

KOHAT CEMENT COMPANY LIMITED

Through PUCAR/Courier

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

October 27, 2016

Subject: Financial Results for the 1st Quarter ended September 30, 2016

Dear Sir,

We have to inform you that the Board of Directors of our Company in its meeting held on **October 27, 2016 at 11:00 A.M., at Head Office, 37-P, Gulberg-II, Lahore**, recommended the following:

- (i) **CASH DIVIDEND**
1st Interim cash dividend for the 1st Quarter ended September 30, 2016 at Rs. 4/- per share i.e. 40%.
- (ii) **BONUS SHARES** : NIL
- (iii) **RIGHT SHARES** : NIL
- (iv) **ANY OTHER ENTITLEMENT/CORPORATE ACTION** : NIL
- (v) **ANY OTHER PRICE-SENSITIVE INFORMATION** : NIL

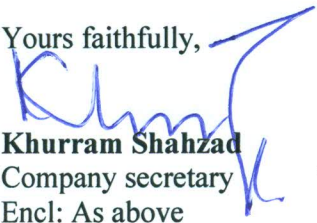
The financial results of the Company along with directors' report are attached herewith.

The above entitlement will be paid to the shareholders whose names will appear in the Register of the Members on **Friday, November 11, 2016**.

The register of the members and the share transfer books of the Company will be closed from **Monday, November 14, 2016 to Monday, November 21, 2016** (both days inclusive). Transfers 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, November 11, 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

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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 ended September 30, 2016

		(un-audited) July 1 - Sep 30 2016 Rupees	(un-audited) July 1 - Sep 30 2015 Rupees
Sales - net	13 ✓	3,193,907,277 ✓	3,242,217,883 ✓
Cost of goods sold	14 ✓	1,659,509,823 ✓	1,793,383,450 ✓
Gross profit		<u>1,534,397,454 ✓</u>	<u>1,448,834,433 ✓</u>
Selling and distribution expenses		31,430,655	39,757,862 ✓
Administrative and general expenses		40,328,980	33,386,961 ✓
Other operating income	15 ✓	(103,100,957) ✓	(106,048,805) ✓
Other operating charges	16 ✓	105,292,100 ✓	104,600,663 ✓
		<u>73,950,778 ✓</u>	<u>71,696,681 ✓</u>
Operating profit		<u>1,460,446,676 ✓</u>	<u>1,377,137,752</u>
Finance cost		23,754,033 ✓	9,387,764
Profit before taxation		<u>1,436,692,643 ✓</u>	<u>1,367,749,988</u>
Taxation	17 ✓	444,929,558 ✓	422,018,941
Profit after taxation		<u><u>991,763,085 ✓</u></u>	<u><u>945,731,047</u></u>
Earnings per share (basic and diluted)		<u><u>6.42 ✓</u></u>	<u><u>6.12</u></u>

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.


 Chief Executive


 Director

KOHAT CEMENT COMPANY LIMITED

DIRECTORS' REVIEW

The Directors of your Company take pleasure in presenting the quarterly report together with the un-audited condensed interim financial statements of your Company for the 1st quarter ended September 30, 2016.

Production and Sales Volumes

Summary of production and sales is detailed below:

	Sep. 30, 2016 (M Tons)	Sep. 30, 2015 (M Tons)
Clinker Production	446,863	435,436
Cement Production	462,917	483,349
Local Sales	433,507	424,153
Export Sales	36,482	52,809
Total Sales	469,989	476,962

Financial Performance

Financial Performance of your Company for the quarter under review is summarized below:

	Sep. 30, 2016 (Rupees)	Sep. 30, 2015 (Rupees)
Net Sales Revenue	3,193,907,277	3,242,217,883
Gross profit	1,534,397,454	1,448,834,433
Admin and selling expenses	(71,759,635)	(73,144,823)
Other expenses	(105,292,100)	(104,600,663)
Other income	103,100,957	106,048,805
Finance costs	(23,754,033)	(9,387,764)
Taxation	(444,929,558)	(422,018,941)
Profit after taxation	991,763,085	945,731,047
Earnings per share (Rs.)	6.42	6.12

Decrease in power cost due to electricity generation from Waste Heat Recovery Power Plant is the primary reason for the improved gross and net margins during the quarter under review.

The Company is current on its all debt obligations.

On Going Projects

New Cement Mill of 105 tph of your Company is expected to be operational by December 2017.

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Future outlook

Infrastructure Projects under China Pak Economic Corridor (CPEC) and PSDP are most likely to continue the healthy Cement demand in the local market which shall result in increased volumes and attractive profits for the Company.

Acknowledgments

The Board of Directors of your Company wishes to recognize the efforts of all the stakeholders and employees of the Company who contributed their level best towards the uplift of your Company.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive

Lahore: October 27, 2016



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