

KOHAT CEMENT COMPANY LIMITED

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

January 28, 2016

Subject: Financial Results for the Quarter Ended December 31, 2015

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held on **January 28, 2016 at 11:00 A.M.**, at **Head Office, 37-P, Gulberg-II, Lahore**, recommended the following:

(i) **CASH DIVIDEND**

An Interim Cash Dividend for the quarter ended December 31, 2015 at **Rs. 5/- per share i.e. 50%**.

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

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

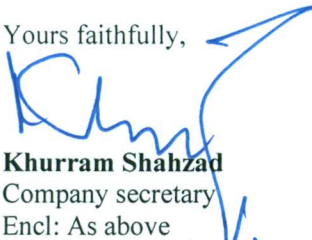
The financial results of the Company along with directors' review report are attached.

The above entitlements will be paid to the shareholders whose names will appear in the register of members at the close of the business on **Monday, February 15, 2016**.

The Share Transfer Books of the Company will be closed from **Tuesday, February 16, 2016 to Tuesday February, 23, 2016** (both days inclusive). Transfers received at the Share Department of the Company, **M/s. Hameed Majeed Associates (Private) Limited, HM House, 7-Bank Square, Lahore**, at the close of business on **Monday, February 15, 2016** 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 faithfully,


Khurram Shahzad
Company secretary
Encl: As above



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



Kohat Cement Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the half year and quarter ended 31 December 2015

		2015	2014	2015	2014
		01 July to 31 December	01 July to 31 December	01 October to 31 December	01 October to 31 December
	Note	-----Rupees-----			
Sales - net	12	7,058,011,067	5,906,023,973	3,815,793,184	2,980,934,380
Cost of sales	13	(3,965,156,944)	(3,874,127,364)	(2,171,773,494)	(1,987,384,074)
Gross profit		3,092,854,123	2,031,896,609	1,644,019,690	993,550,306
Selling and distribution expenses		(77,624,373)	(34,215,684)	(37,866,511)	(17,248,600)
Administrative and general expenses		(66,222,620)	(56,473,968)	(32,835,659)	(28,593,902)
Other income	14	263,998,142	118,763,274	157,949,337	79,534,649
Other charges	15	(220,912,610)	(137,662,455)	(116,311,947)	(69,069,458)
		(100,761,461)	(109,588,833)	(29,064,780)	(35,377,311)
Operating profit		2,992,092,662	1,922,307,776	1,614,954,910	958,172,995
Finance cost		(18,750,535)	(42,016,945)	(9,362,771)	(15,727,839)
Profit before taxation		2,973,342,127	1,880,290,831	1,605,592,139	942,445,156
Taxation	16	(871,921,085)	(514,504,311)	(449,902,144)	(259,524,751)
Profit after taxation		2,101,421,042	1,365,786,520	1,155,689,995	682,920,405
Earning per share (basic and diluted)		13.60	8.84	7.48	4.42

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

Lahore


Chief Executive


Director

KOHAT CEMENT COMPANY LIMITED

DIRECTORS' REVIEW

The Board of Directors of your Company is delighted in presenting the Interim Financial Statements of your company for the 2nd Quarter and half year ended 31st December 2015 duly reviewed by the external auditors.

Market Review

During the half-year ended 31st December 2015, dispatches of cement sector of Pakistan were 18.22 million tons (Local 15.20 million tons and exports 3.02 million tons) showing a growth of 6.38% compared to the corresponding period of last year. Local sales grew by 16.32% while exports declined by 25.67%.

Production and Sales Volumes

The Company dispatched 1,037,787 tons of cement during the six months period under review showing an increase of 19.50% over the same period of last year. Production and sales volumes of the Company were as follows:

(M Tons)

	October-December		July-December	
	2015	2014	2015	2014
Clinker Production	475,290	305,410	910,726	712,079
Cement Dispatches	560,825	437,774	1,037,787	868,458

Financial Performance

Net Profits for the second quarter and half year under review have grown by 69.23% and 53.85% respectively over the corresponding periods of last year. Decreases in energy prices coupled with increased sales volume are the primary reasons for the improved gross and net margins during the quarter under review. Un-audited results are compared below:

(Rupees in thousands)

	2 nd Quarter (Oct. to Dec)		Half year (July-Dec)	
	2015	2014	2015	2014
Net Sales Revenue	3,815,793	2,980,934	7,058,011	5,906,024
Gross profit	1,644,019	993,550	3,092,854	2,031,897
Operating Profit	1,614,955	958,173	2,992,093	1,922,308
Finance Cost	9,363	15,728	18,751	42,017
Profit before taxation	1,605,592	942,445	2,973,342	1,880,291
Taxation	499,902	259,525	871,921	514,504
Profit after taxation	1,155,690	682,920	2,101,421	1,365,787
Earnings per share (Rs.)	7.48	4.42	13.60	8.84



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On Going Projects

15 MW Waste Heat Recovery Power Plant (WHRPP) is at commissioning stage and shall be fully operational in the 3rd quarter.

Future outlook

Growth in domestic cement demand is expected to remain healthy while exports shall remain under pressure.

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: January 28, 2016



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