

KOHAT CEMENT COMPANY LIMITED

Through PUCAR and Courier

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

February 26, 2018

Subject: Financial Results for the Quarter ended December 31, 2017

Dear Sir,


We have to inform you that the Board of Directors of our Company in its meeting held on **February 26, 2018 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 |
| (iv) | <u>ANY OTHER ENTITLEMENT/CORPORATE ACTION</u> | : | NIL |
| (v) | <u>ANY OTHER PRICE-SENSITIVE INFORMATION</u> | : | NIL |

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

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

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 2017

		2017	2016	2017	2016
		01 July to 31 December	01 July to 31 December	01 October to 31 December	01 October to 31 December
	Note	----- Rupees -----			
Sales - net	13	6,867,621,584	7,164,125,173	3,450,191,214	3,970,217,901
Cost of goods sold	14	(4,339,101,167)	(3,800,006,354)	(2,273,730,800)	(2,140,496,531)
Gross profit		2,528,520,417	3,364,118,824	1,176,460,414	1,829,721,370
Selling and distribution expenses		(68,002,862)	(71,478,319)	(37,563,845)	(40,047,664)
Administrative and general expenses		(101,463,078)	(82,934,104)	(58,912,857)	(42,605,124)
Other operating income	15	175,764,843	202,547,894	87,440,425	99,446,937
Other operating charges	16	(180,882,374)	(230,888,594)	(79,054,099)	(125,596,494)
		(174,583,471)	(182,753,123)	(88,090,376)	(108,802,345)
Operating profit		2,353,936,946	3,181,365,701	1,088,370,038	1,720,919,025
Finance cost		(37,199,916)	(46,597,081)	(20,331,085)	(22,843,048)
Profit before taxation		2,316,737,030	3,134,768,620	1,068,038,953	1,698,075,977
Taxation	17	(672,550,938)	(944,691,615)	(326,985,446)	(499,762,057)
Profit after taxation		1,644,186,092	2,190,077,005	741,053,507	1,198,313,920
Earning per share (basic and diluted)		10.64	14.17	4.80	7.76

WPC/MA

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

Lahore


Chief Executive


Director


Chief Financial Officer

KOHAT CEMENT COMPANY LIMITED

DIRECTORS' REVIEW

Dear Shareholders,

Your Directors present to you the 2nd Quarter and half yearly results of financial year 2017-18 duly reviewed by the external auditors.

Production and Sales Volumes

Summary of production and sales is detailed below:

	Oct-Dec		July-Dec	
	2017	2016	2017	2016
	M Tons			
Clinker Production	617,205	489,736	1,066,891	936,599
Cement Production	607,299	576,713	1,103,424	1,039,630
Local Sales	551,369	554,651	1,055,979	988,159
Export Sales	25,790	44,789	58,704	81,271
Total Sales	577,159	599,440	1,114,683	1,069,430

Financial Performance

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

	2nd Quarter (Oct-Dec)		Half year (July-Dec)	
	2017	2016	2017	2016
	Rupees			
Net Sales Revenue	3,450,191,214	3,970,217,901	6,867,621,584	7,164,125,178
Gross profit	1,176,460,414	1,829,721,370	2,528,520,417	3,364,118,824
Admin and selling expenses	(96,476,702)	(82,652,788)	(169,465,940)	(154,412,423)
Other expenses	(79,054,099)	(125,596,494)	(180,882,374)	(230,888,594)
Other income	87,440,425	99,446,937	175,764,843	202,547,894
Finance costs	(20,331,085)	(22,843,048)	(37,199,916)	(46,597,081)
Taxation	(326,985,446)	(499,762,057)	(672,550,938)	(944,691,615)
Profit after taxation	741,053,507	1,198,313,920	1,644,186,092	2,190,077,005
Earnings per share (Rs.)	4.80	7.76	10.64	14.17

Sales figure took a hit from declining cement prices in the market during the period. Moreover, coal cost was the major reason for the increase in cost of sales, descending the gross profit figure. The price volatility of the global coal market and USD-PKR parity is placing pressure on cost of production.

The Company is current on its all debt obligations.



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On Going Projects

Cement Mill of grinding capacity of 105 tph is being erected. It is expected to start commercial production in April 2018.

Brownfield Expansion of 7800 tpd at the existing Plant site is being carried out as per schedule.

Future outlook

We are optimistic about volumetric growth in domestic sales for the current financial year on the back of infrastructure projects initiated by Government including China Pak Economic Corridor (CPEC) and PSDP. These initiatives will boost cement demand in the future and the same will positively impact on profits of the Company.

Acknowledgments

We express deep sense of gratitude to all stakeholders and employees for their co-operation and support and look forward to their continued support in future.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive



Nadeem Atta Sheikh
Director

Lahore: February 26, 2018



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