

# KOHAT CEMENT COMPANY LIMITED

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

October 30, 2015

**Subject: Financial Results for the Quarter Ended September 30, 2015**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **October 30, 2015 at 11:30 A.M.**, at **Head Office, 37-P, Gulberg-II, Lahore**, recommended the following:

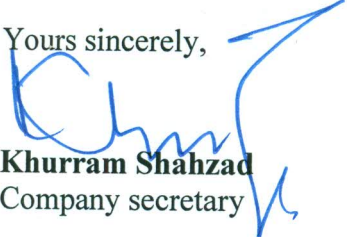
- |       |                             |   |            |
|-------|-----------------------------|---|------------|
| (i)   | <b><u>CASH DIVIDEND</u></b> | : | <b>NIL</b> |
| (ii)  | <b><u>BONUS SHARES</u></b>  | : | <b>NIL</b> |
| (iii) | <b><u>RIGHT SHARES</u></b>  | : | <b>NIL</b> |

The financial results of the Company are attached.

Directors' review report is also annexed.

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

Yours sincerely,

  
**Khurram Shahzad**  
Company secretary

CC: The Secretary,  
Lahore Stock Exchange Limited,  
19-Khyaban-e-Aiwan-e-Iqbal,  
Lahore.

The Secretary,  
Islamabad Stock Exchange Limited,  
ISE Towers, 55-B, Jinnah Avenue  
Islamabad.



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
UAN: +92-42-11-111-KCCL, (5225) Fax: +92-42-3575-4084, 3587-4990  
Web: [www.kohatcement.com](http://www.kohatcement.com)

ISO-9002



**Kohat Cement Company Limited**  
**Condensed Interim Profit and Loss Account (Un-audited)**  
**For the Quarter ended September 30, 2015**

	Note	(un-audited) July 1 - Sep 30 2015 Rupees	(un-audited) July 1 - Sep 30 2014 Rupees
Sales - net	11	3,242,217,883	2,925,089,593
Cost of goods sold	12	1,793,383,450	1,886,743,290
<b>Gross profit</b>		<b>1,448,834,433</b>	<b>1,038,346,303</b>
Selling and distribution expenses		39,757,862	16,967,084
Administrative and general expenses		33,386,961	27,880,066
Other income	13	(106,048,805)	(39,228,625)
Other charges	14	104,600,663	68,592,997
		71,696,681	74,211,522
<b>Operating profit</b>		<b>1,377,137,752</b>	<b>964,134,781</b>
Finance cost		9,387,764	26,289,106
<b>Profit before taxation</b>		<b>1,367,749,988</b>	<b>937,845,675</b>
Taxation	15	422,018,941	254,979,560
<b>Profit after taxation</b>		<b>945,731,047</b>	<b>682,866,115</b>
<b>Earnings per share (basic and diluted)</b>		<b>6.12</b>	<b>4.42</b>

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

  
 Chief Executive

  
 Director

# KOHAT CEMENT COMPANY LIMITED

## DIRECTORS' REVIEW

The Directors of Kohat Cement Company Limited take pleasure in presenting the quarterly report together with the un-audited condensed interim financial statements of your Company for the 1<sup>st</sup> quarter ended September 30, 2015.

### Market Review

During the first quarter of financial year 2015-16 local dispatches of cement sector increased by 11.12% while exports declined by 27.23% compared to the corresponding period of last year.

Overall growth in sales volume of the cement sector, for the same period, has been recorded at 1.43%.

### Production and Sales Volumes

By the grace of Almighty Allah, clinker production and sales volume of your Company have shown an overall increase of 7.07% and 10.75% respectively as detailed below:

(M Tons)

	Quarter ended Sep. 30, 2015	Quarter ended Sep. 30, 2014
Clinker Production	435,436	406,669
Cement Dispatches	476,962	430,684

### Financial Performance

Net earnings for the quarter under review have grown by 38.5% over the corresponding quarter of last year. Decrease in coal and energy prices are the primary reasons for the improved gross and net margins during the quarter under review. Comparison of un-audited results for the quarter ended September 30, 2015 with the corresponding quarter last year are as follows:

	Sep. 30, 2015 (Rupees)	Sep. 30, 2014 (Rupees)
Net Sales Revenue	3,242,217,883	2,925,089,593
Gross profit	1,448,834,433	1,038,346,303
Admin and selling expenses	(73,144,823)	(44,847,150)
Other expenses	(104,600,663)	(68,592,997)
Other income	106,048,805	39,228,625
Finance costs	(9,387,764)	(26,289,106)
Taxation	(422,018,941)	(254,979,560)
Profit after taxation	945,731,047	682,866,115
<b>Earnings per share (Rs.)</b>	<b>6.12</b>	<b>4.42</b>

The Company is current on its all debt obligations.

### On Going Projects

Waste Heat Recovery Power Plant (WHRPP) – Commissioning of the 15 MW WHRPP is under process and the project is expected to be fully operational by December 2015.

# KOHAT CEMENT COMPANY LIMITED

Cement Mill – Your Company has decided to add a new cement mill of 105 tph to bring in operational and economic efficiencies in the cement grinding process. The Contract for supply and erection of the cement mill has been signed with a Chinese company. The estimated cost of the project is around PKR 650 million and it is projected that the cement mill shall start production by September 2017.

## Future outlook

Stable cement prices, Government spending on infrastructure & development projects such as China Pak Economic Corridor (CPEC), cost effective production methods and expert professional management supervision indicate a strong future growth of your Company.

## Acknowledgments

We feel great honour and pleasure in informing you that Forbes Magazine has selected your company as one of the "Best Under A Billion" companies in the Asia Pacific region. From a pool of 17000 listed companies only 200 exceptional small and mid sized companies are selected for this prestigious award. The selection criteria is sales and earnings growth over a 3 year period and strongest 5 year return on equity. Only 2 companies from Pakistan and 11 from India have been selected for this list.

The Board acknowledges and expresses its gratitude to all the stakeholders of the Company, without whom the company would not have been able to achieve this global stature and recognition.

For and on behalf of the Board

**Aizaz Mansoor Sheikh**  
Chief Executive

Lahore: October 30, 2015

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