxation	55,983,068	56,769,064	141,445,145	162,260,759
Attributable to:				
Shareholders of the parent company	55,932,511	56,726,316	141,279,867	162,137,013
Minority interest	50,557	42,748	165,278	123,746
	55,983,068	56,769,064	141,445,145	162,260,759

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

**CONDENSED INTERIM CONSOLIDATED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

	March 31, 2009 (Rupees)	March 31, 2008 (Rupees)
Cash flow from operating activities		
Profit before taxation	191,979,952	224,274,607
Adjustments for:		
Depreciation	32,998,596	30,164,569
(Gain) on disposal of property, plant and equipment	(2,109,203)	(339,375)
Finance cost	2,117,399	698,616
Dividends, capital gains and income from investments and deposits	(15,556,408)	(18,328,494)
Loss on remeasurement of short term investments	4,686,744	-
Loss on fair value adjustment of interest rate swap	1,187,639	-
	23,324,767	12,195,316
	215,304,719	236,469,923
Working capital changes		
(Increase) in stocks and stores	(105,568,584)	(44,963,290)
(Increase)/decrease in trade debtors	(40,793,816)	11,490,330
(Increase)/decrease in loans, advances, deposits, prepayments and other receivables	(25,031,696)	1,138,637
Increase/(decrease) in trade and other payables	96,613,362	(28,363,537)
	(74,780,734)	(60,697,860)
Cash generated from operations	140,523,985	175,772,063
Finance cost paid	(263,430)	(2,309,048)
Taxes paid	(61,105,372)	(44,199,695)
	(61,368,802)	(46,508,743)
Net cash from operating activities	79,155,183	129,263,320
Cash flows from investing activities		
Purchase of property, plant and equipment	(200,807,973)	(195,661,745)
Purchase of short term investments	(71,527,326)	(34,414,932)
Sale proceeds from short term investments	195,001,179	-
Dividends, capital gains and income from investments and deposits	15,806,070	17,787,663
Sale proceeds of property, plant and equipment	4,738,168	651,375
Net cash used in investing activities	(56,789,882)	(211,637,639)
Cash flows from financing activities		
Payment of finance lease liabilities	(2,049,546)	(1,379,611)
Proceeds from short term financing	(1,416,299)	10,934,961
Proceeds from long term financing	87,926,150	134,500,000
Repayment of long term financing	(70,593,750)	-
Proceeds from minority share capital contribution	10,000,000	-
Dividend paid	(41,800,948)	(75,310,973)
Net cash from/(used in) financing activities	(17,934,393)	68,744,377
Net increase/(decrease) in cash and cash equivalents	4,430,908	(13,629,942)
Cash and cash equivalents at the beginning of the period	71,042,595	50,497,190
Cash and cash equivalents at the end of the period	75,473,503	36,867,248

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

**CONDENSED INTERIM CONSOLIDATED
 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

	Share Capital (Rupees)	Capital reserve (Rupees)	Revenue reserve Unappropriated Profit (Rupees)	Total (Rupees)	Minority Interest (Rupees)	Total (Rupees)
Balance as at June 30, 2007	120,560,640	321,843	560,993,936	681,876,419	28,584,807	710,461,226
"Final dividend for the year ended June 30, 2007 Rs. 6.00 per share"	-	-	(78,364,416)	(78,364,416)	-	(78,364,416)
"Bonus shares issued at 20% for the year ended June 30, 2007"	24,112,128	-	(24,112,128)	-	-	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	3,729,654	3,729,654	-	3,729,654
Net income recognized directly in equity	-	-	162,137,013	162,137,013	123,746	162,260,759
Net profit for the period	-	-	162,137,013	162,137,013	123,746	162,260,759
Total recognized income for the period	-	-	165,866,667	165,866,667	123,746	165,990,413
Balance as at Mar 31, 2008	144,672,768	321,843	624,384,059	769,378,670	28,708,553	798,087,223
Balance as at June 30, 2008	144,672,768	321,843	680,223,326	825,217,937	28,794,135	854,012,072
"Minority share capital contribution in Subsidiary Co (BF Biosciences Ltd.)"	-	-	-	-	10,000,000	10,000,000
Final dividend for the year ended June 30, 2008 Rs. 3.00 per share	-	-	(43,401,830)	(43,401,830)	-	(43,401,830)
Bonus shares issued at 20% for the year ended June 30, 2008	28,934,554	-	(28,934,554)	-	-	-
Transfer from surplus on revaluation of fixed assets - net of tax	-	-	3,402,665	3,402,665	-	3,402,665
Net income recognized directly in equity	-	-	141,279,867	141,279,867	165,278	141,445,145
Net profit for the period	-	-	141,279,867	141,279,867	165,278	141,445,145
Total recognized income for the period	-	-	144,682,532	144,682,532	165,278	144,847,810
Balance as at Mar 31, 2009	173,607,322	321,843	752,569,474	926,498,639	38,959,413	965,458,052

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

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED
 FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE QUARTER / NINE MONTHS ENDED MARCH 31, 2009**

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 company is domiciled in Rawalpindi, Pakistan.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

2.2 These financial statements are un-audited and are being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

2.3 Accounting policies, related judgments, estimates and assumptions adopted for preparation of these financial statements are the same as those applied in preparation of the annual financial statements for the year ended June 30, 2008.

	March 31, 2009 (Rupees)	June 30, 2008 (Rupees)
3. SHARE CAPITAL		
Authorized share capital	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital	<u>173,607,322</u>	<u>144,672,768</u>
4. SURPLUS ON REVALUATION OF FIXED ASSETS-net of tax		
Surplus on revaluation of fixed assets as at 01 July.	282,701,998	290,352,569
Surplus transferred to unappropriated profit in respect of incremental depreciation charged during the year:		
- Net of deferred tax	(3,402,665)	(4,972,871)
- Related deferred tax liability	(1,832,204)	(2,677,700)
	<u>(5,234,869)</u>	<u>(7,650,571)</u>
Surplus on revaluation of fixed assets as at 31 March	277,467,129	282,701,998
Related deferred tax liability:		
- On Revaluation as at 01 July	(30,690,585)	(33,368,285)
- Transferred to profit and loss account		
Incremental depreciation charged during the year	1,832,204	2,677,700
	<u>(28,858,381)</u>	<u>(30,690,585)</u>
	<u>248,608,748</u>	<u>252,011,413</u>

5. LONG TERM FINANCING - secured	March 31, 2009	June 30, 2008
	(Rupees)	(Rupees)
Opening balance	274,386,350	92,500,000
Add. Disbursements during the period/year	<u>87,926,150</u>	<u>196,073,850</u>
	362,312,500	288,573,850
Less: Repayments during the period/year	<u>(70,593,750)</u>	<u>(14,187,500)</u>
	291,718,750	274,386,350
Less: Current portion shown under current liabilities	<u>(94,125,000)</u>	<u>(84,875,000)</u>
	<u>197,593,750</u>	<u>189,511,350</u>

The Parent Company has entered into a pay fix, receive variable interest rate swap agreement with a bank to hedge the interest rate exposure on the long term financing from HBL at notional amount of Rs. 275 million. As per the terms of the agreement the company will pay fix interest rate @ 12.8% p.a. to the bank and will receive 3 months PKR KIBOR. Effective period of swap is from July 25, 2007 till July 25, 2011. This swap agreement arrangement does not qualify for hedge accounting under the requirements of International Accounting Standard - 39 "Financial Instruments: Recognition and Measurement". Accordingly, this has been measured at its fair value as at the balance sheet date and resultant loss of Rs. 1.1 million has been recognized in the profit and loss account.

6. PROPERTY, PLANT AND EQUIPMENT	March 31, 2009	June 30, 2008
	(Rupees)	(Rupees)
Opening net book value	1,046,841,975	817,874,738
Add:		
Additions during the period	200,807,973	264,386,127
Less:		
Written down value of disposals	<u>(2,628,965)</u>	<u>(1,681,700)</u>
Depreciation	<u>(32,998,595)</u>	<u>(33,737,190)</u>
	<u>(35,627,560)</u>	<u>(35,418,890)</u>
	<u>1,212,022,388</u>	<u>1,046,841,975</u>

6.1 Additions during the period/year represents:

Freehold land	1,500,000	2,000,000
Building on freehold land	7,908,632	2,399,523
Plant and machinery	3,115,488	11,906,255
Office equipments	15,019,680	3,072,671
Furniture and fixtures	76,960	353,559
Computers	1,985,970	1,388,440
Vehicles-owned	37,930,000	11,099,126
Vehicles-leased	-	2,965,800
Capital work in progress	<u>133,271,243</u>	<u>229,200,753</u>
	<u>200,807,973</u>	<u>264,386,127</u>

7. SHORT TERM INVESTMENTS	Note	March 31,	June 30,
		2009	2008
		(Rupees)	(Rupees)
Investment at fair value through profit or loss			
- listed securities	7.1	33,273,300	221,184,835
Held to maturity investment	7.2	59,750,938	-
		<u>93,024,239</u>	<u>221,184,835</u>

7.1 Investments at fair value through profit or loss - listed securities

Number of shares		Name of Companies	March 31, 2009 (Rupees)		June 30, 2008 (Rupees)	
March 2009	June 2008		Carrying value	Fair value	Carrying value	Fair value
25,000	25,000	Pakistan National Shipping Corporation Ordinary shares of Rs. 10 each	1,788,750	1,020,000	2,530,057	1,788,750
118,800	108,000	Pakistan Petroleum Ltd Ordinary shares of Rs. 10 each	26,566,920	20,584,476	28,567,884	26,566,920
138,450	92,300	Bank Alfalah Ltd Ordinary shares of Rs. 10 each	1,446,620	1,939,685	4,672,262	3,789,838
30,000	—	National Bank of Pakistan Ordinary shares of Rs. 10 each	1,386,367	2,643,000	—	—
50,000	—	Pakistan Telecommunication Co.Ltd. Ordinary shares of Rs. 10 each	727,943	834,000	—	—
200,000	—	PICIC-Growth Fund Ordinary shares of Rs. 10 each	1,747,247	1,762,000	—	—
20,000	—	Pakistan Oilfields.Ltd. Ordinary shares of Rs. 10 each	3,235,471	3,421,200	—	—
—	651,870	Arif Habib Investments Ltd. Ordinary shares of Rs. 10 each	—	—	30,841,000	33,545,248
—	471,782	JS Investments Ltd. Ordinary shares of Rs. 10 each	—	—	50,000,000	52,337,682
—	7,537,123	NAFA Cash Funds Ordinary shares of Rs. 10 each	—	—	75,000,000	77,568,362
10,774	255,583	UBL Fund Managers Ltd. Ordinary shares of Rs. 10 each	1,060,726	1,068,940	25,000,000	25,588,035
			37,960,044	33,273,300	216,611,203	221,184,835
		Unrealised (loss) / Gain on account of remeasurement to fair value	(4,686,744)	—	4,573,632	—
			33,273,300	33,273,300	221,184,835	221,184,835

7.2 Held to maturity investment

This represents investment in term deposit receipts having maturity of three months which carries interest rate of 14.50% per annum.

8 COST OF SALES

	Note	3 Months Ended March 31, 2009 (Un-Audited) (Rupees)	3 Months Ended March 31, 2008 (Un-Audited) (Rupees)	9 Months Ended March 31, 2009 (Un-Audited) (Rupees)	9 Months Ended March 31, 2008 (Un-Audited) (Rupees)
Material consumed	8.1	162,948,123	119,634,841	401,695,704	320,269,544
Manufacturing expenses		26,278,521	20,829,873	72,762,112	67,224,901
Opening Work in process		11,849,920	7,364,468	5,206,081	2,897,691
		<u>201,076,564</u>	<u>147,829,182</u>	<u>479,663,897</u>	<u>390,392,136</u>
Less: closing work in process		<u>(10,261,837)</u>	<u>(5,842,809)</u>	<u>(10,261,837)</u>	<u>(5,842,809)</u>
Cost of goods manufactured		190,814,727	141,986,373	469,402,060	384,549,327
Add: opening finished goods		89,763,706	57,055,260	87,060,584	48,256,053
		<u>280,578,433</u>	<u>199,041,633</u>	<u>556,462,644</u>	<u>432,805,380</u>
Less: closing finished goods		<u>(129,474,799)</u>	<u>(83,515,007)</u>	<u>(129,474,799)</u>	<u>(83,515,007)</u>
Cost of sales		<u>151,103,634</u>	<u>115,526,626</u>	<u>426,987,845</u>	<u>349,290,373</u>

8.1 Material consumed

Opening stock	112,728,650	80,362,929	97,207,390	74,945,653
Add: purchases during the period	<u>181,949,826</u>	<u>128,666,419</u>	<u>436,218,667</u>	<u>334,718,398</u>
	294,678,476	209,029,348	533,426,057	409,664,051
Less: closing stock	<u>(131,730,353)</u>	<u>(89,394,507)</u>	<u>(131,730,353)</u>	<u>(89,394,507)</u>
	<u>162,948,123</u>	<u>119,634,841</u>	<u>401,695,704</u>	<u>320,269,544</u>

9. TRANSACTIONS WITH RELATED PARTIES

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

	9 Months Ended March 31, 2009 (Un-Audited) (Rupees)	9 Months Ended March 31, 2008 (Un-Audited) (Rupees)
Other related parties		
Contribution to employee provident fund	4,741,753	3,166,985
Remuneration of directors and key management personnel	35,611,741	23,719,370
	March 31, 2009 (Un-Audited) (Rupees)	June 30, 2008 (Audited) (Rupees)

10. CONTINGENCIES AND COMMITMENTS
Contingencies:

i Guarantees issued by banks on behalf of the company	8,755,640	455,640
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Commitments:

ii Capital Expenditure	40,572,022	63,187,114
iii Letter of credits other than for capital expenditure	49,097,735	12,011,016

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 of the company on **April 28, 2009**.

Rawalpindi
April 28, 2009

Director

Chairperson & Chief Executive