

KOHAT CEMENT COMPANY LIMITED

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

April 29th, 2016

Subject: Financial Results for the Quarter Ended March 31st, 2016

Dear Sir,

We have to inform you that the Board of Directors of our company in its meeting held on April 29th, 2016 at 11:00 A.M., at Head Office, 37-P, Gulberg-II, Lahore, recommended the following:

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

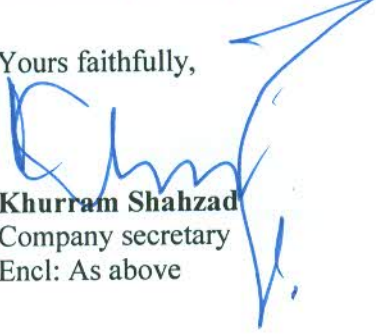
The financial results of the Company along with directors' review report are attached.

An Extra Ordinary General Meeting of the Company, to elect 7 (seven) Directors being the number of Directors fixed by the Board of Directors in its today's meeting, will be held on Monday June 27, 2016 at 09:00 A.M. at Registered office of the Company, Kohat Cement Factory, Rawalpindi Road, Kohat.

The register of the members and the share transfer books of the Company will be closed from Monday, June 20, 2016 to Monday, June 27, 2016 (both days inclusive). Transfer received in order at the share department of Company, Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, Lahore, up to the close of business day on Friday, June 17, 2016 will be treated in time for entitlement to attend and vote for/in the Extra Ordinary General Meeting.

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 Quarter and Nine Month Period ended March 31, 2016

	Note	Quarter ended (Un-audited)		Nine month ended (Un-audited)	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Rupees					
Sales - net	12	3,722,173,495	2,889,284,188	10,780,184,562	8,795,308,161
Cost of goods sold	13	(1,892,364,400)	(1,801,797,368)	(5,857,521,344)	(5,675,924,732)
Gross profit		1,829,809,095	1,087,486,820	4,922,663,218	3,119,383,429
Selling and distribution expenses		(43,517,731)	(18,004,487)	(121,142,104)	(52,220,171)
Administrative and general expenses		(32,262,618)	(28,611,679)	(98,485,238)	(85,085,647)
Other income	14	113,819,336	245,923,013	377,817,478	364,686,287
Other expenses	15	(129,722,031)	(84,744,804)	(350,634,641)	(222,407,259)
		(91,683,044)	114,562,043	(192,444,505)	4,973,210
Operating profit		1,738,126,051	1,202,048,863	4,730,218,713	3,124,356,639
Finance cost		(6,730,621)	(18,040,716)	(25,481,156)	(60,057,661)
Profit before taxation		1,731,395,430	1,184,008,147	4,704,737,557	3,064,298,978
Taxation	16	(505,889,791)	(318,385,912)	(1,377,810,876)	(832,890,223)
Profit after taxation		1,225,505,639	865,622,235	3,326,926,681	2,231,408,755
Earnings per share (basic and diluted)		7.93	5.60	21.53	14.44

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


 Chief Executive


 Director

KOHAT CEMENT COMPANY LIMITED

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 2016.

Market Review

During the nine months under review, local dispatches of cement in Pakistan were 23.941 (2015: 20.342) million M Tons registering a growth of 17.69% (2015: 7.8%) while exports have been reduced to 4.407 (2015: 5.442) million M Tons resulting into a negative impact of 19.02% (2015:9.7%) compared to the corresponding period of last year. Overall growth in sales volume in the country for the nine months ended 31st March 2016 has been recorded at 9.95%.

Production and Sales Volumes

The Company dispatched 1,602,336 metric tons cement during the nine months period under review registering a growth of 23.47% 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	
	2016	2015	2016	2015
Clinker Production	517,901	452,403	1,428,627	1,164,482
Cement Dispatches	564,549	429,323	1,602,336	1,297,781

Financial Performance

Financial results are summarized below:

(Rupees)

	3 rd Qtr. (Jan – Mar)		9-Months (Jul-Mar)	
	2016	2015	2016	2015
Net Sales Revenue	3,722,173,495	2,889,284,188	10,780,184,562	8,795,308,161
Gross profit	1,829,809,095	1,087,486,820	4,922,663,218	3,119,383,429
Operating Profit	1,738,126,051	1,202,048,863	4,730,218,713	3,124,356,639
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Healthy profitability is mainly due to unprecedented growth in sales volumes and reduction in international coal prices and further cheap electricity generation from Company's captive power plant. The Company is current with all its debt obligations.



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On Going Projects

Waste Heat Recovery Power Project (WHRPP) – WHRPP has started generating electricity from 1st April 2016; which shall substantially reduce the electricity costs and shall further enhance the profitability of the company.

105 tph Cement Mill – LC for the cement mill has been established and imported part of the cement mill shall reach Pakistan by March 2017, whereas Civil works shall commence shortly and the mill is expected to be operational by Dec 2017.

Future outlook

Cement Industry in Pakistan is expected to have a bright future in wake of mega infrastructure projects undertaken by the Government. Private Sector construction projects are also in progress which increases the demand of Cement in local market. Cost effective methods utilized by the Company have maximized its profits and shall result in accelerated profits in the days to come.

Acknowledgments

The Board expresses compliments to all its stakeholders and employees for their untiring efforts and support which resulted in the excellent growth of the Company.

For and on behalf of the Board

Aizaz Mansoor Sheikh
Chief Executive

Lahore: April 29, 2016



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