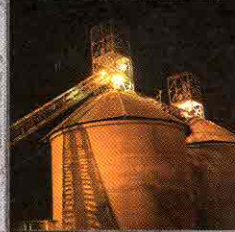


Attock Cement
Pakistan Limited



Half Yearly Report December 31, 2013

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Condensed Interim Financial Information

Half Year Ended December 31, 2013

Condensed Interim Balance Sheet

As at December 31, 2013

	Note	(Unaudited) Dec. 31, 2013 ----Rupees '000----	(Audited) June 30, 2013 (Re-stated)
ASSETS			
Non-current assets			
Fixed assets - property, plant and equipment	5	5,938,632	5,998,663
Long-term investment		4,500	4,500
Long-term loans and advances		25,459	28,653
Long-term deposits		42,980	42,980
		<u>6,011,571</u>	<u>6,074,796</u>
Current assets			
Stores, spares and loose tools	6	1,275,041	956,276
Stock-in-trade		618,917	564,899
Trade debts - considered good		347,180	349,283
Loans and advances		36,634	35,434
Short-term deposits and prepayments		41,895	19,423
Investments		2,049,916	2,282,729
Accrued interest		4,298	4,298
Other receivables		24,837	22,594
Cash and bank balances		291,604	389,014
		<u>4,690,322</u>	<u>4,623,950</u>
Total assets		<u>10,701,893</u>	<u>10,698,746</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		1,145,225	995,848
Unappropriated profit		6,578,725	6,852,908
		<u>7,723,950</u>	<u>7,848,756</u>
LIABILITIES			
Non-current liabilities			
Liability against asset subject to finance lease		5,586	6,517
Deferred taxation		1,007,951	1,041,952
Retirement benefits - obligations		138,069	149,045
		<u>1,151,606</u>	<u>1,197,514</u>
Current liabilities			
Trade and other payables	7	1,627,243	1,591,671
Current maturity of liability against asset subject to finance lease		1,862	1,862
Taxation - provision less payments		197,232	58,943
		<u>1,826,337</u>	<u>1,652,476</u>
Total liabilities		<u>2,977,943</u>	<u>2,849,990</u>
Contingency and commitments	8		
Total equity and liabilities		<u>10,701,893</u>	<u>10,698,746</u>

The annexed notes 1 to 17 form an integral part of these financial statements.


Babar Bashir Nawaz
 Chief Executive


Abdus Sattar
 Director

Condensed Interim Profit and Loss Account

For the half year ended December 31, 2013 - Unaudited

	Note	Quarter ended		Half year ended	
		Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
← Rupees '000 →					
Net sales	9	3,045,046	2,558,556	5,917,079	5,061,818
Cost of sales		(2,208,744)	(1,676,537)	(4,276,160)	(3,555,742)
Gross profit		836,302	882,019	1,640,919	1,506,076
Distribution cost	10	(207,313)	(113,335)	(385,207)	(228,108)
Administrative expenses		(76,218)	(54,569)	(151,349)	(125,700)
Other operating expenses		(41,500)	(51,143)	(83,000)	(84,143)
Other income	11	63,164	49,679	117,210	137,368
Operating profit		574,435	712,651	1,138,573	1,205,493
Finance cost		(6,925)	(5,199)	(11,531)	(7,219)
Profit before taxation		567,510	707,452	1,127,042	1,198,274
Taxation	12	(119,000)	(106,824)	(256,000)	(240,025)
Profit after taxation		448,510	600,628	871,042	958,249
Other comprehensive income		-	-	-	-
Total comprehensive income		448,510	600,628	871,042	958,249
Basic and diluted earnings per share (Rupees)		3.92	5.24	7.61	8.37

The annexed notes 1 to 17 form an integral part of these financial statements.


Babar Bashir Nawaz
 Chief Executive


Abdus Sattar
 Director

Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2013 - Unaudited

	Note	Dec. 31, 2013	Dec. 31, 2012
		---- Rupees '000----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	913,513	1,308,929
Finance cost paid		(11,531)	(7,219)
Income tax paid		(151,712)	(211,383)
Retirement benefit obligation paid		(40,146)	(11,032)
Increase in long-term loans and advances		3,194	(5,428)
Net cash from operating activities		713,318	1,073,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		(138,778)	(553,312)
Proceeds from disposal of operating assets		3,030	7,835
Purchase of open ended mutual fund units		(2,711,988)	(1,426,900)
Proceeds from sale of open ended mutual fund units		3,019,720	1,512,954
Interest received		13,139	12,183
Net cash generated from / (used in) investing activities		185,123	(447,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(994,920)	(518,546)
Lease rental paid		(931)	-
		(995,851)	(518,546)
Net (decrease) / increase in cash and cash equivalents		(97,410)	108,081
Cash and cash equivalents at beginning of the period		389,014	219,762
Cash and cash equivalents at end of the period		291,604	327,843

The annexed notes 1 to 17 form an integral part of these financial statements.


Babar Bashir Nawaz
 Chief Executive


Abdus Sattar
 Director

Condensed Interim Statement of Changes in Equity

For the half year ended December 31, 2013 - Unaudited

	Share capital	Unappropriated profit Rupees '000	Total
Balance as at July 1, 2013 - as previously reported	995,848	6,950,803	7,946,651
Effect of change in accounting policies with respect to accounting for recognition of actuarial losses and past service cost on defined benefit plans - net of tax (Note 3)	-	(97,895)	(97,895)
Balance as at July 1, 2013 (Re-stated)	995,848	6,852,908	7,848,756
Issue of bonus shares @ 15% for the year ended June 30, 2013	149,377	(149,377)	-
Final dividend for the year ended June 30, 2013 @ Rs. 10.00 per share	-	(995,848)	(995,848)
Total comprehensive income for the half year ended December 31, 2013	-	871,042	871,042
Balance at December 31, 2013 (unaudited)	<u>1,145,225</u>	<u>6,578,725</u>	<u>7,723,950</u>
Balance as at July 1, 2012 - as previously reported	865,955	5,762,938	6,628,893
Effect of change in accounting policies with respect to accounting for recognition of actuarial losses and past service cost on defined benefit plans - net of tax (Note 3)	-	(16,005)	(16,005)
Balance as at July 1, 2012 (Re-stated)	865,955	5,746,933	6,612,888
Issue of bonus shares @ 15% for the year ended June 30, 2012	129,893	(129,893)	-
Final dividend for the year ended June 30, 2012 @ Rs. 6.00 per share	-	(519,573)	(519,573)
Total comprehensive income for the half year ended December 31, 2012	-	958,249	958,249
Balance at December 31, 2012 (unaudited)	<u>995,848</u>	<u>6,055,716</u>	<u>7,051,564</u>

The annexed notes 1 to 17 form an integral part of these financial statements.


Babar Bashir Nawaz
 Chief Executive


Abdus Sattar
 Director

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

1 THE COMPANY AND ITS OPERATIONS

The company was incorporated in Pakistan on October 14, 1981 as a public limited company and is listed on Karachi Stock Exchange. Its main business activity is manufacturing and sale of cement. The company's cement manufacturing plant is located in Tehsil Hub, District Lasbella, Balochistan.

2 BASIS OF PREPARATION

The condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended June 30, 2013.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2013 except as described below.

IAS 19 (revised) - 'Employee Benefits' effective for annual periods beginning on or after January 1, 2013 amends the accounting for employee benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

Further, a new term "remeasurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The standard requires "remeasurements" to be recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Following the application of IAS 19 (Amendment) - 'Employee Benefits', the Company's policies for Staff Retirement Benefits in respect of remeasurements and past service cost stand amended as follows:

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

- Past service cost and amount arising as a result of remeasurements are recognised in the Balance Sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

- The change in accounting policies have been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Effects of this change in accounting policy have been summarised below:

	June 30, 2013	June 30, 2012
	----- Rupees '000 -----	
Impact on Balance Sheet		
Increase in retirement benefits - obligations	127,171	15,474
Decrease in deferred tax liability	36,126	5,999
Decrease in other receivables	6,850	6,530
Decrease in unappropriated profit	97,895	16,005
Impact on Profit and Loss		
Increase in profit before taxation	3,101	1,855
Increase in taxation expense	836	506
Decrease in other comprehensive income	84,088	17,680

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence, the impact on this and comparative condensed interim financial information are not quantifiable and are also considered immaterial.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended June 30, 2013.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2013.

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

	Dec. 31, 2013	(Audited) June 30, 2013
	-----Rupees '000-----	-----Rupees '000-----

5. FIXED ASSETS - property, plant and equipment

Operating assets - note 5.1	5,485,568	5,557,713
Capital work-in-progress	63,828	2,692
Stores held for capital expenditures	389,236	438,258
	<u>5,938,632</u>	<u>5,998,663</u>

5.1 Additions to operating assets during the period were as follows:

	Dec. 31, 2013	Dec. 31, 2012
	-----Rupees '000-----	-----Rupees '000-----
Buildings and roads on freehold land	1,571	9,294
Plant and machinery	103,900	106,374
Vehicles	25,248	10,185
Others	5,888	4,351
	<u>136,607</u>	<u>130,204</u>
Disposals during the period - Net book value	1,189	2,742
Transfer to stores during the period - Net book value	<u>9,943</u>	<u>7,946</u>

6. STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools include Rs. 689.07 million (June 30, 2013: Rs. 453.34 million) in respect of coal stock.

	Dec. 31, 2013	(Audited) June 30, 2013
	-----Rupees '000-----	-----Rupees '000-----

7. TRADE AND OTHER PAYABLES

Creditors	150,857	161,451
Accrued liabilities	642,926	638,613
Electricity charges payable	240,136	219,358
Sales tax and excise duty payable	84,184	122,272
Advances from customers	205,366	42,007
Others	303,774	407,970
	<u>1,627,243</u>	<u>1,591,671</u>

8. CONTINGENCY AND COMMITMENTS

8.1 The Competition Commission of Pakistan (CCP) passed an order on August 27, 2009

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

levying penalty of Rs. 374 million on the company alleging that it was involved with other cement manufacturing companies in price fixing arrangements. The company alongwith other cement manufacturers challenged the vires of CCP order before the Lahore High Court which directed the CCP not to take any adverse action against the company under the aforementioned order passed by CCP till the completion of the case proceedings in the Lahore High Court. The company has also filed an appeal against CCP's order in the Supreme Court of Pakistan.

Based on the opinion of the company's legal advisors, the management is hopeful that the ultimate outcome of these petitions / appeal will be in favour of the company and hence no provision has been recognised in this financial information for the aforementioned amount of penalty.

8.2 Commitments for capital expenditure outstanding as at December 31, 2013 amounted to Rs. 358.96 million (June 30, 2013 : Rs. 61.52 million).

9. NET SALES

	Dec. 31, 2013	Dec. 31, 2012
	-----Rupees '000-----	-----Rupees '000-----
Local sales	5,310,444	5,112,388
Less: Commission	(109,029)	(107,199)
Net local sales	<u>5,201,415</u>	<u>5,005,189</u>
Export sales	1,822,085	1,015,843
	<u>7,023,500</u>	<u>6,021,032</u>
Sales tax	871,432	713,090
Federal excise duty	234,989	246,124
	<u>1,106,421</u>	<u>959,214</u>
	<u>5,917,079</u>	<u>5,061,818</u>

10. DISTRIBUTION COST

This includes Rs. 325.40 million (2012: Rs. 186.40 million) incurred in respect of export sales.

11. OTHER INCOME

	Dec. 31, 2013	Dec. 31, 2012
	-----Rupees '000-----	-----Rupees '000-----
Gain on sale of open ended mutual fund units	38,418	33,096
Gain on re-measurement of fair value of open ended mutual fund units	36,501	23,322
Exchange gain	14,673	5,085
Gain on sale of furnace oil	27,618	45,177
Others	117,210	30,688
	<u>137,368</u>	<u>137,368</u>

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

	Dec. 31, 2013 ----- Rupees '000-----	Dec. 31, 2012 ----- Rupees '000-----
12. TAXATION		
Current - current year	290,000	354,500
- prior year	(34,000)	(128,000)
Deferred	256,000	13,525
		240,025
13. CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,127,042	1,198,274
Add / (Less): Adjustment for non-cash charges and other items		
Depreciation	197,620	173,029
Gain on disposal of operating assets	(1,841)	(5,093)
Gain on sale of open ended mutual fund units	(38,418)	(33,096)
Gain on re-measurement of fair value of open ended mutual fund units	(36,501)	(23,322)
Interest income	(13,139)	(13,257)
Provision for staff retirement benefits	29,170	12,285
Finance cost	11,531	7,219
Profit before working capital changes	148,422	117,765
Effect on cash flow due to working capital changes (Increase) / decrease in current assets	1,275,464	1,316,039
Stores, spares and loose tools	(318,765)	(412,213)
Stock-in-trade	(54,018)	(345,310)
Trade debts	2,103	13,880
Loans and advances	(1,200)	(11,300)
Short-term deposits and prepayments	(22,472)	(21,445)
Other receivables	4,607	24,098
	(389,745)	(752,290)
Increase in current liabilities	27,794	745,180
Trade and other payables	(361,951)	(7,110)
Cash generated from operations	913,513	1,308,929

Selected Notes to the Condensed Interim Financial Information
For the half year ended December 31, 2013 - Unaudited

	Dec. 31, 2013 ----- Rupees '000-----	Dec. 31, 2012 ----- Rupees '000-----
14. TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties during the period are as follows:		
Holding Company		
Dividend paid	837,148	436,773
Recovery of expenses	750	572
Bonus shares issued - face value	125,572	109,193
Associated companies		
Purchases of goods	139,795	137,783
Reimbursement of expenses	1,972	2,458
Recovery of expenses from related parties	1,995	2,631
Other related parties		
Payments made to retirement benefit funds	62,495	33,513
Key management compensation		
- salaries and other short-term employee benefits	41,366	34,756
- post-employment benefits	3,916	3,935
	45,282	38,691
15. CORRESPONDING FIGURES		
The following prior period figures have been reclassified for the purpose of appropriate presentation:		
Reclassification from	Reclassification to	Rupees
Commission on local sales - distribution cost	Commission on local sales - net sales	107,199
Trade and other payable	Retirement benefits - obligations	149,045
16. INTERIM DIVIDEND		
The Board of Directors in its meeting held on January 22, 2014 declared an interim cash dividend of Rs. 3.00 per share (2012: Rs. 3.00 per share) amounting to Rs. 343.57 million (2012: Rs 298.75 million).		
17. DATE OF AUTHORISATION FOR ISSUE		
This condensed interim financial information was approved and authorised for issue by the Board of Directors of Company on January 22, 2014.		


Babar Bashir Nawaz
Chief Executive


Abubus Sattar
Director



Attock Cement Pakistan Limited

D-70, Block-4, Kehkashan-5 Clifton, Karachi-75600
Tel: (92-21) 35309773-4 UAN: (92-21) 111 17 17 17
Fax: (92-21) 35309775
Email: acpl@attockcement.com

www.attockcement.com