

Directors' Report - FPCL

The Board of Directors is pleased to present a brief overview of the operational and financial highlights of the company for the first quarter ended March 31, 2015.

Our Performance

FFBL Power Company Limited was incorporated to overcome the energy crises in future by installing Coal Power Plant (CPP) project with power generation capacity of 118 MW within FFBL Fertilizer complex as a substitute of Natural gas fuel based system. The power generated will be used for existing fertilizer complex as well as for export to K Electric. The major equipment has already been ordered and civil construction activities are in progress. The project is planned to come online in first quarter of 2017.

Financial Highlights

Since no commercial activity is in place, the profit and loss account of the Company shows administrative expenses of Rs. 1.77 million along with the profit of Rs. 13 thousand on bank deposits.

Capital work in progress of Rs. 3,058 million consist of advances given for the purchase of equipment and expenditures incurred on project so far. Current assets include Rs. 8.6 million stores and spares and bank balance of Rs. 194 million.

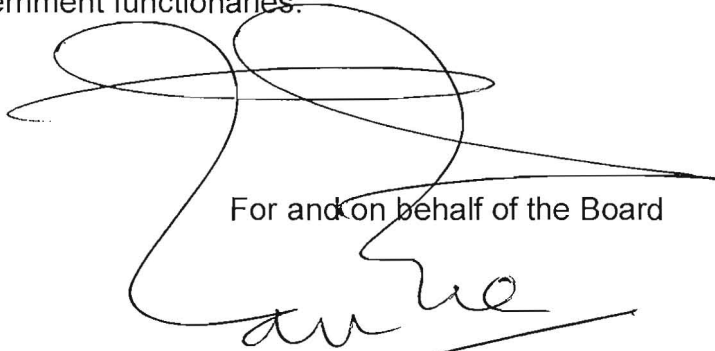
Future Outlook and Strategy

The Company has planned to set up a 118 MW coal-fired cogeneration power plant to sell power to Karachi Electric Supply Corporation and sell power and steam to Fauji Fertilizer Bin Qasim Limited fertilizer plant.

Acknowledgment

The management has all the confidence in the future and with high investment potential opportunities in the energy sector we believe that by increasing the investment base we expect to achieve profitability that will have a positive impact on the national economy.

On behalf of the Board, I would like to acknowledge with thanks the efforts and contribution made by the management staff, employees, regulatory authorities and various government functionaries.

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For and on behalf of the Board

Lt Gen Khalid Nawaz Khan, HI (M), (Retd)

Chairman