

KOHAT CEMENT COMPANY LIMITED

The General Manager,
Karachi Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

April 09, 2015

Financial Results for the 3rd Quarter ended March 31, 2015

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **April 09, 2015** at **11:00 A.M.** at **Company's Head Office, 37-P, Gulberg II, Lahore**, recommended the following:

(i) **CASH DIVIDEND**

An Interim Cash Dividend for the quarter ended **March 31, 2015** at **Rs. 5** per Share i.e. **50%**. This is in addition to Interim Dividend(s) already paid at Rs. **Nil** per share i.e. **Nil%**

(ii) **BONUS SHARES** : **NIL**

(iii) **RIGHT SHARES** : **NIL**

(iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** : **NIL**

(v) **ANY OTHER PRICE-SENSITIVE INFORMATION** : **NIL**

The financial results of the Company along with the Directors' Review Report are attached:

The above entitlement will be paid to the shareholders whose names will appear in the Register of Members at the close of the business on **April 23, 2015**.

The Share Transfer Books of the Company will be closed from **April 24, 2015** to **April 30, 2015** (both days inclusive). Transfers received at the Share Registrar of the Company M/S Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore at the close of the business on **April 23, 2015** will be treated in time for the purpose of above entitlement to the transferees.

We will be sending you 200 copies of printed accounts for distribution amongst the TRE Certificates Holders of the Exchange.

Yours Sincerely,



Aizaz Mansoor Sheikh
Chief Executive

Encl: As above

CC: The Secretary,
Lahore Stock Exchange Ltd.

The Secretary,
Islamabad Stock Exchange Ltd.



Head Office: 37-P, Gulberg II, Lahore - Pakistan.
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Web: www.kohatcement.com



Kohat Cement Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the Quarter and Nine Month Period ended March 31, 2015

	Note	Quarter ended (Un-audited)		Nine month ended (Un-audited)	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		Rupees			
Sales - net	11 ✓	2,889,284,188	3,309,457,964	8,795,308,161	9,162,459,401
Cost of goods sold	12 ✓	(1,801,797,368)	(1,911,666,591)	(5,675,924,732)	(5,380,749,844)
Gross profit		1,087,486,820	1,397,791,373	3,119,383,429	3,781,709,557
Selling and distribution expenses		(18,004,487)	(22,999,254)	(52,220,171)	(60,650,968)
Administrative and general expenses		(28,611,679)	(24,466,717)	(85,085,647)	(78,524,204)
Other income	13 ✓	245,923,013	133,188,957	364,686,287	173,520,490
Other expenses	14 ✓	(84,744,804)	(90,446,052)	(222,407,259)	(240,770,841)
		114,562,043	(4,723,066)	4,973,210	(206,425,523)
Operating profit		1,202,048,863	1,393,068,307	3,124,356,639	3,575,284,034
Finance cost		(18,040,716)	(46,205,381)	(60,057,661)	(126,026,268)
Profit before taxation		1,184,008,147	1,346,862,926	3,064,298,978	3,449,257,766
Taxation	15 ✓	(318,385,912)	(392,050,985)	(832,890,223)	(1,020,448,568)
Profit after taxation		865,622,235	954,811,941	2,231,408,755	2,428,809,198
Earnings per share (basic and diluted)		5.60	6.18	14.44	15.72

The annexed notes from 1 to 18 form an integral part of these condensed interim financial statements.


 Chief Executive


 Director

DIRECTORS' REVIEW

The Directors of your Company are pleased to present the Un-Audited Interim Financial Statements of your Company for the 3rd Quarter and nine months ended 31st March 2015.

Market Review

During the period of nine months under review, local dispatches of cement in Pakistan were 20.3 million M Tones registering a healthy growth of 8.4% while exports have been declined to 5.4 million M Tones resulting into a negative impact of 9.6% compared to the corresponding period of last year. Overall growth in sales volume in the country for the nine months ended 31-Mar-15 has been recorded at 4.1%.

Production and Sales Volumes

The Company dispatched 1,297,781 metric tons cement during the nine months period under review with a decrease of 5.58% over the dispatches in comparable period of the last year. Production and sales volumes of the Company during the period were as follows:

(M Tons)

	January-March		July-March	
	2015	2014	2015	2014
Clinker Production	452,403	299,664	1,164,482	1,117,404
Cement Dispatches	429,323	488,559	1,297,781	1,374,535

The decrease in cement dispatches is mainly due to unauthorized obstruction in mining operations of the Company by some local miscreants during the months of December 2014 and January 2015. However, as of today, there is no legal impediment on excavation of materials and the Company has expanded its resources by developing more queries to avoid such situation in future. Clinker manufacturing from old grey cement line remained suspended due to overcapacity in the local market.

Financial Performance

Financial results are summarized below:

(Rupees in thousands)

	January - March		July-March	
	2015	2014	2015	2014
Net Sales Revenue	2,889,284	3,309,458	8,795,308	9,162,459
Gross profit	1,087,487	1,397,791	3,119,383	3,781,710
Operating Profit	1,202,049	1,393,068	3,124,357	3,575,284
Finance Cost	18,041	46,205	60,058	126,026
Profit before taxation	1,184,008	1,346,863	3,064,299	3,449,258
Taxation	318,386	392,051	832,890	1,020,449
Profit after taxation	865,622	954,812	2,231,409	2,428,809
Earnings per share (Rs.)	5.60	6.18	14.44	15.72



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Reduction in profits of the Company is mainly attributable to increase in cost of electricity over the corresponding period of last year as the electricity tariff was increased by NEPRA in April 2014 by more than 50%. The management is hopeful that after setting up of 15MW Waste Heat Recovery Power Plant (WHRPP) by 30th June, 2015, the company shall be able to nullify the effect of increased electricity tariff.

The Company is current with all its debt obligations.

Future outlook

Domestic demand of cement is expected to remain increasing due to Developmental projects executed by Government and other construction related activities in the Country. The Management of your Company is striving its best to use cost effective methods for production to maximize the profits of the Company.

Acknowledgments

While placing on record our thanks to all the stakeholders, we look forward to their continued support in future. The employees of the Company deserve a special vote of thanks for their hard work, dedication and commitment.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive

Lahore: April 09, 2015



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